THIS ABRIDGED PROSPECTUS ("AP") 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 ADVISER IMMEDIATELY. If you have sold or transferred all your shares in Asia Media Group Berhad ("**AMEDIA**" or the "**Company**"), you should immediately hand this AP together with the Notice of Provisional Allotment ("**NPA**") and Rights Subscription Form ("**RSF**") (collectively referred to as "**Documents**") to the purchaser or transferee or agent/broker through whom you have effected the sale or transfer for onward transmission to the purchaser or transferee. You should address all enquiries concerning the Rights Issue of Shares with Warrants (as defined herein) to our share registrar, Tricor Investor Services Sdn Bhd ("**Share Registrar**") at Level 17, the Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

The Documents are only despatched to our shareholders ("**Entitled Shareholders**") (other than an authorised nominee who has subscribed for Nominee Rights Subscription service ("**NRS**")) whose names appear in our Record of Depositors as at 5.00 p.m. on 27 August 2013 ("**Entitlement Date**") at their registered addresses in Malaysia. If you are an authorised nominee who has subscribed for NRS with Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**"), an electronic copy of this AP and the Rights Issue Entitlement File will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominee (as defined herein). The Documents are not intended to be (and will not be) issued, circulated or distributed in any countries or jurisdictions other than Malaysia. No action has been or will be taken to ensure that the Rights Issue of Shares with Warrants or the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Issue of Shares with Warrants in any jurisdiction other than Malaysia or to any person to whom it may be unlawful to make such an offer, solicitation or invitation. It shall be the sole responsibility of the Entitled Shareholders and/or their renouncees (if applicable) who are residents in countries or jurisdictions other than Malaysia to consult their legal and/or other professional adviser as to whether their acceptance or renunciation (as the case may be) of his/her entitlement to the Rights Issue of Shares with Warrants would result in the contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/or their renouncees (if applicable) should note the additional terms and restrictions as set out in Section 3 of this AP. Neither our Company nor TA Securities Holdings Berhad ("**TA Securities**") shall accept any responsibility or liability whatsoever to any party in the event that any acceptance or sale/renunciation made by the Entitled Shareholders, and/or their renouncees (if applicable) is or shall become illegal, unenforceable, voidable or void in any countries or jurisdictions in which the Entitled Shareholder and/or his renouncee (if applicable) is a resident.

A copy of this AP has been registered with the Securities Commission Malaysia ("**SC**"). The registration of this AP should not be taken to indicate that the SC recommends the Rights Issue of Shares with Warrants or assumes responsibility for the correctness or any statement made or opinion or report expressed in this AP. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this AP, together with the NPA and RSF, has also been lodged with the Registrar of Companies who takes no responsibility for the contents of these documents.

Our shareholders have approved the Rights Issue of Shares with Warrants at the Extraordinary General Meeting held on 29 July 2013. Approval has also been obtained from the Controller of Foreign Exchange (via Bank Negara Malaysia) vide its letters dated 31 October 2012 and 1 March 2013 respectively, for the issuance of the new Warrants 2013/2018 to be issued pursuant to the adjustments in accordance with the provisions of the existing deed poll dated 12 December 2012 for the Warrants 2013/2018 as a result of the Rights Issue of Shares with Warrants ("**Adjustment Warrants**") and the Additional Warrants (as defined herein) to the non-resident shareholders of AMEDIA pursuant to the Rights Issue of Shares with Warrants and Bursa Malaysia Securities Berhad ("**Bursa Securities**") vide its letter dated 21 March 2013 for the listing of and quotation for the Rights Shares (as defined herein), Additional Warrants (as defined herein), Adjustment Warrants and the new AMEDIA Shares (as defined herein) to be issued upon the exercise of the Additional Warrants and/or Adjustment Warrants on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue of Shares with Warrants. The listing of and quotation for the Rights Shares, Additional Warrants, Adjustment Warrants and new AMEDIA Shares to be issued upon exercise of the Additional Warrants and/or Adjustment Warrants on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue of Shares with Warrants. Neither Bursa Securities nor the SC takes any responsibility for the correctness of any statement made or opinions expressed in the Documents. The listing of and quotation for the Rights Shares and Additional Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the Central Depository System accounts of the Entitled Shareholders and/or their renouncees (if applicable) have been duly credited and notices of allotment have been despatched to the Entitled Shareholders and/or their renouncees (if applicable).

Our directors ("**Directors**") have seen and approved all the documentation relating to this Rights Issue of Shares with Warrants. 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.

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

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO "RISK FACTORS" AS SET OUT IN SECTION 6 HEREIN.

ASIA MEDIA GROUP BERHAD

(Company No. 813137-V)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 752,400,000 NEW ORDINARY SHARES OF RM0.10 EACH IN AMEDIA ("AMEDIA SHARES") ("RIGHTS SHARES") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING AMEDIA SHARE HELD AS AT 5.00 P.M. ON 27 AUGUST 2013 AT AN ISSUE PRICE OF RM0.11 PER RIGHTS SHARE, TOGETHER WITH UP TO 188,100,000 FREE NEW WARRANTS 2013/2018 ("ADDITIONAL WARRANTS") ON THE BASIS OF ONE (1) ADDITIONAL WARRANT FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED FOR

Adviser

TA SECURITIES
A MEMBER OF THE TA GROUP

TA SECURITIES HOLDINGS BERHAD (14948-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME		
Entitlement date	:	Tuesday, 27 August 2013 at 5.00 p.m.
Last date and time for:		
Sale of provisional allotment of rights	:	Tuesday, 3 September 2013 at 5.00 p.m.
Transfer of provisional allotment of rights	:	Friday, 6 September 2013 at 4.00 p.m.
Acceptance and payment	:	Wednesday, 11 September 2013 at 5.00 p.m.*
Excess application and payment	:	Wednesday, 11 September 2013 at 5.00 p.m.*

* or such later date and time as our Directors may decide in its absolute discretion and announce not less than two (2) market days before the stipulated date and time

This Abridged Prospectus is dated 27 August 2013

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

BURSA SECURITIES HAS APPROVED THE LISTING OF AND QUOTATION FOR THE RIGHTS SHARES, ADDITIONAL WARRANTS, ADJUSTMENT WARRANTS AND THE NEW SHARES TO BE ISSUED PURSUANT TO THE EXERCISE OF THE ADDITIONAL WARRANTS AND/OR ADJUSTMENT WARRANTS ON THE MAIN MARKET OF BURSA SECURITIES AND THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE OF SHARES WITH WARRANTS.

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

YOU SHOULD RELY ON YOUR 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 ADVISER IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS AP ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("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.

WE AND OUR ADVISER HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THIS AP.

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DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this AP and the accompanying appendices:

"5D-VWAP"	:	Five (5)-day volume weighted average market price
"Act"	:	Companies Act, 1965 as amended, modified or re-enacted from time to time
"Additional Warrants"	:	Up to 188,100,000 free new Warrants 2013/2018 to be issued pursuant to the Rights Issue of Shares with Warrants
"Adex"	:	Advertising expenditure, the amount spent by an organisation or person on advertising
"Adjusted Exercise Price"	:	The exercise price of the Warrants 2013/2018 which is assumed to be adjusted from RM0.25 to RM0.24 per Warrant 2013/2018 as a result of the Rights Issue of Shares with Warrants pursuant to the Deed Poll and subject to the certification by the auditors
"Adjustment Warrants"	:	Additional new Warrants 2013/2018 to be issued pursuant to the adjustments in accordance with the provisions of the Deed Poll as a result of the Rights Issue of Shares with Warrants, if any
"AMEDIA" or "Company"	:	Asia Media Group Berhad
"AMEDIA Group" or "Group"	:	AMEDIA and our subsidiaries, collectively
"AMEDIA Shares" or "Shares"	:	Ordinary shares of RM0.10 each in our Company
"Amendment"	:	The amendment to our Company's Memorandum of Association as a consequence of the Increase in Authorised Share Capital which took effect on 29 July 2013
"AMSB"	:	Asia Media Sdn Bhd
"Announcement"	:	The announcement of the Corporate Exercises dated 21 February 2013
"AP"	:	This Abridged Prospectus issued by our Company dated 27 August 2013
"ATM"	:	Automated teller machine within Malaysia
"Authorised Nominee"	:	A person who is authorised to act as a nominee as defined under the Rules of Bursa Depository
"BNM"	:	Bank Negara Malaysia
"Board"	:	Our Board of Directors
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"CAGR"	:	Compounded annual growth rate
"CASP Individual License"	:	Licensed issued by the MCMC to allow us to provide (i) subscription broadcasting; (ii) terrestrial radio broadcasting; and (iii) non-subscription based TV broadcasting
"Causeway Link Buses"	:	Bus services covering Johor Bahru, Larkin terminal and cross border services to Singapore operated by Handal Indah Sdn Bhd
"CDS"	:	Central Depository System

DEFINITIONS (*CONT'D*)

"Code"	:	Malaysian Code on Take-Overs and Mergers, 2010, as amended from time to time
"Corporate Exercises"	:	The Rights Issue of Shares with Warrants, Exemption, Increase in Authorised Share Capital and Amendment, collectively
"Deed Poll"	:	The document constituting the Warrants 2013/2018 dated 12 December 2012
"DOOH"	:	Digital-out-of-home, one of the modern broadcasting media where content is broadcasted through digital screens in public areas, including transit vehicle
"DTTB"	:	Digital Terrestrial Television Broadcasting, a type of infrastructure that employs digital broadcasting to transmit TV signal from terrestrial transmission towers to a conventional aerial
"DVB-T"	:	Digital Video Broadcasting-Terrestrial, a system that transmits compressed digital audio, video and other data in an transport stream
"DVB-T2"	:	Digital Video Broadcasting-Terrestrial-2nd Generation, an extension of the TV standard DVB-T. A system that transmits compressed digital audio, video and other data in physical layer pipes
"EBITDA"	:	Earnings before interest, taxation, depreciation and amortisation
"EGM"	:	Extraordinary general meeting of our Company held on 29 July 2013
"Electronic Application"	:	Application for the Rights Shares with Additional Warrants through the ATMs of Participating Financial Institutions
"Entitled Shareholders"	:	Our shareholders whose names appear in our Company's Record of Depositors on the Entitlement Date
"Entitlement Date"	:	27 August 2013 at 5.00 p.m. being the date and time on which our shareholders must be registered on the Record of Depositors in order to be entitled to the Rights Issue of Shares with Warrants
"EPS"	:	Earnings per AMEDIA Share
"Exemption"	:	The exemption for WHSB from the obligation to undertake a mandatory take-over offer for all the remaining AMEDIA Shares and Warrants 2013/2018 not already owned by WHSB under Paragraph 16.1 of Practice Note 9 of the Code
"Free Warrants Issue"	:	The issue of 250,800,000 free Warrants 2013/2018 which was completed on 8 January 2013
"FYE"	:	Financial year ended/ending 31 December
"GP"	:	Gross profit
"Increase in Authorised Share Capital"	:	The increase in the authorised share capital of our Company from RM100,000,000 comprising 1,000,000,000 AMEDIA Shares to RM200,000,000 comprising 2,000,000,000 AMEDIA Shares which took effect on 29 July 2013
"Internet Application"	:	Application for the Rights Shares with Additional Warrants within Malaysia through an Internet Participating Financial Institution
"Internet Participating Financial Institution"	:	Participating financial institutions for the Internet Applications as referred to in Section 3.4 of this AP
"Issue Price"	:	The issue price pursuant to the Rights Issue of Shares with Warrants of RM0.11 per Rights Share

DEFINITIONS (*CONT'D*)

"KL Monorail"	:	Kuala Lumpur Monorail system operated by KL Monorail Sdn Bhd
"Klang Valley"	:	A geographical area comprising Kuala Lumpur and its suburbs, and adjoining cities and towns in the state of Selangor Darul Ehsan
"KTMB Intercity"	:	Intercity train service operated by KTM Berhad
"KTMB Komuter"	:	Electricfied commuter train service operated by KTM Berhad
"LCD"	:	Liquid crystal display, a thin, flat electronic visual display that uses the light modulating properties of liquid crystals. It is used in a wide range of applications including computer monitors, TV signage and etc.
"LED"	:	Light Emitting Diode, a display and lighting technology used in various electrical and electronic products, from a tiny on/off light to digital readouts, flashlights, traffic lights and perimeter lighting
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	29 July 2013, being the latest practicable date prior to the registration of this AP
"LRT"	:	Light Rail Transit system operated by RapidKL
"Market Day"	:	Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for the trading of securities
"Maximum Scenario"	:	A scenario assuming all of the Outstanding Warrants are exercised prior to the Entitlement Date and all Entitled Shareholders fully subscribe for their entitlements of the Rights Shares with Additional Warrants
"MCMC"	:	Malaysian Communications and Multimedia Commission
"MDeC"	:	Multimedia Development Corporation Sdn Bhd
"Minimum Scenario"	:	A scenario assuming none of the Outstanding Warrants is exercised prior to the Entitlement Date and only WHSB fully subscribes for its entitlement of the Rights Shares with Additional Warrants pursuant to the Undertaking
"Minimum Subscription Level"	:	Minimum level of subscription of 150,480,000 Rights Shares together with 37,620,000 Additional Warrants pursuant to the Undertaking
"MSC Malaysia"	:	Multimedia Super Corridor Malaysia
"MSC Malaysia Status"	:	The status of MSC Malaysia
"NA"	:	Net assets
"NFP Individual License"	:	License issued by the MCMC to allow us to provide, construct and maintain telecommunications infrastructure such as earth stations, fixed links and cables, radio communications transmitters, satellite hubs and links, towers, poles, ducts and pits
"Nice and Nice++"	:	Long distant express bus services operated by Plusliner Sdn Bhd
"NPA"	:	Notice of Provisional Allotment in relation to the Rights Issue of Shares with Warrants

DEFINITIONS (*CONT'D*)

"NRS"	:	Nominee Rights Subscription service offered by Bursa Depository, at the request of our Company, to Authorised Nominees for electronic subscription of Rights Shares with Additional Warrants through Bursa Depository's existing network facility with the Authorised Nominees
"NSP Individual License"	:	License issued by the MCMC to allow us to provide nationwide broadcasting and data services
"OOH"	:	Out-of-home
"Outstanding Warrants"	:	250,800,000 outstanding Warrants 2013/2018 that have yet to be exercised as at the LPD
"Participating Financial Institutions"	:	Participating financial institutions for Electronic Applications as referred to in Section 3.4 of this AP
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"Plusliner"	:	Long distant express bus services operated by Plusliner Sdn Bhd
"Price Fixing Date"	:	13 August 2013, being the date on which the Issue Price of the Rights Shares were determined and announced
"RapidKL"	:	Rangkaian Pengangkutan Integrasi Deras Sdn Bhd, a government-owned company
"RapidKL Buses"	:	Bus services in Klang Valley operated by RapidKL
"Record of Depositors"	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
"Rights Issue Entitlement File"	:	An electronic file forwarded by Bursa Depository to an Authorised Nominee who has subscribed for NRS, containing information of such Authorised Nominee's entitlements under the Rights Issue of Shares with Warrants as at the Entitlement Date
"Rights Issue of Shares with Warrants"	:	Renounceable rights issue of up to 752,400,000 Rights Shares on the basis of one (1) Rights Share for every one (1) existing AMEDIA Share held, together with up to 188,100,000 free Additional Warrants on the basis of one (1) Additional Warrant for every four (4) Rights Shares subscribed at the Entitlement Date
"Rights Shares"	:	Up to 752,400,000 new AMEDIA Shares to be issued pursuant to the Rights Issue of Shares with Warrants
"Rights Shares Subscription File"	:	An electronic file submitted by an Authorised Nominee who has subscribed for NRS, to Bursa Depository containing information pertaining to such Authorised Nominee's subscription of the Rights Shares with Additional Warrants
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RSF"	:	Rights Subscription Form in relation to the Rights Issue of Shares with Warrants
"Rules of Bursa Depository"	:	Rules of Bursa Depository including the rules in relation to a central depository as described in Section 2 of the SICDA
"SC"	:	Securities Commission Malaysia
"Share Registrar"	:	Tricor Investor Services Sdn Bhd

DEFINITIONS (*CONT'D*)

"SICDA"	:	Securities Industry (Central Depositories) Act, 1991
"Supplemental Deed Poll"	:	Supplemental deed poll dated 13 August 2013 to the Deed Poll constituting the Additional Warrants
"TA Securities"	:	TA Securities Holdings Berhad
"TERP"	:	Theoretical ex-rights price of AMEDIA Shares
"Transit-TV Network System"	:	Our integrated network system used for the broadcasting of contents and advertisements via Asia Media TV, our Company's flagship channel that uses LCD-TV screens to display information and entertainment programs, advertisements, community-driven messages and public bulletins in public transport
"TV"	:	Television
"Undertaking"	:	Irrevocable and unconditional written undertaking from WHSB that it will not dispose any of its AMEDIA Shares following the Announcement up to the completion of the Rights Issue of Shares with Warrants and that it will subscribe in full for its entitlement of 150,480,000 Rights Shares with 37,620,000 Additional Warrants
"Warrants 2013/2018"	:	Warrants 2013/2018 as constituted by the Deed Poll, which will expire on 1 January 2018, which includes the Outstanding Warrants and where the context so requires the Additional Warrants and Adjustment Warrants
"WHSB"	:	Wong SK Holdings Sdn Bhd

All references to "**our Company**" and/or "**AMEDIA**" in this AP are to Asia Media Group Berhad. References to "**our Group**" and/or "**AMEDIA Group**" are to AMEDIA and our subsidiaries and references to "**we**", "**us**" "**our**" and "**ourselves**" are to AMEDIA and where the context does require, shall include our subsidiaries.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this AP to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this AP shall be reference to Malaysian time, unless otherwise specified.

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CORPORATE DIRECTORY

Name	Address	Age	Nationality	Profession
Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Alhabshee *(Independent Non-Executive Chairman)*	No. 32, Jalan Satu Taman Tun Abdul Razak 68000 Ampang Selangor Darul Ehsan	51	Malaysian	Company Director
Dato' Wong Shee Kai *(Executive Director and Chief Executive Officer)*	No. 5, Jalan Enak 2 Taman Gembira 58200 Kuala Lumpur	32	Malaysian	Company Director
Dato' Hussian @ Rizal Bin A. Rahman *(Independent Non-Executive Director)*	Lot 68, Jalan Balau Damansara Height 50490 Kuala Lumpur	51	Malaysian	Company Director
Yeong Siew Lee *(Independent Non-Executive Director)*	307 Block A Kondo Rozella Jalan Merbah 10/1 Seksyen 10, Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan	35	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Dato' Hussian @ Rizal Bin A. Rahman	Chairman	Independent Non-Executive Director
Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Alhabshee	Member	Independent Non-Executive Director
Yeong Siew Lee	Member	Independent Non-Executive Director

COMPANY SECRETARIES : See Siew Cheng (MAICSA 7011225)
17 Jalan Ara SD7/4G
Bandar Sri Damansara
52200 Kuala Lumpur

Leong Shiak Wan (MAICSA 7012855)
207 Block E Paradesa Tropica
No 7 Persiaran Meranti PJU 9
Bandar Sri Damansara
52200 Kuala Lumpur

REGISTERED OFFICE : Level 8, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel. no. : 03-7841 8000
Fax. no. : 03-7841 8199

CORPORATE DIRECTORY (*CONT'D*)

HEAD/MANAGEMENT OFFICE/ PRINCIPAL PLACE OF BUSINESS	:	No. 35, First Floor Jalan Bandar 16 Pusat Bandar Puchong 47100 Puchong Selangor Darul Ehsan Tel. no. : 03-5882 7788 Fax. no. : 03-5882 6622 Website : www.asiamedia.net.my E-mail address : info@asiamedia.net.my
SHARE REGISTRAR	:	Tricor Investor Services Sdn Bhd Level 17, The Gardens North Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel. no. : 03-2264 3883
AUDITORS/REPORTING ACCOUNTANTS	:	STYL Associates (AF 1929) 107B Jalan Aminuddin Baki Taman Tun Dr Ismail 60000 Kuala Lumpur Tel. no. : 03-7727 5573
SOLICITORS FOR THE RIGHTS ISSUE OF SHARES WITH WARRANTS	:	Lee, Perara & Tan Advocates and Solicitors 55, Jalan Thambypillai Off Jalan Tun Sambanthan Brickfields 50470 Kuala Lumpur Tel. no. : 03-2273 4307
INDEPENDENT MARKET RESEARCHER	:	Frost & Sullivan Malaysia Sdn Bhd Suite E-08-15, Block E Plaza Mont' Kiara No. 2 Jalan Kiara Mont' Kiara 50480 Kuala Lumpur Tel. no. : 03-6204 5800
PRINCIPAL BANKERS	:	AmBank (M) Berhad No. 56, 58 & 60G Jalan SS 21/35 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel. no. : 03-7726 3660 HSBC Amanah Malaysia Berhad No.2, Leboh Ampang 50100 Kuala Lumpur Tel. no. : 03-2070 0744
ADVISER FOR THE RIGHTS ISSUE OF SHARES WITH WARRANTS	:	TA Securities Holdings Berhad 32nd Floor, Menara TA One 22, Jalan P.Ramlee 50250 Kuala Lumpur Tel. no. : 03-2072 1277
STOCK EXCHANGE LISTING	:	Main Market of Bursa Securities

ASIA MEDIA GROUP BERHAD
(Company No. 813137-V)
(Incorporated in Malaysia under the Act)

Registered Office:

Level 8, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

27 August 2013

Our Board of Directors:

Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee *(Independent Non-Executive Chairman)*
Dato' Wong Shee Kai *(Executive Director and Chief Executive Officer)*
Dato' Hussian @ Rizal Bin A. Rahman *(Independent Non-Executive Director)*
Yeong Siew Lee *(Independent Non-Executive Director)*

To: Our Entitled Shareholders

Dear Sir/Madam,

RIGHTS ISSUE OF SHARES WITH WARRANTS

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1. INTRODUCTION

Our shareholders had, at the EGM held on 29 July 2013 approved the Rights Issue of Shares with Warrants and the Exemption.

A certified true extract of the resolutions in relation to the Corporate Exercises passed at the EGM is set out in the Appendix I of this AP.

The Controller of Foreign Exchange (via BNM) had, vide its letters dated 31 October 2012 and 1 March 2013 respectively, approved the issuance of the Adjustment Warrants and the Additional Warrants to the non-resident shareholders of AMEDIA pursuant to the Rights Issue of Shares with Warrants.

Bursa Securities has vide its letter dated 21 March 2013 approved the following:

(i) listing of and quotation for up to 752,400,000 Rights Shares to be issued pursuant to the Rights Issue of Shares with Warrants;

(ii) listing of and quotation for up to 188,100,000 Additional Warrants to be issued pursuant to the Rights Issue of Shares with Warrants;

(iii) listing of and quotation for up to 188,100,000 new AMEDIA Shares to be issued pursuant to the exercise of the Additional Warrants;

(iv) listing of and quotation for up to 95,550,000 Adjustment Warrants to be issued in consequence of the adjustments pursuant to the Rights Issue of Shares with Warrants; and

(v) listing of and quotation for up to 95,550,000 new AMEDIA Shares to be issued pursuant to the exercise of the Adjustment Warrants,

on the Main Market of Bursa Securities.

The approval of Bursa Securities is subject to the following conditions:

	Conditions imposed	Status of compliance
(a)	AMEDIA and TA Securities must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the Rights Issue of Shares with Warrants;	To be complied
(b)	AMEDIA and TA Securities to inform Bursa Securities upon the completion of the Rights Issue of Shares with Warrants;	To be complied
(c)	AMEDIA to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue of Shares with Warrants is completed;	To be complied
(d)	AMEDIA to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders for the Rights Issue of Shares with Warrants at the EGM to be convened; and	To be complied
(e)	Payment of additional listing fees pertaining to the exercise of Additional Warrants and Adjustment Warrants. In this respect, AMEDIA 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 end of each quarter together with a detailed computation of listing fees payable.	To be complied

On 1 August 2013, TA Securities had announced that the SC had approved the Exemption.

On 13 August 2013, TA Securities had on our behalf announced that our Board has fixed the issue price of the Rights Shares at RM0.11 per Rights Share.

On 13 August 2013, TA Securities had on our behalf announced that the Entitlement Date has been fixed on 27 August 2013 at 5.00 p.m. and the other relevant dates pertaining to the Rights Issue of Shares with Warrants.

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

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.

2. DETAILS OF THE RIGHTS ISSUE OF SHARES WITH WARRANTS

2.1 Details of the Rights Issue of Shares with Warrants

The Rights Issue of Shares with Warrants entails the issuance of up to 752,400,000 Rights Shares on the basis of one (1) Rights Share for every one (1) existing AMEDIA Share held, together with up to 188,100,000 free Additional Warrants on the basis of one (1) Additional Warrant for every four (4) Rights Shares subscribed by the Entitled Shareholders at an issue price of RM0.11 per Rights Share.

The Rights Shares with Additional Warrants which are not taken up or validly taken up shall be made available for excess applications by the Entitled Shareholders and/or their renouncees (if applicable). It is the intention of our Board to allocate the excess Rights Shares in a fair and equitable basis specified under Section 3.9 herein. The entitlements for the Rights Shares with Additional Warrants are renounceable in full or in part. The Additional Warrants will be immediately detached from the Rights Shares upon issuance and will be separately traded. The renunciation of Rights Shares by the Entitled Shareholders will accordingly entail the renunciation of the Additional Warrants to be issued together with the Rights Shares pursuant to the Rights Issue of Shares with Warrants. However, if the Entitled Shareholders decide to accept only part of their Rights Shares entitlements, they shall be entitled to the Additional Warrants in the proportion of their Rights Shares entitlements. Any unsubscribed Rights Shares with the attached Additional Warrants shall be offered to other Entitled Shareholders and/or their renouncees (if applicable) under the excess Rights Shares with Additional Warrants application.

In determining the entitlements of the Entitled Shareholders, any fractional entitlement to the Rights Shares with Additional Warrants will be disregarded and shall be dealt with in such a manner as our Board in their absolute discretion deems fit, expedient and in the best interest of our Company.

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of provisional allotted Rights Shares with Additional Warrants, which you are entitled to subscribe for in full or in part under terms of the Rights Issue of Shares with Warrants. You (other than an Authorised Nominee who has subscribed for NRS) will find enclosed with this AP, the NPA notifying you of the crediting of such provisional Rights Shares with Additional Warrants into your CDS Account and the RSF to enable you to subscribe for the provisional Rights Shares with Additional Warrants, as well as to apply for the excess Rights Shares with Additional Warrants if you choose to.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic copy of this AP and the Rights Issue Entitlement File will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominees. Please refer to Sections 3.5.4 and 3.9.4 of this AP for the procedures for acceptance as well as to apply for excess Rights Shares with Additional Warrants, if you choose to do so.

Any dealing in our securities will be subject to the SICDA and the Rules of Bursa Depository. Accordingly, the Rights Shares with Additional Warrants and new Shares to be issued arising from the exercise of the Additional Warrants will be credited directly to the respective CDS Accounts of the successful applicants and exercising Additional Warrant holders (as the case may be). No physical share certificates and warrant certificates will be issued to the Entitled Shareholders and/or their renouncee, if applicable. A notice of allotment will be despatched to the successful applicants within eight (8) Market Days from the last date of acceptance and payment for the Rights Issue of Shares with Warrants and a notice of allotment will be despatched to the exercising Additional Warrant holders within eight (8) Market Days after the date of receipt of the subscription form together with the requisite payment (for exercise of Warrants) from the date of exercise of the Additional Warrants.

2.2 Basis of determining the Issue Price of the Rights Shares and exercise price of the Additional Warrants

(i) Rights Shares

Our Board had on 13 August 2013 fixed the issue price for the Rights Shares at RM0.11 per Rights Share after taking into consideration the following:

(a) the TERP of AMEDIA Shares of RM0.1280, based on the 5D-VWAP of AMEDIA Shares up to and including 12 August 2013 (being the last trading date immediately preceding the Price Fixing Date) of RM0.1459;

(b) the prevailing market sentiments at the point of price fixing;

(c) the historical price movement of AMEDIA Shares;

(d) the par value of AMEDIA Shares of RM0.10 each; and

(e) the funding requirements of our Group, details of which are set out in Section 5 of this AP.

The Issue Price represents a discount of approximately RM0.018 or 14.1% to the TERP of AMEDIA Shares of RM0.1280, based on the 5D-VWAP per AMEDIA Share up to and including 12 August 2013 (being the last trading date immediately preceding the Price Fixing Date) of RM0.1459.

(ii) Additional Warrants

The Additional Warrants are attached to the Rights Shares without any cost and will be issued only to the shareholders of AMEDIA who successfully subscribed for the Rights Shares, and are exercisable into new AMEDIA Shares.

As the Additional Warrants shall be identical in all respects with the Outstanding Warrants and shall be consolidated and form the same series as the Outstanding Warrants save for the exercise period of the Additional Warrants will be less than five (5) years commencing on and including the date of issuance of the Additional Warrants, the initial exercise price of the Additional Warrants will be the same exercise price with the Outstanding Warrants, which is RM0.25 (before adjustment) in accordance to the Deed Poll.

The exercise price of the Outstanding Warrants of RM0.25 was determined on 12 December 2012 with a premium of approximately 18% derived from the theoretical ex-bonus price of RM0.2122 due to the bonus issue of 250,800,000 new AMEDIA Shares (which was completed on 31 December 2012) based on the 5D-VWAP of AMEDIA Shares up to and including 11 December 2012 of RM0.4243.

However, the exercise price of the Additional Warrants will be adjusted and is assumed to be adjusted from RM0.25 to RM0.24 per Additional Warrant as a result of the Rights Issue of Shares with Warrants, subject to the certification by the auditors and pursuant to the Deed Poll.

For illustrative purposes, the Adjusted Exercise Price of RM0.24 per Additional Warrant represents a premium of approximately RM0.1120 or 87.5% from the TERP of AMEDIA Shares of RM0.1280, based on the 5D-VWAP of AMEDIA Shares up to and including 12 August 2013 (being the last trading date immediately preceding the Price Fixing Date) of RM0.1459.

2.3 Ranking of the Rights Shares, the new Shares arising from the exercise of the Additional Warrants and/or the Adjustment Warrants

The holders of the Additional Warrants and/or Adjustment Warrants will not be entitled to any voting right or participation in any form of distribution and/or offer of further securities in our Company until and unless such holders of the Additional Warrants and/or Adjustment Warrants exercise their Additional Warrants and/or Adjustment Warrants into new AMEDIA Shares.

The Rights Shares and the new AMEDIA Shares to be issued arising from the exercise of the Additional Warrants and/or Adjustment Warrants shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing AMEDIA Shares, save and except that the Rights Shares and the new AMEDIA Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid for which the entitlement date for the distribution precedes the date of issuance and allotment of the Rights Shares and the new AMEDIA Shares arising from the exercise of the Additional Warrants and/or Adjustment Warrants.

2.4 Salient terms of the Additional Warrants

Save for the issue date of the Additional Warrants, the Additional Warrants shall have the same terms and conditions as the Outstanding Warrants as set out in the Deed Poll.

The salient terms of the Additional Warrants are as follows:

Terms		Details
Issue size	:	Up to 188,100,000 Additional Warrants.
Form and denomination	:	The Additional Warrants which are free will be issued in registered form and will be constituted by the Deed Poll.
Exercise price	:	The price payable by an Additional Warrant holder upon exercise of the exercise rights attached to the Additional Warrant being RM0.25 or such adjusted price as determined in the Deed Poll.
Exercise rights	:	Each Additional Warrant entitles the registered holder to subscribe for one (1) new AMEDIA Share at any time during the exercise period at the exercise price (subject to adjustments in accordance with the provisions of the Deed Poll).
Expiry date	:	1 January 2018.
Exercise period	:	The Additional Warrants may be exercised at any time commencing on and including the date of issuance of the Additional Warrants up to and including the expiry date. Additional Warrants not exercised during the exercise period will thereafter lapse and cease to be valid.
Mode of exercise	:	The registered holder of the Additional Warrants is required to lodge an exercise form, as set out in the Deed Poll, with our registrar, duly completed, signed and stamped together with payment of the exercise price for the new AMEDIA Shares subscribed for by banker's draft or cashier's order or money order or postal order in Ringgit Malaysia drawn on a bank or post office operating in Malaysia.
Board lot	:	For the purpose of trading on Bursa Securities, one (1) board lot of Additional Warrant shall comprise one hundred (100) Additional Warrants carrying the right to subscribe for one hundred (100) new AMEDIA Shares at any time during the exercised period, or such other denomination as determined by Bursa Securities from time to time.

Adjustments in the exercise price and/or number of the Additional Warrants	:	The exercise price and/or number of unexercised Additional Warrants shall be adjusted in accordance with the provisions of the Deed Poll.
Rights of the Additional Warrants	:	The Additional Warrants holders are not entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid where the entitlement date precedes the date of allotment and issuance of the new AMEDIA Shares upon the exercise of the Additional Warrants. The Additional Warrants holders are not entitled to any voting rights or participation in any form of distribution and/or offer of securities in our Company until and unless such Additional Warrant holders exercise their Additional Warrants into new AMEDIA Shares.
Rights in the event of winding-up, liquidation, compromise and/or arrangement	:	If a resolution is passed for a members' voluntary winding up of our Company or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies, then: (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the Additional Warrant holder (or some person designated by them for such purpose by special resolution) shall be a party, the terms of such winding up, compromise and arrangement shall be binding on all the Additional Warrant holders; and (ii) in any other case, every Additional Warrant holder shall be entitled upon and subject to the conditions at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of our Company or the granting of the court order approving the compromise or arrangement (as the case may be), to exercise their Additional Warrants by submitting the exercise form duly completed authorising the debiting of his Additional Warrants together with payment of the relevant exercise price to elect to be treated as if he had immediately prior to the commencement of such winding-up exercised the exercise rights to the extent specified in the exercise form(s) and had on such date been the holder of the new Shares to which he would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly.
Listing status	:	The Additional Warrants will be listed and traded on the Main Market of Bursa Securities. Approval has been obtained from Bursa Securities for the listing of and quotation for the Additional Warrants and the new AMEDIA Shares to be issued pursuant to the exercise of the Additional Warrants on the Main Market of Bursa Securities.
Governing law	:	The laws of Malaysia.

2.5 Minimum Subscription Level and Undertaking

The Rights Issue of Shares with Warrants will be implemented on a minimum level of subscription of 150,480,000 Rights Shares together with 37,620,000 Additional Warrants. Based on the issue price of RM0.11 per Rights Share, we will raise minimum gross proceeds of approximately RM16.55 million from the Rights Issue of Shares with Warrants.

The minimum gross proceeds of RM16.55 million to be raised was determined by our Board after taking into consideration, inter alia, the funding requirements of our Group and our ability to raise financing via other avenue such as bank borrowing.

