

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

No securities will be allotted or issued based on this Abridged Prospectus after six (6) months from the date of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your Catcha Digital Shares, you should at once hand this Abridged Prospectus, together with the NPA and the RSF (collectively, the "Documents") to the agent or broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue, which is the subject of this Abridged Prospectus should be addressed to our Share Registrar, Boardroom Share Registrars Sdn Bhd, at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia (Tel. No. +603-7890 4700)

The Documents will only be despatched to the Entitled Shareholders whose names appear in our Record of Depositors and who have provided our Share Registrar with a registered address in Malaysia not later than 5.00 p.m. on 28 June 2023. The Documents are not intended to be (and will not be) issued, circulated or distributed, and the Rights Issue is not intended to be (will not be) made or offered or deemed to be made or offered for purchase or subscription, as such, in any other countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any country or jurisdiction other than the laws of Malaysia. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Issue 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 renouncee(s)/transferee(s) (if applicable) who are residents in countries or jurisdiction other than Malaysia to consult their legal and/or other professional adviser named herein as to whether their acceptance or renunciation (as the case may be) of their entitlement to the Rights Issue would result in the contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) should note the additional terms and restrictions as set out in Section 10.12 of this Abridged Prospectus. Neither our Company or TA Securities or Malacca Securities nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/or sale/transfer of the entitlements under the Rights Issue, application for Excess Rights Shares or the subscription, offer, sale, resale, pledges or other transfer of Rights Shares made by the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any countries or jurisdictions in which the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) is a resident.

This Abridged Prospectus has been registered by Bursa Securities. The registration of this Abridged Prospectus should not be taken to indicate that Bursa Securities recommends the Rights Issue or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. Bursa Securities has not, in any way, considered the merits of this Rights Issue. A copy of the Documents has also been lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

The approval from our Shareholders for the Rights Issue was obtained at our EGM convened on 20 July 2022. Approval has been obtained from Bursa Securities vide its letter dated 5 April 2022, amongst others, for the listing of and quotation for the Rights Shares on the ACE Market of Bursa Securities (subject to the conditions specified in the said letter). The listing of and quotation for the Rights Shares will commence after, among others, receipt of confirmation from Bursa Depository that all the CDS Accounts of successful Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have been duly credited with the Rights Shares allotted to them and notices of allotment have been despatched to them. However, the listing of and quotation for the Rights Shares on the ACE Market of Bursa Securities are not to be taken as an indication of the merits of the Rights Issue.

Bursa Securities is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the content of this Abridged Prospectus.

FOR INFORMATION CONCERNING RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 7 OF THIS ABRIDGED PROSPECTUS.

CATCHA DIGITAL

CATCHA DIGITAL BERHAD

(Registration No.: 201001033020 (916943-W))
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 174,640,020 NEW ORDINARY SHARES IN CATCHA DIGITAL BERHAD ("CATCHA DIGITAL" OR "COMPANY") ("CATCHA DIGITAL SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING CATCHA DIGITAL SHARE HELD BY THE ENTITLED SHAREHOLDERS OF OUR COMPANY AT 5.00 P.M. ON 28 JUNE 2023 AT AN ISSUE PRICE OF RM0.235 PER RIGHTS SHARE

Principal Adviser and Sponsor

 **TA SECURITIES**

AN UNWAVERING COMMITMENT

TA Securities Holdings Berhad

(Registration No.: 197301001467 (14948-M))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Co-Adviser

 **Malacca
Securities**

Building Wealth Together

Malacca Securities Sdn Bhd

(Registration No.: 197301002760 (16121-H))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES: -

Entitlement Date	:	Wednesday, 28 June 2023 at 5:00 p.m.
Last day, date and time for: -		
Sale of Provisional Allotments	:	Thursday, 6 July 2023 at 5:00 p.m.
Transfer of Provisional Allotments	:	Monday, 10 July 2023 at 4:30 p.m.
Acceptance and payment	:	Friday, 14 July 2023 at 5:00 p.m.
Excess application and payment	:	Friday, 14 July 2023 at 5:00 p.m.