To meet the Minimum Subscription Level, we have obtained a written unconditional and irrevocable undertaking from our major shareholder, namely WHSB that it will not dispose any of its AMEDIA Shares following the Announcement up to the completion of the Rights Issue of Shares with Warrants and that it will subscribe in full for its entitlement of the Rights Shares with Additional Warrants.

Details of the Undertaking are as follows:

	As at the LPD		Entitlement of Rights Shares		Entitlement of Additional Warrants	
	No. of AMEDIA Shares	**%**	**No. of Rights Shares**	**%(1)**	**No. of Additional Warrants**	**%(1)**
WHSB	150,480,000	30.00	150,480,000	30.00	37,620,000	30.00

Note:

(1) Percentage calculated based on 501,600,000 Rights Shares available for subscription together with 125,400,000 Additional Warrants under the Rights Issue of Shares with Warrants based on the Minimum Scenario and the number of AMEDIA Shares in issue as at the LPD.

WHSB has confirmed that it has sufficient financial resources to subscribe for its entitlement as mentioned above pursuant to the Undertaking. As the adviser for the Rights Issue of Shares with Warrants, TA Securities has verified the confirmation made by WHSB.

In view of the Undertaking and that the Rights Issue of Shares with Warrants will be implemented based on the Minimum Subscription Level, no underwriting arrangement will be made for the Rights Shares with Additional Warrants under the Rights Issue of Shares with Warrants.

Notwithstanding the above, in the event that the Minimum Subscription Level is not achieved due to reasons beyond our control such as WHSB is not able to fulfill its undertaking obligation, whereby WHSB is being wound-up or under liquidation prior to the subscription of its entitlement of Rights Shares with Additional Warrants pursuant to the Undertaking, the Rights Issue of Shares with Warrants will not be implemented. As at the LPD, we do not have any other alternative plan in the event the Minimum Subscription Level is not achieved.

As a result of the Undertaking, the equity interest of WHSB in our Company could potentially increase from 30.00% to 46.15% after the Rights Issue of Shares with Warrants. As such, pursuant to the provisions of the Code, WHSB will be obliged to undertake a take-over offer for all the remaining AMEDIA Shares and Warrants 2013/2018 not already owned by it.

As WHSB does not intend to undertake a take-over offer for all the remaining AMEDIA Shares and Warrants 2013/2018 not already owned by it upon completion of the Rights Issue of Shares with Warrants, approval for the Exemption had been sought from our non-interested shareholders and the SC. Such approvals had been obtained on 29 July 2013 and 1 August 2013 respectively.

2.6 Details of other corporate exercises

Save for the Rights Issue of Shares with Warrants, our Board is not aware of any outstanding corporate proposal which has been announced but pending completion as at the LPD.

3. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION FOR THE RIGHTS ISSUE OF SHARES WITH WARRANTS

3.1 General

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of provisional Rights Shares with Additional Warrants which you are entitled to subscribe for in full or in part, under the terms of the Rights Issue of Shares with Warrants. You (other than an Authorised Nominee who has subscribed for NRS) will find enclosed with this AP, the NPA notifying you of the crediting of such provisional Rights Shares with Additional Warrants into your CDS Account and the RSF to enable you to subscribe for the provisional Rights Shares with Additional Warrants, as well as to apply for excess Rights Shares with Additional Warrants if you choose to do so.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic copy of this AP and the Rights Issue Entitlement File will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominees. Please refer to Sections 3.5.4 and 3.9.4 of this AP for the procedures for acceptance as well as to apply for excess Rights Shares with Additional Warrants, if you choose to do so.

3.2 NPA

The provisional allotted Rights Shares with Additional Warrants are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the provisional Rights Shares with Additional Warrants will be by book entries through the CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You and/or your renouncees (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

3.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the provisional Rights Shares with Additional Warrants is at **5.00 p.m. on 11 September 2013**, or such extended date and time as our Board may decide at its absolute discretion. Where the closing date of the acceptance is extended from the original closing date, the announcement of such extension will be made not less than two (2) Market Days before the original closing date.

3.4 Methods of application

You may subscribe for such number of Rights Shares with Additional Warrants that you have been provisionally allotted as well as to apply for excess Rights Shares with Additional Warrants, if you so choose, using either of the following methods:

Method of application	Category of Entitled Shareholders
RSF[(1)]	All Entitled Shareholders
Electronic Application[(2)] or Internet Application[(3)]	All Entitled Shareholders
NRS	Authorised Nominee who has subscribed for NRS

Notes:

(1) A copy of the RSF will be enclosed together with this AP. The RSF is also available on the website of Bursa Securities (http://www.bursamalaysia.com).

(2) *The following surcharge per Electronic Application will be charged by the Participating Financial Institution:*

- *Public Bank Berhad – RM4.00; and*

(3) *The following processing fee per Internet Application will be charged by the respective Internet Participating Financial Institution:*

- *Public Bank Berhad (http://www.pbebank.com) – RM4.00.*

3.5 Procedure for full acceptance and payment by Entitled Shareholders

3.5.1 By way of RSF

If you wish to accept your entitlement to the provisional Rights Shares with Additional Warrants, the acceptance of and payment for the provisional Rights Shares with Additional Warrants must be made on the respective RSF enclosed with this AP and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this AP, the NPA or the RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES WITH ADDITIONAL WARRANTS, EXCESS APPLICATION FOR THE RIGHTS SHARES WITH ADDITIONAL WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS AP AND THE ACCOMPANYING RSF.

YOU AND/OR YOUR RENOUNCEES (IF APPLICABLE) ARE ADVISED TO READ THIS AP, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

If you wish to accept your entitlement, please complete parts I(A) and II of the RSF in accordance with the notes and instructions provided in the RSF. Thereafter, please send each completed and signed RSF together with the relevant payment by using the envelope provided (at your own risk) to our Share Registrar by **ORDINARY POST** or **DELIVERED BY HAND** at the following address:

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Tel. no.: 03-2264 3883
Fax no.: 03-2282 1886

so as to arrive **not later than 5.00 p.m. on 11 September 2013**, being the last time and date for acceptance of and payment, or such extended time and date as may be determined and announced by our Board.

One (1) RSF can only be used for acceptance of provisional Rights Shares with Additional Warrants standing to the credit of one (1) CDS Account. Separate RSF(s) must be used for separate CDS Account(s). If successful, the Rights Shares with Additional Warrants subscribed for will be credited into your CDS Account(s) as stated in the completed RSF(s).

A reply envelope is enclosed in this AP. In order to facilitate the processing of the RSF by our Share Registrar for the Rights Shares with Additional Warrants, you are advised to use one (1) reply envelope for each completed RSF.

You and/or your renouncee (if applicable) should take note that a trading board lot for the Rights Shares and Additional Warrants comprises one hundred (100) Rights Shares and one hundred (100) Additional Warrants, respectively. Successful applicants of the Rights Shares will be given the free attached Additional Warrants on the basis of one (1) Additional Warrant for every four (4) Rights Share successfully subscribed for. The minimum number of security that can be subscribed for or accepted is one (1) Rights Share, which will be accompanied by 0.25 Additional Warrant. The minimum number of Additional Warrant that can be issued and allotted with the accepted Rights Shares is one (1) Additional Warrant. Fractions of a Rights Share and Additional Warrant arising from the Rights Issue of Shares with Warrants will be disregarded and shall be dealt with by our Board as it may deem fit, expedient and in the best interest of our Company.

If acceptance of and payment for the provisional Rights Shares with Additional Warrants is not received by our Share Registrar by **5.00 p.m. on 11 September 2013**, being the last time and date for acceptance of and payment for the provisional Rights Shares with Additional Warrants, or any other extended date and time as may be determined and announced by our Board, you will be deemed to have declined the provisional entitlement made to you and it will be cancelled. In the event that the Rights Shares with Additional Warrants are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with Additional Warrants to the applicants who have applied for the excess Rights Shares with Additional Warrants in the manner as set out in Section 3.9 of this AP. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. Our Board reserves the right not to accept any application or to accept any application in part only without providing any reason.

If you lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbrokers, Bursa Securities' website at http://www.bursamalaysia.com, our Share Registrar at the address stated above or our Registered Office.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RM FOR THE FULL AMOUNT IN THE FORM OF BANKER'S DRAFT(S)/ CASHIER'S ORDER(S)/ MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "AMEDIA RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE OF SHARES WITH WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES WITH ADDITIONAL WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO THEM OR THEIR RENOUNCEES (IF APPLICABLE) AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE OF SHARES WITH WARRANTS.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE OF SHARES WITH WARRANTS BY ORDINARY POST TO THE ADDRESS SHOWN ON BURSA DEPOSITORY'S RECORD OF DEPOSITORS AT THE APPLICANTS' OWN RISK.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

3.5.2 By way of Electronic Application

Only individuals who are Entitled Shareholders may apply for the Rights Shares with Additional Warrants by way of Electronic Application.

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for Electronic Application and the procedures set out at the ATMs of the Participating Financial Institutions before making an Electronic Application.

(i) Steps for Electronic Applications through a Participating Financial Institution's ATM within Malaysia

The procedures for Electronic Applications at the ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("**Steps**"). For illustration purposes, the procedures for Electronic Applications at ATMs are set out below. The Steps set out the actions that you must take at the ATM to complete an Electronic Application. Please read carefully the terms of this AP, the Steps and the Terms and Conditions for Electronic Applications set out below before making an Electronic Application.

(a) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for the Rights Share at an ATM belonging to other Participating Financial Institutions;

(b) You are advised to read and understand this AP **BEFORE** making the application; and

(c) You shall apply for the Rights Shares with Additional Warrants via the ATM of the Participating Financial Institutions by choosing the Electronic Application option. Mandatory statements required in the application are as set out in "**Terms and conditions for Electronic Applications**" (please refer to Section 3.5.2(iii) below). You shall enter at least the following information through the ATM when the instructions on the ATM screen requires you to do so:

- Personal Identification Number ("**PIN**");
- Select AMEDIA Rights Issue;
- CDS Account number;
- Number of Rights Shares with Additional Warrants applied for and/or the RM amount to be debited from the account;
- Current contact number (for e.g. your mobile phone number); and

- Confirmation of several mandatory statements.

Upon the completion of your Electronic Application transaction, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by the Company or the Share Registrar. The Transaction Record is for your record and is not required to be submitted with your application.

YOU MUST ENSURE THAT YOU USE THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN MAKING AN ELECTRONIC APPLICATION. IF YOU OPERATE A JOINT BANK ACCOUNT WITH ANY OF THE PARTICIPATING FINANCIAL INSTITUTION, YOU MUST ENSURE THAT YOU ENTER THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING.

(ii) Participating Financial Institutions

Electronic Applications may be made through an ATM of the following Participating Financial Institutions and their branches within Malaysia:

- Public Bank Berhad;

(iii) Terms and Conditions of Electronic Applications

The Electronic Application shall be made on, and subject to, the terms of this AP, as well as the terms and conditions of the Participating Financial Institutions and those appearing herein:

(a) You are required to confirm the following statements (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:

(i) You have attained 18 years of age as at the last day for application and payment;

(ii) You have read the relevant AP and understood and agreed with the terms and conditions of the application; and

(iii) You hereby give consent to our Company, Bursa Depository, our Share Registrar, the relevant Participating Financial Institution, their respective agents and any third party involved in facilitating the application/refund, to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to the relevant authorities and any person as may be necessary or expedient to facilitate the making of the application/refund.

Your application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institution. By doing so, you shall have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 99(1)(a) of the Banking and Financial Institutions Act, 1989 and Section 45(1)(a) of the SICDA, to the disclosures as described above.

(b) You confirm that you are not applying for the Rights Shares with Additional Warrants as a nominee of any other person and that any Electronic Application that you make is made by you as the beneficial owner.

(c) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time you make your Electronic Application, failing which your Electronic Application will not be completed. Any Electronic Application, which does not strictly conform to the instructions set out on the screen of the ATM through which the Electronic Application is being made, will be rejected.

(d) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares applied for as stated on the Transaction Record in respect of your Electronic Application. Your confirmation (by your action of pressing the pre-designated keys (or buttons) on the ATM) of the number of Rights Shares with Additional Warrants applied for shall signify, and shall be treated as, your acceptance of the number of Rights Shares with Additional Warrants that may be allotted to you.

Should you encounter any problems in your Electronic Application, please refer to the Participating Financial Institutions.

(e) By making and completing your Electronic Application, you, if successful, requests and authorises our Company to credit the Rights Shares with Additional Warrants allotted to you into your CDS Account.

(f) You acknowledge that your Electronic Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Participating Financial Institution or Bursa Depository and irrevocably agrees that if:

(i) Our Company, our Share Registrar or Bursa Depository does not receive your Electronic Application; or

(ii) Data relating to your Electronic Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Electronic Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Participating Financial Institution or Bursa Depository for the Rights Shares with Additional Warrants applied for or for any compensation, loss or damage relating to the application for the Rights Shares with Additional Warrants.

(g) All of your particulars, including your nationality and place of residence, in the records of the relevant Participating Financial Institution at the time you make your Electronic Application shall be true and correct, and our Company, our Share Registrar, the relevant Participating Financial Institution and Bursa Depository shall be entitled to rely on the accuracy thereof.

(h) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.

(i) By making and completing an Electronic Application, you agree that:

(i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares with Additional Warrants via the Electronic Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Application is irrevocable and cannot be subsequently withdrawn;

(ii) Our Company, the Participating Financial Institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;

(iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities issued in respect of the Rights Shares with Additional Warrants for which your Electronic Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares with Additional Warrants; and

(iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Electronic Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submits to the jurisdiction of the Courts of Malaysia.

(j) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

(k) Notification on the outcome of your application for the Rights Shares with Additional Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:

(i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Rights Shares with Additional Warrants; or

(ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares with Additional Warrants.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in Section 3.5.2(iii) of this AP and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

3.5.3 By way of Internet Application

All Entitled Shareholders may apply for the Rights Shares with Additional Warrants by way of Internet Application.

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for Internet Application and the procedures set out on the internet financial services website of the Internet Participating Financial Institution before making an Internet Application.

(i) Step 1: Set up of account

Before making an application by way of Internet Application, you **must have all** of the following:

(a) an existing account with access to internet financial services with **Public Bank Berhad** at http://www.pbebank.com. Accordingly, you will need to have your user identification and PIN/password for the internet financial services facility; and

(b) a CDS Account held in your name.

(ii) Step 2: Read the AP

You are advised to read and understand this AP **BEFORE** making your application.

(iii) Step 3: Apply through Internet

While we will attempt to provide you with assistance in your application for the Rights Shares with Additional Warrants through Internet Applications, please note that the actual steps for Internet Applications through the internet financial services website of a particular Internet Participating Financial Institution may differ from the steps outlined below. The possible steps set out below are purely for illustration purposes only.

(a) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have an bank account;

(b) Log in to the internet financial services facility by entering your user identification and PIN/password;

(c) Navigate to the section of the website on applications in respect of the Rights Shares with Additional Warrants;

(d) Select the counter in respect of the Rights Shares with Additional Warrants to launch the terms and conditions of the Internet Application;

(e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions;

(f) At the next screen, complete the online application form;

(g) Check that the information contained in your online application form, such as the share counter (in this case, AMEDIA Rights Issue Account), your current contact number (for e.g. your mobile phone number), your CDS Account number, number of Rights Shares with Additional Warrants applied for, the amount of payment of subscription monies, the payment of bank charges and the account number to debit are correct. Then select confirm and submit the online application form;

(h) As soon as the transaction is completed, a message from the Authorised Financial Institution (as defined below) with details of your application appear on the screen of the website; and

(i) You are advised to print out the confirmation screen for your reference and record.

(iv) Terms and Conditions of Internet Applications

The Internet Application shall be made on, and subject to, the terms of this AP, as well as the terms and conditions of the Internet Participating Financial Institutions and those appearing herein:

(a) After selecting the designated hyperlink on the screen, you are required to confirm and undertake that the following information given are true and correct:

(i) You have attained 18 years of age as at the last day for application and payment;

(ii) You have, prior to making the Internet Application, received and/or have had access to a printed/electronic copy of this AP, the contents of which you have read and understood;

(iii) You agree to all the terms and conditions of the Internet Application as set out in this AP and have carefully considered the risk factors set out in this AP, in addition to all other information contained in this AP, before making the Internet Application;

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(iv) You authorises the financial institution with which you have a bank account to deduct the full amount payable for the Rights Shares with Additional Warrants (including the processing fee as mentioned in Section 3.4 (Note 3) of this AP) from your bank account with the said financial institution ("**Authorised Financial Institution**"); and

(v) You hereby give consent in accordance with the relevant laws of Malaysia (including Section 99(1)(a) of the Banking and Financial Institutions Act, 1989 and Section 45(1)(a) of the SICDA) for the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant Internet Participating Financial Institution, their respective agents and any third party involved in facilitating the application/refund, of information pertaining to yourself, the Internet Application made by you, your account with the Internet Participating Financial Institution and/or the Authorised Financial Institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the application/refund.

(b) You confirm that you are not applying for the Rights Shares with Additional Warrants as a nominee of any other person and that the Internet Application is made in your own name, as beneficial owner and subject to the risks referred to in this AP.

(c) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares with Additional Warrants applied for as stated on the Confirmation Screen in respect of your Internet Application. Your confirmation of the number of Rights Shares with Additional Warrants applied for shall signify, and shall be treated as, your acceptance of the number of Rights Shares with Additional Warrants that may be allotted to you.

Should you encounter any problems in your Internet Application, please refer to the Internet Participating Financial Institutions.

(d) By making and completing your Internet Application, you, if successful, requests and authorises our Company to credit the Rights Shares with Additional Warrants allotted to you into your CDS Account.

(e) You acknowledge that your Internet Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Internet Participating Financial Institution or Bursa Depository and irrevocably agrees that if:

(i) Our Company, our Share Registrar or Bursa Depository does not receive your Internet Application; or

(ii) Data relating to your Internet Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Internet Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Internet Participating Financial Institution or Bursa Depository for the Rights Shares with Additional Warrants applied for or for any compensation, loss or damage relating to the application for the Rights Shares with Additional Warrants.

(f) All of your particulars, including your nationality and place of residence, in the records of the relevant Internet Participating Financial Institution at the time you make your Internet Application shall be true and correct, and our Company, our Share Registrar, the relevant Internet Participating Financial Institution and Bursa Depository shall be entitled to rely on the accuracy thereof.

(g) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Internet Participating Financial Institution are correct and identical. Otherwise, your Internet Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.

(h) By making and completing an Internet Application, you agree that:

(i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares with Additional Warrants via the Internet Application facility established by the Internet Participating Financial Institutions at their respective internet financial services website, your Internet Application is irrevocable and cannot be subsequently withdrawn;

(ii) Our Company, the Internet Participating Financial Institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Internet Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;

(iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities issued in respect of the Rights Shares with Additional Warrants for which your Internet Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares with Additional Warrants; and

(iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Internet Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submits to the jurisdiction of the Courts of Malaysia.

(i) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

(j) Notification on the outcome of your application for the Rights Shares with Additional Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:

(i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Rights Shares with Additional Warrants; or

(ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares with Additional Warrants.

The refund will be credited directly into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made. Kindly take note of the terms and conditions as stated in Section 3.5.3(iv) of this AP and the required consent in making your Internet Application.

If the crediting of the refund into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

(k) A surcharge is imposed on each Internet Application which will be charged by the respective Internet Participating Financial Institutions as mentioned in Section 3.4 (Note 3) of this AP.

(l) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the Rights Issue of Shares with Warrants, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with the Rights Issue of Shares with Warrants. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Application services.

3.5.4 By way of NRS

Our Company has appointed Bursa Depository to provide NRS to our shareholders who are Authorised Nominees. Only our Entitled Shareholders who are Authorised Nominees and who have subscribed for NRS with Bursa Depository may apply via NRS.

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for application via NRS and Bursa Depository's terms and conditions for NRS and User Guide for NRS (which are made available to all Authorised Nominees who have subscribed for NRS with Bursa Depository) before making the application.

(i) Steps for applications via NRS

(a) If you are an Entitled Shareholder, and who is an Authorised Nominee who has subscribed for NRS with Bursa Depository, you will not be receiving this AP, the RSF nor the NPA by post.

(b) Instead, this AP and a Rights Issue Entitlement File will be transmitted electronically to you by Bursa Depository through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's User Guide for NRS, on the next business day after the Entitlement Date.

(c) A notification of the delivery of the AP and the Rights Issue Entitlement File will also be sent to you via email using the details you have provided to Bursa Depository when you subscribed for NRS with Bursa Depository.

(d) You are advised to read carefully, understand and follow the terms of this AP, **BEFORE** making the application.

(e) You may accept, on behalf of your client, partially or fully, their respective allocation under the Rights Issue of Shares with Warrants.

(f) To apply for the Rights Shares with Additional Warrants, you will be required to submit your subscription information via a Rights Shares Subscription File which is to be prepared based on the format as set out in Bursa Depository's User Guide for NRS.

(g) Once completed, you will need to submit the Rights Share Subscription File to Bursa Depository at any time daily before 5.00 p.m., but in any event no later than the last day and time for acceptance and payment.

(h) Together with the Rights Shares Subscription File, you will also need to submit a confirmation to Bursa Depository of the following information:

(i) Confirmation that you have, prior to making the application via NRS, received and/or had access to the electronic copy of this AP, the contents of which you have read, understood and agreed; and

(ii) Consent to the disclosure of your information to facilitate electronic refunds where applicable.

(i) With regards to payment for the Rights Shares with Additional Warrants which you have applied for, you must transfer the amount payable directly to our bank account, the details of which are as follows:

Bank:	**MALAYAN BANKING BERHAD**
Account Name:	**AMEDIA RIGHTS ISSUE ACCOUNT**
Bank Account No.:	**5140-1202-6107**

prior to submitting the Rights Shares Subscription File to Bursa Depository.

(j) Upon completion of the transfer/payment, you may receive a transaction slip (**"Transaction Record"**) from the transacting financial institution confirming the details of your transfer/payment. The Transaction Record is only a record of the completed transaction and not a record of the receipt of the application via NRS or any data relating to such an application by our Company or Bursa Depository. The Transaction Record is for your record and is not required to be submitted with your application via NRS.

(k) You will be notified on the outcome of your application for the Rights Shares with Additional Warrants electronically within the timelines as stated below. No physical notice of allotment will be mailed to you.

(i) successful application – an electronic notification will be sent to you within eight (8) Market Days from the last day for application and payment for the Rights Shares with Additional Warrants; or

(ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares with Additional Warrants.

The refund will be credited directly into your bank account(s) from which payment of your subscription monies were made. Kindly take note of the terms and conditions as stated in Section 3.5.4(ii)(a) of this AP and the required consent in making the application via NRS.

If the crediting of the refund into your bank account(s) (as provided by you in the Rights Shares Subscription File) from which payment of your subscription monies were made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

(l) Upon crediting of the Rights Shares with Additional Warrants allotted to you into your CDS account(s), you will also receive an electronic confirmation of the crediting from Bursa Depository.

(m) You should note that all applications made for the Rights Shares with Additional Warrants submitted under NRS will be irrevocable upon submission of the Rights Shares Subscription File to Bursa Depository and cannot be subsequently withdrawn.

(ii) Terms and Conditions for applications via NRS

The application via NRS shall be made on, and subject to, the terms of this AP, Bursa Depository's terms and conditions for NRS and Bursa Depository's User Guide for NRS as well as the terms and conditions appearing herein:

(a) For purposes of making the electronic refund, you hereby give consent in accordance with the relevant laws of Malaysia, including Section 99(1)(a) of the Banking and Financial Institutions Act, 1989 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institution, their respective agents and any third party involved in facilitating the payment of refunds to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refunds or for any other purpose in connection with such payments. You will be required to provide confirmation of your consent in the manner prescribed in Bursa Depository's terms and conditions for NRS.

(b) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares with Additional Warrants applied for as stated on your Rights Shares Subscription File in respect of your application via NRS. Your application shall signify, and shall be treated as, your acceptance of the number of Rights Shares with Additional Warrants that may be allotted to you.

(c) You acknowledge that by completing and submitting the Rights Shares Subscription File to Bursa Depository, you, if successful, requests and authorises our Company to credit the Rights Shares with Additional Warrants allotted to you into the respective CDS Account(s) as indicated in the Rights Shares Subscription File.

(d) You acknowledge that your application via NRS is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the relevant financial institution or Bursa Depository, and irrevocably agree that if -

(i) our Company, our Share Registrar or Bursa Depository does not receive your application via NRS; or

(ii) the data relating to your application via NRS is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made your application and you shall not make any claim whatsoever against our Company, Bursa Depository, our Share Registrar or the relevant financial institution for the Rights Shares with Additional Warrants applied for or for any compensation, loss or damage relating to the application for the Rights Shares with Additional Warrants.

(e) By completing and submitting the Rights Shares Subscription File to Bursa Depository, you agree that:

(i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares with Additional Warrants via the NRS facility established by Bursa Depository, your application via NRS is irrevocable and cannot be subsequently withdrawn;

(ii) Our Company, the relevant financial institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your application via NRS due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;

(iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the electronic notification of allotment in respect of the Rights Shares with Additional Warrants issued is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares with Additional Warrants; and

(iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation to with the contract between the parties and/or the application via NRS and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

(f) Our Share Registrar and Bursa Depository, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

3.6 Procedure for part acceptance by Entitled Shareholders

You are entitled to accept part of your provisional Rights Shares with Additional Warrants. The minimum number of the provisionally allotted Rights Shares with Additional Warrant that can be subscribed for or accepted is one (1) Rights Share which will be accompanied with 0.25 Additional Warrant. You and/or your renouncee (if applicable) should take note that the minimum number of Additional Warrant that can be issued and allotted with the accepted Rights Shares is one (1) Additional Warrant.

3.6.1 By way of RSF

You must complete both Part I(A) of the RSF by specifying the number of the Rights Shares with Additional 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 manner set out in Section 3.5.1 of this AP.

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS AP AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS AP AND THE RSF.

3.6.2 By way of Electronic Application

If you are an individual who is an Entitled Shareholder and wish to accept part of your provisional Rights Shares with Additional Warrants via Electronic Application, you may do so by following the same steps as set out in Section 3.5.2 of this AP.

3.6.3 By way of Internet Application

If you are an Entitled Shareholder and wish to accept part of your provisional Rights Shares with Additional Warrants via Internet Application, you may do so by following the same steps as set out in Section 3.5.3 of this AP.

3.6.4 By way of NRS

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository who is an Entitled Shareholder and wish to accept part of your provisional Rights Shares with Additional Warrants, you may do so by following the same steps as set out in Section 3.5.4 of this AP.

The portion of the provisional Rights Shares with Additional Warrants that have not been accepted shall be allotted to any other persons allowed under the law, regulations or rules to accept the transfer of the provisional Rights Shares with Additional Warrants.

3.7 Procedure for sale/transfer of provisional Rights Shares with Additional Warrants

As the provisional Rights Shares with Additional Warrants are prescribed securities, you may dispose of or transfer all or part of your entitlement to the Rights Shares with Additional Warrants to one (1) or more person(s) through your stockbrokers without first having to request for a split of the provisional Rights Shares with Additional Warrants standing to the credit of your CDS Accounts. To dispose or transfer all or part of your entitlement to the provisional Rights Shares with Additional Warrants, you may sell such entitlement in the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository. If you have sold or transferred only part of the provisional Rights Shares with Additional Warrants, you may still accept the balance of the provisional Rights Shares with Additional Warrants by completing Parts I(A) and II of the RSF. Please refer to Section 3.5 of this AP for the procedure, acceptance and payment.

In disposing/transferring all or part of your provisionally Rights Shares with Additional Warrants, you need not deliver any document including the RSF, to any stockbroker. However, you must ensure that there is sufficient provisional Rights Shares with Additional Warrants standing to the credit of your CDS Accounts that are available for settlement of the sale or transfer.

Purchaser(s) or transferee(s) of the provisional Rights Shares with Additional Warrants may obtain a copy of this AP and the RSF from their stockbrokers or from our Share Registrar or at our Registered Office. This AP and the RSF are also available on Bursa Securities' website at http://www.bursamalaysia.com.

3.8 Procedure for acceptance by renouncees

3.8.1 By way of RSF

Renouncees who wish to accept the provisional Rights Shares with Additional Warrants must obtain a copy of the RSF from their stockbrokers or our Share Registrar or at our Registered Office or from the Bursa Securities' website at http://www.bursamalaysia.com and complete the RSF and submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in Section 3.5.1 of this AP also applies to renouncees who wish to accept the provisional Rights Shares with Additional Warrants.

RENOUNCEES ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS AP AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS AP AND THE RSF.

3.8.2 By way of Electronic Application

If you are a renouncee and wish to accept the provisional Rights Shares with Additional Warrants via Electronic Application, you may do so by following the same steps as set out in Section 3.5.2 of this AP.

3.8.3 By way of Internet Application

If you are a renouncee and wish to accept the provisional Rights Shares with Additional Warrants via Internet Application, you may do so by following the same steps as set out in Section 3.5.3 of this AP.

3.8.4 By way of NRS

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository who is a renouncee and wish to accept the provisional Rights Shares with Additional Warrants, you may do so by following the same steps as set out in Section 3.5.4 of this AP.

3.9 Procedure for application of excess Rights Shares with Additional Warrants

3.9.1 By way of RSF

You and/or your renouncees (if applicable) who accepted the provisional Rights Shares with Additional Warrants may apply for excess Rights Shares with Additional Warrants by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forward it (together with a **separate remittance** for the full amount payable in respect of the excess Rights Shares with Additional Warrants applied for) to our Share Registrar **not later than 5.00 p.m. on 11 September 2013**, being the last time and date for acceptance and payment, or such extended time and date as may be determined and announced by our Board.

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH ADDITIONAL WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 3.5.1 OF THIS AP, WHERE THE BANKER'S DRAFT(S)/CASHIER'S ORDER(S)/MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "AMEDIA EXCESS RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR.

It is the intention of our Board to allot the excess Rights Shares with Additional Warrants, if any, on a fair and equitable basis and in the following priority:

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, on the pro-rata basis to our Entitled Shareholders who have applied for the excess Rights Shares with Additional Warrants, taking into consideration their respective shareholdings in our Company as at the Entitlement Date on a board lot basis;

(iii) thirdly, on a pro-rata basis to our Entitled Shareholders who have applied for excess Rights Shares with Additional Warrants, taking into consideration the quantum of their respective excess application; and

(iv) lastly, on a pro-rata basis to our transferees and/or renouncees who have applied for excess Rights Shares with Additional Warrants, taking into consideration the quantum of their respective excess application.

Nevertheless, our Board reserves the right to allot any excess Rights Shares with Additional Warrants applied for under Part I(B) of the RSF in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in Section 3.9.1 (i) to (iv) above are achieved. Our Board also reserves the right to accept any excess Rights Shares with Additional Warrants application, in full or in part, without assigning any reason.

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

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH ADDITIONAL WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES WITH ADDITIONAL WARRANTS, AND NOTICE OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO THE APPLICANTS AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH ADDITIONAL WARRANTS.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH ADDITIONAL WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, WILL BE REFUNDED WITHOUT INTEREST WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH ADDITIONAL WARRANTS. IF YOU HAVE PROVIDED YOUR BANK ACCOUNT INFORMATION TO BURSA DEPOSITORY FOR PURPOSES OF CASH DIVIDEND/DISTRIBUTION, THE REFUND WILL BE CREDITED INTO THAT BANK ACCOUNT. IF THE CREDITING OF THE REFUND IS UNSUCCESSFUL, THE REFUND WILL THEN BE MADE BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.

3.9.2 By way of Electronic Application

If you are an individual who is an Entitled Shareholder and/or a renouncee and/or a transferee and/or if you have purchased any provisional Rights Shares with Additional Warrants, and wish to apply for additional Rights Shares with Additional Warrants via Electronic Application in excess of your entitlement, you may do so by following the same steps as set out in Section 3.5.2 of this AP save and except that you shall proceed with the option for Excess Rights Shares Application and the amount payable to be directed to "**AMEDIA Excess Rights Issue Account**" for the excess Rights Shares with Additional Warrants applied.

The minimum number of excess Rights Shares with Additional Warrants that can be applied for is one (1) excess Rights Share which will be accompanied by 0.25 Additional Warrant. You should take note that the minimum number of Additional Warrant that can be issued and allotted with the accepted Rights Shares is one (1) Additional Warrant.

It is the intention of our Board to allot the excess Rights Shares with Additional Warrants, if any, on a fair and equitable basis and in the following priority:

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, on the pro-rata basis to our Entitled Shareholders who have applied for the excess Rights Shares with Additional Warrants, taking into consideration their respective shareholdings in our Company as at the Entitlement Date on a board lot basis;

(iii) thirdly, on a pro-rata basis to our Entitled Shareholders who have applied for excess Rights Shares with Additional Warrants, taking into consideration the quantum of their respective excess application; and

(iv) lastly, on a pro-rata basis to our transferees and/or renouncees who have applied for excess Rights Shares with Additional Warrants, taking into consideration the quantum of their respective excess application.

Nevertheless, our Board reserves the right to allot any excess Rights Shares with Additional Warrants applied for in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in Section 3.9.2 (i) to (iv) above are achieved. Our Board also reserves the right to accept any excess Rights Shares with Additional Warrants application, in full or in part, without assigning any reason.

The Electronic Application for excess Rights Shares with Additional Warrants shall be made on, and subject to, the same terms and conditions appearing in Section 3.5.2 of this AP, as well as the terms and conditions as stated below:

(i) You agree and undertake to subscribe for or purchase and to accept the number of excess Rights Shares with Additional Warrants applied for as stated on the Transaction Record or any lesser number of excess Rights Shares with Additional Warrants that may be allotted to you in respect of your Electronic Application. In the event that our Company decides to allot any lesser number of such excess Rights Shares with Additional Warrants or not to allot any excess Rights Shares with Additional Warrants to you, you agree to accept any such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the pre-designated keys (or buttons) on the ATM) of the number of excess Rights Shares with Additional Warrants applied for shall signify, and shall be treated as, your acceptance of the number of excess Rights Shares with Additional Warrants that may be allotted to you.

(ii) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

(iii) Notification on the outcome of your application for the excess Rights Shares with Additional Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:

(a) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the excess Rights Shares with Additional Warrants; or

(b) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the excess Rights Shares with Additional Warrants.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in Section 3.5.2(iii) of this AP and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

3.9.3 By way of Internet Application

If you are an Entitled Shareholder and/or a renouncee and/or a transferee and/or if you have purchased any provisional Rights Shares with Additional Warrants, and wish to apply for additional Rights Shares with Additional Warrants via Internet Application in excess of your entitlement, you may do so by following the same steps as set out in Section 3.5.3 of this AP save and except that you shall proceed with the option for Excess Rights Shares Application and the amount payable to be directed to "**AMEDIA Excess Rights Issue Account**" for the excess Rights Shares with Additional Warrants applied.

The minimum number of excess Rights Shares with Additional Warrants that can be applied for is one (1) excess Rights Share which will be accompanied by 0.25 Additional Warrant. You should take note that the minimum number of Additional Warrant that can be issued and allotted with the accepted Rights Shares is one (1) Additional Warrant

It is the intention of our Board to allot the excess Rights Shares with Additional Warrants, if any, on a fair and equitable basis and in the following priority:

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, on the pro-rata basis to our Entitled Shareholders who have applied for the excess Rights Shares with Additional Warrants, taking into consideration their respective shareholdings in our Company as at the Entitlement Date on a board lot basis;

(iii) thirdly, on a pro-rata basis to our Entitled Shareholders who have applied for excess Rights Shares with Additional Warrants, taking into consideration the quantum of their respective excess application; and

(iv) lastly, on a pro-rata basis to our transferees and/or renouncees who have applied for excess Rights Shares with Additional Warrants, taking into consideration the quantum of their respective excess application.

Nevertheless, our Board reserves the right to allot any excess Rights Shares with Additional Warrants applied for in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in Section 3.9.3 (i) to (iv) above are achieved. Our Board also reserves the right to accept any excess Rights Shares with Additional Warrants application, in full or in part, without assigning any reason.

The Internet Application for excess Rights Shares with Additional Warrants shall be made on, and subject to, the same terms and conditions appearing in Section 3.5.3 of this AP, as well as the terms and conditions as stated below:

(i) You agree and undertake to subscribe for or purchase and to accept the number of excess Rights Shares with Additional Warrants applied for as stated on the Confirmation Screen or any lesser number of excess Rights Shares with Additional Warrants that may be allotted to you in respect of your Internet Application. In the event that our Company decides to allot any lesser number of such excess Rights Shares with Additional Warrants or not to allot any excess Rights Shares with Additional Warrants to you, you agree to accept any such decision as final. If your Internet Application is successful, your confirmation (by your action of clicking the designated hyperlink on the relevant screen of the website) of the number of excess Rights Shares with Additional Warrants applied for shall signify, and shall be treated as, your acceptance of the number of excess Rights Shares with Additional Warrants that may be allotted to you.

(ii) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

(iii) Notification on the outcome of your application for the excess Rights Shares witih Additional Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:

(a) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the excess Rights Shares with Additional Warrants; or

(b) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the excess Rights Shares with Additional Warrants.

The refund will be credited directly into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made. Kindly take note of the terms and conditions as stated in Section 3.5.3(iv) of this AP and the required consent in making your Internet Application.

If the crediting of the refund into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

3.9.4 By way of NRS

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository who is an Entitled Shareholder and/or a renouncee and/or a transferee and/or if you have purchased any provisional Rights Shares with Additional Warrants, and wish to apply for additional Rights Shares with Additional Warrants via NRS in excess of your entitlement, you may do so by following the same steps as set out in Section 3.5.4 of this AP save and except for the amount payable to be directed to **"AMEDIA Excess Rights Issue Account" (Bank Account No. 5140-1202-6114 with Malayan Banking Berhad)** for the excess Rights Shares with Additional Warrants applied and also that you should complete the details for excess rights application at the designated fields for excess applications in the Rights Shares Subscription File.

The minimum number of excess Rights Shares with Additional Warrants that can be applied for is one (1) excess Rights Share which will be accompanied by 0.25 Additional Warrant. You should take note that the minimum number of Additional Warrant that can be issued and allotted with the accepted Rights Shares is one (1) Additional Warrant

It is the intention of our Board to allot the excess Rights Shares with Additional Warrants, if any, on a fair and equitable basis and in the following priority:

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, on the pro-rata basis to our Entitled Shareholders who have applied for the excess Rights Shares with Additional Warrants, taking into consideration their respective shareholdings in our Company as at the Entitlement Date on a board lot basis;

(iii) thirdly, on a pro-rata basis to our Entitled Shareholders who have applied for excess Rights Shares with Additional Warrants, taking into consideration the quantum of their respective excess application; and

(iv) lastly, on a pro-rata basis to our transferees and/or renouncees who have applied for excess Rights Shares with Additional Warrants, taking into consideration the quantum of their respective excess application.

Nevertheless, our Board reserves the right to allot any excess Rights Shares with Additional Warrants applied for in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in Section 3.9.4 (i) to (iv) above are achieved. Our Board also reserves the right to accept any excess Rights Shares with Additional Warrants application, in full or in part, without assigning any reason.

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The Application for excess Rights Shares with Additional Warrants via NRS shall be made on, and subject to, the same terms and conditions appearing in Section 3.5.4 of this AP, Bursa Depository's terms and conditions for NRS and User Guide for NRS (which are made available to all Authorised Nominees who wish to register for NRS), as well as the terms and conditions as stated below:

(i) You agree and undertake to subscribe for or purchase and to accept the number of excess Rights Shares with Additional Warrants applied for as stated on the Right Shares Subscription File or any lesser number of excess Rights Shares with Additional Warrants that may be allotted to you in respect of your application via NRS. In the event that our Company decides to allot any lesser number of such excess Rights Shares with Additional Warrants or not to allot any excess Rights Shares with Additional Warrants to you, you agree to accept any such decision as final. If your application via NRS is successful, your submission of the Rights Shares Subscription File to Bursa Depository shall signify, and shall be treated as, your acceptance of the number of excess Rights Shares with Additional Warrants that may be allotted to you.

(ii) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

(iii) You will be notified on the outcome of your application for the excess Rights Shares with Additional Warrants electronically within the timelines as stated below. No physical notice of allotment will be mailed to you.

(a) successful application – an electronic notification will be sent to you within eight (8) Market Days from the last day for application and payment for the excess Rights Shares with Additional Warrants; or

(b) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the excess Rights Shares with Additional Warrants.

The refund will be credited directly into your bank account(s) (as provided by you in the Rights Shares Subscription File) from which payment of your subscription monies were made. Kindly take note of the terms and conditions as stated in Section 3.5.4(ii)(a) of this AP and the required consent in making the application via NRS.

If the crediting of the refund into your bank account(s) from which payment of your subscription monies were made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

3.10 Notice of allotment

Upon allotment of the Rights Shares with Additional Warrants in respect of your acceptance and/or your renouncee's acceptance (if applicable) and excess Rights Shares with Additional Warrants application (if any), the Rights Shares with Additional Warrants shall be credited directly into the respective CDS Account. No physical share certificates and warrant certificates will be issued in respect of the Rights Shares with Additional Warrants. However, a notice of allotment will be despatched to you and/or your renouncees (who are not an Authorised Nominee who has subscribed for NRS) (if applicable), by ordinary post within eight (8) Market Days from the last date of acceptance and payment for the Rights Shares with Additional Warrants and excess Rights Shares with Additional Warrants application, or such other period as may be prescribed or allowed by Bursa Securities, at the address shown on the Record of Depositors at your own risk.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic notification will be sent to you within eight (8) Market Days from the last day for application and payment for the Rights Shares with Additional Warrants and excess Rights Shares with Additional Warrants application, or such other period as may be prescribed or allowed by Bursa Securities through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's User Guide for NRS.

Where any application for the Rights Shares with Additional Warrants is not accepted due to non-compliance with the terms of the Rights Issue of Shares with Warrants or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest to you within fifteen (15) Market Days from the last date and time for acceptance and payment of the Rights Shares with Additional Warrants by ordinary post to the address shown on the Record of Depositors at your own risk.

Please note that a completed RSF and the payment thereof once lodged with our Share Registrar for the Rights Issue of Shares with Warrants cannot be withdrawn subsequently.

3.11 Form of issuance

Bursa Securities has prescribed that our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares with Additional Warrants and the new Shares to be issued arising from the exercise of Additional Warrants are prescribed securities and as such the SICDA and the Rules of Bursa Depository shall apply in respect of the dealings in the Rights Shares with Additional Warrants.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. Your subscription for the Rights Shares with Additional Warrants shall mean your consent to receiving such Rights Shares with Additional Warrants as deposited securities which will be credited directly into your CDS Account. No physical share certificate or warrant certificate will be issued to you under the Rights Issue of Shares with Warrants. Instead, the Rights Shares with Additional Warrants will be credited directly into your CDS Accounts, and notices of allotment will be sent to you in the manner as stated in Section 3.10.

Any person who has purchased the provisional Rights Shares with Additional Warrants or to whom provisional Rights Shares with Additional Warrants has been transferred and intends to subscribe for the Rights Shares with Additional Warrants must state his/her CDS Account number in the space provided in the RSF. The Rights Shares with Additional Warrants will be credited directly as prescribed or deposited securities into his/her CDS Account upon allotment and issue.

The excess Rights Shares with Additional Warrants, if allotted to the successful applicant who applies for excess Rights Shares with Additional Warrants, will be credited directly as prescribed securities into the CDS Account of the successful applicant. The allocation of the excess Rights Shares with Additional Warrants will be made on a fair and equitable basis as disclosed in Section 3.9 of this AP.

3.12 Laws of foreign jurisdictions

This AP and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign jurisdiction. The Rights Issue of Shares with Warrants will not be made or offered for subscription in any foreign jurisdiction.

Accordingly, this AP together with the accompanying documents will not be sent to the foreign Entitled Shareholders and/or their renouncees (if applicable) who do not have a registered address in Malaysia. However, such foreign Entitled Shareholders and/or their renouncees (if applicable) may collect this AP including the accompanying documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the documents relating to the Rights Issue of Shares with Warrants.

Foreign Entitled Shareholders and/or their renouncees (if applicable) may only accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue of Shares with Warrants only to the extent that it would be lawful to do so.

TA Securities, our Company and our Directors and officers would not, in connection with the Rights Issue of Shares with Warrants, be in breach of, responsible or liable under the laws of any jurisdiction to which that foreign Entitled Shareholders and/or their renouncees (if applicable) are or may be subject to. He shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. TA Securities, our Company and our Directors and officers and other professional advisers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders and/or their renouncees (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

The foreign Entitled Shareholders and/or their renouncees (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and our Company shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders and/or their renouncees (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against our Company and/or TA Securities in respect of their rights and entitlements under the Rights Issue of Shares with Warrants. Such foreign Entitled Shareholders and/or their renouncees (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue of Shares with Warrants.

By signing the RSF, the foreign Entitled Shareholders and/or their renouncees (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) TA Securities, our Company and our Directors and officers that:

(i) our Company would not, by acting on the acceptance or renunciation in connection with the Rights Issue of Shares with Warrants, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders or renouncees (if applicable) is or may be subject to;

(ii) the foreign Entitled Shareholders and/or their renouncees (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the provisional Rights Shares with Additional Warrants;

(iii) the foreign Entitled Shareholders and/or their renouncees (if applicable) are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation of the provisional Rights Shares with Additional Warrants, be in breach of the laws of any jurisdiction to which that person is or may be subject to;

(iv) the foreign Entitled Shareholders and/or their renouncees (if applicable) are aware that the Rights Shares with Additional Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

(v) the foreign Entitled Shareholders and/or their renouncees (if applicable) have received a copy of this AP and have been provided the opportunity to post such questions to the representatives and receive answers thereto as the foreign Entitled Shareholders and/or their renouncees (if applicable) deem necessary in connection with the foreign Entitled Shareholders and/or their renouncees (if applicable) decision to subscribe for or purchase the Rights Shares with Additional Warrants. However, any information relevant to an investment shall be contained in this AP; and

(vi) the foreign Entitled Shareholders and/or their renouncees (if applicable) 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 with Additional Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Additional Warrants.

Persons receiving this AP, the NPA and the RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this AP, the NPA and the RSF are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection herewith.

Any person who does forward this AP, the NPA and the RSF to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights Shares with Additional Warrants from any such application by foreign Entitled Shareholders and/or their renouncees (if applicable) in any jurisdiction other than Malaysia.

Our Company reserves the right, in our absolute discretion, to treat any acceptance of the Rights Shares with Additional Warrants as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

4. RATIONALE FOR THE RIGHTS ISSUE OF SHARES WITH WARRANTS

After due consideration of the various methods of fund raising available for the purposes as stated in Section 5 below, our Board is of the opinion that the Rights Issue of Shares with Warrants is currently an appropriate avenue after taking into consideration the following:

(i) it allows our Company to raise capital without incurring interest costs as compared to other means of financing, such as bank borrowings or the issuance of debt instruments. This will allow our Company to preserve cash flow for re-investment and/or operational purpose;

(ii) it enhances the cash flow of our Group and enables our Group to fund our capital expenditure and/or working capital requirements which is expected to contribute positively to the future earnings of our Group and improve our financial performance;

(iii) it involves the issuance of new AMEDIA Shares without diluting our existing shareholders' shareholdings, assuming all Entitled Shareholders fully subscribe for their respective entitlements and exercise their Additional Warrants subsequently. The Undertaking allows our major shareholder to extend its support for the Rights Issue of Shares with Warrants which will facilitate our Group to raise the necessary funds;

(iv) it provides an opportunity for our existing shareholders to increase their shareholdings in our Company at a discount to the prevailing market price for the AMEDIA Shares from the subscription of the Rights Shares;

(v) the Additional Warrants (which are attached to the Rights Shares) will increase the attractiveness of the Rights Issue of Shares with Warrants by providing an incentive to our shareholders to subscribe for their entitlements and hence, providing them with the potential capital appreciation arising from the exercise of the Additional Warrants, depending on the future performance of the AMEDIA Shares; and

(vi) the Additional Warrants will enable our Company to raise further proceeds from the equity market as and when any of the Additional Warrants are exercised while at the same time provide our shareholders with the opportunity to increase their shareholdings in our Company at a pre-determined price over the tenure of the Additional Warrants.

5. UTILISATION OF PROCEEDS

Based on the issue price of RM0.11 per Rights Share, the gross proceeds will be utilised in the following manner:

	Note	Minimum Scenario RM'000	Maximum Scenario RM'000	Expected time frame for utilisation of proceeds (from the date of listing of the Rights Shares)
Capital expenditure	(1)	-	60,000	Within 18 months
Repayment of bank borrowings	(2)	5,000	5,000	Within 12 months
Working capital	(3)	10,953	17,164	Within 18 months
Estimated expenses in relation to the Corporate Exercises	(4)	600	600	Within 2 weeks
Total estimated proceeds		**16,553**	**82,764**	

Notes:

(1) The capital expenditure shall include the purchase of equipment in relation to the setting up of our Group's DTTB infrastructure in Klang Valley, Johor Bahru and Penang. As at the LPD, we have completed the construction of five (5) transmission towers in Klang Valley and gap fillers (which are repeaters that take the signal off the air from the broadcast transmitter for transmission and are used to connect signals between transmitters in poor coverage area that is usually blocked by hills or large buildings) may be set up in Klang Valley from time to time to stabilise our Group's broadcast signal in poor coverage area, if any to minimise the interruption of our broadcasting information as and when required. Meanwhile, we intend to expand our Group's DTTB coverage to Johor Bahru in 2013 and Penang in 2014.

The breakdown of the proposed utilisation of proceeds for capital expenditure under the Maximum Scenario of RM60 million is as follow:

Capital expenditure	***RM'000***
(i) Klang Valley	
- Three (3) units of gap fillers#	*12,000*
(ii) Johor Bahru	
*- One (1) unit of transmission tower**	*8,000*
- Four (4) units of gap fillers	*16,000*
(iii) Penang	
*- One (1) unit of transmission tower**	*8,000*
- Four (4) units of gap fillers	*16,000*
Total	***60,000***

 # In the event that less than three (3) units of gap fillers is required, the unutilised proceeds will be utilised for the DTTB infrastructure in Johor Bahru and/or Penang.

* *The equipment to be purchased shall include but not limited to feeder cable, air cooled power amplifier, power unit, distribution units liquid, cooling system, switch, circuit breaker, server, antenna system, microwave linkage and others.*

In the event the Rights Issue of Shares with Warrants is not implemented based on the Maximum Scenario, the capital expenditure for setting up of DTTB infrastructures in Klang Valley, Johor Bahru and/or Penang will be financed through our internally-generated funds and/or bank borrowings. As at the LPD, the cash and bank balances of our Group were approximately RM10.52 million.

Any surplus or shortfall for the capital expenditure will be adjusted accordingly to/from the working capital of our Group.

(2) We intend to utilise RM5.00 million of the proceeds to repay part of our Group's bank borrowings. As at the LPD, our Group's total bank borrowings were approximately RM4.73 million and our Directors envisaged that our Group will increase our bank borrowings to at least RM5.00 million in the next twelve (12) months, of which the additional bank borrowings of at least RM0.27 million will be utilised for the working capital of our Group. At the prevailing interest rate of our Group at approximately 3.99% per annum, we anticipate an interest saving of approximately RM0.20 million per annum as the result of the repayment of bank borrowings.

(3) We intend to utilise up to RM17.16 million for our Group's working capital as follows:

	Minimum Scenario RM'000	***Maximum Scenario RM'000***
Payment to trade creditors[(a)]	*9,000*	*13,000*
Payment to other creditors[(b)]	*1,000*	*1,000*
Other operating expenses[(c)]	*953*	*3,164*
	10,953	***17,164***

(a) Comprise payment to content providers for the purchase of movie and music videos and external production houses. As at the LPD, the outstanding amount payable to the content providers and external production houses is approximately RM0.57 million.

(b) Comprise payment to the suppliers of equipment for our Group's Transit-TV Network System (i.e. upgrading of our existing Transit-TV Network System) as well as DTTB infrastructure (which include transmitters, antennas, microwave system, linkage system, playout system and other capital expenditure in relation to the setting up of broadcasting centre and the five (5) transmission towers in Klang Valley) which was purchased prior to the Announcement. As at the LPD, the outstanding amount payable to the suppliers is RM1.21 million.

(c) Comprise our Group's day-to-day operation expenses to support our existing business operation which shall include, but not limited to the payment of salaries to staff, administrative and marketing expenses, rental, professional fees, licensing fees etc. We have yet to determine the exact breakdown of the proceeds in respect of our other operating expenses requirements.

(4) The estimated expenses consist of professional fees, fees payable to the relevant authorities, expenses to convene the EGM, printing, advertising and other ancillary expenses. Any surplus or shortfall for the estimated expenses in relation to the Corporate Exercises will be adjusted accordingly to/from the working capital of our Group.

The actual proceeds to be raised from the Rights Issue of Shares with Warrants are dependent on the subscription level of the Rights Issue of Shares with Warrants. Any variation in the actual proceeds raised will be adjusted to or from the amount allocated for the working capital purposes of our Group.

Pending utilisation of the proceeds from the Rights Issue of Shares with Warrants for the abovementioned purposes, the proceeds will be placed in deposits with financial institution or short-term money market instruments as our Board may deem fit. The interest derived from the deposits with the financial institution or any gain arising from the short-term money market instruments will be used as additional working capital of our Group.

The exact quantum of proceeds that may be raised by us pursuant to the exercise of the Additional Warrants will depend upon the actual number of Additional Warrants exercised during the tenure of the Additional Warrants. For illustration purposes only, assuming the full exercise of the Additional Warrants at the Adjusted Exercise Price of RM0.24 per Additional Warrant, the proceeds to be raised by our Company is approximately RM9.03 million and RM45.14 million under the Minimum Scenario and Maximum Scenario, respectively. The proceeds to be raised from the exercise of the Additional Warrants shall be utilised for the working capital and/or capital expenditure of our Group of which the exact timeframe and the breakdown for the utilisation cannot be determined at this juncture.

6. RISK FACTORS

You and/or your renouncees (if applicable) should consider carefully the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group, in addition to other information contained elsewhere in this AP, before subscribing for or investing in the Rights Issue of Shares with Warrants.

6.1 Risks relating to our business and industry

(i) Loss of our management team or key personnel would adversely impact our business and growth prospects

Our continued success will depends a significant extent upon the abilities and continued contributions of our key Director, senior management and key technical personnel namely, Dato' Wong Shee Kai, Ang Lay Chieng, Lee Boon Fatt, Choo Yung Khang, Lee Poey Im, Kok Suet Lin and Gee Kar Wye. The loss of the key Director or key members of our Group's senior management and technical personnel could adversely affect our Group's continued ability to compete and perform. Furthermore, our planned expansion could place a significant strain on our key technical personnel, the services and support operations, the sales and administrative personnel and other resources. We are grooming junior members of our management team to take over from the senior management to ensure a smooth transition by providing them with on-the-job training and continuous in-house training to enable them to acquire and enhance relevant skills and competencies. As such, they will be equipped with the necessary experience and exposure in the management team should changes occur in order to maintain our ability to compete.

It is our practice to retain the services of our key Director, senior management and technical personnel wherever possible and to also attract and retain experienced personnel by providing a conducive working environment with emphasis on positive working culture and a reward system. We have not experience any loss in management team or key personnel which would adversely impact our business and growth prospects as at the LPD.

(ii) Failure to attract and maintain advertisers would negatively affect our growth and future revenue

Our ability to generate revenue from advertising sales depends largely upon our ability to air advertisements on our Transit-TV Network System on mass transportation systems in the cities. This, in turn, requires that we develop and maintain business relationships with advertisers and mass transportation services. As of the LPD, we provided infotainment programs, advertisements, community-driven messages and public service bulletins through our Transit-TV Network System on a total of 1,800 buses, with 3,993 LCD screens in Malaysia. If we fail to maintain relationships with our advertisers and they find advertising on our network unattractive and may not purchase advertising time from us, this would cause our revenue to decline and our business and prospects to deteriorate.

The actual prices we can charge advertisers for time on our Transit-TV Network System depend on the size and quality of our networks and the demand by advertisers for advertising time. Advertisers choose to advertise on our advertising network in part based on the size of the network and the desirability of the cities where we operate. If we fail to maintain or increase the number of cities, diversify advertising channels in our network, or solidify our brand name and reputation as a quality provider of advertising services, advertisers may be unwilling to purchase time on our network or to pay the advertising fees for us to remain profitable. Any significant decrease in demand could cause us to lower the prices we charge for advertising time on our network and this could negatively affect our ability to increase our revenue and growth in the future.

We have always responded effectively and strategically to the advertisers and advertising agencies in order to satisfy our customers' needs and demand. Meanwhile, we are also actively and constantly engaged in upgrading our creative department to provide services that meet the requirements of our customers and innovative end-to-end solutions from conceptualisation to broadcasting of marketing campaigns. We have not experience any loss in advertisers or advertising agencies which would adversely impact our business and growth prospects as at the LPD.

(iii) Failure to maintain existing or develop new working relationships with local public transport would harm our business and prospects

Our Transit-TV Network System on the RapidKL Buses, Causeway Link Buses, Plusliner, Nice and Nice++ are secured by our exclusive agreements with the respective companies for a term ranges from three (3) to five (5) years, i.e. up to April 2014. However, we cannot assure you that we can maintain these relationships with the bus companies on satisfactory terms, or at all, or that the bus companies will not terminate these relationships before their expiration or renew the agreements prior to the expiry. If we fail to maintain these relationships, advertisers may find advertising on our network unattractive and may not purchase advertising time from us, which would cause our revenue to decline and our business and prospects to deteriorate.

We have always been working with the bus companies by providing free commercial advertisement air time to the bus companies namely RapidKL and Causeway Link to promote their service and their latest offers to bus riders. The promotion of public transport usage will benefit the public transport companies by increasing the number of riders without having them to incur additional cost.

We have also implemented a programme with RapidKL Buses to assist the promotion of public transport while increasing the publicity of our advertising customers at the same time via our "on site" strategy. This programme rewards and encourages frequent public transport users through the contribution of advertisers such as vouchers and sample products. We have not experience any failure to maintain existing working relationship with local public transport which would adversely impact our business and growth prospects as at the LPD.

(iv) The process of developing continuous working relationship and installing our Transit-TV Network System can be time-consuming and requires us to commit a substantial amount of resources

Our success depends largely on our ability to establish continuous working relationships with the mass transportation companies. The process of establishing these relationships can be lengthy and we often need to convince counterparties about the benefits of establishing a mobile digital TV network on mass transportation systems. We may be required to commit substantial resources during this process, and counterparties may decide not to proceed with the deployment. If these counterparties do not accept mobile digital TV network as an effective medium on mass transportation vehicles, we may not be able to grow our business or our revenue.

Once a mass transportation company agrees to install our Transit-TV Network System on their vehicle, we are required to invest substantial time and resources to install the Transit-TV Network System before we receive any revenue from such efforts. Such investments typically include the purchase and the installation of digital TV displays. We may experience increased distribution and operations costs during and/or after deployment. We may also experience delays in revenue generation, if any, due to deployment delays or difficulties in selling advertising time to new or current advertisers to be aired on these mass transportation vehicles. We may be unable to generate sufficient revenue from advertising packages on these additional vehicles or on-going vehicles to offset the related costs.

Based on our successfully rolled out of the on-going Transit-TV Network System with the existing buses, our technical staffs have sufficient experiences on the installation of additional Transit-TV Network System in the event that we were to secure additional contracts from other mass transportation companies. Meanwhile, it has always been our practice to adopt a prudent cost analysis prior to undertaking any major projects, to ensure that these projects are beneficial to our Group.

(v) **We do not have exclusive or long-term agreements with our advertising customers and we may lose their engagement if they are not satisfied with our services or for whatsoever reasons**

We do not have exclusive or long-term agreements with our advertising customers. A majority of our agreements with our advertising customers have a term of less than a year. As a result, we must rely on high-quality services, industry reputation, our network size and coverage and favourable pricing to attract and retain advertising customers. There is no assurance, however, that we will be able to maintain our relationships with current and/or future customers. If a substantial number of our advertising customers choose not to continue to purchase advertising time from us, we would be unable to generate sufficient revenue and cash flows to operate our business, and our results of operations and financial condition would be materially and adversely affected.

We have always responded effectively and strategically to the advertisers and advertising agencies to satisfy our customers' needs and demand. Meanwhile, we are also actively and constantly engaged in upgrading our creative department to provide services that meet the requirements of our customer and innovative end-to-end solutions from conceptualisation to broadcasting of marketing campaigns. We have not experience any loss in advertising customers which would adversely impact our business and growth prospects as at the LPD.

(vi) **We operate in the advertising industry, which is sensitive to changes in economic conditions and advertising trends**

Demand for advertising time on our Transit-TV Network System and the resulting advertising spending by our customers, are particularly sensitive to changes in general economic conditions. For example, advertising expenditures typically decrease during periods of economic downturn as most companies will reduce their advertising spending. As such, advertisers may reduce the money they spend to advertise on our Transit-TV Network System at a cheaper alternative media platform due to their budget constraint.

A decrease in demand for advertising media in general and for our advertising services in particular, would materially and adversely affect our ability to generate revenue, and have a material and adverse effect on our financial condition and results of operations.

In view of the above, we have been providing services which meet the requirements of our customers and value added service by increasing our customers' publicity via a few additional channels such as via our homepage and social media network, apart from our Transit-TV Network System. This in turn will increase the publicity of our customers without additional cost as compared to other DOOH players which only provide advertising via their LCD screen in mass transportation or limited publicity of their customers on social media network. We have not experience any loss in advertising customers which would adversely impact our business and growth prospects as at the LPD.

(vii) We are dependent on the assistance of external production houses in meeting our customers' requirements

We provide a one-stop solution for advertisers from conceptualisation to broadcasting of market campaigns, which includes assisting our customers in producing their advertisements such as basic animation, filming and video shooting. In addition, we engage external production houses from time to time to provide technical assistance to our creative department to meet our customers' requirements. The external production houses provide us with ideas, proposals and their expertise in producing complex productions with additional technical effects. Based on our past experience, approximately 90% of our production are dependent on the assistance of external production houses. The extensity of the engagement of external production house is dependent on the complexity of production required by our customers.

We have not entered into any agreements with the external production houses. However, we are currently working with several production houses such as Pirana Graphics Sdn Bhd, Zesqa Media, Asia-Pacific Videolab Sdn Bhd, DMO Production Sdn Bhd and Adsense Solutions Studio in order to reduce our reliance on any one particular external production house.

Currently, we have six (6) staff in our creative department which is headed by Lee Boon Fatt, our Operations Manager. In addition, we are training our staff in the creative department to be equipped with the necessary skills to handle technical productions in order to reduce our reliance on external production houses. We have not experience any loss of external production houses which would adversely impact our business and growth prospects as at the LPD.

(viii) If advertisers or the viewing public do not accept or lose interest in our Transit-TV Network System, our revenue may be negatively affected

Digital television advertising on mass transportation in Malaysia is relatively new and its potential is uncertain. We compete for advertising revenue with many forms of more established advertising media. Our success depends on the acceptance of our Transit-TV Network System by advertisers and their continuing interest in this medium as part of their advertising strategies. Our success also depends on the viewing public's continued receptiveness towards our mobile digital TV-advertising model. Advertisers may elect not to use our services if they believe that viewers are not receptive to our network or that our network does not provide sufficient value as an effective advertising medium. Likewise, if viewers find some element of our network, such as the audio feature or monitors to be disruptive or intrusive, mass transportation companies may decide not to install our digital displays and advertisers may view our network as a less attractive advertising medium as compared to other alternatives. In these events, advertisers may reduce their spending on our network. If a substantial number of advertisers lose interest in advertising on our network for these or other reasons, we will be unable to generate sufficient revenue and cash flows to operate our business, and our financial condition and results of operations would be materially and adversely affected.

We have sufficient staff with the relevant skills and competencies in our creative and technical department to ensure and to maintain contents and element of our network which meet the requirements of our customers, such as the audio feature. In addition, we have been constantly upgrading our staff knowledge by providing them with on-the-job training and continuous in-house training to ensure that they are able to perform effectively and efficiently on their job.

In addition, our technical team carries out maintenance work on our network in all the buses on a daily basis to ensure the deliverable of our network meets the requirements of our advertisers and viewers. We have not experience the situation where our advertiser customers or the viewers do not accept or lose interests in our Transit-TV Network System which would adversely impact our business and growth prospects as at the LPD.

(ix) We are exposed to the risk of system failure

Even though our Transit-TV Network System is linked to the buses' operating system whereby the Transit-TV Network System will be automatically switched on once the bus engine is started, some of its components, namely LCD screens and speakers, may subject to failure such as instability of power supply and vibration which will cause black screen, blinking or lost of audio. The failure will reduce our service quality to viewers and the effectiveness of our Transit-TV Network System will be badly affected. As such, our advertisers may reduce their advertising spending and our revenue will be negatively affected.

We have our technical team to carry out the maintenance work on our network in all the buses on a daily basis to ensure our system is functioning properly. In addition, we have been constantly upgrading our technical staff knowledge to ensure that they are able to perform effectively and efficiently on their job. We have not experience major system failure which would adversely impact our business and growth prospects as at the LPD.

(x) We are exposed to the risk of non-renewal and/or revocation of permits, approvals and business licenses

We have obtained certain permits and licenses from various governmental authorities in Malaysia. Some of these permits, approvals and business licenses are subject to the fulfilment of certain conditions imposed by the relevant authorities or bodies, and the standard of compliance required in relation thereto may differ from time to time subject to changes.

Revocation of our permits, approvals and business licenses may have an adverse effect on our operations, business and reputation as we may lose certain customers and/or projects and our track record may be tarnished. This may result in substantial monetary losses, which would materially and adversely impact our Group's profitability.

Thus far, we have been in compliance with the terms and conditions of the permits, approvals and business licenses and will assure continued compliance in the future. We have not experience any non-renewal of permits, approvals and business licenses which would adversely impact our business and growth prospects as at the LPD.

(xi) Our ability to attract targeted audience is dependent on the type of contents and programmes delivered via our Transit-TV Network System

The type of contents and programmes broadcast on our network will affect our ability to maintain existing customers and capture new customers. Contents and programmes that can attract the attention of our targeted mobile audience will make our advertising platform more attractive to our advertising customers. For example, our targeted audience's participation in prize winning contests related to sports contents is normally higher than other contents. As such, our ability to locate, produce, edit and provide suitable contents and programmes that appeal to our intended audience will affect the continuing interest of advertisers in this medium as part of their advertising strategies. Currently we maintain approximately 30 minutes within an hour for advertisements whilst the remaining 30 minutes within an hour for contents to ensure that our targeted audience do not lose interest on the repeated advertisements and contents. However, we cannot assure that the type of contents and programmes provided will be able to continuously attract the attention of our targeted audience.

Our DTTB infrastructure and frequency coverage for live broadcasting in Klang Valley is currently in place. As at the LPD, we have fully upgraded our pre-recorded system in all RapidKL Buses in Klang Valley to DTTB which delivers substantial real-time contents and programmes such as up-to-date news, sports events and entertainment instead of repeated contents and programme to attract our targeted audience. We have not experience any loss in the interest of our contents and programmes from our mobile audience which would adversely impact our business and growth prospects as at the LPD.

(xii) We are exposed to operational risks

We cannot be assured that our Group will be profitable in the future, or that we will achieve increasing or consistent levels of profitability. Our revenue and operating results are difficult to forecast and could be adversely affected by many factors. These include, amongst others, changes in our operating expenses, the ability of our Group to develop and market new products and services to control costs, market acceptance of the new products and services and other business risks common to our Group's going concern.

Our Directors believe that we should be able to maintain our profitability record. While we have devoted substantial management and financial resources to launch our products and grow our operations in the new market, we cannot be assured that the new ventures will be successful and able to generate significant revenue. Nevertheless, we have adopted a prudent cash flow management policy, which includes, inter-alia, regular monitoring of receivables position, sustaining long-term relationships with our customers and business partners and careful consideration of any proposed capital expenditure or borrowings, which would affect our Group.

(xiii) We may face increasing competition in the future

The advertising and media industry is competitive and changing rapidly. We may face higher competition from the existing competitors and new entrants in the future. Our Directors believe that our ability to compete depends on many factors both within and outside our control. Amongst others, the principal elements of competition include technical competence, delivery cycle, pricing, quality, scalability, conformity with industry standards, reliability, brand name and customer service.

Our competitors may vary in size, scope and breadth of the services and products offered. Although we strive to remain competitive in providing our services and products, we cannot be assured that we will be able to maintain our existing market share in the country.

Our Group focuses on providing end-to-end solutions from conceptualisation to broadcasting of marketing campaigns to ensure our competitiveness in garnering market acceptance. However, we cannot assure that our Group will be able to maintain our competitiveness against current and future competitors or that the competitive pressure will not materially and adversely affect our business, operating results and financial condition.

(xiv) Our efforts to achieve our future growth may not succeed

Our Group's potential expansion to expand the coverage and penetration of our Transit-TV Network System to other public transports as well as expand our DTTB coverage to Johor Bahru and Penang in 2013 and 2014, respectively and to other major states within the Peninsular Malaysia in stages over the next five (5) to ten (10) years may strain our Group's management, financial, operational and other resources. However, we cannot assure that our management would be successful in implementing the plan or that the plan would not give rise to other problems.