This Abridged Prospectus is dated 28 June 2023

UNLESS OTHERWISE STATED, ALL ABBREVIATIONS USED HEREIN ARE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS.

RESPONSIBILITY STATEMENTS

OUR DIRECTORS HAVE SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE IS NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.

TA SECURITIES, BEING THE PRINCIPAL ADVISER AND SPONSOR, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE.

MALACCA SECURITIES, BEING THE CO-ADVISER, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE.

OTHER STATEMENTS

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF INVESTING IN THE RIGHTS ISSUE. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

YOU SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THIS ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THIS ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.

SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO THE LAWS OF MALAYSIA. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

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

DEFINITIONS

Unless otherwise indicated, the following definitions shall apply throughout this Abridged Prospectus, the NPA and the RSF: -

Abridged Prospectus	:	This Abridged Prospectus dated 28 June 2023 in relation to the Rights Issue
Act	:	Companies Act 2016, as may be amended from time to time and any re-enactment thereof
Acquisition	:	Acquisition of the entire equity interest in iMedia by Catcha Digital from the Vendors for a purchase consideration of RM10,000,000 which was completed on 7 March 2023, through the issuance and allotment of Consideration Shares at an issue price of RM0.25 per Consideration Share, and subject to the terms and conditions of the SSA, the First Hurdle Payment and Second Hurdle Payment
Additional Acquisition(s)	:	The additional acquisition of each of Goody Technologies, Nara Media and Moretify undertaken by iMedia between the date of the SSA and the Completion Date
AMLR	:	ACE Market Listing Requirements of Bursa Securities, as amended from time to time
ATM	:	Automated teller machine
Bloomberg	:	Bloomberg Finance Singapore L.P. and its affiliates
Board	:	The Board of Directors of Catcha Digital
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
Bursa Securities or Exchange	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
BVI	:	British Virgin Islands
Cash Company	:	A listed corporation whose assets on a consolidated basis, consist of 70% or more of cash or short-term investments, or a combination of both, which has been considered by Bursa Securities as a Cash Company under Rule 8.03 of the AMLR
Catcha Digital Group or Group	:	Catcha Digital and its subsidiaries
Catcha Digital or Company	:	Catcha Digital Berhad (Registration No.: 201001033020 (916943-W))
Catcha Digital Share(s) or Share(s)	:	Ordinary share(s) in Catcha Digital
Catcha Group or Undertaking Shareholder	:	Catcha Group Pte Ltd (Company No.: 200402949E)

DEFINITIONS (cont'd)

Catcha Investments	:	Catcha Investments Ltd (BVI Company No.: 1912703)
CDS	:	Central Depository System
CDS Account(s)	:	A securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits and for dealings in such securities by the depositor
CEO	:	Chief Executive Officer
Closing Date	:	Friday, 14 July 2023 at 5.00 p.m., being the last day, date and time for the acceptance of and payment for the Provisional Allotments and the Excess Rights Shares
CMSA	:	Capital Markets and Services Act 2007, as amended from time to time
Completion Date	:	Thirty (30) days from and including the Unconditional Date unless extended further by mutual agreement between Catcha Digital and the Vendors
Consideration Share(s)	:	40,000,000 new Catcha Digital Shares which were fully issued and allotted to the Vendors on 7 March 2023 pursuant to the Acquisition
Constitution	:	Constitution of our Company
COS	:	Cost of sales
COVID-19	:	Coronavirus disease 2019
Directors	:	The executive and non-executive directors of our Company for the time being, where applicable
Disposal	:	Disposal by Catcha Digital of 11,080,182 ordinary shares in Rev Asia Holdings representing its entire 70% equity interest in Rev Asia Holdings to MPDSB for a cash consideration of RM73,500,000
Documents	:	This Abridged Prospectus, together with the NPA and RSF, collectively
EGM	:	Extraordinary General Meeting
Electronic Application	:	Application for the Provisional Allotments and/or Excess Rights Shares through the ATMs or internet financial services website of the Participating Financial Institutions
Entitlement Date	:	The date as at the close of business at 5:00 p.m. on Wednesday, 28 June 2023, on which names of our Shareholders must appear in the Record of Depositors of our Company in order to participate in the Rights Issue
Entitled Shareholders	:	Our Shareholders whose names appear in the Record of Depositors and Register of Members on the Entitlement Date. For information purposes, only the holders of Consideration Shares are entitled to the Rights Issue. The holders of 48,000,000 new Catcha Digital Shares and 3,013,200 new Catcha Digital Shares issued and allotted on 13 March 2023 pursuant to the First Hurdle Payment and Second Hurdle