Our Group's proposed future plan will be dependent upon, among others, our ability to enter into strategic marketing or other arrangements on a timely basis and on favourable terms, hire and retain skilled management, financial, technical and marketing personnel, successfully manage growth which includes monitoring of operations and controlling of costs and obtaining adequate financing when needed.

For instance, our initial plan was to roll out our initial stage of DTTB in Klang Valley in the first half of 2011. However, we have completed the construction of three (3) transmission towers out of the seven (7) transmission towers required in Klang Valley in the first (1^{st}) quarter of 2012 which only enable us to conduct the trial run of our DTTB with the RapidKL Buses for the Shah Alam and Kelana Jaya route in Selangor Darul Ehsan. The delay was mainly due to the longer time required to secure suitable sites for the setting up of the transmission towers at the respective locations. As at the LPD, we have set up additional two (2) transmission towers in Bukit Lanjan and Bukit Sungai Besi (one (1) transmission tower at each location) and incurred approximately RM48.66 million capital expenditure to construct the five (5) transmission towers and site preparation for setting up a broadcast centre in Klang Valley which include the purchase of transmission equipment, network equipment and facilities, and integration of network system. However, no revenue was derived from the above capital expenditure as at the LPD to commensurate the costs incurred during that period.

As such, we cannot assure that our Group will be able to successfully implement our business plans or that unanticipated expenses, problems or technical difficulties will not occur which would result in material delays in the implementation of or deviation from the original plans. Nevertheless, we have adopted a prudent cash flow management policy and review our business plan from time to time to ensure that our potential expansion plans will not affect our Group adversely.

(xv) We might not be able to retain our MSC Malaysia Status

Our wholly-owned subsidiary, AMSB was accorded with MSC Malaysian Status on 10 October 2007 by MDeC. Presently, all MSC Malaysia Status companies are granted financial incentives which include amongst others, 100% tax exemption for five (5) years from the date of obtaining the MSC Malaysia Status and renewable for another five (5) years upon approval from MDeC or an investment tax allowance for up to five (5) years and no duties on the importation of multimedia equipment as well as non-financial incentives include amongst others, free technical consultation and forum organised by MDeC. The 100% tax exemption of AMSB has expired on 9 October 2012 and MDeC has approved the application by AMSB for the renewal of the 100% tax exemption for another five (5) years up to 9 October 2017. The 5% duties exemption on the importation of multimedia equipment (i.e. purchase of DTTB equipment) of AMSB has also expired on 23 June 2013 and AMSB has on 5 June 2013 submitted an application to MDeC for the renewal of the said 5% duties exemption for another one (1) year up to 23 June 2014. As at the LPD, the renewal application is still pending approval from MDeC.

There is no expiration for the MSC Malaysia Status of our Group. However, MDeC has the right to withdraw any company's MSC Malaysia Status at any time. Although we believe that AMSB will continue to be able to fulfil the conditions for MSC Malaysia Status and to ensure that it remains in the same line of business, there can be no assurance that we will continue to enjoy or not experience delays in enjoying the MSC Malaysia Status incentives outlined above, all of which could materially and adversely affect our Group's business, operating results and financial condition. We have not experience any refusal to enjoy the financial and non-financial incentives pursuant to our MSC Malaysia Status by MDeC which would adversely impact our business and growth prospects as at the LPD.

(xvi) We may not be able to protect our intellectual property

We have intellectual property rights over the contents produced by our creative department such as Bus Commuter Rewards Programme, Chinese New Year Greeting and Kempen Makan Buah in which protection is accorded by copyright law and at common law, including the Copyright Act, 1987. We have also obtained the trademark registration of "Asia Media" and "Transnet" brand name in Malaysia which we have relied on to establish our brand name.

We cannot assure that we will be able to protect our Group's intellectual property rights under the existing laws against unauthorised third party copying, use or exploitation, any of which could have an effect on our business, operating results and financial condition. We have not experience any infringement of our intellectual property rights which would adversely impact our business and growth prospects as at the LPD.

(xvii) We may be subject to intellectual property infringement claims, which may materially disrupt our business

Some of the contents aired via our Transit-TV Network System are third parties contents, such as movies shown on Plusliner, Nice and Nice++ and open source contents shown on RapidKL Buses which are purchased from the relevant production houses, which provides us the rights to display for public viewing. However, we cannot assure that our advertising content, entertainment content or other aspect of our business do not or will not infringe upon patent, copyright or other intellectual property rights held by third parties. Although we are not aware of any such claims, we may become subject to legal proceedings and claims from time to time relating to the intellectual property of others in the ordinary course of our business. If we are found to have violated the intellectual property rights of others, we may incur substantial expenses in defending against these third party infringement claims, regardless of their merit. Successful infringement or licensing claims against us may result in substantial monetary liabilities, which may materially and adversely disrupt our business. We have not experience any intellectual property infringement claims which would adversely impact our business and growth prospects as at the LPD.

(xviii) Our failure to develop and maintain relationships with local TV stations for our DTTB live broadcasting would affect our future plan

As at the LPD, we have fully upgraded our pre-recorded system in all RapidKL Buses to DTTB which deliver substantial real-time value to the targeted mobile audience through our Transit-TV Network System. With the live broadcast ability, we will be able to deliver real-time advertising together with the real-time contents provided by the local TV stations. This, in turn, would require us to develop and maintain continuous business relationships with local TV stations through which we will obtain real-time contents for our Transit-TV Networks System. Currently, we are in the midst of negotiating with local TV stations for permission to broadcast a wide variety of live programmes provided by these local TV stations for our DTTB. We cannot assure that we will be able to enter into collaboration with any existing TV stations in Malaysia for our DTTB. If we fail to source for any TV stations, we will not be able to combine our advertising along with real-time contents such as news, stock quote, weather and traffic update and sport highlights. Subsequently, our advertisers may find advertising on our network unattractive and may not purchase advertising time from us, which may have a negative impact on our cash flow and revenue.

Although we have obtained the CASP Individual License from the MCMC to roll out subscription broadcasting, terrestrial radio broadcasting and non-subscription based TV broadcasting, there are risks of revocation or non-renewal of the CASP Individual License which will stop us from collaborating with any TV, radio and news stations.

(xix) Our success of DTTB live broadcasting will depend on the construction and reliability of our network infrastructure

As at the LPD, we have incurred approximately RM48.66 million for the construction of five (5) transmission towers and site preparation for setting up a broadcast centre in Klang Valley, which include the purchase of transmission equipment, network equipment and facilities, and integration of network system for our DTTB infrastructure. We have utilised RM16.00 million from the proceeds of our initial public offering and the balance from our internal generated funds and bank borrowings for the above. In addition, we have utilised the proceeds from the private placement of 22,800,000 Shares which was completed on 29 June 2012 of approximately RM5.75 million for the purchase of DTTB infrastructure for the expansion of our DTTB to Johor Bahru in 2013.

We have completed the construction of five (5) transmission towers out of the seven (7) transmission towers in Klang Valley and have conducted signal coverage tests for our frequency in Klang Valley based on our existing five (5) transmission towers. As at the LPD, the existing five (5) transmission towers are able to provide sufficient coverage of our broadcasting information for most of the routes of RapidKL Buses which are installed with our Transit-TV Network System in Klang Valley. As such, the remaining two (2) transmission towers are not required to be set up as at the LPD. However, we may set up gap fillers in Klang Valley from time to time to stabilise our broadcast signal in poor coverage area, if any to minimise the interruption of our broadcasting information as and when required. We are of the view that the gap fillers shall be sufficient to provide the necessary coverage as opposed to constructing additional transmission tower in Klang Valley as at the LPD.

The success of our DTTB live broadcast will depend on the reliability of our integrated network infrastructure. Any failure of our integrated network infrastructure that results in major interruption in operation or provision of any services over prolonged periods could diminish the value of our brand, reduce our ability to attract and retain customers and could have a material impact on our operation and financial results.

We intend to build some degree of diversity and resiliency into our network infrastructure, through decentralisation and duplication of critical components to provide diversity of the transmission trunk network at the outset. Notwithstanding these measures, our network infrastructure will be potentially vulnerable to damage or interruptions in operation due to natural disasters, fire, power loss, telecommunication failure, network software flaws, transmission cable cuts, breaches of security and similar events.

Radio frequency interference as a result of various factors, including out-of-band emissions from other domestic wireless operators, illegal radio frequency transmitters or jammers, co-channel interference from neighbouring countries, or emissions from equipment not complying with spectrum band plan requirements may have an impact on the quality of services of our network. This may have a direct impact on our reputation for service reliability and quality, which could have a material adverse effect on our results of operations and financial condition.

In addition, we will rely on third parties for the construction of towers and there can be no assurance that the third parties will construct our towers on a timely basis or on commercially favourable terms.

(xx) Our DTTB live broadcasting will be exposed to risks relating to our network

Our DTTB will be operating based on a digital mobile network that utilises DVB-T or DVB-T2. Our ability to provide uninterrupted DTTB live broadcasting is dependent on our ability to expand and upgrade our network on a timely basis. One of our key strategies is to continue to focus on network investments to improve our network quality, coverage, capacity and capabilities. The continued expansion and upgrading of our network will be subject to risks and uncertainties, including the ability to procure the permission from the relevant local authorities to install a sufficient number of suitability located transmission tower.

We might experience opposition to the building of certain transmission towers including concerns about alleged health risks and environment factors. In addition, the government might impose policies and guidelines on tower site construction and leasing arrangements.

Based on the Communications and Multimedia Act 1998 (**"CMA"**), particularly Part X, Chapter 1 of the CMA, being conferred the requisite license and the status to own and provide network facilities, our Group will be subjected to the provisions in the CMA when installing transmission towers and other network facilities.

Amongst other sections in Part X, Chapter 1 of the CMA which regulate the installation of network facilities, Section 215 of the CMA provides inter-alia, that a network facilities provider may for purposes connected with the provision of network services carry out the installation of network facilities if it falls within the categories as set out in the respective section of the CMA. The installation of the network facilities authorised by the said section may require the approval of the State Authority, local authority, or other relevant authority, if necessary. Section 215(3) also provides inter-alia that the network facilities provider may for purposes in connection with the carrying out of that activity, enter and occupy any land, and do anything necessary for the purpose, among others, to construct, erect and place any post or network facility, erecting temporary workshops and sheds and other temporary buildings.

Such policies and guidelines may provide the establishment and operation of tower sites only be carried out by certain companies approved by the relevant state authorities and that the operators will have to lease the tower sites from such companies. There can be no assurance that such policies and guidelines will not result in increasing our site operating cost.

(xxi) We will rely on a limited number of principal suppliers for our DTTB infrastructure

We will depend on imports for the majority of our network components as most of the network equipment cannot be sourced locally. We will rely on a limited number of international network equipment manufacturers, namely Nera Infocom (M) Sdn Bhd and Plisch Broadcast Asia Pacific Pte Ltd.

There can be no assurance that the above suppliers will be able to provide us the necessary equipment and facilities on a timely basis or on commercially favourable terms or at all.

However, we have maintained continuous working relationships and updating these suppliers constantly to ensure that they are able to meet our required timelines.

6.2 Risks relating to the business environment

(i) Our operations and operating results could be affected by changes in the political, economic, regulatory and social conditions

Like all other business entities, adverse developments in political, economic, regulatory and social conditions in Malaysia could materially affect our financial and business prospects. Other political uncertainties that could unfavourably affect us include changes in political leadership, war, economic downturn, financial crisis, expropriation, nationalisation, re-negotiation or nullification of existing contracts, changes in interest rates and methods of taxation.

Much of the above changes are beyond our control. Whilst we practice prudent financial management and efficient operating procedures, there can be no assurance that any adverse economic, political and regulatory developments will not materially affect the performance of our Group. The changes in the political, economic, regulatory and social conditions in Malaysia have not adversely impact our business and growth prospects as at the LPD.

(ii) We are subject to government regulations relating to advertising and telecasting services and business

We are subject to laws and regulation applicable to advertising and telecasting services and business. Laws and regulations with respect to advertising and telecasting services may be modified or adopted which could affect pricing, distribution and quality of products and services. The modifications or adoption of any of these additional laws or regulations may adversely affect the expansion of advertising and telecast services, which could increase our cost of business or decrease the demand for our products and services.

Although we regularly monitor new development to the regulatory environment through dialogues with the relevant authorities, there can be no assurance that any such changes will not have a negative impact to the performance of our Group.

(iii) Our success is dependent on our ability to adapt to rapid technological changes

Our ability to keep pace with rapid technological development in the DOOH transit media industry will affect our revenues and profits. The DOOH transit media industry is characterised by rapid technological changes due to changing market trends, evolving industry standards, new technologies and emerging competition. Our future success will depend on our ability to improve our performance, reliability and creativity of our products and services to response to the constantly changing technological environment and to be able to compete with other DOOH players' product and service offerings and the evolving demands of the market. New services, products and technologies may be superior to the services and technologies that we use, and may render our services and technologies obsolete or require us to incur substantial expenditure to modify or adapt our services, products and technologies. The timely development of new and enhanced products and services is a complex and uncertain process. Although we believe that we have sufficient knowledge and skills to implement our future plans, we are unable to provide assurance that our Group will continue to have sufficient resources to successfully manage the change in technology.

Our Group seeks to limit this risk by actively engaged in research and development activities to enhance our network system and DTTB infrastructure. However, there can be no assurance that we would be able to develop new products and services on a timely manner and cost effective basis. Such circumstances may in turn adversely affect our business operations and financial performance. We have been keeping in pace with the rapid technological changes and have not experience any changes which would adversely impact our business and growth prospects as at the LPD.

6.3 Financial risks

(i) Our plan to expand overseas will involve investment risks

As our Group plans to expand into new markets outside Malaysia in the future as and when the opportunity arises, it may be subject to various risks inherent in investing in this venture such as setting up overseas offices, investment in fixed assets and uncertainties in operational issues, where we do not have prior history. Although our Group seeks to limit the investment risks through prudent investment strategies, and thorough feasibility assessments and reviews, there can be no assurance that the investments intended to be undertaken may improve our future profitability.

Although, the exposure to the above risks can be minimised with the set-up of an experienced management, appropriate business plan and prudent cost control, there is no assurance that sales from these new operations may prove adequate to cover the costs of establishing and maintaining these overseas offices and their operations.

In addition to the uncertainty as to our ability to generate adequate sales from overseas operations and expand our overseas presence, there are certain risks inherent in doing business overseas, such as unexpected changes in laws and regulations or the interpretation thereof, as well as changes in foreign business ownership restrictions, currency control policies, taxation, import and export restrictions, political and economic conditions.

(ii) We may have future capital needs which will require additional financing and fund raising

Our Directors opined that the cash flows from our operations and other existing sources of liquidity will be sufficient to meet our Group's projected working capital and other cash requirements for at least twelve (12) months after the date hereof. However, we may need to raise additional capital to fund the ongoing development and expansion of our business and attain profitability, the amount of which cannot be quantified at this juncture. We are unable to provide assurance that any additional funds needed will be available to us on favourable terms, or at all. Although based on assumptions that our Group considers reasonable, there is also no assurance that our estimate of the anticipated liquidity needs is accurate or that new business developments or other unforeseen events will not occur, resulting in the need to raise additional funds.

Nevertheless, our Directors believe that we would have the option of further tapping the debt capital market or further raising equity capital, if required. However, it is probable that raising additional funds via equity issues may result in a substantial dilution and reduce our EPS, if any, to existing investors while any additional debt funding will increase our gearing ratio.

6.4 Risks relating to the Rights Issue of Shares with Warrants

(i) Investment risk

The market price of the Rights Shares is influenced by, amongst others, the prevailing market sentiments, the volatility of equity markets, the liquidity of AMEDIA Shares, the outlook for the DOOH transit media industry, changes in regulatory requirements or market conditions, the financial performance and fluctuations in our Group's operating results. In view of this, there can be no assurance that the Rights Shares will trade above the Issue Price for the Rights Shares or TERP upon or subsequent to the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities.

The market price of the Additional Warrants may be influenced by, amongst others, the market price of AMEDIA Shares, and the remaining exercise period of the Additional Warrants and the volatility of AMEDIA Shares. There can be no assurance that the Additional Warrants will be "in-the-money" during their exercise period of the Additional Warrants. In the event the Additional Warrants are not exercised during the exercise period, the unexercised Warrants will lapse and cease thereafter to be valid for any purpose.

(ii) Delay in or failure of the Rights Issue of Shares with Warrants

The Rights Issue of Shares with Warrants is exposed to the risk that it may be aborted or delayed on the occurrence of anyone or more of the following events:

(a) Force majeure events or circumstances which are beyond the control of our Company arising prior to the implementation of the Rights Issue of Shares with Warrants. Such events or circumstances include inter-alia, natural disasters, adverse developments in political, economic and government policies in Malaysia, including changes in inflation and interest rates, global economic downturn, acts of war, acts of terrorism, riots, expropriations and changes in political leadership; or

(b) The Undertaking shareholder as set out in Section 2.5 of this AP who has provided the Undertaking is not able to fulfill its obligation for whatsoever reason, despite TA Securities has verified, to the extent possible, that the Undertaking shareholder has sufficient financial resources pursuant to its Undertaking.

In this respect, all proceeds arising from the Rights Issue of Shares with Warrants will be refunded without interest to the Entitled Shareholders and/or their renouncees (if applicable) in the event the Rights Issue of Shares with Warrants is aborted and if such monies are not repaid within fourteen (14) days after it becomes liable, we will repay such monies with interest at the rate of ten percent (10%) per annum or such other rate as may be prescribed by the SC in accordance with Section 243(2) of the Capital Markets and Services Act, 2007. Notwithstanding the above, our Company will exercise its best endeavor to ensure the successful implementation of the Rights issue of Shares with Warrants. However, there can be no assurance that the abovementioned factors/events will not cause a delay in or abortion of the Rights Issue of Shares with Warrants.

(iii) Control of existing substantial shareholder

As at the LPD, WHSB holds 150,480,000 Shares, representing 30.00% of our issued and paid-up share capital. Further, the equity interest of WHSB in our Company could potentially increase from 30.00% to 46.15% after the Rights Issue of Shares with Warrants based on the Minimum Scenario. As a result, WHSB will be able to effectively control the outcome of certain matters requiring the vote of our shareholders including the constitution of our Board and thus, the direction and future operations of our Group, decisions regarding acquisitions and other business opportunities, the declaration of dividends and the issuance of additional shares and other securities, unless they are required to abstain from voting by law and/or the relevant authorities.

Nonetheless, we have appointed Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee, Dato' Hussian @ Rizal Bin A. Rahman and Yeong Siew Lee as Independent Directors and an audit committee was set up as a step towards good corporate governance of our Group to ensure that any future transactions including related parties, if any, are entered into on arms-length terms.

(iv) Capital market risks

The performance of the local stock market is dependent on the economic and political condition in Malaysia as well as external factors such as, amongst others, the performance of the world bourses, flows of foreign funds and prices of commodities. These factors invariably contribute to the volatility and the liquidity of Bursa Securities, thus adding risk to the market price of the Rights Shares and Additional Warrants.

(v) Forward-looking statements

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

All forward-looking statements contained in this AP are based on forecasts and assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements 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 future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, among others, the risk factors as set out in this section. In view of the above, the inclusion of any forward-looking statements in this AP should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

7. INDUSTRY OUTLOOK AND FUTURE PROSPECTS OF OUR GROUP

7.1 Overview of the Malaysian economy

The Malaysian economy expanded by 4.1% in the first quarter of 2013 (4Q 2012: 6.5%), supported by stronger domestic demand that expanded by 8.2% during the quarter (4Q 2012: 7.8%). Private consumption registered strong growth during the quarter, while the expansion in gross fixed capital formation continued to be firm, reflecting sustained capital spending by both the private and public sectors. Exports contracted marginally during the quarter, and with higher growth of imports, led to a larger negative contribution of net exports to growth. On the supply side, while the domestic-oriented industries continued to register sustained growth, activity in the major economic sectors was weighed down by the weak external conditions.

Domestic demand registered a strong growth of 8.2% in the first quarter (4Q 2012: 7.8%). Growth was driven by higher private consumption, while gross fixed capital formation remained firm with a double-digit growth rate.

Private consumption grew strongly in the first quarter (7.5%; 4Q 2012: 6.2%), driven by sustained income growth and favourable labour market conditions. Industry engagements also indicated that workers have benefitted from the implementation of the minimum wage policy in January 2013. The strong growth in private consumption was reflected in the higher growth of new passenger car sales and credit card spending. Growth of public consumption, however, moderated in the first quarter (0.1%; 4Q 2012:1.2%), reflecting mainly lower Government spending on supplies and services.

On the supply side, growth in the manufacturing sector slowed, weighed down by the weak external conditions. Despite the weakness in trade-related activity, the services sector continued to expand, driven largely by subsectors catering to the domestic market. Growth in the agriculture sector was sustained on account of higher production of palm oil, while the mining sector declined due to lower production of crude oil. In the construction sector, growth remained firm, led mainly by the civil engineering sub-sector.

(Source: Development in the Malaysian Economy, Quarterly Bulletin First Quarter 2013, BNM)

The Malaysian economy is expected to remain on a steady growth path, with an expansion of 5-6% in 2013. Economic activity will be anchored by the continued resilience of domestic demand, and supported by a gradual improvement in the external sector. Private investment is expected to remain robust, driven by capacity expansion by the domestic-oriented firms and the continued implementation of projects with long gestation periods. Investments by the external-oriented businesses is also expected to be higher amid the gradual improvement in external demand, while private consumption is projected to grow at a more moderate rate in the second half of the year, although it will continue to be well supported by sustained income growth and positive labour market conditions. Government spending is expected to record a lower growth given the ongoing consolidation of the Government's fiscal position and as the role of the private sector gains greater significance. In line with the more favourable external sector, gross exports are projected to record a higher growth in 2013 supported by the export of manufactured products. Gross imports are expected to moderate, in tandem with the projected trend in domestic demand. Overall, this is expected to result in a lower negative contribution to real GDP from net exports. As import growth continues to outpace export growth amid the continued deficit in the income account and in current transfers, the current account surplus, while still remaining significant is expected to narrow further in 2013.

(Source: The 2012 BNM Annual Report, BNM)

7.2 Overview and outlook of DOOH transit media industry

DOOH media refers to all digital signages such as LCD screens, plasma screens and LCD or LED billboards that display advertising and program content in public areas. The DOOH media industry (comprising DOOH transit media, DOOH outdoor signages and DOOH in indoor areas) is estimated at RM100 million in 2012.

Adex in DOOH transit media began to pick up only in 2007 when the industry recorded revenues of approximately RM4.2 million. With more DOOH transit media digital signage sites becoming available, such as the RapidKL Buses, DOOH transit media Adex grew rapidly to an estimated RM48.8 million in 2012, with strong growth recorded between 2007 and 2012 with an estimated CAGR of 63.3%, despite the global economic downturn in 2008.

The Adex of DOOH media transit industry grew rapidly to an estimated RM48.80 million in 2012 and this industry is forecast to grow to an estimated RM165.90 million in 2017. The DOOH estimated CAGR of 63.3% from 2007 to 2012 was, largely due to the industry being in its nascent stage and had grown from a small Adex base contribution at the beginning of this period. This contributed to high year-on-year growth rates of 128.6% from 2007 to 2008, 61.5% from 2008 to 2009, 30.3% from 2009 to 2010, 95.0% from 2010 to 2011 and an estimated 23.7% from 2011 to 2012. However, as the industry develops, the CAGR from 2013 to 2017 are expected to stabilise to approximately 28.7%.

Industry Forecast for the DOOH Transit Media Industry (Malaysia), 2013(f)-2017(f)

Year	Adex (RM million)	Growth Rate (%)
2013(f)	60.4	23.8
2014(f)	76.6	26.8
2015(f)	97.2	26.8
2016(f)	127.0	30.7
2017(f)	165.9	30.7
CAGR 2013(f)-2017(f)		**28.7**

Notes: All figures are rounded; the base year is 2013

(Source: Digital-out-of-home Transit Media Industry in Malaysia dated January 2013, Frost & Sullivan Malaysia Sdn Bhd)

7.3 Prospects and future plans of our Group

Our Group is principally involved in delivering information and entertainment programs, advertisements, community-driven messages and public bulletins in public transport via our Transit-TV Network System, which include RapidKL Buses, Causeway Link Buses, Plusliner, Nice and Nice++. As at the LPD, we have installed 3,993 LCD-TV on 1,800 buses.

Traditional media for advertising such as TV and newspapers remain as popular advertising media in Malaysia. With regards to transit advertising, prints such as the vehicle wrap, lightboxes and in-vehicle panels also remain popular with a relatively longer history of use compared to digital screen advertising. While DOOH transit media is becoming more popular and viable amongst advertisers, DOOH must still compete against traditional media which still serves as an attractive advertising substitute to DOOH.

The growth of DOOH transit media industry is facilitated by the price erosion of digital screens with the average price of digital screen expected to decrease by a CAGR of approximately 2.6% over the period from 2007 to 2014. Additionally, with the Government aggressively promoting the upgrade of the public transport service in the country, this is expected to further boost the growth of DOOH transit media industry with the expected increase in public transport riderships. Combined, these provide us with significant opportunities for growth and expansion.

In the DOOH transit media industry, we are recognised as one of three major players in this industry, along with Simfoni Maya Sdn Bhd and YTL Info Screen Sdn Bhd. There could possibly be other smaller competitors in the industry, but these three players are the most notable ones, providing digital media services to the three key public transportation channels with installed digital media screens, namely RapidKL Buses, KTMB Intercity trains and express rail link to Kuala Lumpur International Airport.

(Source: Digital-out-of-home Transit Media Industry in Malaysia dated January 2013, Frost & Sullivan Malaysia Sdn Bhd)

We have completed the construction of five (5) transmission towers in Klang Valley (i.e., situated in Puchong, USJ 19, Berjaya Times Square, Bukit Lanjan and Bukit Sungai Besi) and have conducted signal coverage tests for our frequency in Klang Valley based on the existing five (5) transmission towers. As at the LPD, the existing five (5) transmission towers are able to provide sufficient coverage of our Group's broadcasting information for most of the routes of RapidKL Buses which are installed with our Group's integrated network system used for the broadcasting of contents and advertisements in Klang Valley. However, we may set up gap fillers in Klang Valley from time to time to stabilise our broadcast signal in poor coverage area, if any to minimise the interruption of our broadcasting information as and when required. As at the LPD, we have fully upgraded our pre-recorded system in all RapidKL Buses in Klang Valley to DTTB which deliver real-time contents and information to the targeted mobile audience through our Transit-TV Network System.

In addition, we intend to expand the coverage and penetration of our Transit-TV Network System such as KL Monorail, LRT and KTMB Komuter. In addition to installing LCD-TV screens in public transport, we will be expanding to operate stationary advertising platform in major bus and train stations. We intend to install two (2) sets of ceiling mount consists of six (6) LCD-TVs per station and two (2) sets of walkway stand consists of eight (8) vertical LCD-TVs in each of the stations. Currently, we are still in the midst of negotiating with KL Monorail, LRT and KTMB Komuter and believe that we have a better chance to penetrate into other public transport with the availability of our DTTB infrastructure and frequency coverage for live broadcasting in Klang Valley.

We also intend to expand our DTTB coverage to Johor Bahru and Penang in 2013 and 2014, respectively, which is in line with the conditions imposed by the MCMC pursuant to the NSP Individual License. Currently, our Transit-TV Network System on the RapidKL Buses, Causeway Link Buses, Plusliner, Nice and Nice++ are secured by our exclusive agreements with the respective companies for a term ranges from three (3) to five (5) years. No additional agreement is required for the expansion of our DTTB coverage to Johor Bahru and Penang as such expansion only involves the setting up of DTTB instrastructures and to upgrade the existing pre-recorded system installed in the buses to DTTB. As at the LPD, we have completed the initial network coverage assessments in Johor Bahru and is in the midst of finalising the terms and conditions with a building owner for setting up of one (1) transmission tower in Johor Bahru to provide our Group's broadcasting information to Causeway Link Buses which are installed with our Group's integrated network system used for the broadcasting of contents and advertisements. However, the actual number of transmission towers and gap fillers cannot be determined at this juncture until a signal coverage test for the frequency in Johor Bahru is finalised. We are currently in the midst of conducting the network coverage assessments in Penang. The equipment required for the setting up of our DTTB infrastructure in Johor Bahru and Penang include but not limited to transmission towers, feeder cable, air cooled power amplifier, power unit, distribution units liquid, cooling system, switch, circuit breaker, server, antenna system, microwave linkage and others.

Taking into account of the growth prospects of the DOOH transit media industry and the current efforts undertaken by our Group, our Board is of the view that the prospects of our Group are expected to be positive in the future.

8. EFFECTS OF THE RIGHTS ISSUE OF SHARES WITH WARRANTS

8.1 Issued and paid-up share capital

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

	Minimum Scenario		**Maximum Scenario**	
	No. of AMEDIA Shares ('000)	**RM ('000)**	**No. of AMEDIA Shares ('000)**	**RM ('000)**
Issued and paid-up share capital as at the LPD	501,600	50,160	501,600	50,160
To be issued pursuant to the full exercise of the Outstanding Warrants	-	-	250,800	25,080
	501,600	50,160	752,400	75,240
To be issued pursuant to the Rights Issue of Shares with Warrants	150,480	15,048	752,400	75,240
	652,080	65,208	1,504,800	150,480
To be issued pursuant to the full exercise of the Outstanding Warrants and Adjustment Warrants$^{(1)}$	273,065	27,306	-	-
	925,145	92,514	1,504,800	150,480
To be issued pursuant to the full exercise of the Additional Warrants	37,620	3,762	188,100	18,810
Enlarged issued and paid-up share capital	**962,765**	**96,276**	**1,692,900**	**169,290**

Note:

(1) *Assuming the total number of the Outstanding Warrants are adjusted from 250,800,000 to 273,064,520 as a result of the Rights Issue of Shares with Warrants pursuant to the Deed Poll and subject to certification by the auditors.*

8.2 NA and gearing

The pro-forma effects of the Rights Issue of Shares with Warrants on our consolidated NA and gearing based on our audited consolidated financial statements as at 31 December 2012 are as follows:

Minimum Scenario

	(Audited) As at 31 December 2012 (RM'000)	(I) After Free Warrants Issue (RM'000)	(II) After (I) and the Rights Issue of Shares with Warrants (RM'000)	(III) After (II) and assuming full exercise of the Outstanding Warrants and Adjustment Warrants (RM'000)	(IV) After (III) and assuming full exercise of the Additional Warrants (RM'000)
Share capital	50,160	50,160	65,208	92,514	96,276
Share premium	-	-	180 (1)	38,409(3)	44,401(3)
Warrant reserve	-	-	725 (2)	725	-
Retained earnings	29,593	29,593	29,593	29,593	29,593
Shareholders' funds / NA	79,753	79,753	95,706	161,241	170,270
No. of AMEDIA Shares in issue ('000)	501,600	501,600	652,080	925,145	962,765
NA per AMEDIA Share (RM)	0.16	0.16	0.15	0.17	0.18
Net tangible assets ("**NTA**")	75,091	75,091	91,044	156,579	165,608
NTA per AMEDIA Share (RM)	0.15	0.15	0.14	0.17	0.17
Total borrowings	4,571	4,571	41	41	41
Gearing (times)	0.06	0.06	*Neg*	*Neg*	*Neg*

Notes:

Neg *Negligible*

(1) *Based on the Issue Price and after taking into consideration the issuance of 37,620,000 Additional Warrants at an allocated fair value of RM0.02 per Additional Warrant as well as after deducting estimated expenses of RM572,727 based on the apportionment of the total estimated expenses of RM600,000 for the Corporate Exercises arising from the issuance of the Rights Shares.*

(2) *Based on the issuance of 37,620,000 Additional Warrants at an allocated fair value of RM0.02 per Additional Warrant and after deducting estimated expenses of RM27,273 based on the apportionment of the total estimated expenses of RM600,000 for the Corporate Exercises arising from the issuance of the Additional Warrants.*

(3) *Based on the Adjusted Exercise Price of RM0.24 per Outstanding Warrant, Adjustment Warrant or Additional Warrant.*

Maximum Scenario

	(Audited) As at 31 December 2012 (RM'000)	(I) After Free Warrants Issue (RM'000)	(II) After (I) and assuming full exercise of the Outstanding Warrants (RM'000)	(III) After (II) and the Rights Issue of Shares with Warrants (RM'000)	(IV) After (III) and assuming full exercise of the Additional Warrants (RM'000)
Share capital	50,160	50,160	75,240	150,480	169,290
Share premium	-	-	37,620 (1)	40,809 (2)	70,878 (4)
Warrant reserve	-	-	-	3,735 (3)	-
Retained earnings	29,593	29,593	29,593	29,593	29,593
Shareholders' funds / NA	79,753	79,753	142,453	224,617	269,761
No. of AMEDIA Shares in issue ('000)	501,600	501,600	752,400	1,504,800	1,692,900
NA per AMEDIA Share (RM)	0.16	0.16	0.19	0.15	0.16
NTA	75,091	75,091	137,791	219,955	265,099
NTA per AMEDIA Share (RM)	0.15	0.15	0.18	0.15	0.16
Total borrowings	4,571	4,571	4,571	41	41
Gearing (times)	0.06	0.06	0.03	*Neg*	*Neg*

Notes:

Neg *Negligible*

(1) *Based on the exercise price of RM0.25 per Outstanding Warrant.*

(2) *Based on the Issue Price and after taking into consideration the issuance of 188,100,000 Additional Warrants at an allocated fair value of RM0.02 per Additional Warrant as well as after deducting estimated expenses of RM572,727 based on the apportionment of the total estimated expenses of RM600,000 for the Corporate Exercises arising from the issuance of the Rights Shares.*

(3) *Based on the issuance of 188,100,000 Additional Warrants at an allocated fair value of RM0.02 per Additional Warrant and after deducting estimated expenses of RM27,273 based on the apportionment of the total estimated expenses of RM600,000 for the Corporate Exercises arising from the issuance of the Additional Warrants.*

(4) *Based on the Adjusted Exercise Price of RM0.24 per Additional Warrant.*

8.3 Earnings and EPS

The Rights Issue of Shares with Warrants is not expected to have an immediate material effect on our consolidated earnings and EPS for the FYE 2013 as it is only expected to be completed in the third (3rd) quarter of 2013 whilst the proceeds to be raised are expected to be utilised within twelve (12) to eighteen (18) months from the date of the listing of the Rights Shares. However, the Rights Issue of Shares with Warrants is expected to contribute positively to the future earnings of our Group when the benefits of the utilisation of proceeds are realised.

However, the EPS of our Group shall be correspondingly diluted as a result of the increase in the number of AMEDIA Shares in issue pursuant to the issuance of the Rights Shares and the new AMEDIA Shares arising from the exercise of the Additional Warrants in the future.

The effect of any exercise of Additional Warrants on our consolidated EPS would be dependent on the returns generated by our Company from the utilisation of proceeds arising from the exercise of the Additional Warrants.

For illustration purposes, assuming the Rights Issue of Shares with Warrants is completed on 1 January 2012, being the commencement of our FYE 2012, our EPS shall be as follows:

Minimum Scenario

	(Audited) As at 31 December 2012 (RM'000)	(I) After Free Warrants Issue (RM'000)	(II) After (I) and the Rights Issue of Shares with Warrants (RM'000)	(III) After (II) and assuming full exercise of the Outstanding Warrants and Adjustment Warrants (RM'000)	(IV) After (III) and assuming full exercise of the Additional Warrants (RM'000)
Profit attributable to our equity holders*	11,722	11,722	11,722	11,722	11,722
No. of AMEDIA Shares in issue ('000)	501,600	501,600	652,080	925,145	962,765
EPS (sen)	2.34	2.34	1.80	1.27	1.22

Maximum Scenario

	(Audited) As at 31 December 2012 (RM'000)	(I) After Free Warrants Issue (RM'000)	(II) After (I) and assuming full exercise of the Outstanding Warrants (RM'000)	(III) After (II) and the Rights Issue of Shares with Warrants (RM'000)	(IV) After (III) and assuming full exercise of the Additional Warrants (RM'000)
Profit attributable to our equity holders*	11,722	11,722	11,722	11,722	11,722
No. of AMEDIA Shares in issue ('000)	501,600	501,600	752,400	1,504,800	1,692,900
EPS (sen)	2.34	2.34	1.56	0.78	0.69

Note:

* *Based on our audited consolidated financial statements for the FYE 2012.*

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

9.1 Working capital

Our Board is of the opinion that after taking into consideration the proceeds from the Rights Issue of Shares with Warrants, cash in hand, funds generated from our operation and banking facilities available, our Group will have adequate working capital for the next twelve (12) months from the date of this AP.

9.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of RM4.73 million, all of which are interest-bearing and from local financial institutions, details of which are as follows:

	Interest-bearing borrowing (RM'000)
Short term borrowings:	
Revolving credit	2,731
Bank Accepted Bill-i	2,000
Total	**4,731**

There is no non-interest bearing and foreign currency denominated borrowings as at the LPD.

There was no default on payment of either interest or principal sums in respect of any borrowing, throughout the past one (1) FYE 2012, and the subsequent financial period up to the LPD.

9.3 Contingent liabilities

Our Board is not aware of any contingent liability incurred or known to be incurred by our Company or our Group as at the LPD, which may have material impact on the financial position of our Group.

9.4 Material commitment

As at the LPD, our Board is not aware of any material commitment incurred or known to be incurred by our Group which, upon becoming enforceable, may have material impact on our Group's financial position.

10. TERMS AND CONDITIONS

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

11. FURTHER INFORMATION

You are requested to refer to the attached appendices for further information.

Yours faithfully
For and behalf of the Board of
ASIA MEDIA GROUP BERHAD

DATUK SERI SYED ALI BIN TAN SRI ABBAS ALHABSHEE
Independent Non-Executive Chairman

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS IN RELATION TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 29 JULY 2013

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

CERTIFIED EXTRACT OF THE MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 29 JULY 2013

ORDINARY RESOLUTION I
- INCREASE IN AUTHORISED SHARE CAPITAL

RESOLVED:

"THAT the authorised share capital of the Company be increased from RM100,000,000.00 divided into 1,000,000,000 ordinary shares of RM0.10 each to RM200,000,000.00 divided into 2,000,000,000 ordinary shares of RM0.10 each by the creation of 1,000,000,000 new ordinary shares of RM0.10 each and such new shares shall rank *pari passu* in all respects with the existing ordinary shares in the capital of the Company."

ORDINARY RESOLUTION II
- PROPOSED RENOUCEABLE RIGHTS ISSUE UP TO 752,400,000 NEW ORDINARY SHARES OF RM0.10 EACH IN AMEDIA ("AMEDIA SHARES") ("RIGHTS SHARES") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING AMEDIA SHARE HELD, TOGETHER WITH UP TO 188,100,000 FREE NEW WARRANTS 2013/2018 ("ADDITIONAL WARRANTS") ON THE BASIS OF ONE (1) ADDITIONAL WARRANT FOR EVERY FOUR (4) RIGHTS SHARES SUBSCIBED AT AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE OF SHARES WITH WARRANTS")

RESOLVED:

"THAT, subject to and conditional upon the passing of Ordinary Resolution I, Ordinary Resolution III and Special Resolution, the Board of Directors of AMEDIA ("**Board**") be and is hereby authorised to:

(i) provisionally issue and allot by way of a renounceable rights issue of up to 752,400,000 Rights Shares at an issue price to be determined later by the Board on the basis of one (1) Rights Share for every one (1) existing AMEDIA Share held, together with up to 188,100,000 free Additional Warrants on the basis of one (1) Additional Warrant for every four (4) Rights Shares subscribed by the shareholders of AMEDIA whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined later by the Board;

(ii) determine the final issue price of the Rights Shares after taking into consideration the theoretical ex-rights price of AMEDIA Shares based on the five (5)-day volume weighted average market price ("**5D-VWAP**") of AMEDIA Shares prior to the price fixing date to be determined by the Board after taking into consideration the following:

    (a) the theoretical ex-rights price ("**TERP**") of AMEDIA Shares, based on the 5D-VWAP of AMEDIA Shares with a discount to the TERP if deemed appropriate by the Board prior to the price fixing date to be determined later by the Board;

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(b) the prevailing market sentiments at the point of price fixing;

(c) the historical price movement of AMEDIA Shares;

(d) the par value of AMEDIA Shares of RM0.10 each; and

(e) the funding requirements of AMEDIA and its subsidiaries, details of which are set out in Section 2.1.6 of the Circular to shareholders dated 4 July 2013;

(iii) enter into and execute the supplemental deed poll ("**Supplemental Deed Poll**") and to do all acts, deeds and things as they may deed fit or expedient in order to implement, finalise and give full effect to the aforesaid Supplemental Deed Poll;

(iv) allot and issue such additional new warrants 2013/2018 as may be required or permitted to be issued as a consequence of the adjustments under the provisions in the deed poll executed by the Company dated 12 December 2012 ("**Adjustment Warrants**");

(v) utilise the proceeds to be derived from the Proposed Rights Issue of Shares with Warrants in the manner as set out in Section 2.1.6 of Part A of the Circular and the Board be and is hereby authorised to revise the utilisation of the proceeds as they may deem fit and in the best interest of the Company;

THAT, the Board be and is hereby authorised to deal with any fractional entitlements of the Rights Shares, unsubscribed Rights Shares, Additional Warrants and Adjustment Warrants that may arise from the Proposed Rights Issue of Shares with Warrants, in such manner at their absolute discretion as they may deem fit or expedient or in the best interest of the Company;

THAT, the Rights Shares with Additional Warrants which are not taken up or validly taken up shall be made available for excess applications by the entitled shareholders and/or their renouncee(s) (if applicable) and such excess Rights Shares shall be allocated in a fair and equitable manner on a basis to be determined by the Board and announced later by the Company;

THAT, such Additional Warrants and Adjustment Warrants are constituted by the terms and conditions of the Deed Poll and/or the Supplemental Deed Poll;

THAT, the Company shall allot and issue such appropriate number of new AMEDIA Shares arising from the exercise by the holders of Additional Warrants and/or Adjustment Warrants in accordance with the provisions in the Deed Poll and/or the Supplemental Deed Poll;

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THAT, the Rights Shares and the new AMEDIA Shares to be issued arising from the exercise of the Additional Warrants and/or Adjustment Warrants shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing AMEDIA Shares, save and except that the Rights Shares and the new AMEDIA Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid for which the entitlement date for the distribution precedes the date of issuance and allotment of the Rights Shares and the new AMEDIA Shares arising from the exercise of the Additional Warrants and/or Adjustment Warrants;

THAT, the Additional Warrants and Adjustment Warrants to be issued shall, upon issuance and allotment, rank *pari passu* in all respects with the outstanding warrants 2013/2018;

AND THAT, the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Rights Issue of Shares with Warrants with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue of Shares with Warrants."

ORDINARY RESOLUTION III
- PROPOSED EXEMPTION FOR WONG SK HOLDINGS SDN BHD ("WHSB") FROM THE OBLIGATION TO UNDERTAKE A MANDATORY TAKE-OVER OFFER FOR ALL THE REMAINING AMEDIA SHARES AND WARRANTS 2013/2018 NOT ALREADY OWNED BY WHSB UNDER PARAGRAPH 16.1 OF PRACTICE NOTE 9 OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS, 2010 ("CODE") ("PROPOSED EXEMPTION")

RESOLVED:

"THAT, subject to the passing of Ordinary Resolution II above and approvals being obtained from the Securities Commission Malaysia, including but not limited to compliance with such conditions as may be imposed by the Securities Commission Malaysia, approval be and is hereby given to exempt WHSB from the obligation to undertake a mandatory take-over offer for all the remaining AMEDIA Shares and warrants 2013/2018 not already owned by WHSB under paragraph 16.1 of Practice Note 9 of the Code as set out in Section 2.2 of the circular to shareholders of AMEDIA in relation to the Proposed Exemption dated 4 July 2013, which covers the situation wherein the equity interest of WHSB in AMEDIA increasing to more than thirty-three per centum (33%) but not more than fifty per centum (50%) upon the completion of the Proposed Rights Issue of Shares with Warrants.

AND THAT, the Board be and is hereby authorised to do all acts, deeds and things and execute all necessary documents as they may consider necessary or expedient or in the best interest of the Company with full powers to assent to any conditions, modifications, variations and/or amendments as may 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 Exemption."

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS IN RELATION TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 29 JULY 2013 (*CONT'D*)

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CERTIFIED EXTRACT OF THE MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 29 JULY 2013

SPECIAL RESOLUTION
- AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

RESOLVED:

"THAT subject to the passing of the Ordinary Resolution I and Ordinary Resolution II above, the Memorandum of Association of the Company be amended by deleting the existing Clause 6 in its entirety and replace with the following new Clause 6:

Existing Clause 6 of Memorandum of Association	Amended Clause 6 of Memorandum of Association
"The capital of the Company is RM100,000,000/- Malaysian Currency divided into 1,000,000,000 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 capital of the Company is RM200,000,000/- Malaysian Currency divided into 2,000,000,000 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."

CERTIFIED TRUE BY:

DATUK SERI SYED ALI BIN TAN SRI ABBAS ALHABSHEE
CHAIRMAN

DATO' WONG SHEE KAI
DIRECTOR

29 JUL 2013

Lodged By : Symphony Corporatehouse Sdn Bhd
Level 8, Symphony House
Pusat Dagangan Dana 1 Jalan PJU 1A/46
47301 Petaling Jaya Selangor Darul Ehsan
Tel : 03 7841 8000 Fax : 03 7841 8199

INFORMATION ON OUR COMPANY

1. HISTORY AND BUSINESS

We were incorporated in Malaysia as a private limited company under the Act on 9 April 2008 under the name of Gerak Bayan Sdn Bhd and changed to Asia Media Group Sdn Bhd on 19 January 2010. We were subsequently converted to a public limited company on 23 April 2010 as an investment holding company.

We were successfully listed on the ACE Market on 11 January 2011 and were subsequently transferred from the ACE Market to the Main Market of Bursa Securities on 18 February 2013.

Our Company is an investment holding company. Our subsidiary companies are involved in the contents sales and marketing of electronic audio visual media, multimedia advertising services, media communications, commercialisation of narrowcasting network solutions (i.e., display of contents on a digital signage network) and dynamic and automation contents (i.e., a moving and automatic way of reloading contents) and support services relating to the above products, production and marketing of electronic audio and visual media and mobile interactive services.

Further details of the principal activities of our subsidiary companies are set out in Section 6 of this Appendix.

2. SHARE CAPITAL

Our authorised share capital is currently RM200,000,000 comprising 2,000,000,000 Shares, of which RM50,160,000 comprising 501,600,000 Shares have been issued and fully paid-up. The changes in our issued and paid-up share capital for the past three (3) years up to the LPD are as follows:

Date of allotment	No. of Shares allotted	Par value (RM)	Consideration	Cumulative issued and paid-up share capital (RM)
04.01.2011	98,000,000	0.10	Cash (from initial public offering)	22,800,000
02.05.2012	11,400,000	0.10	Cash (from private placement)	23,940,000
28.06.2012	11,400,000	0.10	Cash (from private placement)	25,080,000
28.12.2012	250,800,000	0.10	Bonus issue of shares (1:1)	50,160,000

Save for the 250,800,000 Outstanding Warrants, our Company does not have any outstanding warrants, options, convertible securities and uncalled capital as at the LPD.

3. BOARD DIRECTORS

Please refer to the Corporate Directory on page 1 of this AP for details of the age, professions, nationalities, designations and addresses of our Board.

4. DIRECTORS' SHAREHOLDINGS

The proforma effects of the Rights Issue of Shares with Warrants on the shareholdings of our Directors based on their shareholdings as at the LPD are as follows:

Minimum Scenario

	As at the LPD				(I) After the Rights Issue of Shares with Warrants			
	Direct		Indirect		Direct		Indirect	
Name	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%
Datuk Seri Syed Ali bin Tan Sri Abbas Alhabshee	200	0.04	-	-	200	0.03	-	-
Dato' Wong Shee Kai	-	-	150,480[(1)]	30.00	-	-	300,960[(1)]	46.15
Dato' Hussian @ Rizal Bin A. Rahman	-	-	-	-	-	-	-	-
Yeong Siew Lee	-	-	-	-	-	-	-	-

	(II) After (I) and assuming full exercise of the Outstanding Warrants and Adjustment Warrants				(III) After (II) and assuming full exercise of the Additional Warrants			
	Direct		Indirect		Direct		Indirect	
Name	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%
Datuk Seri Syed Ali bin Tan Sri Abbas Alhabshee	306	0.03	-	-	306	0.03	-	-
Dato' Wong Shee Kai	-	-	382,879[(1)]	41.39	-	-	420,499[(1)]	43.68
Dato' Hussian @ Rizal Bin A. Rahman	-	-	-	-	-	-	-	-
Yeong Siew Lee	-	-	-	-	-	-	-	-

Note:

(1) Deemed interest by virtue of his equity interest in WHSB.

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Maximum Scenario

	As at the LPD				(I) Assuming full exercise of the Outstanding Warrants			
	Direct		Indirect		Direct		Indirect	
Name	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%
Datuk Seri Syed Ali bin Tan Sri Abbas Alhabshee	200	0.04	-	-	300	0.04	-	-
Dato' Wong Shee Kai	-	-	150,480[(1)]	30.00	-	-	225,720[(1)]	30.00
Dato' Hussian @ Rizal Bin A. Rahman	-	-	-	-	-	-	-	-
Yeong Siew Lee	-	-	-	-	-	-	-	-

	(II) After (I) and the Rights Issue of Shares with Warrants				(III) After (II) and assuming full exercise of the Additional Warrants			
	Direct		Indirect		Direct		Indirect	
Name	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%
Datuk Seri Syed Ali bin Tan Sri Abbas Alhabshee	300	0.04	-	-	300	0.04	-	-
Dato' Wong Shee Kai	-	-	451,440[(1)]	30.00	-	-	507,870[(1)]	30.00
Dato' Hussian @ Rizal Bin A. Rahman	-	-	-	-	-	-	-	-
Yeong Siew Lee	-	-	-	-	-	-	-	-

Note:

(1) Deemed interest by virtue of his equity interest in WHSB.

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5. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The proforma effects of the Rights Issue of Shares with Warrants on the shareholdings of our substantial shareholders based on their shareholdings as at the LPD are as follows:

Minimum Scenario

Name	As at the LPD				(I) After Rights Issue of Shares with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%
WHSB	150,480	30.00	-	-	300,960	46.15	-	-
Dato' Wong Shee Kai	-	-	150,480[(1)]	30.00	-	-	300,960[(1)]	46.15
Teh Sew Wan	-	-	150,480[(1)]	30.00	-	-	300,960[(1)]	46.15

Name	(II) After (I) and assuming full exercise of the Outstanding Warrants and Adjustment Warrants				(III) After (II) and assuming full exercise of the Additional Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%
WHSB	380,529	41.48	-	-	418,149	43.79	-	-
Dato' Wong Shee Kai	-	-	382,879[(1)]	41.39	-	-	420,499[(1)]	43.68
Teh Sew Wan	-	-	382,879[(1)]	41.39	-	-	420,499[(1)]	43.68

Note:

(1) Deemed interest by virtue of his/her equity interest in WHSB.

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Maximum Scenario

Name	As at the LPD				(I) Assuming full exercise of the Outstanding Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%
WHSB	150,480	30.00	-	-	225,720	30.00	-	-
Dato' Wong Shee Kai	-	-	150,480[(1)]	30.00	-	-	225,720[(1)]	30.00
Teh Sew Wan	-	-	150,480[(1)]	30.00	-	-	225,720[(1)]	30.00

Name	(II) After (I) and the Rights Issue of Shares with Warrants				(III) After (II) and assuming full exercise of the Additional Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%	No. of AMEDIA Shares ('000)	%
WHSB	451,440	30.00	-	-	507,870	30.00	-	-
Dato' Wong Shee Kai	-	-	451,440[(1)]	30.00	-	-	507,870[(1)]	30.00
Teh Sew Wan	-	-	451,440[(1)]	30.00	-	-	507,870[(1)]	30.00

Note:

(1) *Deemed interest by virtue of his/her equity interest in WHSB.*

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6. SUBSIDIARY AND ASSOCIATED COMPANIES

Our Company is principally an investment holding company. The details of our subsidiary companies are as follows:

Company	Date and place of incorporation	Principal activities	Issued and paid-up share capital (RM)	Effective equity interest (%)
AMSB	3 April 2006, Malaysia	Multimedia advertising services, media communications, commercialisation of narrowcasting network solutions (i.e, display of contents on a digital signage network) and dynamic and automation contents (i.e, a moving and automatic way of reloading contents) and provision of integration, maintenance and support services relating to the above products	10,000,000	100
Subsidiaries of AMSB				
Transnet Express Sdn Bhd	4 December 2000, Malaysia	Production and marketing of electronic audio and visual media	3,118,000	100
Asia Media Marketing Sdn Bhd	26 August 2008, Malaysia	Dormant	2	100
Asia Media Interactive Sdn Bhd	14 September 2000, Malaysia	Mobile interactive services	2	100
Asia Media Broadcasting Sdn Bhd	9 September 2011, Malaysia	The holder of our CASP Individual License, NSP Individual License and NFP Individual License	500,000	70[(1)]

Note:

(1) The remaining 30% of Asia Media Broadcasting Sdn Bhd shares are held by our Director, Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Alhabshee pursuant to the MCMC's requirement whereby the licensee of the CASP Individual License, NSP Individual License and NFP Individual License shall have not less than 30% Bumiputera equity interest.

We do not have any associated companies as at the LPD.

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7. PROFIT AND DIVIDEND RECORDS

The profit and dividend records based on our Group's audited consolidated financial statements from the fifteen (15)-month period ended 31 December 2010, FYE 2011 to 2012 and the unaudited consolidated financial statements for the three (3)-month period ended 31 March 2013 are as follows:

	Proforma	<---------------- Audited		--------------->	<------- Unaudited	-------->
	FYE 2010[(1)] RM'000	15-month period ended 31 December 2010 RM'000	FYE 2011 RM'000	FYE 2012 RM'000	Three (3)-month period ended 31 March 2012 RM'000	Three (3)-month period ended 31 March 2013 RM'000
Revenue	23,376	16,554[(2)]	36,548	44,767	10,852	11,663
GP	11,325	7,909	22,714	27,817	7,038	7,281
Other income	91	4,917	433	367	110	79
Operating costs	(3,591)	(2,488)	(8,085)	(12,185)	6,487	8,027
Finance costs	(83)	(51)	(49)	(121)	(21)	(42)
Share of results of associates	-	-	-	-	-	-
PBT	7,742	10,287	15,013	15,878	4,454	3,673
Taxation	(5)	(5)	(4)	(4,171)	-	-
PAT	7,737	10,282	15,009	11,707	4,454	3,673
Attributable to:						
Equity holders of the Company	7,737	10,282	15,012	11,722	4,458	3,675
Non-controlling interests	-	-	(3)	(15)	(4)	(2)
Total comprehensive income	7,737	10,282	15,009	11,707	4,454	3,673
EBITDA	9,247	11,298	17,224	21,750	5,557	5,792
Weighted average number of Shares in issue ('000)	130,000	69,125	227,195	492,225	228,000	501,600
Basic EPS (sen)[(3)]	5.95	14.87	6.61	2.38	7.82[(4)]	2.93[(4)]
Diluted EPS (sen)	N/A	N/A	N/A	N/A	N/A	N/A[(5)]
GP margin (%)	48.45	47.78	62.15	62.14	64.85	62.43
PBT margin (%)	33.12	62.14	41.08	35.47	41.04	31.49
PAT margin (%)	33.10	62.11	41.07	26.15	41.04	31.49
Dividend	-	-	-	-	-	-

Notes:

N/A *Not applicable*

(1) *The proforma statement of comprehensive income for the FYE 2010 is included for comparison purposes only to show the full financial year's performance on proforma basis would have been, if our Group structure had been in place throughout the full financial year being reported thereon as our Group only existed on 3 May 2010.*

(2) *The revenue for the fifteen (15)-month period ended 31 December 2010 was lower than the proforma revenue of the FYE 2010 of RM23.376 million as the sale of approximately RM6.82 million that generated prior to the acquisition of the entire issued and paid-up share capital of AMSB comprising 100,000 ordinary shares of RM1.00 each from WHSB, Matrix Angle Sdn Bhd, Transnet (JB) Sdn Bhd and BTV Cinebus Sdn Bhd for a purchase consideration of RM12,999,998 satisfied by the issuance of 129,999,980 new AMEDIA Shares (i.e., from January 2010 to April 2010) was recognised as pre-acquisition revenue instead of revenue in the proforma statement of comprehensive income for the FYE 2010 as our Group only existed on 3 May 2010.*

The details of the reconciliation are as follows:

	RM'000
Revenue for the fifteen (15)-month period ended 31 December 2010	*16,554*
Add: Pre-acquisition revenue (January 2010 to April 2010)	*6,822*
Proforma revenue for the FYE 2010	***23,376***

(3) *Calculated based on PAT attributable to the equity holders of our Company for the respective years/periods divided by the weighted average number of Shares in issue.*

(4) *Based on annualised PAT attributable to the equity holders of our Company.*

(5) *Not applicable as the exercise price of the Warrants 2013/2018 was higher than the last transacted market price of AMEDIA Shares on 29 March 2013 (being the last trading day for the three (3)-month period ended 31 March 2013) of RM0.135 each.*

Commentaries on financial performance

FYE 2011 compared to FYE 2010*

Our revenue increased by approximately 56.35% from RM23.38 million in the FYE 2010 to RM36.55 million in the FYE 2011. The increase was mainly due to the additional 33, 15 and 15 new customers for our air time, programme sponsorship and creative and production, respectively and advertisement of additional products by five (5) existing customers, which contributed approximately 34.83% of our total revenue. The revenue of our programme sponsorship segment increased by approximately 140.57% from RM5.67 million in the FYE 2010 to RM13.64 million in the FYE 2011 as we managed to secure new customers as well as maintained most of our existing customers. In addition, the increase in our revenue of the programme sponsorship segment was due to the change from the purchase of air time to programme sponsorship by some of our existing customers.

The revenue of our air time segment decreased by approximately 3.67% from RM5.51 million in the FYE 2010 to RM5.31 million in the FYE 2011 despite an increase in revenue contributed from new customers. Hence, the contribution of the air time segment to the total revenue for the FYE 2011 decreased by approximately 9.05% from 23.57% in the FYE 2010 to 14.52% in the FYE 2011.

Our GP margin increased by 13.70% from 48.45% in the FYE 2010 to 62.15% in FYE 2011. The increase in GP margin was mainly due to the improved in the GP margin of the programme sponsorship segment and creative and production segment during the FYE 2011.

Our PBT increased by approximately RM7.27 million or 93.92% from RM7.74 million in the FYE 2010 to RM15.01 million in the FYE 2011. Our PBT margin also improved from 33.12% in the FYE 2010 to 41.08% in the FYE 2011 with the improved GP margin.

Note:

* *The proforma figures for the FYE 2010 is used for comparison purposes only to show the full financial year's performance is on proforma basis would have been, if our Group structure had been in place throughout the full financial year being reported thereon as our Group only existed on 3 May 2010.*

FYE 2012 compared to FYE 2011

Our revenue increased by approximately 22.49% from RM36.55 million in the FYE 2011 to RM44.77 million in the FYE 2012. The increase was mainly due to the growth of all our product segments, in particular our creative and production segment.

The revenue of our air time, programme sponsorship and creative and production segments increased by 28.12%, 5.92% and 33.63% respectively in the FYE 2012 due to the higher demand on all three (3) product segments.

Our GP margin remained at approximately 62.1% in the FYE 2012.

Our PBT increased by approximately RM0.87 million or 5.76% from RM15.01 million in the FYE 2011 to RM15.88 million in the FYE 2012. However, our PBT margin decreased from 41.08% in the FYE 2011 to 35.47% in the FYE 2012 due to the higher depreciation cost incurred for the DTTB infrastructure.

Three (3)-month period ended 31 March 2013 compared to three (3)-month period ended 31 March 2012

Our revenue increased by approximately 7.47% from RM10.85 million in the three (3)-month period ended 31 March 2012 to RM11.66 million in the three (3)-month period ended 31 March 2013. The increase was mainly attributable to the increase in customers' demand in all product segments for the three (3)-month period ended 31 March 2013.

The revenue of our air time increased by 12.59% in the three (3)-month period ended 31 March 2013 due to higher budget allocated in this segment by existing and new customers of our Group while our programme sponsorship and creative and production segments increased by 6.90% and 6.42% respectively in the three (3)-month period ended 31 March 2013 due to higher demand from existing and new customers of our Group.

Despite the increase in revenue, our PBT decreased by approximately RM0.78 million or 17.53% from RM4.45 million in the three (3)-month period ended 31 March 2012 to RM3.67 million in the three (3)-month period ended 31 March 2013 and our PBT margin decreased correspondingly from 41.04% in the three (3)-month period ended 31 March 2012 to 31.49% in the three (3)-month period ended 31 March 2013 due to the higher depreciation cost incurred for the DTTB infrastructure.

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8. HISTORICAL PRICES OF AMEDIA SHARES

The monthly high and low transacted market prices of AMEDIA Shares for the past twelve (12) months from August 2012 to July 2013 are as follows:

	High RM	Low RM
2012		
August	1.010	0.630
September	1.150	0.980
October	1.100	0.315
November	0.465	0.370
December*(1)*	0.240	0.190
2013		
January	0.215	0.160
February	0.185	0.135
March	0.155	0.130
April	0.150	0.130
May	0.185	0.130
June	0.175	0.150
July	0.175	0.145

Last transacted market price on 20 February 2013 (being the last trading date prior to the Announcement) was RM0.160 per AMEDIA Share.

Last transacted market price on 29 July 2013 (being the LPD prior to printing of this AP) was RM0.150 per AMEDIA Share.

Last transacted market price on 22 August 2013 (being the last day on which AMEDIA Shares were traded prior to the ex-date of the Rights Issue of Shares with Warrants) was RM0.155 each.

Note:

(1) The Share price was adjusted on 26 December 2012 pursuant to the bonus issue of 250,800,000 new AMEDIA Shares which was completed on 31 December 2012.

(Source: Bloomberg)

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STYL Associates *(AF1929)*
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REPORTING ACCOUNTANTS' LETTER
ON THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Prepared for inclusion in this Abridged Prospectus)

Date: 19 AUG 2013

The Board of Directors
ASIA MEDIA GROUP BERHAD
No: 35 First Floor Jalan Bandar 16
Pusat Bandar Puchong
47100 Puchong
Selangor Darul Ehsan

Dear Sirs,

ASIA MEDIA GROUP BERHAD ("AMEDIA" or "the Company")
REPORTING ACCOUNTANTS' LETTER ON THE
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

We have reviewed the presentation of the proforma consolidated statements of financial position of AMEDIA and its subsidiaries (collectively referred to as "AMEDIA Group" or "the Group") as at 31 December 2012, for which the Directors are solely responsible, as set out in the accompanying statements (stamped by us for purpose of identification) prepared for inclusion in the Abridged Prospectus of AMEDIA in relation to the renounceable rights issue of up to 752,400,000 new ordinary shares of RM0.10 each in AMEDIA ("AMEDIA Shares" or "Shares") ("Rights Shares") on the basis of one (1) Rights Share for every one (1) existing AMEDIA Share held, together with up to 188,100,000 free new warrants 2013/2018 ("Additional Warrants") on the basis of one (1) Additional Warrant for every four (4) Rights Shares subscribed for ("Rights Issue of Shares with Warrants").

AMEDIA is also undertaking the following corporate exercises:

(i) Exemption for Wong SK Holdings Sdn Bhd ("WHSB") from the obligation to undertake a mandatory take-over offer for all the remaining AMEDIA Shares and warrants 2013/2018 not already owned by WHSB under Paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-Overs and Mergers, 2010 ("Exemption");

(ii) Increase in the authorised share capital of AMEDIA from RM100,000,000 comprising 1,000,000,000 AMEDIA Shares to RM200,000,000 comprising 2,000,000,000 AMEDIA Shares ("Increase in Authorised Share Capital") which took effect on 29 July 2013; and

(iii) Amendment to the Memorandum of Association of AMEDIA as a consequence of the Increase in Authorised Share Capital which took effect on 29 July 2013 ("Amendment").

(The Rights Issue of Shares with Warrants, Exemption, Increase in Authorised Share Capital and Amendment are collectively referred to as the "Corporate Exercises")

STYL Associates
AF 1929

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2012 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON *(CONT'D)*

Responsibilities

It is solely the responsibility of the Board of Directors of AMEDIA to prepare the proforma consolidated statements of financial position to reflect the effects of the Corporate Exercises.

It is our responsibility to form an opinion, as to the proper compilation of the proforma consolidated statements of financial position and to report our opinion to you.

In providing this opinion, we are not responsible in updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the proforma consolidated statements of financial position, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with Malaysian Approved Standard on Assurance, ISAE 3000 - Assurance Engagements Other Than Audit or Review Historical Information. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information to the source documents, considering the evidence supporting the adjustments and discussing the proforma consolidated statements of financial position with the Directors of AMEDIA.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the proforma consolidated statements of financial position have been properly compiled on the basis stated in the accompanying notes using financial statements prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provision of the Companies Act, 1965 and in a manner consistent with both the format of the consolidated statements of financial position and the accounting policies of AMEDIA Group. Our work also involves assessing whether each material adjustment made to the information used in the preparation of the proforma consolidated statements of financial position is appropriate for the purposes of preparing the proforma consolidated statements of financial position.

In our opinion:

(i) the proforma consolidated statements of financial position which has been prepared by the Directors of AMEDIA have been properly compiled on the basis stated in the accompanying notes using the financial statements prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provision of the Companies Act, 1965 and in a manner consistent with both the format of the financial statements and the accounting policies adopted by AMEDIA Group; and

(ii) each material adjustment made to the information used in the preparation of the proforma consolidated statements of financial position is appropriate for the purposes of preparing the proforma consolidated statements of financial position.

Other matters

We understand that this letter will be used solely for the purpose for inclusion in the Abridged Prospectus of AMEDIA in respect of the Rights Issue of Shares with Warrants mentioned above. As such, this letter should not be used for any other purpose without our prior written consent.

Yours faithfully,

STYL Associates

STYL ASSOCIATES
Firm No : AF 1929
Chartered Accountants

TAN CHIN HUAT
Approval No: 2037/6/14(J)
Partner

STYL Associates
AF 1929

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2012 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (*CONT'D*)

AMEDIA

Proforma consolidated statements of financial position of AMEDIA as at 31 December 2012

The proforma consolidated statements of financial position below are for illustrative purposes only, based on the audited financial statements of AMEDIA and its subsidiaries as at 31 December 2012, to show the effects on the consolidated statements of financial position of AMEDIA had the Free Warrants Issue as described in Note 2 and the Corporate Exercises as described in Note 3 been effected on that date, and should be read in conjuction with the notes accompanying to the proforma consolidated statements of financial position.