DEFINITIONS (cont'd)

		Payment and the settlement of 3 rd tranche payment obligation for the acquisitions of Nara Media and Moretify are not entitled to the Rights Issue
EPS	:	Earnings per Share
Excess Rights Shares	:	Rights Shares which are not taken up or not validly taken up by the Entitled Shareholders and/or their renounee(s)/transferee(s) (If applicable) before the Closing Date
Exemption	:	Exemption under subparagraphs 4.08(1)(a) and 4.08(1)(b) of the Rules for Patrick, Catcha Group and their PACs to undertake a Mandatory Offer
First Hurdle or Base PATAMI	:	Consolidated PATAMI of iMedia Group for the FYE 2021 being no less than RM2,000,000
First Hurdle Payment	:	Additional consideration of RM15,000,000 which is to be satisfied via a combination of cash payment of RM9,000,000 and issuance of 24,000,000 new Catcha Digital Shares at an issue price of RM0.25 per Catcha Digital Share to the Vendors upon meeting the First Hurdle
Foreign Shareholder(s) Addressed	:	Entitled Shareholders who have not provided to our Company a registered address or an address for service in Malaysia for the service of documents which will be issued in connection with the Rights Issue
FPE 2022	:	Three (3)-month financial period ended 31 March 2022
FPE 2023	:	Three (3)-month financial period ended 31 March 2023
FYE(s)	:	Financial year(s) ended/ending 31 December, as the case may be
GN2	:	Guidance Note 2 of the AMLR
Goody Technologies	:	Goody Technologies Sdn Bhd (Registration No.: 201601032642 (1203583-W))
Goody Technologies SSPA	:	SSPA dated 28 October 2020 entered into between iMedia, Alex Ooi Kean Lim, Lim Hoo Chen and Ooi Chong Chee which involved the acquisition by iMedia of 60.00% equity interest in Goody Technologies
Government	:	Government of Malaysia
GP	:	Gross profit
iCreative	:	iCreative Asia Sdn Bhd (Registration No.: 201901034245 (1343575-A))
iMedia	:	iMedia Asia Sdn Bhd (Registration No.: 201701038242 (1252413-W))
iMedia Group	:	iMedia and its subsidiaries
iMedia Share(s)	:	Ordinary share(s) in iMedia

DEFINITIONS (cont'd)

Initial Proposed Rights Issue	:	Proposed renounceable rights issue of up to 87,320,010 new Catcha Digital Shares (“ Initial Rights Share(s) ”) on the basis of one (1) Initial Rights Share for every two (2) existing Catcha Digital Shares held by the entitled shareholders on the entitlement date as announced on 10 September 2021
Ittify	:	Ittify Sdn Bhd (Registration No.: 201501028586 (1153907-P))
LAT	:	Loss after taxation
LBT	:	Loss before taxation
LPD	:	31 May 2023, being the latest practicable date prior to the printing of this Abridged Prospectus
LPS	:	Loss per Share
LTD	:	27 August 2020. The SSA was initially dated 28 August 2020 and the Requisite Announcement was made on 1 September 2020. As such, the last trading day referred to 27 August 2020, being one (1) market day prior to the date of the SSA. On 2 September 2020, our Company announced that the parties have agreed that the date of the SSA should be 1 September 2020. However, the basis for the issue price for the Consideration Shares of RM0.25 each was still determined based on one (1)-month VWAMP of Catcha Digital Shares up to and including 27 August 2020
Lucas	:	Lucas Robert Elliott
Malacca Securities or Co-Adviser	:	Malacca Securities Sdn Bhd (Registration No.: 197301002760 (16121-H))
Mandatory Offer	:	Mandatory take-over offer to acquire the remaining Catcha Digital Shares not already owned by Patrick, Catcha Group and their PACs upon completion of the Acquisition and the Rights Issue respectively
Market Day(s)	:	Any day between Monday to Friday (inclusive) which is not a public holiday and on which Bursa Securities is open for trading in securities
Minimum Subscription Level	:	Minimum level of funds amounting to RM18,000,000 required to be raised from the Rights Issue
Moretify	:	Moretify Sdn Bhd (Registration No.: 201701037954 (1252125-V))
Moretify SSPA	:	SSPA dated 27 November 2020 entered into between iMedia and Loh Keang Chuan which involved the acquisition by iMedia of 60.00% equity interest in Moretify
Moretify Variation Letter	:	Variation letter dated 24 May 2022 to the Moretify SSPA
MFRS	:	Malaysian Financial Reporting Standards
MPDSB	:	Media Prima Digital Sdn Bhd (Registration No.: 199301017287 (272025-V))
N/A	:	Not applicable