MINIMUM SCENARIO

	Note	Audited as at 31 December 2012 RM	(i) After Free Warrants Issue RM	(ii) After (i) and the Rights Issue of Shares with Warrants RM	(iii) After (ii) and assuming full exercise of the Outstanding Warrants and Adjustment Warrants RM	(iv) After (iii) and assuming full exercise of the Additional Warrants RM
ASSETS						
Non-Current Assets						
Property, plant and equipment	5.1	71,270,053	71,270,053	71,270,053	71,270,053	71,270,053
Development costs		48,903	48,903	48,903	48,903	48,903
Other intangible assets		2,042,450	2,042,450	2,042,450	2,042,450	2,042,450
Goodwill on consolidation		2,570,627	2,570,627	2,570,627	2,570,627	2,570,627
Total Non-Current Assets		75,932,033	75,932,033	75,932,033	75,932,033	75,932,033
Current Assets						
Trade receivables		7,949,849	7,949,849	7,949,849	7,949,849	7,949,849
Other receivables and prepaid expenses		5,897,184	5,897,184	5,897,184	5,897,184	5,897,184
Deferred expenditure		20,000	20,000	20,000	20,000	20,000
Deposits with licensed bank		177,279	177,279	177,279	177,279	177,279
Cash and bank balances	6.1	12,438,789	12,438,789	21,826,655	87,362,140	96,390,940
Total Current Assets		26,483,101	26,483,101	35,870,967	101,406,452	110,435,252
TOTAL ASSETS		102,415,134	102,415,134	111,803,000	177,338,485	186,367,285

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PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2012 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON *(CONT'D)*

			(i)	(ii)	(iii)	(iv)
		Audited as at 31 December 2012	After Free Warrants Issue	After (i) and the Rights Issue of Shares with Warrants	After (ii) and assuming full exercise of the Outstanding Warrants and Adjustment Warrants	After (iii) and assuming full exercise of the Additional Warrants
		RM	RM	RM	RM	RM
EQUITY AND LIABILITIES						
Capital and Reserves						
Share capital	7.1	50,160,000	50,160,000	65,208,000	92,514,452	96,276,452
Share premium	8.1	-	-	179,673	38,408,706	44,400,633
Warrant reserve	9.1	-	-	725,127	725,127	-
Retained earnings		29,593,069	29,593,069	29,593,069	29,593,069	29,593,069
Equity Attributable to Owners of the Company		79,753,069	79,753,069	95,705,869	161,241,354	170,270,154
Non-controlling interests		132,573	132,573	132,573	132,573	132,573
Total Equity		79,885,642	79,885,642	95,838,442	161,373,927	170,402,727
Non-Current Liabilities						
Hire purchase creditor		28,798	28,798	28,798	28,798	28,798
Deferred tax liability		4,170,251	4,170,251	4,170,251	4,170,251	4,170,251
Total Non-Current Liabilities		4,199,049	4,199,049	4,199,049	4,199,049	4,199,049
Current Liabilities						
Trade payables	10.1	1,034,321	1,034,321	-	-	-
Other payables and accrued expenses	10.1	12,745,928	12,745,928	11,745,928	11,745,928	11,745,928
Short term bank borrowings	11.1	4,542,330	4,542,330	11,717	11,717	11,717
Tax liabilities		7,864	7,864	7,864	7,864	7,864
Total Current Liabilities		18,330,443	18,330,443	11,765,509	11,765,509	11,765,509
Total Liabilities		22,529,492	22,529,492	15,964,558	15,964,558	15,964,558
TOTAL EQUITY AND LIABILITIES		102,415,134	102,415,134	111,803,000	177,338,485	186,367,285

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PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2012 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (*CONT'D*)

	Audited as at 31 December 2012 RM	(i) After Free Warrants Issue RM	(ii) After (i) and the Rights Issue of Shares with Warrants RM	(iii) After (ii) and assuming full exercise of the Outstanding Warrants and Adjustment Warrants RM	(iv) After (iii) and assuming full exercise of the Additional Warrants RM
Net tangible assets (NTA)/Proforma NTA	75,091,089	75,091,089	91,043,889	156,579,374	165,608,174
Net assets (NA)/Proforma NA	79,753,069	79,753,069	95,705,869	161,241,354	170,270,154
No. of ordinary shares of RM0.10 each assumed in issue	501,600,000	501,600,000	652,080,000	925,144,520	962,764,520
NTA/Proforma NTA per share (RM)	0.15	0.15	0.14	0.17	0.17
NA/Proforma NA per share (RM)	0.16	0.16	0.15	0.17	0.18
Total borrowings	4,571,128	4,571,128	40,515	40,515	40,515
Gearing (times)	0.06	0.06	negligible	negligible	negligible

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2012 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON *(CONT'D)*

MAXIMUM SCENARIO

	Note	Audited as at 31 December 2012 RM	(i) After Free Warrants Issue RM	(ii) After (i) and full exercise of the Outstanding Warrants RM	(iii) After (ii) and the Rights Issue of Shares with Warrants RM	(iv) After (iii) and assuming full exercise of the Additional Warrants RM
ASSETS						
Non-Current Assets						
Property, plant and equipment	5.2	71,270,053	71,270,053	71,270,053	131,270,053	131,270,053
Development costs		48,903	48,903	48,903	48,903	48,903
Other intangible assets		2,042,450	2,042,450	2,042,450	2,042,450	2,042,450
Goodwill on consolidation		2,570,627	2,570,627	2,570,627	2,570,627	2,570,627
Total Non-Current Assets		75,932,033	75,932,033	75,932,033	135,932,033	135,932,033
Current Assets						
Trade receivables		7,949,849	7,949,849	7,949,849	7,949,849	7,949,849
Other receivables and prepaid expenses		5,897,184	5,897,184	5,897,184	5,897,184	5,897,184
Deferred expenditure		20,000	20,000	20,000	20,000	20,000
Deposits with licensed bank		177,279	177,279	177,279	177,279	177,279
Cash and bank balances	6.2	12,438,789	12,438,789	75,138,789	90,737,855	135,881,855
Total Current Assets		26,483,101	26,483,101	89,183,101	104,782,167	149,926,167
TOTAL ASSETS		102,415,134	102,415,134	165,115,134	240,714,200	285,858,200

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2012 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON *(CONT'D)*

		Audited as at 31 December 2012 RM	(i) After Free Warrants Issue RM	(ii) After (i) and full exercise of the Outstanding Warrants RM	(iii) After (ii) and the Rights Issue of Shares with Warrants RM	(iv) After (iii) and assuming full exercise of the Additional Warrants RM
EQUITY AND LIABILITIES						
Capital and Reserves						
Share capital	7.2	50,160,000	50,160,000	75,240,000	150,480,000	169,290,000
Share premium	8.2	-	-	37,620,000	40,809,273	70,878,000
Warrant reserve	9.2	-	-	-	3,734,727	-
Retained earnings		29,593,069	29,593,069	29,593,069	29,593,069	29,593,069
Equity Attributable to Owners of the Company		79,753,069	79,753,069	142,453,069	224,617,069	269,761,069
Non-controlling interests		132,573	132,573	132,573	132,573	132,573
Total Equity		79,885,642	79,885,642	142,585,642	224,749,642	269,893,642
Non-Current Liabilities						
Hire purchase creditor		28,798	28,798	28,798	28,798	28,798
Deferred tax liability		4,170,251	4,170,251	4,170,251	4,170,251	4,170,251
Total Non-Current Liabilities		4,199,049	4,199,049	4,199,049	4,199,049	4,199,049
Current Liabilities						
Trade payables	10.2	1,034,321	1,034,321	1,034,321	-	-
Other payables and accrued expenses	10.2	12,745,928	12,745,928	12,745,928	11,745,928	11,745,928
Short term bank borrowings	11.2	4,542,330	4,542,330	4,542,330	11,717	11,717
Tax liabilities		7,864	7,864	7,864	7,864	7,864
Total Current Liabilities		18,330,443	18,330,443	18,330,443	11,765,509	11,765,509
Total Liabilities		22,529,492	22,529,492	22,529,492	15,964,558	15,964,558
TOTAL EQUITY AND LIABILITIES		102,415,134	102,415,134	165,115,134	240,714,200	285,858,200

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2012 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON *(CONT'D)*

	Audited as at 31 December 2012 RM	(i) After Free Warrants Issue RM	(ii) After (i) and full exercise of the Outstanding Warrants RM	(iii) After (ii) and the Rights Issue of Shares with Warrants RM	(iv) After (iii) and assuming full exercise of the Additional Warrants RM
Net tangible assets (NTA)/Proforma NTA	75,091,089	75,091,089	137,791,089	219,955,089	265,099,089
Net assets (NA)/Proforma NA	79,753,069	79,753,069	142,453,069	224,617,069	269,761,069
No. of ordinary shares of RM0.10 each assumed in issue	501,600,000	501,600,000	752,400,000	1,504,800,000	1,692,900,000
NTA/Proforma NTA per share (RM)	0.15	0.15	0.18	0.15	0.16
NA/Proforma NA per share (RM)	0.16	0.16	0.19	0.15	0.16
Total borrowings	4,571,128	4,571,128	4,571,128	40,515	40,515
Gearing (times)	0.06	0.06	0.03	negligible	negligible

AMEDIA

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

1 Basis of Preparation

1.1 The proforma consolidated statements of financial position of the Group, for which the Directors of AMEDIA 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 31 December 2012 had the Free Warrants Issue as descibed in Note 2 and the Corporate Exercises as described in Note 3 been effected on that date, and should be read in conjunction with the notes accompanying the proforma consolidated statements of financial position.

1.2 The proforma 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 31 December 2012, which have been prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provision of the Companies Act, 1965, and the adoption of the following new accounting policies:

Warrant Reserve

The allocated fair values of free warrants are recognised on the date of issue in the financial statements as warrant reserve, which is non-distributable. The attributable amount of warrant reserve is reclassified as share premium upon the exercise of warrants, while the remaining amount of warrant reserve in relation to the unexercised warrants upon the expiry of exercise period is transferred directly to retained profits.

For the preparation of the proforma consolidated statements of financial position, the Directors of AMEDIA have allocated a value of RM0.02 per Warrant to the free Warrants based on the fair value of the Warrant extracted from Bloomberg as at 29 July 2013, being the latest practical date prior to the printing of Abridged Prospectus to shareholders of AMEDIA in relation to the Rights Issue of Shares with Warrants. The value of the Warrants is based on the relative values of the ordinary shares by reference to the following information extracted from Bloomberg:

Valuation model	: Black Scholes
Theoretical ex-all price *	: RM0.1402
Indicative exercise price #	: RM0.24 per Warrant
Tenure of Warrants	: Five (5) years (which will expire on 1 January 2018)
Volatility	: 39.220%
Dividend	: Nil
Interest rate	: 3.99% per annum

* Being the theoretical ex-all price after the Rights Issue of Shares with Warrants, based on the 5-days volume weighted average of AMEDIA Shares up to 29 July 2013 and the issue price of RM0.11 per Rights Share.

Based on the adjusted exercise price of Warrants subsequent to the Rights Issue of Shares with Warrants.

As the above variables are subject to change upon the implementation of the Rights Issue of Shares with Warrants as described in Note 3(i), the actual quantum of the components of the warrant reserve will only be determined upon issuance of the Warrants. As such, the actual quantum may differ from the amount computed above; and

1.3 The audited financial statements of AMEDIA for the financial year ended 31 December 2012 were reported by us without any modification, to the members of AMEDIA on 8 March 2013.

2 Free Warrants Issue

Subsequent to 31 December 2012, AMEDIA had undertaken the following transaction:

2.1 Free warrants

Issue of 250,800,000 free warrants ("Warrants") on the basis of one (1) warrant for every one (1) existing AMEDIA share held ("Free Warrants Issue"), which was completed on 8 January 2013.

3 Corporate Exercises

AMEDIA is undertaking the following corporate exercises:

(i) Renounceable rights issue of up to 752,400,000 new ordinary shares of RM0.10 each in AMEDIA ("AMEDIA Shares" or "Shares") ("Rights Shares") on the basis of one (1) Rights Share for every one (1) existing AMEDIA Share held, together with up to 188,100,000 free new warrants 2013/2018 ("Additional Warrants") on the basis of one (1) Additional Warrant for every four (4) Rights Shares subscribed for ("Rights Issue of Shares with Warrants");

(ii) Exemption for Wong SK Holdings Sdn Bhd ("WHSB") from the obligation to undertake a mandatory take-over offer for all the remaining AMEDIA Shares and warrants 2013/2018 not already owned by WHSB under Paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-Overs and Mergers, 2010;

(iii) Increase in the authorised share capital of AMEDIA from RM100,000,000 comprising 1,000,000,000 AMEDIA Shares to RM200,000,000 comprising 2,000,000,000 AMEDIA Shares ("Increase in Authorised Share Capital") which took effect on 29 July 2013; and

(iv) Amendment to the Memorandum of Association of AMEDIA as a consequence of the Increase in Authorised Share Capital which took effect on 29 July 2013.

Utilisation of Proceeds from the Rights Issue of Shares with Warrants

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

	Minimum Scenario RM'000	Maximum Scenario RM'000
Capital expenditure [Note (i)]	-	60,000
Repayment of bank borrowings [Note (ii)]	5,000	5,000
Working capital [Note (iii)]	10,953	17,164
Estimated expenses in relation to the Corporate Exercises [Note (iv)]	600	600
	16,553	82,764

Note (i)
The capital expenditure shall include the purchase of equipment in relation to the setting up of the Group's Digital Terrestrial Television Broadcasting ("DTTB") infrastructure in Klang Valley, Johor Bahru and Penang. As at 29 July 2013, the Group has completed the construction of five (5) transmission towers in Klang Valley and gap fillers may be set up in Klang Valley from time to time to stabilise the Group's broadcast signal in poor coverage area, if any to minimise the interruption of the broadcasting information as and when required. Meanwhile, the Group intends to expand its DTTB coverage to Johor Bahru in 2013 and Penang in 2014.

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2012 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (*CONT'D*)

The breakdown of the proposed utilisation of proceeds for capital expenditure under the Maximum Scenario of RM60 million is as follow:

Capital expenditure		RM'000
(i)	Klang Valley	
	- Three (3) units of gap fillers#	12,000
(ii)	Johor Bahru	
	- One (1) unit of transmission tower*	8,000
	- Four (4) units of gap fillers	16,000
(iii)	Penang	
	- One (1) unit of transmission tower*	8,000
	- Four (4) units of gap fillers	16,000
Total		60,000

\# In the event that less than three (3) units of gap fillers is required, the unutilised proceeds will be utilised for the DTTB infrastructure in Johor Bahru and/or Penang.

* The equipment to be purchased shall include but not limited to feeder cable, air cooled power amplifier, power unit, distribution units liquid, cooling system, switch, circuit breaker, server, antenna system, microwave linkage and others.

In the event the Rights Issue of Shares with Warrants is not implemented based on the Maximum Scenario, the capital expenditure for setting up of DTTB infrastructures in Klang Valley, Johor Bahru and/or Penang will be financed through the Group's internally-generated funds and/or bank borrowings. As at 29 July 2013, the cash and bank balances of the Group were approximately RM10.52 million.

Any surplus or shortfall for the capital expenditure will be adjusted accordingly to/from the working capital of the Group.

Note (ii)
The Group intends to utilise RM5.00 million of the proceeds to repay part of the Group's bank borrowings. As at 29 July 2013, the Group's total bank borrowings were approximately RM4.73 million and the Directors envisaged that the Group will increase the bank borrowings to at least RM5.00 million in the next twelve (12) months, of which the additional bank borrowings of at least RM0.27 million will be utilised for the working capital of the Group. At the prevailing interest rate of the Group at approximately 3.99% per annum, the Group anticipates an interest saving of approximately RM0.20 million per annum as the result of the repayment of bank borrowings.

Note (iii)
The Group intends to utilise up to RM17.16 million for its working capital as follows:

	Minimum Scenario RM'000	Maximum Scenario RM'000
Payment to trade creditors[a]	9,000	13,000
Payment to other creditors[b]	1,000	1,000
Other operating expenses[c]	953	3,164
	10,953	17,164

[(a)] Comprise payment to content providers for the purchase of movie and music videos and external production houses. As at 29 July 2013, the outstanding amount payable to the content providers and production houses is approximately RM0.57 million.

[(b)] Comprise payment to the suppliers of equipment for the Group's Transit-television ("TV") Network and System (i.e. upgrading of its existing Transit-TV Network System) as well as DTTB infrastructure (which include transmitters, antennas, microwave system, linkage system, playout system and other capital expenditure in relation to the setting up of broadcasting centre and the five (5) transmission towers in Klang Valley) which was purchased prior to the announcement of the Corporate Exercises dated 21 February 2013 ("Announcement"). As at 29 July 2013, the outstanding amount payable to the suppliers is RM1.21 million.

[(c)] Comprise the Group's day-to-day operation expenses to support its existing business operation which shall include, but not limited to the payment of salaries to staff, administrative and marketing expenses, rental, professional fees, licensing fees etc. The Group has yet to determine the exact breakdown of the proceeds in respect of the other operating expenses requirements.

Note (iv)

The estimated expenses consist of professional fees, fees payable to the relevant authorities, expenses to convene the extraordinary general meeting, printing, advertising and other ancillary expenses. Any surplus or shortfall for the estimated expenses in relation to the Corporate Exercises will be adjusted accordingly to/from the working capital of the Group.

4 Proforma Consolidated Statements of Financial Position

4.1 Minimum Scenario

The minimum scenario assumes that:

(i) None of the 250,800,000 outstanding warrants 2013/2018 ("Outstanding Warrants") is exercised prior to the entitlement date and only WHSB fully subscribes for its entitlement of the Rights Shares with Additional Warrants pursuant to the Undertaking (as defined herein);

(ii) The Rights Issue of Shares with Warrants will be implemented on a minimum level of subscription of 150,480,000 Rights Shares together with 37,620,000 Additional Warrants ("**Minimum Subscription Level**"). At an issue price of RM0.11 per Rights Share, the Company will raise minimum gross proceeds of approximately RM16.55 million from the Rights Issue of Shares with Warrants;

(iii) To meet the Minimum Subscription Level, the Company has obtained a written unconditional and irrevocable undertaking from its major shareholder, namely WHSB that it will not dispose any of its AMEDIA Shares following the Announcement up to the completion of the Rights Issue of Shares with Warrants and that it will subscribe in full for its entitlement of the Rights Shares with Additional Warrants ("**Undertaking**"); and

(iv) The 37,620,000 Additional Warrants issued pursuant to the Rights Issue of Shares with Warrants are fully exercised at an indicative adjusted exercise price of RM0.24 each after the completion of the Rights Issue of Shares with Warrants.

4.1.1 Proforma I

Proforma I incorporates the effects of the consolidated statement of financial position of the Group as at 31 December 2012 and the Free Warrants Issue as described in Note 2.

4.1.2 Proforma II

Proforma II incorporates the cumulative effects of Proforma I and Rights Issue of Shares with Warrants as described in Note 4.1(ii) and the utilisation of proceeds as described in Note 3 in relation to the Rights Issue of Shares with Warrants.

With the issuance of 37,620,000 Additional Warrants pursuant to the Rights Issue of Shares with Warrants, AMEDIA has recognised the fair values of the Warrants of approximately RM0.75 million based on the basis as described in Section 1.2.

The estimated expenses in relation to the Corporate Exercises of RM600,000 is apportioned as follows:

	RM
Estimated expenses relating to the Rights Shares	572,727
Estimated expenses relating to the Additional Warrants	27,273
	600,000

The above basis is derived by way of applying weighted average method according to the proportion of the fair value of the Additional Warrant attched to one (1) Rights Share of approximately RM0.005 over the indicative issue price of RM0.11 per Rights Share, which is based on the recommended practice stated in FRSIC Consensus 9.

The Rights Issue of Shares with Warrants has the following impact on the proforma consolidated statements of financial position of the Group:

	Increase/(Decrease)	
	Effects on Total Assets RM	Effects on Total Equity RM
Cash and bank balances	15,952,800	-
Share capital	-	15,048,000
Share premium	-	179,673
Warrant reserve	-	725,127
	15,952,800	15,952,800

4.1.3 Proforma III

Proforma III incorporates the cumulative effects of Proforma II and assuming full exercise of 250,800,000 Outstanding Warrants and 22,264,520 Adjustment Warrants, at the indicative adjusted exercise price of RM0.24 per AMEDIA Share.

The full exercise of the Outstanding Warrants and Adjustment Warrants will have the following impact on the proforma consolidated statements of financial position of the Group:

	Increase/(Decrease)	
	Effects on Total Assets RM	Effects on Total Equity RM
Cash and bank balances	65,535,485	-
Share capital	-	27,306,452
Share premium	-	38,229,033
	65,535,485	65,535,485

4.1.4 Proforma IV

Proforma IV incorporates the cumulative effects of Proforma III and assuming full exercise of 37,620,000 Additional Warrants at the indicative adjusted exercise price of RM0.24 per AMEDIA Share as described in Note 4.1(iv).

The full exercise of Additional Warrants will have the following impact on the proforma consolidated statements of financial position of the Group:

	Increase/(Decrease) Effects on Total Assets RM	Increase/(Decrease) Effects on Total Equity RM
Cash and bank balances	9,028,800	-
Share capital	-	3,762,000
Share premium	-	5,991,927
Warrant reserve	-	(725,127)
	9,028,800	9,028,800

4.2 Maximum Scenario

The maximum scenario assumes that:

(i) All of the Outstanding Warrants are exercised at an exercise price of RM0.25 per AMEDIA Share prior to the entitlement date and all shareholders of AMEDIA whose names appear in the Record of Depositors of the Company as at the close of business on the entitlement date fully subscribe for their entitlements of the Rights Shares with Additional Warrants;

(ii) The Rights Issue of Shares with Warrants will be implemented on a maximum level of subscription of 752,400,000 Rights Shares together with 188,100,000 Additional Warrants ("**Maximum Subscription Level**"). At an issue price of RM0.11 per Rights Share, the Company will raise maximum gross proceeds of approximately RM82.76 million from the Rights Issue of Shares with Warrants; and

(iii) The 188,100,000 Additional Warrants issued pursuant to the Rights Issue of Shares with Warrants are fully exercised at an indicative adjusted exercise price of RM0.24 each after the completion of the Rights Issue of Shares with Warrants.

4.2.1 Proforma I

Proforma I incorporates the effects of the consolidated statement of financial position of the Group as at 31 December 2012 and the Free Warrants Issue as described in Note 2.

4.2.2 Proforma II

Proforma II incorporates the cumulative effects of Proforma I and assuming full execise of the Outstanding Warrants as described in Note 4.2(i).

The proceeds arising from the full exercise of the Outstanding Warrants of approximately RM62.7 million were included in the cash and bank balances account.

The full exercise of the Outstanding Warrants have the following impact on the proforma consolidated statements of financial position of the Group:

	Increase/(Decrease) Effects on Total Assets RM	Increase/(Decrease) Effects on Total Equity RM
Cash and bank balances	62,700,000	-
Share capital	-	25,080,000
Share premium	-	37,620,000
	62,700,000	62,700,000

4.2.3 Proforma III

Proforma III incorporates the cumulative effects of Proforma II and the Rights Issue of Shares with Warrants as described in Note 4.2(ii) and the utilisation of proceeds as described in Note 3 in relation to the Rights Issue of Shares with Warrants.

With the issuance of 188,100,000 Additional Warrants pursuant to the Rights Issue of Shares with Warrants, AMEDIA has recognised the fair values of the Warrants of approximately RM3.76 million based on the basis as described in Section 1.2.

The estimated expenses in relation to the Corporate Exercises of RM600,000 is apportioned as follows:

	RM
Estimated expenses relating to the Rights Shares	572,727
Estimated expenses relating to the Additional Warrants	27,273
	600,000

The above basis is derived by way of applying weighted average method according to the proportion of the fair value of the Warrant attched to one (1) Rights Share of approximately RM0.005 over the indicative issue price of RM0.11 per Rights Share, which is based on the recommended practice stated in FRSIC Consensus 9.

The Rights Issue of Shares with Warrants has the following impact on the proforma consolidated statements of financial position of the Group:

	Increase/(Decrease)	
	Effects on Total Assets RM	Effects on Total Equity RM
Cash and bank balances	82,164,000	-
Share capital	-	75,240,000
Share premium	-	3,189,273
Warrant reserve	-	3,734,727
	82,164,000	82,164,000

4.2.4 Proforma IV

Proforma IV incorporates the cumulative effects of Proforma III and assuming full exercise of 188,100,000 Additional Warrants at the indicative adjusted exercise price of RM0.24 per AMEDIA Share as described in Note 4.2(iii).

The full exercise of Additional Warrants will have the following impact on the proforma consolidated statements of financial position of the Group:

	Increase/(Decrease)	
	Effects on Total Assets RM	Effects on Total Equity RM
Cash and bank balances	45,144,000	-
Share capital	-	18,810,000
Share premium	-	30,068,727
Warrant reserve	-	(3,734,727)
	45,144,000	45,144,000

5 PROPERTY, PLANT AND EQUIPMENT

The movement of property, plant and equipment are as follows:

5.1 Minimum Scenario

	RM
As at 31 December 2012/Balance after Proforma I, II, III and IV	71,270,053

5.2 Maximum Scenario

	RM
As at 31 December 2012/Balance after Proforma I and II	71,270,053
Add: Property, plant and equipment acquired through the utilisation of proceeds from the Rights Issue of Shares with Warrants	60,000,000
Balance after Proforma III and IV	131,270,053

6 CASH AND BANK BALANCES

The movement of cash and bank balances are as follows:

6.1 Minimum Scenario

	RM
As at 31 December 2012/Balance after Proforma I	12,438,789
Add: Proceeds from Rights Issue of Shares with Warrants	16,552,800
Less: Estimated expenses in relation to the Corporate Exercises	(600,000)
Repayment to trade payables	(1,034,321)
Repayment to other payables	(1,000,000)
Repayment of bank borrowings	(4,530,613)
Balance after Proforma II	21,826,655
Add: Proceeds from assumed full exercise of Outstanding Warrants and Adjustment Warrants	65,535,485
Balance after Proforma III	87,362,140
Add: Proceeds from assumed full exercise of Additional Warrants	9,028,800
Balance after Proforma IV	96,390,940

The following amounts are deemed to be retained in cash and bank balances under current assets:

	RM
Proceeds from assumed full exercise of Outstanding Warrants and Adjustment Warrants	65,535,485
Proceeds from assumed full exercise of Additional Warrants	9,028,800
<u>Utilisation of proceeds from Rights Issue of Shares with Warrants</u>	
Amount unutilised for the payment of trade payables	7,965,679
Amount unutilised for the repayment of bank borrowings	469,387
Other operating expenses	953,000
	83,952,351

6.2 Maximum Scenario

	RM
As at 31 December 2012/Balance after Proforma I	12,438,789
Add: Proceeds from exercise of the Outstanding Warrants	62,700,000
Balance after Proforma II	75,138,789
Add: Proceeds from Rights Issue of Shares with Warrants	82,764,000
Less: Estimated expenses in relation to the Corporate Exercises	(600,000)
Payment for capital expenditure	(60,000,000)
Repayment to trade payables	(1,034,321)
Repayment to other payables	(1,000,000)
Repayment of bank borrowings	(4,530,613)
Balance after Proforma III	90,737,855
Add: Proceeds from assumed full exercise of Additional Warrants	45,144,000
Balance after Proforma IV	135,881,855

The following amounts are deemed to be retained in cash and bank balances under current assets:

	RM
Proceeds from assumed full exercise of Additional Warrants	45,144,000
Utilisation of proceeds from Rights Issue of Shares with Warrants	
Amount unutilised for the payment of trade payables	11,965,679
Amount unutilised for the repayment of bank borrowings	469,387
Other operating expenses	3,164,000
	60,743,066

7 SHARE CAPITAL

The movement in the issued and paid-up share capital of AMEDIA is as follow:

7.1 Minimum Scenario

	No. of ordinary shares of RM0.10 each	Amount RM
As at 31 December 2012/Balance after Proforma I	501,600,000	50,160,000
Add: Shares to be issued pursuant to Rights Issue of Shares with Warrants	150,480,000	15,048,000
Balance after Proforma II	652,080,000	65,208,000
Add: Shares to be issued assuming full exercise of the Outstanding Warrants and Adjustment Warrants	273,064,520	27,306,452
Balance after Proforma III	925,144,520	92,514,452
Add: Shares to be issued assuming full exercise of the Additional Warrants	37,620,000	3,762,000
Balance after Proforma IV	962,764,520	96,276,452

7.2 Maximum Scenario

	No. of ordinary shares of RM0.10 each	Amount RM
As at 31 December 2012/Balance after Proforma I	501,600,000	50,160,000
Add: Shares to be issued assuming full exercise of the Outstanding Warrants	250,800,000	25,080,000
Balance after Proforma II	752,400,000	75,240,000
Add: Shares to be issued pursuant to Rights Issue of Shares with Warrants	752,400,000	75,240,000
Balance after Proforma III	1,504,800,000	150,480,000
Add: Shares to be issued assuming full exercise of the Additional Warrants	188,100,000	18,810,000
Balance after Proforma IV	1,692,900,000	169,290,000

8 SHARE PREMIUM

The movement in the share premium of AMEDIA is as follow:

8.1 Minimum Scenario

	RM
As at 31 December 2012/Balance after Proforma I	-
Add: Shares to be issued pursuant to Rights Issue of Shares with Warrants	752,400*
Less: Estimated expenses in relation to the Corporate Exercises	(572,727)
Balance after Proforma II	179,673
Add: Shares to be issued assuming full exercise of the Outstanding Warrants and Adjustment Warrants	38,229,033
Balance after Proforma III	38,408,706
Add: Shares to be issued assuming full exercise of the Additonal Warrants	5,266,800
Transfer from warrant reserve upon full exercise of the Additional Warrants	725,127
Balance after Proforma IV	44,400,633

*Note: * Based on the issue price of RM0.11 per Rights Share and after taking into consideration the issuance of 37,620,000 Additional Warrants at an allocated fair value of RM0.02 per Additional Warrant.*

8.2 Maximum Scenario

	RM
As at 31 December 2012/Balance after Proforma I	-
Add: Shares to be issued assuming full exercise of the Outstanding Warrants	37,620,000
Balance after Proforma II	37,620,000
Add: Shares to be issued pursuant to Rights Issue of Shares with Warrants	3,762,000*
Less: Estimated expenses in relation to the Corporate Exercises	(572,727)
Balance after Proforma III	40,809,273
Add: Shares to be issued assuming full exercise of the Additonal Warrants	26,334,000
Transfer from warrant reserve upon full exercise of the Additional Warrants	3,734,727
Balance after Proforma IV	70,878,000

*Note: * Based on the issue price of RM0.11 per Rights Share and after taking into consideration the issuance of 188,100,000 Additional Warrants at an allocated fair value of RM0.02 per Additional Warrant.*

9 WARRANT RESERVE

The movement in the warrant reserve of AMEDIA is as follow:

9.1 Minimum Scenario

	RM
As at 31 December 2012/Balance after Proforma I	-
Add: Additional Warrants to be issued pursuant to Rights Issue of Shares with Warrants	752,400
Less: Estimated expenses in relation to the Corporate Exercises	(27,273)
Balance after Proforma II and III	725,127
Less: Transfer to share premium upon full exercise of the Additional Warrants	(725,127)
Balance after Proforma IV	-

9.2 Maximum Scenario

	RM
As at 31 December 2012/Balance after Proforma I and II	-
Add: Additional Warrants to be issued pursuant to Rights Issue of Shares with Warrants	3,762,000
Less: Estimated expenses in relation to the Corporate Exercises	(27,273)
Balance after Proforma III	3,734,727
Less: Transfer to share premium upon full exercise of the Additional Warrants	(3,734,727)
Balance after Proforma IV	-

10 TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade and other payables comprise amounts outstanding for trade and ongoing costs. The average credit period granted to the Group for trade purchases ranges from 30 to 90 days.

10.1 Minimum Scenario

<u>Trade payables</u>	RM
As at 31 December 2012/Balance after Proforma I	1,034,321
Less: Repayment to trade payables	(1,034,321)
Balance after Proforma II, III and IV	-

<u>Other payables and accrued expenses</u>	RM
As at 31 December 2012/ Balance after Proforma I	12,745,928
Less: Repayment to other payables	(1,000,000)
Balance after Proforma II, III and IV	11,745,928

10.2 Maximum Scenario

<u>Trade payables</u>	RM
As at 31 December 2012/Balance after Proforma I and II	1,034,321
Less: Repayment to trade payables	(1,034,321)
Balance after Proforma III and IV	-

<u>Other payables and accrued expenses</u>	RM
As at 31 December 2012/ Balance after Proforma I and II	12,745,928
Less: Repayment to other payables	(1,000,000)
Balance after Proforma III and IV	11,745,928

11 Short term bank borrowings

11.1 Minimum Scenario

	Hire purchase creditor RM	Revolving credit RM	Total RM
As at 31 December 2012/ Balance after Proforma I	11,717	4,530,613	4,542,330
Less: Repayment of bank borrowings	-	(4,530,613)	(4,530,613)
Balance after Proforma II, III and IV	11,717	-	11,717

11.2 Maximum Scenario

	Hire purchase creditor RM	Revolving credit RM	Total RM
As at 31 December 2012/ Balance after Proforma I and II	11,717	4,530,613	4,542,330
Less: Repayment of bank borrowings	-	(4,530,613)	(4,530,613)
Balance after Proforma III and IV	11,717	-	11,717

CERTIFIED TRUE COPY

TAN CHIN HUAT
APPROVED NO: 2037/06/14 (J)
CHARTERED ACCOUNTANT (M)

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2012
(In Ringgit Malaysia)

STYL ASSOCIATES
Chartered Accountants

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

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ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31st December 2012.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities of the subsidiaries are as disclosed in Note 9 to the Financial Statements. There have been no significant changes in the nature of these principal activities during the financial year.

FINANCIAL RESULTS

The results of the operations of the Group and of the Company for the financial year are as follows:

	GROUP RM	COMPANY RM
Profit before tax	15,877,870	13,999,993
Income tax expense	(4,170,387)	-
Net profit for the financial year	11,707,483	13,999,993
Attributable to:		
Equity holders of the Company	11,722,258	13,999,993
Non-controlling interests	(14,775)	-
	11,707,483	13,999,993

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors also do not recommend the payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those as disclosed in the Financial Statements.

ISSUE OF SHARES AND DEBENTURES

As approved by the shareholders at the Annual General Meeting held on 23rd June 2011, the issued and paid-up share capital of the Company was increased from RM22,800,000 to RM23,940,000 during the financial year by the allotment of 11,400,000 new ordinary shares of RM0.10 each in the Company at an issue price of RM0.37 per new ordinary share for cash by way of private placement. Also, as approved by the shareholders at the Annual General Meeting held on 23rd May 2012, the issued and paid-up share capital of the Company was increased from RM23,940,000 to RM25,080,000 during the financial year by the allotment of 11,400,000 new ordinary shares of RM0.10 each in the Company at an issue price of RM0.385 per new ordinary share for cash by way of private placement.

The resultant share premium arising from the shares issued during the financial year of RM6,327,000 has been credited to the share premium account. All the new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

Further, as approved by the shareholders of the Company at the Extraordinary General Meeting held on 5th December 2012, the authorised share capital of the Company was increased from RM50,000,000 to RM100,000,000 during the financial year by the creation of additional 500,000,000 new ordinary shares of RM0.10 each. Also, the issued and paid-up share capital of the Company was increased further from RM25,800,000 to RM50,160,000 during the financial year by way of bonus issue of 250,800,000 new ordinary shares of RM0.10 each on the basis of one new ordinary share for every one existing share through capitalisation of RM25,080,000 from the Company's share premium account and retained earnings.

The Company has not issued any debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

DIRECTORS

The directors who served on the Board of the Company since the date of the last report are:

Dato' Wong Shee Kai
Datuk Seri Syed Ali Bin Abbas Alhabshee
Dato' Hussian @ Rizal Bin A Rahman
Yeong Siew Lee
Sabaruddin Bin Ahmad Sabri (resigned on 23.3.2012)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors in the financial statements or the fixed salary of a full-time employee of the Company or a related corporation) 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 a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	No. of ordinary shares of RM0.10 each				
	Balance as at 1.1.2012	Bought	Bonus Issue	Sold	Balance as at 31.12.2012
Shares in the Company					
Registered in name of directors					
Datuk Seri Syed Ali Bin Abbas Alhabshee	100,000	-	100,000	-	200,000

	No. of ordinary shares of RM0.10 each				
	Balance as at 1.1.2012	Bought	Bonus Issue	Sold	Balance as at 31.12.2012
Deemed interest					
Dato' Wong Shee Kai	104,000,000	6,840,000	75,240,000	(35,600,000)	150,480,000 [i]

[i] Deemed interest by virture of his interest in Wong SK Holdings Sdn. Bhd., the substantial shareholder of the Company pursuant to Section 6A of the Companies Act, 1965.

By virtue of the above directors' interests in the shares of the Company, the abovementioned directors are also deemed to have an interest in the shares of the subsidiaries to the extent that the Company has an interest.

None of the other directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company or its related companies during or at the beginning and end of the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that no known bad debts need to be written off and that adequate allowance had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the financial statements of the Group and of the Company had been written down to an amount which they might be expected to realise.

b) At the date of this report, the directors are not aware of any circumstances:

   (i) which would require the writing off of bad debts or which would render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

   (ii) which would render the values attributable to current assets in the financial statements of the Group and of the Company misleading; or

   (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

   (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

d) No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

OTHER STATUTORY INFORMATION

a) 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 which would render any amount stated in the financial statements misleading.

b) In the opinion of the directors,

   (i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

   (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature 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.

AUDITORS

The auditors, Messrs. STYL Associates, have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors,

DATO' WONG SHEE KAI
Director

DATUK SERI SYED ALI BIN ABBAS ALHABSHEE
Director

Petaling Jaya

Date: - 8 MAR 2013

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, DATO' WONG SHEE KAI and DATUK SERI SYED ALI BIN ABBAS ALHABSHEE, being two of the directors of ASIA MEDIA GROUP BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31st December 2012 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

The supplementary information set out in Note 29, which is not part of the financial statements, is prepared in all material respects, in accordance with 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 and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the Directors,

DATO' WONG SHEE KAI
Director

DATUK SERI SYED ALI BIN ABBAS ALHABSHEE
Director

Petaling Jaya

Date: - 8 MAR 2013

STATUTORY DECLARATION

I, ANG LAY CHIENG, being the Officer primarily responsible for the financial management of ASIA MEDIA GROUP BERHAD, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, 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.

ANG LAY CHIENG

Subscribed and solemnly declared by the abovenamed ANG LAY CHIENG at Petaling Jaya, on - 8 MAR 2013

Before me:

PESURUHJAYA SUMPAH
NO. B 390
S. AROKIADASS A.M.N
MALAYSIA

No. 34A (Tkt 1), Jalan SS2/67
47300 Petaling Jaya
Selangor Darul Ehsan

5

STYL ASSOCIATES
AF 1929
Chartered Accountants

No: 107B Jalan Aminuddin Baki
Taman Tun Dr. Ismail 60000 Kuala Lumpur
Tel: 03-77275573
Fax: 03-77270771

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Asia Media Group Berhad, which comprise the statements of financial position as at 31st December 2012 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 44.

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 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 control as the directors determine is 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 control relevant to the entity'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 entity's internal control. 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.

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 31st December 2012 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

STYL ASSOCIATES
AF 1929
Chartered Accountants

No: 107B Jalan Aminuddin Baki
Taman Tun Dr. Ismail 60000 Kuala Lumpur
Tel: 03-77275573
Fax: 03-77270771

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 Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

(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 9 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 form and content appropriate and proper for the purposes of the preparation of the consolidated 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 comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 29 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 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.

OTHER MATTERS

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 content of this report.

STYL Associates

STYL ASSOCIATES
Firm No. AF 1929
Chartered Accountants

TAN CHIN HUAT
Approval No: 2037/06/14(J)
Chartered Accountant

Date: - 8 MAR 2013

Kuala Lumpur

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31ST DECEMBER 2012

GROUP

	Note	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
ASSETS				
Non-Current Assets				
Property, plant and equipment	6	71,270,053	69,967,842	17,732,658
Development costs	7	48,903	69,919	93,099
Other intangible assets	8	2,042,450	2,145,725	2,211,950
Goodwill on consolidation	10	2,570,627	2,570,627	2,570,627
Total Non-Current Assets		75,932,033	74,754,113	22,608,334
Current Assets				
Trade receivables	11	7,949,849	6,014,454	2,980,962
Other receivables and prepaid expenses	11	5,897,184	262,951	29,576
Deferred expenditure	12	20,000	-	844,150
Deposits with licensed bank	13	177,279	693,028	707,588
Cash and bank balances		12,438,789	12,586,100	967,915
Total Current Assets		26,483,101	19,556,533	5,530,191
Total Assets		102,415,134	94,310,646	28,138,525
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	14	50,160,000	22,800,000	13,000,000
Reserves	15	29,593,069	36,700,862	10,278,438
Equity Attributable to Owners of the Company		79,753,069	59,500,862	23,278,438
Non-controlling interests		132,573	147,348	-
Total Equity		79,885,642	59,648,210	23,278,438
Non-Current Liabilities				
Hire purchase creditor	16	28,798	40,515	-
Term loan		-	-	414,755
Deferred tax liability	17	4,170,251	5,029	2,174
Total Non-Current Liabilities		4,199,049	45,544	416,929
Current Liabilities				
Trade payables	18	1,034,321	2,017,750	1,995,170
Other payables and accrued expenses	18	12,745,928	30,900,694	784,701
Amount owing to director		-	-	840,534
Short term bank borrowings	19	4,542,330	1,694,155	820,055
Tax liabilities		7,864	4,293	2,698
Total Current Liabilities		18,330,443	34,616,892	4,443,158
Total Liabilities		22,529,492	34,662,436	4,860,087
Total Equity and Liabilities		102,415,134	94,310,646	28,138,525

The accompanying Notes form an integral part of the Financial Statements.

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31ST DECEMBER 2012

COMPANY

	Note	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
ASSETS				
Non-Current Assets				
Investment in subsidiaries	9	12,999,998	12,999,998	12,999,998
Total Non-Current Assets		12,999,998	12,999,998	12,999,998
Current Assets				
Other receivables and prepaid expenses	11	1,308	1,308	-
Deferred expenditure	12	20,000	-	844,150
Amount owing by subsidiary	9	43,253,267	20,623,761	-
Cash and bank balances		5,337	6,181	5,002
Total Current Assets		43,279,912	20,631,250	849,152
Total Assets		56,279,910	33,631,248	13,849,150
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	14	50,160,000	22,800,000	13,000,000
Reserves	15	5,988,446	10,818,504	(177,644)
Equity Attributable to Owners of the Company		56,148,446	33,618,504	12,822,356
Current Liabilities				
Other payables and accrued expenses	18	131,464	12,744	396,634
Short term bank borrowings	19	-	-	630,160
Total Liabilities		131,464	12,744	1,026,794
Total Equity and Liabilities		56,279,910	33,631,248	13,849,150

The accompanying Notes form an integral part of the Financial Statements.

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2012

	Note	GROUP 2012 RM	GROUP 2011 RM	COMPANY 2012 RM	COMPANY 2011 RM
Revenue		44,766,888	36,548,114	-	-
Other gains and losses		366,642	433,455	15,002,173	1,201
Purchases and other direct costs		(16,949,986)	(13,834,194)	-	-
Staff cost		(2,351,469)	(2,239,527)	-	-
Amortisation of development costs		(28,095)	(26,680)	-	-
Amortisation of intangible assets		(253,275)	(237,025)	-	-
Depreciation of property, plant and equipment		(5,818,644)	(2,319,794)	-	-
Directors' remuneration	20	(373,400)	(366,800)	(171,000)	(162,000)
Other operating expenses		(3,360,132)	(2,894,947)	(831,180)	(253,830)
Profit/(Loss) from operations		15,998,529	15,062,602	13,999,993	(414,629)
Profit/(Loss) from operations is stated after charging/(crediting):					
Audit fee					
- statutory - current year		34,400	26,100	15,000	10,000
- overprovision in prior year		-	(1,800)	-	-
- special - overprovision in prior year		-	(2,200)	-	-
Amortisation of development costs		28,095	26,680	-	-
Amortisation of intangible assets		253,275	237,025	-	-
Depreciation of property, plant and equipment		5,818,644	2,319,794	-	-
Directors' remuneration		373,400	366,800	171,000	162,000
Rental of premises		274,247	135,470	-	-
Reversal of impairment loss on trade receivables		-	(5,530)	-	-
Dividend received		-	-	(15,000,000)	-
Gain on disposal of property, plant and equipment		(782)	-	-	-
Interest income from short term deposits		(349,440)	(421,953)	(2,173)	(1,201)
Finance costs	21	(120,659)	(49,157)	-	-
Profit/(Loss) before tax		15,877,870	15,013,445	13,999,993	(414,629)
Income tax expense	22	(4,170,387)	(4,450)	-	-
Total comprehensive income/(loss) for the financial year		11,707,483	15,008,995	13,999,993	(414,629)
Attributable to:					
Equity holders of the Company		11,722,258	15,011,647	13,999,993	(414,629)
Non-controlling interests		(14,775)	(2,652)	-	-
Total comprehensive income/(loss) for the financial year		11,707,483	15,008,995	13,999,993	(414,629)

Earnings per share attributable to equity holders of the Company:

	Note	GROUP 2012	GROUP 2011
Basic (sen)	23	2.38	6.61
Diluted (sen)	23	N/A	N/A

The accompanying Notes form an integral part of the Financial Statements.

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2012

	<-------Attributable to Equity Holders of the Company			------->		
	Share capital RM	Non distributable reserve - Share premium RM	Distributable reserve - Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
GROUP						
Balance as at 1st January 2011	13,000,000	-	10,278,438	23,278,438	-	23,278,438
Profit or loss for the year representing total comprehensive income for the year	-	-	15,011,647	15,011,647	(2,652)	15,008,995
Transaction with owners:						
Issue of shares by subsidiary to non-controlling interests	-	-	-	-	150,000	150,000
Issuance of shares during the financial year	9,800,000	12,740,000	-	22,540,000	-	22,540,000
Share issue expense	-	(1,329,223)	-	(1,329,223)	-	(1,329,223)
Balance as at 31st December 2011	22,800,000	11,410,777	25,290,085	59,500,862	147,348	59,648,210
Profit or loss for the year representing total comprehensive income for the year	-	-	11,722,258	11,722,258	(14,775)	11,707,483
Transaction with owners:						
Issuance of shares during the financial year	2,280,000	6,327,000	-	8,607,000	-	8,607,000
Share issue expense	-	(87,051)	-	(87,051)	-	(87,051)
Refund from Bursa Malaysia Securities Berhad *	-	10,000	-	10,000	-	10,000
Issuance of bonus shares during the financial year	25,080,000	(17,660,726)	(7,419,274)	-	-	-
Balance as at 31st December 2012	50,160,000	-	29,593,069	79,753,069	132,573	79,885,642

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2012

	<-------Attributable to Equity Holders of the Company------->			
	Share capital RM	Non distributable reserve - Share premium RM	Retained earnings/ (Accumulated loss) RM	Total equity RM
COMPANY				
Balance as at 1st January 2011	13,000,000	-	(177,644)	12,822,356
Loss for the year representing total comprehensive loss for the year	-	-	(414,629)	(414,629)
Issuance of shares during the financial year	9,800,000	12,740,000	-	22,540,000
Share issue expense	-	(1,329,223)	-	(1,329,223)
Balance as at 31st December 2011	22,800,000	11,410,777	(592,273)	33,618,504
Profit for the year representing total comprehensive income for the year	-	-	13,999,993	13,999,993
Issuance of shares during the financial year	2,280,000	6,327,000	-	8,607,000
Share issue expense	-	(87,051)	-	(87,051)
Refund from Bursa Malaysia Securities Berhad *	-	10,000	-	10,000
Issuance of bonus shares during the financial year	25,080,000	(17,660,726)	(7,419,274)	-
Balance as at 31st December 2012	50,160,000	-	5,988,446	56,148,446

* Being refund of RM10,000 from Bursa Malaysia Securities Berhad pursuant to the application for a proposed private placement exercise for which the Group and the Company subsequently aborted.

The accompanying Notes form an integral part of the Financial Statements.

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2012

	GROUP		COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax	15,877,870	15,013,445	13,999,993	(414,629)
Adjustments for:				
Amortisation of development costs	28,095	26,680	-	-
Amortisation of intangible assets	253,275	237,025	-	-
Depreciation of property, plant and equipment	5,818,644	2,319,794	-	-
Finance costs	120,659	49,157	-	-
Dividend income	-	-	(15,000,000)	-
Gain on dispsosal of property, plant and equipment	(782)	-	-	-
Interest income	(349,440)	(421,953)	(2,173)	(1,201)
Operating profit/(loss) before working capital changes	21,748,321	17,224,148	(1,002,180)	(415,830)
Changes in working capital:				
Increase in trade receivables	(1,935,395)	(3,033,492)	-	-
Increase in other receivables and prepaid expenses	(5,634,233)	(233,375)	-	(1,308)
(Increase)/Decrease in deferred expenditure	(20,000)	844,150	(20,000)	844,150
Increase in amount owing by subsidiary	-	-	(7,629,506)	(20,623,761)
Increase/(Decrease) in trade payables	(983,429)	22,580	-	-
Increase/(Decrease) in other payables and accrued expenses	(18,154,766)	30,115,993	118,720	(383,890)
Decrease in amount owing to director	-	(840,534)	-	-
Decrease in amount owing to subsidiary	-	-	-	(630,160)
Cash Generated From/(Used In) Operations	(4,979,502)	44,099,470	(8,532,966)	(21,210,799)
Finance costs paid	(120,659)	(49,157)	-	-
Interest received	349,440	421,953	2,173	1,201
Tax paid	(1,594)	-	-	-
Net Cash From/(Used In) Operating Activities	(4,752,315)	44,472,266	(8,530,793)	(21,209,598)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(7,122,973)	(54,495,578)	-	-
Proceeds from disposal of property, plant and equipment	2,900	-	-	-
Additions in intangible assets	(150,000)	(170,800)	-	-
Additions in development costs	(7,079)	(3,500)	-	-
Acquisition of investment in subsidiaries, net of cash acquired (Note 9)	-	150,000	-	-
Net Cash Used In Investing Activities	(7,277,152)	(54,519,878)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in short term bank borrowings	2,847,502	1,683,111	-	-
Repayment of term loan	-	(1,234,806)	-	-
Repayment of hire purchase obligation	(11,044)	(7,845)	-	-
Decrease in deposits with licensed bank	515,749	14,560	-	-
Proceeds from issuance of shares	8,607,000	22,540,000	8,607,000	22,540,000
Payment of share issue expenses	(77,051)	(1,329,223)	(87,051)	(1,329,223)
Refund from Bursa Malaysia Securities Berhad	-	-	10,000	-
Net Cash From Financing Activities	11,882,156	21,665,797	8,529,949	21,210,777

(Forward)

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2012

	GROUP		COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(147,311)	11,618,185	(844)	1,179
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	12,586,100	967,915	6,181	5,002
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 24)	12,438,789	12,586,100	5,337	6,181

Note:

During the financial year, dividend amounting to RM15,000,000 declared and payable by a subsidiary to the Company was made via contra off amount owing by the said subsidiary.

In 2011, the Group acquired property, plant and equipment with an aggregate cost of RM54,554,978 of which RM59,400 were acquired under hire purchase arrangement. Cash payments by the Company for the acquisition of property, plant and equipment amounted to RM54,495,578.

The accompanying Notes form an integral part of the Financial Statements.

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1) GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The Company transferred its listing status from ACE Market to Main Market of Bursa Malaysia Securities Berhad on 18th February 2013.

The Company is principally an investment holding company. The principal activities of the subsidiaries are as disclosed in Note 9 to the Financial Statements. There have been no significant changes in the nature of these principal activities during the financial year.

The registered office of the Company is located at Level 8, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at No: 35-1, Jalan Bandar 16, Pusat Bandar Puchong, 47100 Puchong, Selangor Darul Ehsan.

The financial statements are presented in Ringgit Malaysia (RM).

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on 8th March 2013.

2) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 1965 in Malaysia.

Adoption of the New IFRS - compliant MFRS Framework

Beginning from 1st January 2012, the Group and the Company converge to the new IFRS-compliant MFRS Framework by adopting all the applicable MFRSs and IC Interpretations that are effective on 1st Jaunary 2012.

In the previous years, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards (FRSs). As the former FRSs are virtually identical to the MFRSs, the adoption of the applicable MFRSs has no significant effect to the Group's and the Company's financial position.

New and Revised MFRSs, IC Interpretations and Amendments issued but are not yet effective for the Group and the Company

The Group and the Company have not adopted the following new and revised MFRSs, IC Interpretations and Amendments as they are not effective for the current finanial year ended 31st December 2012:

Effective for financial periods beginning on or after 1st July 2012

Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income

Effective for financial periods beginning on or after 1st January 2013

MFRS 3	Business Combinations
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefit (revised)
MFRS 127	Consolidated and Separate Financial Statements (revised)
MFRS 128	Investments in Associates and Joint Ventures (revised)
Amendments to MFRS 1	First-time Adoption of MFRS - Government Loans
Amendments to MFRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance

Annual Improvements to IC Interpretations and MFRSs 2009 - 2011 Cycle

Effective for financial periods beginning on or after 1st January 2014

Amendments to MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

Effective for financial periods beginning on or after 1st January 2015

Amendments to MFRS 9	Mandatory Effective Date of MFRS 9 and Transition Disclosures

The Group and the Company will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncement are not expected to have any effect to the financial statements of the Group and of the Company upon their initial application, except as described below:

MFRS 9: Financial Instruments - Classification and Measurement of Financial Assets and Financial Liabilities

This MFRS replaces the multiple classification and measurement models in MFRS 139 with a single model that has only two classification categories: amortised cost and fair value. The basis of classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The accounting and presentation for financial liabilities and for de-recognising financial instruments has been relocated from MFRS 139, without change, except for financial liabilities that are designated at fair value through profit or loss (FVTPL). Entities with financial liabilities designated at FVTPL recognise changes in the fair value due to changes in the liability's credit risk directly in other comprehensive income (OCI). There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity.

The Group and the Company will quantity the effect of adopting this MFRS when the full standard is issued.

MFRS 10: Consolidated Financial Statements

This MFRS introduces a single control model to identify a parent-subsidiary relationship. This control model is based on the elements of power, returns and the link between power and returns. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. It establishes control as the basis for determining which entities are consolidated in the consolidated financial statements and sets out the accounting requirements for the preparation of consolidated financial statements.

MFRS 13: Fair Value Measurement

This MFRS aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in MFRS 7 Financial instruments: Disclosures, but apply to all assets and liabilities measured at fair value, not just financial ones.

The directors anticipate that the application of this new Standard will result in more extensive disclosures in the financial statements.

Amendment to MFRS 101: Presentation of Items of Other Comprehensive Income

These amendments require that items of other comprehensive income be distinguished into those that will never be reclassified to profit or loss and those that may be reclassified to profit or loss when specified conditions in the applicable MFRSs are met.

The amendments will be applied retrospectively upon adoption and hence, the presentation of items of other comprehensive income will be modified accordingly to reflect the changes, Other than the abovementioned presentation changes, the application of the amendments to MFRS 101 would not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

3) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Group are subject to a variety of financial risks, including foreign currency exchange risk, market risk, credit risk, interest rate risk and liquidity risk. The Group has formulated a financial risk management framework whose principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

Foreign currency exchange risk

Foreign currency risk is that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

However as at 31st December 2012, the Group's exposure to foreign currency risk is not significant.

The Group has not entered into any forward foreign exchange contracts as at 31st December 2012.

Market risk

Market risk is the risk that changes in market prices, and other prices will affect the Group's financial position and cash flows.

The Group has in place policies to manage its competitive risks from its competitors in providing better alternatives in terms of better services.

Credit risk

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

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 120 days, which are deemed to have higher credit risk, are monitored individually.

The ageing of trade receivables as at the end of the reporting period was:

	GROUP	
	2012	2011
	RM	RM
Not past due	3,929,086	2,879,840
Past due 0 - 30 days	3,231,159	1,907,215
Past due 31 - 60 days	484,490	1,149,550
Past due 61 - 90 days	164,764	24,909
Past due 91 - 120 days	16,800	16,800
Past due more than 120 days	215,673	128,263
	8,041,972	6,106,577

The movements in the allowance for impairment losses of receivables during the financial year were:

	GROUP	
	2012	2011
	RM	RM
As at beginning of year	92,123	97,653
Impairment loss reversed	-	(5,530)
As at end of year	92,123	92,123

Interest rate risk

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

The Group's investment in financial assets are mainly short term in nature and mostly placed in financial deposits.

Interest rate risk sensitivity

The following demonstrates the sensitivity of the Group's profit before tax to a 100 basis point (2011: 100 basis point) increase/decrease in interest rates with all other variables held constant:

	GROUP	
	2012	2011
	RM	RM
Increase/Decrease in profit before tax	45,711	14,377

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient funds for contingent funding requirement of working capital.

Fair values

The fair value of financial instruments is the amount at which the instrument could be exchanged for or settled between knowledgeable parties at an arm's length transaction, other than a forced or liquidation sale.

The carrying amounts of the financial assets and financial liabilities as reported in the statements of financial position as at 31st December 2012 approximate their fair values because of the immediate/short maturity terms of these financial instruments.

Capital Risk Management Policies and Procedures

The primary objective of the Group's capital management is to ensure that it maintains an optimal capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group 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 year ended 31st December 2012 and 31st December 2011.

The Group is not subject to any externally imposed capital requirements.

4) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements are prepared under the historical cost convention unless otherwise indicated in the accounting policies below.

b) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable.

Revenue from services are recognised when services are rendered. Revenue represents the invoiced value of services rendered net of discounts and allowances. Interest income is recognised on accrual basis.

c) Foreign Currency Conversion

(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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

d) Employee Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which associated services are rendered by 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 compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contributions plans

As required by law, companies in Malaysia make contributions to the state pension scheme, Employees Provident Fund. Such contributions are recognised as an expense in profit or loss as incurred.

e) Income Taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the end of the reporting period.

Current taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally 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 those deductible temporary differences, unused tax losses and carry forward of unused tax credits can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The tax effects of unutilised reinvestment allowances are only recognised upon actual realisation.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle its current tax assets and liabilities on a net basis.

f) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also include borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

At each reporting date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

Depreciation of property, plant and equipment, other than capital work-in-progress which is not depreciated, is calculated to write off the cost of the property, plant and equipment on a straight-line basis over the expected useful lives of the property, plant and equipment concerned. The annual depreciation rates used are as follows:

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

Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceed and the carrying amount of the asset, and is recognised in profit or loss.

g) Subsidiaries and Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of the financial year. Subsidiaries are those entities in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. The cost of acquisition is measured as fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition dates. On an acquisition-by-acquisition basis, the Group recognised any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed is recorded as goodwill. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.
The policy described above is applied to all business combinations that take place on or after 1st January 2011.

Transactions with non-controlling interests that do not result in loss of control are accounted as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

h) Investments in Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between disposal proceeds and their carrying amounts are recognised in profit or loss.

i) Intangible Assets

i) Research and Development Costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

(i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(ii) the intention to complete the intangible asset and use or sell it.

(iii) the ability to use or sell the intangible asset;

(iv) how the intangible asset will generate probable future economic benefits;

(v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

(vi) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. Capitalised development costs recognised as intangible assets are amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding 5 years.

ii) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

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

The cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statements of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

iii) Other Intangible Assets

Other intangible assets which represent licences, copyrights and other incidental costs incurred, are stated at cost less accumulated amortisation and impairment losses, are amortised over a period of ten (10) years.

j) Financial Instruments

i) Initial recognition and measurement

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

ii) Financial instrument categories and subsequent measurement

The Group categories financial instruments as follows:

Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available-for-sale and held-to-maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

a) *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 term.

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 or net 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 or loss are recognised separately in profit or loss 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.

Investment in quoted securities are designated as fair value through profit or loss on initial recognition.

b) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

c) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

d) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, the Group uses criteria and measurement of impairment loss applicable for 'assets carried at amortised cost' above.

In the case of equity securities classified as available-for-sale, in addition to the criteria for 'assets carried at amortised cost' above, a significant or prolonged decline in the fair value of the security below its cost is also considered as an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in profit or loss. The amount of cumulative loss that is reclassified to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable bonds classified as AFS and financial lease receivables, objective evidence of impairment could include:

a) significant financial difficulty of the issuer or counterparty; or

b) default or delinquency in interest or principal payments; or

c) it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or

d) the disappearance of an active market for that financal asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

a) it has been acquired principally for the purpose of repurchasing it in the near term; or

b) on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

c) it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

b) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

c) it forms part of a contract containing one or more embedded derivatives, and MFRS 139 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statements of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

k) **Hire Purchase Arrangement**

Assets held under hire purchase are treated as if they had been purchased at cost at the commencement of the hire purchase agreements. These costs are included under property, plant and equipment and depreciation is provided accordingly. The corresponding obligations under hire purchase are included under liabilities. The charges of instalments payable are charged to profit or loss over the period of the hire purchase agreements.

l) **Impairment of Non-Financial Assets**

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.
The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of the assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

m) **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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

n) **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

o) **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and in hand, demand deposits and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

p) Share Capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and 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 equity in the period in which they are declared.

q) Contingencies

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

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

r) Operating Segments

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

5) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, which are described in Note 4 above, management is of the opinion that there are no instances of application of judgement which are expected to have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as follows:

(i) Property, plant and equipment and depreciation

The Group determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment. The estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and function. Management will revise the depreciation charge where useful lives are different to those previously estimated, or it will write off or write down technically obsolete or non strategic assets that have been abandoned or sold.

(ii) Impairment on receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the reporting date is disclosed in Note 11 to the Financial Statements.

(iii) Estimated impairment of goodwill and intangible assets

The Group determines whether goodwill and intangible assets have been impaired at least on an annual basis. The recoverable amounts of the cash-generating units ("CGU") are determined based on the value-in-use method. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

6) **PROPERTY, PLANT AND EQUIPMENT**

GROUP

	Transit TV system RM	Capital work-in-progress RM	Broadcast centre, network and SMS gateway RM	Furniture and fittings RM	Computer software RM	Motor vehicles RM	Office equipment RM	Plant and machinery RM	Renovation and signboard RM	Total RM
2012										
Cost										
As at 1st January 2012	20,069,505	52,862,464	1,024,327	134,416	97,290	118,044	328,429	692,636	484,318	75,811,429
Additions	5,933,139	42,693	978,192	33,511	-	-	103,165	-	32,273	7,122,973
Disposals	-	-	-	-	-	(4,100)	-	-	-	(4,100)
Reclassifications	5,917,840	(52,862,464)	46,944,624	-	-	-	-	-	-	-
As at 31st December 2012	31,920,484	42,693	48,947,143	167,927	97,290	113,944	431,594	692,636	516,591	82,930,302
Accumulated depreciation										
As at 1st January 2012	4,716,917	-	102,433	85,539	9,729	49,693	220,862	576,818	81,596	5,843,587
Charge for the year	2,451,171	-	3,132,449	32,421	9,729	16,834	78,645	45,736	51,659	5,818,644
Disposals	-	-	-	-	-	(1,982)	-	-	-	(1,982)
As at 31st December 2012	7,168,088	-	3,234,882	117,960	19,458	64,545	299,507	622,554	133,255	11,660,249
Net book value as at 31st December 2012	24,752,396	42,693	45,712,261	49,967	77,832	49,399	132,087	70,082	383,336	71,270,053
2011										
Cost										
As at 1st January 2011	13,138,664	6,930,841	-	105,758	-	35,965	253,077	692,636	99,510	21,256,451
Additions	-	52,862,464	1,024,327	28,658	97,290	82,079	75,352	-	384,808	54,554,978
Reclassifications	6,930,841	(6,930,841)	-	-	-	-	-	-	-	-
As at 31st December 2011	20,069,505	52,862,464	1,024,327	134,416	97,290	118,044	328,429	692,636	484,318	75,811,429
Accumulated depreciation										
As at 1st January 2011	2,709,967	-	-	59,820	-	32,381	161,969	526,492	33,164	3,523,793
Charge for the year	2,006,950	-	102,433	25,719	9,729	17,312	63,483	45,736	48,432	2,319,794
Reclassifications	-	-	-	-	-	-	(4,590)	4,590	-	-
As at 31st December 2011	4,716,917	-	102,433	85,539	9,729	49,693	220,862	576,818	81,596	5,843,587
Net book value as at 31st December 2011	15,352,588	52,862,464	921,894	48,877	87,561	68,351	107,567	115,818	402,722	69,967,842

Cost and net book value as at year end for property, plant and equipment acquired under hire purchase for the Group were RM82,079 (2011: RM82,079) and RM49,247 (2011: RM65,663) respectively.

7) DEVELOPMENT COSTS

	GROUP 2012 RM	GROUP 2011 RM
At cost		
Balance as at beginning of year	133,458	129,958
Additions during the year	7,079	3,500
Balance as at end of year	140,537	133,458
Less:		
Accumulated amortisation		
Balance as at beginning of year	(63,539)	(36,859)
Charge for the year	(28,095)	(26,680)
Balance as at end of year	(91,634)	(63,539)
Net	48,903	69,919

8) OTHER INTANGIBLE ASSETS

	GROUP 2012 RM	GROUP 2011 RM
At cost		
Balance as at beginning of year	2,382,750	2,211,950
Additions during the year	150,000	170,800
Balance as at end of year	2,532,750	2,382,750
Less:		
Accumulated amortisation		
Balance as at beginning of year	(237,025)	-
Charge for the year	(253,275)	(237,025)
Balance as at end of year	(490,300)	(237,025)
Net	2,042,450	2,145,725

9) INVESTMENT IN SUBSIDIARIES

	COMPANY 2012 RM	COMPANY 2011 RM
Unquoted shares - At cost	12,999,998	12,999,998

The amount owing by subsidiary arose mainly from advances given and payments made on behalf which are unsecured, interest-free and repayable on demand.

The details of the subsidiaries are as follows:

Name of Company	Place of Incorporatioi	Equity Interest 2012 %	2011 %	Principal Activities
Direct Subsidiary				
Asia Media Sdn. Bhd.	Malaysia	100	100	Business of multimedia advertising services, media communications, commercialisation of narrowcasting network solutions and dynamic and automation contents and provision of integration, maintenance and support services relating to the above products
Indirect Subsidiaries				
Transnet Express Sdn. Bhd.	Malaysia	100	100	Production and marketing of electronic audio and visual media
Asia Media Interactive Sdn. Bhd.	Malaysia	100	100	Dormant
Asia Media Marketing Sdn. Bhd.	Malaysia	100	100	Dormant
Asia Media Broadcasting Sdn. Bhd. (formerly known as Maha Semarak Sdn. Bhd.)	Malaysia	70	70	Dormant

All the above subsidiaries are audited by another firm of auditors other than auditors of the Company.

In 2011, the Group acquired 70% equity interest in Asia Media Broadcasting Sdn. Bhd., a company incorporated in Malaysia, for a total consideration of RM350,000.

The effects of the acquisition on the financial results of the Group in 2011 are as follows:

	GROUP 2011 RM
Other operating income	245
Other operating expenses	(9,086)
Loss before tax	(8,841)
Non-controlling interests	2,652
Decrease in Group's profit attributable to shareholders	(6,189)

The effect of the acquisition on the financial position of the Group as at the end of the previous financial year is as follows:

	GROUP 2011 RM
Net assets acquired:	
Cash and bank balances	355,200
Non-controlling interests	(150,000)
Total cash consideration	205,200
Less: Cash and bank balances	(355,200)
Cash flow on acquisition, net of cash and cash equivalents acquirec	(150,000)

10) GOODWILL ON CONSOLIDATION

	GROUP	
	2012 RM	2011 RM
Balance as at beginning and end of year	2,570,627	2,570,627

Goodwill is in respect of acquisitions of subsidiaries by the Group and has been allocated to its cash-generating unit (CGU) where the recoverable amount of CGU has been based on value-in-use calculations using five year financial projections.

A discount rate of 12% was applied in determining the recoverable amount of the respective CGU. The discount rate was based on the Group's weighted average cost of capital.

Sensitivity to changes in assumptions

Management believes that no reasonable possible changes in any of the key assumptions above would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

11) TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

Trade receivables comprise amounts receivable for services rendered. The credit period granted on services rendered is 30 days. Other credit terms are assessed and approved on a case-by-case basis.

	GROUP	
	2012 RM	2011 RM
Trade receivables	8,041,972	6,106,577
Less: Allowance for doubtful debts	(92,123)	(92,123)
Net	7,949,849	6,014,454

Other receivables and prepaid expenses consist of:

	GROUP		COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
Other receivables	11,799	214,666	-	-
Prepaid expenses	42,913	1,744	-	-
Refundable deposits	5,842,472	46,541	1,308	1,308
	5,897,184	262,951	1,308	1,308

The trade and other receivables are all denominated in Ringgit Malaysia.

12) DEFERRED EXPENDITURE

Deferred expenditure of the Group and of the Company represents professional charges and expenses incurred in connection with the proposed transfer listing exercise of the Company. The deferred expenditure will be charged to profit and loss upon the successful transfer listing of the Company from the ACE Market of Bursa Malaysia Securities Berhad to Main Market of Bursa Malaysia Securities Berhad. Subsequent to year end, on 18th February 2013, the Company was successfully transferred from ACE Market of Bursa Malaysia Securities Berhad to Main Market of Bursa Malaysia Securities Berhad.

13) DEPOSITS WITH LICENSED BANKS

Deposits with licensed bank represent fixed deposits which are pledged to the licensed banks for banking facilities granted. Deposits of the Group have an average maturity period of 12 months. Bank balances are deposits held at call with banks. Deposits of the Group earn return at 2.50% per annum.

14) SHARE CAPITAL

	GROUP AND COMPANY No. of ordinary shares of RM0.10 each		GROUP AND COMPANY Amount	
	2012	2011	2012 RM	2011 RM
Authorised				
Balance as at beginning of year	500,000,000	500,000,000	50,000,000	50,000,000
Created during the year	500,000,000	-	50,000,000	-
Balance as at end of year	1,000,000,000	-	100,000,000	-
Issued and fully paid				
Balance as at beginning of year	228,000,000	130,000,000	22,800,000	13,000,000
Issued during the year	273,600,000	98,000,000	27,360,000	9,800,000
Balance as at end of the year	501,600,000	228,000,000	50,160,000	22,800,000

As approved by the shareholders at the Annual General Meeting held on 23rd June 2011, the issued and paid-up share capital of the Company was increased from RM22,800,000 to RM23,940,000 during the financial year by the allotment of 11,400,000 new ordinary shares of RM0.10 each in the Company at an issue price of RM0.37 per new ordinary share for cash by way of private placement. Also, as approved by the shareholders at the Annual General Meeting held on 23rd May 2012, the issued and paid-up share capital of the Company was increased from RM23,940,000 to RM25,080,000 during the financial year by the allotment of 11,400,000 new ordinary shares of RM0.10 each in the Company at an issue price of RM0.385 per new ordinary share for cash by way of private placement.

The resultant share premium arising from the shares issued during the financial year of RM6,327,000 has been credited to the share premium account. All the new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

Further, as approved by the shareholders of the Company at the Extraordinary General Meeting held on 5th December 2012, the authorised share capital of the Company was increased from RM50,000,000 to RM100,000,000 during the financial year by the creation of additional 500,000,000 new ordinary shares of RM0.10 each. Also, the issued and paid-up share capital of the Company was increased further from RM25,800,000 to RM50,160,000 during the financial year by way of bonus issue of 250,800,000 new ordinary shares of RM0.10 each on the basis of one new ordinary share for every one existing share through capitalisation of RM25,080,000 from the Company's share premium account and retained earnings.

15) RESERVES

	GROUP		COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
Non Distributable Reserve:				
Share premium	-	11,410,777	-	11,410,777
Distributable Reserve:				
Retained earnings/(Accumulated loss)	29,593,069	25,290,085	5,988,446	(592,273)
	29,593,069	36,700,862	5,988,446	10,818,504

	GROUP AND COMPANY	
	2012	2011
Share premium	RM	RM
Balance as at beginning of financial year	11,410,777	-
Issuance of 98,000,000 new ordinary shares of RM0.10 each at a premium of RM0.13 per share	-	12,740,000
Issuance of 11,400,000 new ordinary shares of RM0.10 each at a premium of RM0.27 per share	3,078,000	-
Issuance of 11,400,000 new ordinary shares of RM0.10 each at a premium of RM0.285 per share	3,249,000	-
Share issue expenses	(87,051)	(1,329,223)
Refund from Bursa Malaysia Securities Berhad	10,000	-
Issuance of bonus shares	(17,660,726)	-
Balance as at end of financial year	-	11,410,777

16) HIRE PURCHASE CREDITOR

	GROUP	
	2012	2011
	RM	RM
Gross balance	44,161	57,757
Less: Hire purchase interest in suspense	(3,646)	(6,198)
Net balance outstanding	40,515	51,559
Less: Portion payable within the next 12 months (Note 19)	(11,717)	(11,044)
Portion payable after the next 12 months	28,798	40,515

Included in the portion payable after the next 12 months consist of:

Repayable between 1 and 2 years	12,390	11,717
Repayable between 2 and 5 years	16,408	28,798
	28,798	40,515

The interest rate on the hire purchase is at 2.88% (2011: 2.88%) per annum.

17) DEFERRED TAX LIABILITY

	GROUP	
	2012	2011
	RM	RM
As at beginning of year	5,029	2,174
Recognised in profit and loss (Note 22)	4,165,222	2,855
As at end of year	4,170,251	5,029

The recognised deferred tax liabilities are made up of the following

Tax effects of:		
Temporary diferrences between tax capital allowances and book depreciation of property, plant and equipment	4,164,384	-
Unrealised fixed deposit interest	5,867	5,029
	4,170,251	5,029

18) TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade and other payables comprise amounts outstanding for trade and ongoing costs. The average credit period granted to the Group for trade purchases ranges from 30 to 90 days.

Other payables and accrued expenses consist of:

	GROUP		COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
Other payables	12,677,281	30,861,133	114,514	1,994
Accrued expenses	68,647	39,561	16,950	10,750
	12,745,928	30,900,694	131,464	12,744

The trade and other payables are all denominated in Ringgit Malaysia.

19) SHORT TERM BANK BORROWINGS

	GROUP	
	2012	2011
	RM	RM
Hire purchase creditor - current portion (Note	11,717	11,044
Revolving credit	4,530,613	1,683,111
	4,542,330	1,694,155

As at 31st December 2012, the Group has bank facility totalling RM5,000,000 (2011: RM3,000,000) obtained from a licensed bank. The facility bears interest range from 3.71% to 3.84% (2011: 3.65% to 3.66%) per annum above the Bank Negara Malaysia's funding rate and is secured by the following:

i) First party legal charge over properties owned by one of the director of the Company; and
ii) Corporate guarantee by the Company.

20) DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
Executive directors:				
Other emoluments	200,000	200,000	-	-
Fees	11,400	124,800	9,000	120,000
Non-executive directors:				
Fees	162,000	42,000	162,000	42,000
	373,400	366,800	171,000	162,000

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2012	2011
Executive Directors:		
RM100,001 - RM200,000	1	1
RM50,001 - RM100,000	-	1
RM1 - RM50,000	2	1
Non-Executive Directors:		
RM100,001 - RM200,000	1	-
RM1 - RM50,000	1	2

21) FINANCE COSTS

	GROUP	
	2012	2011
	RM	RM
Interest on:		
hire purchase	2,552	2,356
revolving credit	118,107	9,054
term loans	-	37,747
	120,659	49,157

22) INCOME TAX EXPENSE

	GROUP		COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
Taxation based on short term deposit interest received	5,165	1,595	-	-
Deferred tax liability (Note 17)				
- current year	3,606,156	2,855	-	-
- underprovision in prior year	559,066	-	-	-
	4,165,222	2,855	-	-
	4,170,387	4,450	-	-

A numerical reconciliation of income tax expense and the product of the accounting profit/(loss) multiplied by the applicable statutory income tax rate of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
Accounting profit/(loss)	15,877,870	15,013,445	13,999,993	(414,629)
Tax at the applicable statutory income tax rate of 25%	3,969,468	3,753,361	3,499,998	(103,657)
Tax effects in respect of:				
Expenses that are not deductible for tax purposes	366,066	226,107	250,545	103,657
Net deferred tax not recognised	(22,092)	(981,915)	-	-
Income exempted from tax	(84,755)	(100,738)	(3,750,543)	-
Income not subject to tax	(617,366)	(2,892,365)	-	-
Underprovision of deferred tax liability in prior year	559,066	-	-	-
Income tax expense	4,170,387	4,450	-	-

23) EARNINGS PER ORDINARY SHARE

Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year as follows:

	GROUP	
	2012	2011
Profit attributable to equity holders of the Company (RM)	11,722,258	15,011,647
Weighted average number of ordinary shares in issue	492,224,590	227,194,521
Basic earnings per share (sen)	2.38	6.61

Diluted

The diluted earnings per share of the Group has not been presented as there are no dilutive potential ordinary shares.

24) CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
Deposits with licensed bank	177,279	693,028	-	-
Cash and bank balances	12,438,789	12,586,100	5,337	6,181
	12,616,068	13,279,128	5,337	6,181
Less: Deposits pledged as security	(177,279)	(693,028)	-	-
	12,438,789	12,586,100	5,337	6,181

The currency profile of deposits with licensed bank, cash and bank balances is as follows:

	GROUP		COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
Ringgit Malaysia	12,615,836	13,278,896	5,337	6,181
US Dollar	232	232	-	-
	12,616,068	13,279,128	5,337	6,181

25) SEGMENTAL INFORMATION

Primary Reporting Format - Business Segments

2012	Investment holding RM	Multimedia advertising services, media communications etc. RM	Production and marketing of electronic audio and visual media RM	Eliminations RM	Consolidated RM
External sales	-	44,565,288	201,600		44,766,888
RESULTS					
Profit from operations	13,999,993	1,914,071	84,465		15,998,529
Finance costs					(120,659)
Profit before tax					15,877,870
OTHER INFORMATION					
Segment assets	56,279,910	102,063,123	325,366	(56,253,265)	102,415,134
Segment liabilities	131,464	61,798,856	4,877	(43,575,956)	18,359,241
Capital expenditure	-	7,280,052	-		7,280,052
Non-cash expenses					
Depreciation of property, plant and equipment	-	5,769,553	49,091		5,818,644
Amortisation of development costs	-	28,095	-		28,095
Amortisation of intangible assets	-	253,275	-		253,275

(Forward)

25) SEGMENTAL INFORMATION

Primary Reporting Format - Business Segments

	Investment holding RM	Multimedia advertising services, media communications etc. RM	Production and marketing of electronic audio and visual media RM	Eliminations RM	Consolidated RM
2011					
REVENUE					
External sales	-	36,344,364	203,750		36,548,114
RESULTS					
Profit/(Loss) from operations	(414,629)	15,390,205	87,026		15,062,602
Finance costs					(49,157)
Profit before tax					15,013,445
OTHER INFORMATION					
Segment assets	33,631,248	94,007,703	295,454	(33,623,759)	94,310,646
Segment liabilities	12,744	55,556,671	59,430	(20,971,438)	34,657,407
Capital expenditure	-	54,729,278	-		54,729,278
Non-cash expenses					
Depreciation of property, plant and equipment	-	2,265,231	54,563		2,319,794
Amortisation of development costs	-	26,680	-		26,680
Amortisation of intangible assets	-	237,025	-		237,025

Secondary Reporting Format - Geographical Segments

The Group has no secondary reporting format as the Group operates predominately in Malaysia.

26) CORPORATE PROPOSALS

a) Proposed Bonus Issue of Shares with Warrants

On 5th October 2012, the Company announced that it proposes to undertake the following:

(i) Proposed bonus issue of 250,800,000 new ordinary shares of RM0.10 each in the Company ("Bonus Shares") on the basis of one Bonus Share for every one existing share held at an entitlement date to be determined later ("Proposed Bonus Issue of Shares");

(ii) Proposed issue of 250,800,000 free warrants ("Warrants") on the basis of one Warrant for every one existing share held at the same entitlement date as the Proposed Bonus Issue of Shares ("Proposed Free Warrants Issue");

(iii) Proposed increase in the authorised share capital of the Company from RM50,000,000 comprising 500,000,000 shares to RM100,000,000 comprising 1,000,000,000 shares ("Proposed Increase in the Authorised Share Capital"); and

(iv) Proposed amendment to the Company's Memorandum of Association as a consequence of the Proposed Increase in the Authorised Share Capital.

Bursa Securities Malaysia Berhad ("Bursa Securities") had vide its letter dated 30th October 2012 approved the following:

(i) Listing of and quotation for 250,800,000 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares;

(ii) Admission to the official list of ACE Market of Bursa Securities and the listing of and quotation for 250,800,000 warrants to be issued pursuant to the Proposed Free Warrants Issue; and

(iii) Listing of and quotation for up to 250,800,000 new shares arising from the exercise of the Warrants.

The Proposed Bonus Issue of Shares was completed on 31st December 2012 and taken up appropriately in the financial statements whilst the Free Warrants Issue was only completed on 8th January 2013.

b) Proposed Rights Issue of Shares with Warrants and Proposed Exemption

On 21st February 2013, the Company announced that it proposes to undertake the following:

(i) proposed renounceable rights issue of up to 752,400,000 new shares ("Rights Shares") on the basis of one Rights Share for every one existing share held, together with up to 188,100,000 free new warrants 2013/2018 ("Additional Warrants") on the basis of one Additional Warrant for every four Rights Shares subscribed at an entitlement date to be determined later ("Proposed Rights Issue of Shares with Warrants");

(ii) proposed exemption for Wong SK Holdings Sdn. Bhd. ("WHSB") and persons acting in concert with WHSB ("PACs") from the obligation to undertake a mandatory take-over offer for all the remaining shares and convertible securities in the Company not already owned by WHSB and the PACs under Paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-Overs and Mergers, 2010 ("Proposed Exemption");

(iii) proposed increase in the authorised share capital of the Company from RM100,000,000 comprising 1,000,000,000 shares to RM200,000,000 comprising 2,000,000,000 shares ("Proposed Increase in Authorised Share Capital"); and

(iv) proposed amendment to the Memorandum of Association of the Company as a consequence of the Proposed Increase in Authorised Share Capital ("Proposed Amendment").

On 25th February 2013, the Company submitted the application for the Proposed Rights Issue of Shares with Warrants to Bursa Securities for the listing of and quotation for the Rights Shares, Additional Warrants and the new shares to be issued pursuant to to the exercise of the Additional Warrants and/or adjusted warrants 2013/2018 on the Main Market of Bursa Securities. The approval from Bursa Securities for the Proposed Rights Issue of Shares with Warrants is still pending as at to date.

27) SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel include all the directors of the Group and of the Company.

The remuneration of directors and other members of key management during the year is as follows

	GROUP		COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
Short-term employee benefits (Note 20)	373,400	366,800	171,000	162,000

28) COMMITMENTS

	GROUP	
	2012	2011
	RM	RM
Capital commitment:		
Plant and equipment		
Authorised and contracted for	1,004,000	-

29) SUPPLEMENTARY INFORMATION

Supplementary information in accordance with 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 Securities are as follow:

	GROUP		COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
Retained earnings/(Accumulated loss) carried forward are analysed as follows:				
Unrealised	(4,170,251)	(5,029)	-	-
Realised	33,763,320	25,295,114	5,988,446	(592,273)
	29,593,069	25,290,085	5,988,446	(592,273)

Company No. 813137-V

APPENDIX V

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE THREE (3)-MONTH PERIOD ENDED 31 MARCH 2013

CERTIFIED TRUE COPY
SEE SIEW CHENG
Company Secretary
MAICSA 7011225
19 JUL 2013

ASIA MEDIA GROUP BERHAD

(Company No: 813137-V)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31 March 2013

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(These figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	RM('000)	RM('000)	RM('000)	RM('000)
Revenue	11,663	10,852	11,663	10,852
Operating expenses	(8,027)	(6,487)	(8,027)	(6,487)
Other operating income	79	110	79	110
Profit from operations	3,715	4,475	3,715	4,475
Finance cost	(42)	(21)	(42)	(21)
Profit before taxation ("PBT")	3,673	4,454	3,673	4,454
Taxation	-	-	-	-
Profit for the period	3,673	4,454	3,673	4,454
Profit for the period attributable to:				
Equity holders of the parent	3,675	4,458	3,675	4,458
Non-controlling interests	(2)	(4)	(2)	(4)
	3,673	4,454	3,673	4,454
Earning before interest, taxation, depreciation and amortisation ("EBITDA")	5,792	5,557	5,792	5,557
Earning Per Share (Sen)				
(a) Basic	0.73	1.96	0.73	1.96
(b) Fully diluted	N/A	N/A	N/A	N/A

Notes:

(1) Other Income and Expenses highlights

	INDIVIDUAL QUARTER	*CUMULATIVE QUARTER*
	CURRENT YEAR QUARTER	*CURRENT YEAR TO DATE*
	31/03/2013	*31/03/2013*
	RM('000)	*RM('000)*
Interest income	*78*	*78*
Other income (exclude interest income)	*1*	*1*
Finance cost	*(42)*	*(42)*
Depreciation and amortisation	*(2,155)*	*(2,155)*

There are no provision for and write off of receivables, provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties, impaiment of assets and foreign exchange gain or loss for current quarter and financial year to date.

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE THREE (3)-MONTH PERIOD ENDED 31 MARCH 2013 (*CONT'D*)

ASIA MEDIA GROUP BERHAD

(Company No: 813137-V)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31 March 2013

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(These figures have not been audited)

(2) The following is a reconciliation of PBT to EBITDA:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	RM('000)	RM('000)	RM('000)	RM('000)
PBT	3,673	4,454	3,673	4,454
Amortisation	73	70	73	70
Depreciation	2,082	1,122	2,082	1,122
Finance costs	42	21	42	21
Interest income	(78)	(110)	(78)	(110)
EBITDA	5,792	5,557	5,792	5,557

(3) The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements of Asia Media Group Berhad ("Company") and its subsidiaries ("Group") for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE THREE (3)-MONTH PERIOD ENDED 31 MARCH 2013 (*CONT'D*)

ASIA MEDIA GROUP BERHAD

(Company No: 813137-V)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31 March 2013

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(These figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	RM('000)	RM('000)	RM('000)	RM('000)
Profit for the period	3,673	4,454	3,673	4,454
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	3,673	4,454	3,673	4,454
Total comprehensive income attributable to:				
Equity holders of the parent	3,675	4,458	3,675	4,458
Non-controlling interest	(2)	(4)	(2)	(4)
	3,673	4,454	3,673	4,454

Note:
The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE THREE (3)-MONTH PERIOD ENDED 31 MARCH 2013 (*CONT'D*)

ASIA MEDIA GROUP BERHAD

(Company No: 813137-V)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31 March 2013

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited as at 31/03/2013 RM('000)	As at preceding year financial year end (audited) 31/12/2012 RM('000)
PROPERTY, PLANT AND EQUIPMENT	69,286	71,270
DEVELOPMENT COSTS	45	49
INTANGIBLE ASSETS	2,125	2,042
GOODWILL ON CONSOLIDATION	2,571	2,571
CURRENT ASSETS		
Trade Receivables	7,860	7,950
Other Receivables and Prepaid Expenses	5,897	5,897
Deferred Expenditure	20	20
Fixed Deposits Placed with Licenced Banks	177	177
Cash and Bank Balances	13,202	12,439
	27,156	26,483
CURRENT LIABILITIES		
Short Term Borrowings	4,530	4,530
Hire Purchase Creditor	9	12
Trade Payables	2,285	1,034
Tax Liabilities	8	8
Other Payables and Accrued Expenses	6,593	12,746
	13,425	18,330
NET CURRENT ASSETS / (LIABILITIES)	13,731	8,153
	87,758	84,085
FINANCED BY:		
Share Capital	50,160	50,160
Share Premium	-	-
Retained Earnings	33,268	29,593
	83,428	79,753
Non-Controlling Interests	131	133
TOTAL EQUITY	83,559	79,886
NON CURRENT LIABILITIES		
Other Payables	-	-
Hire Purchase Creditor	29	29
Deferred Tax liability	4,170	4,170
	87,758	84,085
Net assets per share attributable to ordinary equity holders of the parent (sen)	16.63	15.90

Note:
The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to this interim financial report.

ASIA MEDIA GROUP BERHAD

(Company No: 813137-V)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31 March 2013

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(These figures have not been audited)

	<——Attributable to Equity Holders of the Company——>				Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Retained Earnings	Total		
	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)
3 months period ended 31 March 2013						
Balance as at 1 January 2013	50,160	-	29,593	79,753	133	79,886
Issuance of share during the period	-	-	-	-	-	-
Minority interests arising from subscription of shares in a subsidiary company	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	3,675	3,675	(2)	3,673
Balance as at 31 March 2013	50,160	-	33,268	83,428	131	83,559
3 months period ended 31 March 2012						
Balance as at 1 January 2012	22,800	11,411	25,290	59,501	147	59,648
Total comprehensive income / (loss) for the period	-	-	4,458	4,458	(4)	4,454
Share issue expense	-	(39)	-	(39)	-	(39)
Balance as at 31 March 2012	22,800	11,372	29,748	63,920	143	64,063

Note:
The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to this interim financial report.

ASIA MEDIA GROUP BERHAD

(Company No: 813137-V)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31 March 2013

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

(These figures have not been audited)

	3 months ended 31/03/2013 RM('000)	3 months ended 31/03/2012 RM('000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,673	4,454
Adjustments for:		
Amortisation of development cost	6	7
Amortisation of intangible assets	67	63
Depreciation of property, plant and equipment	2,082	1,122
Interest income	(78)	(110)
Finance cost	42	21
Gain on disposal of property, plant and equipment	-	-
Over provide of short term deposit interest	-	-
Under provide of fixed deposit interest	-	-
Operating profit before working capital changes	5,792	5,557
Changes in working capital:		
Net change in current assets	90	(965)
Net change in current liabilities	(4,902)	(1,691)
Cash generated from operations	980	2,901
Interest received	78	110
Interest paid	(42)	(21)
Tax paid	-	-
Net cash from / (used in) operating activities	1,016	2,990
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(100)	(3,347)
Proceeds from disposal of property, plant and equipment	-	-
Additions in intangible assets	(150)	(149)
Subscription of shares in a subsidiary company	-	-
Net cash used in investing activities	(250)	(3,496)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from drawdown of credit facilities	1,800	1,000
Uplift of fixed deposits	-	442
Repayment of term loan	-	-
Repayment of hire purchase	(3)	(3)
Repayment of short term borrowings	(1,800)	-
Hire purchase on motor vehicle	-	-
New issuance - share capital	-	-
New issuance - share premium	-	-
Share issue expenses	-	(39)
Placement of fixed deposits as security	-	-
Net cash from financing activities	(3)	1,400
NET INCREASE IN CASH AND CASH EQUIVALENTS	763	894
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	12,439	12,586
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	13,202	13,480

Note:
The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to this interim financial report.

ASIA MEDIA GROUP BERHAD

(Company No: 813137-V)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31 March 2013

NOTES

A NOTES TO THE INTERIM FINANCIAL REPORT

A 1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The quarterly financial report ended 31 March 2012 is unaudited and has been prepared in accordance with Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting" and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2012. The explanatory notes attached to the quarterly financial report provide an explanation on events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2012.

The accounting policies and methods of computation adopted by the Group in the quarterly financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2012. The Group adopted the Malaysian Financial Reporting Standards Framework ("MFRS Framework") relevant to the Group as explained below:

Convergence of the FRS Framework in Malaysia with the IFRS Framework issued by the IASB

On 19 November 2011, Malaysian Accounting Standard Board ("MASB") issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer ("Transitioning Entities").

The Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2012. In presenting its first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening undistributed income.

The adoption of the MFRSs does not have any significant impact on the interim financial statements of the Group and the Company.

A2 Audit report of preceding annual financial statements

The auditors' report on the preceding year's audited financial statements of the Group was not subject to any qualification.

A3 Seasonal or cyclical factors

The Group's business operations were not subject to any seasonal or cyclical changes.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review.

A5 Material changes in estimates

There were no changes in estimates of amounts reported that have a material effect in the current financial quarter under review.

A6 Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

A7 Dividend paid

There were no dividends paid during the current financial quarter under review.

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE THREE (3)-MONTH PERIOD ENDED 31 MARCH 2013 (*CONT'D*)

A8 Segment information

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	RM('000)	RM('000)	RM('000)	RM('000)
REVENUE				
Air Time	1,789	1,589	1,789	1,589
Programme Sponsorship	3,674	3,437	3,674	3,437
Creative & Production	6,200	5,826	6,200	5,826
	11,663	10,852	11,663	10,852

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	RM('000)	RM('000)	RM('000)	RM('000)
PROFIT BEFORE TAXATION				
Air Time	1,223	1,195	1,223	1,195
Programme Sponsorship	2,075	2,150	2,075	2,150
Creative & Production	296	999	296	999
	3,594	4,344	3,594	4,344
Other operating income	79	110	79	110
	3,673	4,454	3,673	4,454

Indirect costs attributable to Air Time, Programme Sponsorship and Creative & Production segments are based on revenue contributed by each segment at the rate of 15%, 32% and 53% respectively in the current financial quarter under review.

A9 Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment.

A10 Material events subsequent to the end of the quarter

There were no material events subsequent to the current financial quarter ended 31 March 2013 up to the date of this report which is likely to substantially affect the results of the operations of the Group.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review.

A12 Contingent liabilities

There were no contingent liabilities as at the end of the current financial quarter under review.

A13 Capital commitments

There were no capital commitments as at the end of the current financial quarter under review.

A14 Significant related party transactions

There were no significant related party transactions as at the end of the current financial quarter under review.

A15 Cash and cash equivalents

	As at 31/03/2013
	RM('000)
Fixed deposits placed with licenced banks	177
Cash and bank balances	13,202
	13,379
Less: Fixed deposit pledged to licensed banks	(177)
	13,202

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE THREE (3)-MONTH PERIOD ENDED 31 MARCH 2013 *(CONT'D)*

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1 Review of performance

For the current quarter ended 31 March 2013, the Group recorded revenue of RM11.663 million and a profit before tax of RM3.673 million compared to RM10.852 million in revenue and a profit before tax of RM4.454 million for the preceding year corresponding quarter ended 31 March 2012. The raise in revenue was mainly attributable to the increase in customers' demand for the financial period ended ("FPE") 31 March 2013. The lower in profitability mainly caused by the higher depreciation charged in current quarter ended 31 March 2013.

The revenue of Air Time segment in the current financial quarter increased by RM0.200 million (12.59%) to RM1.789 million as compared to the preceding year corresponding quarter, due to higher budget allocated in Air Time segment by existing and new customers of the Group.

The revenue of Programme Sponsorship segment in the current financial quarter increased by RM0.237 million (6.90%) to RM3.674 million as compared to the preceding year corresponding quarter, due to the increase in demand by existing and new customers of the Group.

The revenue of Creative and Production segment in the current financial quarter increased by RM0.374 million (6.42 %) to RM6.200 million as compared to the preceding year corresponding quarter, due to the higher demand on creative and production work from the existing and new customers of the Group.

B2 Variation of results against preceding quarter

For the quarter ended 31 March 2013, the Group recorded a profit before tax of RM3.673 million compared to a profit before tax of RM2.970 million for the preceding quarter ended 31 December 2012. This was mainly due to higher sales volume generated by the Group in the current quarter.

B3 Prospects

Based on the above and barring any unforeseen circumstances, the Board of Directors is of the opinion that the prospects for the Group for the next quarter will remain favourable due to increase in customers' demand.

B4 Profit forecast and profit guarantee

The Group has not provided any profit forecast or profit guarantee during the financial quarter under review.

B5 Taxation

The taxation for the current financial quarter under review and year to date is as follow:-

	Current Year Quarter 31/03/2013 RM('000)	Current Year To Date 31/03/2013 RM('000)
Taxation based on short term deposit interest received	-	-

Asia Media Sdn Bhd has been awarded Multimedia Super Corridor status. Accordingly, there is no tax charge on the business income for the financial quarter under review as Asia Media Sdn Bhd has been granted pioneer status under the Promotion of Investments (Amendment) Act, 1986.

B6 Corporate proposals

(i) Proposed Rights Issue of Shares with Warrants and Proposed Exemption

On 21st February 2013, the Company announced that it proposes to undertake the following:

(a) proposed renounceable rights issue of up to 752,400,000 new shares ("Rights Shares") on the basis of one Rights Share for every one existing share held, together with up to 188,100,000 free new warrants 2013/2018 ("Additional Warrants") on the basis of one Additional Warrant for every four Rights Shares subscribed at an entitlement date to be determined later ("Proposed Rights Issue of Shares with Warrants");

(b) proposed exemption for Wong SK Holdings Sdn. Bhd. ("WHSB") and persons acting in concert with WHSB ("PACs") from the obligation to undertake a mandatory take-over offer for all the remaining shares and convertible securities in the Company not already owned by WHSB and the PACs under Paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-Overs and Mergers, 2010 ("Proposed Exemption");

(c) proposed increase in the authorised share capital of the Company from RM100,000,000 comprising 1,000,000,000 shares to RM200,000,000 comprising 2,000,000,000 shares ("Proposed Increase in Authorised Share Capital"); and

(d) proposed amendment to the Memorandum of Association of the Company as a consequence of the Proposed Increase in Authorised Share Capital ("Proposed Amendment").

On 7th March 2013, the Company announced that Controller of Foreign Exchange (via Bank Negara Malaysia) had, vide its letter dated 1st March 2013, approved the issuance of the Additional Warrants to the non-resident shareholders of AMEDIA pursuant to the Proposed Rights Issue of Shares with Warrants.

On 22nd March 2013, the Company announced that Bursa Securities has vide its letter dated 21st March 2013, approved the listing of and quotation for the Rights Shares, Additional Warrants and the new shares to be issued pursuant to to the exercise of the Additional Warrants and/or adjusted warrants 2013/2018 on the Main Market of Bursa Securities pursuant to the Proposed Rights Issue of Shares with Warrants.

On 11th April 2013, the Company announced that Bursa Securities had, vide its letter dated 11th April 2013, approved the extension of time to issue and despatch the circular to shareholders within seven (7) days from the date of receipt of the SC's consent on the independent advice letter pursuant to the Proposed Exemption.

UNAUDITED CONSOLIDATED RESULTS OF OUR GROUP FOR THE THREE (3)-MONTH PERIOD ENDED 31 MARCH 2013 (*CONT'D*)

B7 Group's borrowings and debt securities

	As at 31/03/2013 RM('000)
Secured:	
Short term borrowings	
Revolving Credit	4,530
Hire purchase	9
	4,539
Long term borrowings	
Hire purchase	29
Total borrowings	4,568

B8 Off balance sheet financial instruments

There were no off balance financial instruments as at the date of this report.

B9 Material litigations

There were no material litigations pending at the date of this report.

B10 Dividends

No dividend has been declared during the current financial quarter under review.

B11 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2013 RM('000)	31/03/2012 RM('000)	31/03/2013 RM('000)	31/03/2012 RM('000)
Earning attributable to ordinary equity holders of the parent	3,675	4,458	3,675	4,458
Weighted average number of ordinary shares in issue ('000)	501,600	228,000	501,600	228,000
Basic earnings per share (sen)	0.73	1.96	0.73	1.96

(b) Diluted earnings per share

The fully diluted earnings per share have not been presented as there is no diluted effect for the shares.

B12 Realised and Unrealised Retained Earnings

The following analysis of realised and unrealised retained earnings at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

	As at 31/03/2013 RM('000)	As at 31/12/2012 (audited) RM('000)
Retained earnings/(losses) of the Company and its subsidiaries		
- Realised	37,480	33,807
- Unrealised	(4,170)	(4,170)
	33,310	29,637
Less: Consolidation adjustments	(42)	(44)
Total retained earnings as per Consolidated Statements of Financial Position	33,268	29,593

B13 Authorisation for issue

This quarterly report was authorised for issue by the Board of Directors on 24 April 2013.

DIRECTORS' REPORT

PRIVATE & CONFIDENTIAL

ASIA MEDIA GROUP BERHAD (813137-V)
Malaysia's Largest Transit-TV Network

Registered Office:

Level 8, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsn

19 AUG 2013

To: Shareholders of Asia Media Group Berhad (**"AMEDIA"** or **"Company"**)

Dear Sir/Madam,

On behalf of the Board of Directors of AMEDIA (**"Board"**), I wish to report that after making due enquiries in relation to our Company and subsidiary companies (**"Group"**) during the period between 31 December 2012 (being the date on which the latest audited consolidated financial statements have been made up) to the date thereof, being a date not earlier than fourteen (14) days before the date of this Abridged Prospectus that:

(i) in the opinion of the Board, the business of our Group has been satisfactorily maintained;

(ii) in the opinion of the Board, no circumstances have arisen since the last audited consolidated financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;

(iii) the current assets of our 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 which have arisen by reason of any guarantees or indemnities given by our Group;

(v) since the last audited consolidated financial statements of our Group, there has been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings in which our directors are aware of; and

(vi) save as disclosed in this Abridged Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the results of our Group since the last audited consolidated financial statements of our Group.

Yours faithfully
For and behalf of the Board of
ASIA MEDIA GROUP BERHAD

Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Alhabshee
Independent Non-Executive Chairman

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No.8, 1st Floor,
Tingkat Kikik 7,
Taman Inderawasih,
13600 Perai,
Malaysia.

ADDITIONAL INFORMATION

1. SHARE CAPITAL

1.1 Save for the Rights Shares, Additional Warrants and new Shares to be issued pursuant to the exercise of the Additional Warrants, no securities in our Company will be allotted or issued on the basis of this AP later than twelve (12) months after the date of the issuance of this AP.

1.2 As at the date of this AP, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely ordinary shares of RM0.10 each, all of which rank *pari passu* with one another.

1.3 As at the LPD, save for the following, no person has been or is entitled to be granted an option to subscribe for any shares, stocks or debentures of our Company or our subsidiary companies:

(i) the holders of the Outstanding Warrants and/or Adjustment Warrants, who are entitled to subscribe for one (1) new AMEDIA Share for each Outstanding Warrant and/or Adjustment Warrant held during the five (5)-year exercise period up to 1 January 2018 at the exercise price of the Outstanding Warrants and/or Adjustment Warrants. As at the LPD, our Company has a total of 250,800,000 Outstanding Warrants and the exercise price of the Outstanding Warrants is RM0.25 per Outstanding Warrant. Pursuant to the Rights Issue of Shares with Warrants and under the Minimum Scenario, a total of up to 22,264,520 Adjustment Warrants will be issued while the exercise price of the Warrants 2013/2018 will be adjusted to RM0.24; and

(ii) the Entitled Shareholders, who will be entitled to the Provisional Rights Shares with Additional Warrants under the Rights Issue of Shares with Warrants.

2. REMUNERATION OF DIRECTORS

The provisions in our Articles of Association in respect of the arrangements for the remuneration of Directors are as follows:

Article 77

Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of proposed increase has been given in the notice convening the meeting. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meeting of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company. PROVIDED THAT Non-Executive Directors shall not be remunerated by a commission on or percentage of profits or turnover and that nothing herein shall prejudice the power of the Directors to appoint any of their number to be the employee or agent of the Company at such remuneration which may not include a commission on or percentage of turnover. The fee payable to non-executive Directors shall be fixed sums as shall be determined by the Company in general meeting.

Article 110

A Managing Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine.

3. MATERIAL CONTRACTS

Save as disclosed below, neither we nor our subsidiary companies have entered into any material contracts, (not being contracts entered into in the ordinary course of business) within two (2) years immediately preceding the date of this AP:

(i) the Deed Poll dated 12 December 2012 executed by our Company constituting the Warrants 2013/2018; and

(ii) the Supplemental Deed Poll dated 13 August 2013 executed by our Company constituting the Additional Warrants.

4. MATERIAL LITIGATION

As at the LPD, neither we nor our subsidiary companies are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board do not have any knowledge of any proceeding, pending or threatened, against us or our subsidiary companies or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of our Company or our subsidiary companies.

5. GENERAL

5.1 There is no existing or proposed service contract entered or to be entered into by our Company with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of this AP.

5.2 Save as disclosed in this AP and to the best knowledge of our Board, the financial conditions and operations of our Group are not affected by any of the following:

(i) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;

(ii) material commitments for capital expenditure of our Group;

(iii) unusual or infrequent events or transactions or significant economic changes that will materially affect the amount of reported income from operations;

(iv) known trends or uncertainties that have had or that our Group reasonably expects will have, a material favourable or unfavourable impact on our Group's revenue or operating income;

(v) substantial increase in revenues; and

(vi) material information, including trading factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits.

ADDITIONAL INFORMATION (*CONT'D*)

6. CONSENTS

The Adviser, Company Secretaries, Principal Bankers, Share Registrar, Independent Market Researcher, Solicitors for the Rights Issue of Shares with Warrants and Bloomberg Finance LP have given and have not subsequently withdrawn their written consents to the inclusion in this AP of their names and all references thereto in the form and context in which they appear in this AP.

The written consent of our Reporting Accountants and Auditors to the inclusion in this AP of their names and letter relating to the proforma consolidated statements of financial position of our Group as at 31 December 2012 and the audited consolidated financial statements of our Group for the FYE 2012 respectively, and all references thereto in the form and context in which they appear have been given before the issuance of this AP and have not subsequently been withdrawn.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office at Level 8, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for the period of twelve (12) months from the date of this AP:

(i) the Memorandum of Association of AMEDIA;

(ii) the audited financial statements of AMEDIA and its subsidiaries for the past two (2) FYE 2011 and 2012 and the latest unaudited consolidated results of AMEDIA Group for the three (3)-month period ended 31 March 2013;

(iii) the proforma consolidated statements of financial position as at 31 December 2012 and the Reporting Accountants' letter thereon as set out in Appendix III of this AP;

(iv) Independent market research report on "Digital-out-of-home Transit Media Industry in Malaysia" dated January 2013;

(v) the Undertaking referred to in Section 2.5 of this AP;

(vi) Directors' Report referred to Appendix VI of this AP;

(vii) the Deed Poll;

(viii) the Supplemental Deed Poll; and

(ix) the letters of consent referred to in Section 6 of this Appendix VII.

8. RESPONSIBILITY STATEMENT

This AP together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

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