DEFINITIONS (cont'd)

NA	:	Net assets
Nara Media	:	Nara Media Sdn Bhd (Registration No.: 201301010217 (1040059-W))
Nara Media SSPA	:	SSPA dated 3 November 2020 entered into between iMedia, Nazuwan and Shah which involved the acquisition by iMedia of 90.00% equity interest in Nara Media
Nara Media Variation Letter (Nazuwan)	:	Variation letter dated 24 May 2022 to the Nara Media SSPA
Nara Media Variation Letter (Shah)	:	Variation letter dated 24 May 2022 to the Nara Media SSPA
Nazuwan	:	Ahmad Nazuwan Bin Amran
NPA	:	Notice of Provisional Allotments in relation to the Rights Issue
Oh Media	:	Oh Media Sdn Bhd (Registration No.: 201701044994 (1259167-K))
PAC(s)	:	Persons acting in concert with Patrick and Catcha Group, pursuant to Sections 216(2) and 216(3) of the CMSA. As at the LPD, the persons acting in concert with Patrick and Catcha Group are Catcha Investments, iCreative, Lucas, Voon Tze Khay, Tee Choon Wee, Loh Ken Wei and Brian Alexis A/L Antonisamy
Participating Financial Institution	:	Participating financial institutions for Electronic Application as referred to in Section 10.5.2 of this Abridged Prospectus
Patrick	:	Patrick YKin Grove
PAT	:	Profit after taxation
PATAMI	:	Profit after taxation and minority interest
PBT	:	Profit before taxation
Proposed Rights Issue with Warrants	:	Proposed renounceable rights issue of up to 34,928,004 new Catcha Digital Shares on the basis of one (1) rights share for every five (5) existing Catcha Digital Shares held, together with up to 104,784,012 free detachable warrants (" Warrants ") on the basis of three (3) free Warrants for every one (1) right share subscribed held by the entitled shareholders on the entitlement date as announced on 23 December 2020. The Proposed Rights Issue with Warrants was replaced with Rights Issue pursuant to the announcements made on 10 September 2021 and 25 February 2022
Providence or Independent Market Researcher	:	Providence Strategic Partners Sdn Bhd (Registration No.: 201701024744 (1238910-A))
Provisional Allotments	:	Rights Shares provisionally allotted to the Entitled Shareholders and/or their renounee(s)/transferee(s) (If applicable) pursuant to the Rights Issue

DEFINITIONS (cont'd)

Purchase Consideration	:	RM10,000,000 only, being the purchase consideration payable by our Company to the Vendors in relation to the Acquisition
Record of Depositors	:	Record of securities holders established and maintained by Bursa Depository pursuant to the Rules of Bursa Depository
Regularisation Plan	:	Collectively, the Acquisition, Rights Issue and Exemption
Rev Asia Holdings	:	Rev Asia Holdings Sdn Bhd (Registration No.: 201301021518 (1051348-T))
Rights Issue	:	Renounceable rights issue of up to 174,640,020 Rights Shares on the basis of one (1) Rights Share for every one (1) existing Catcha Digital Share held by the Entitled Shareholders on the Entitlement Date
Rights Share(s)	:	Up to 174,640,020 Shares to be issued pursuant to the Rights Issue
RSF	:	Rights subscription form in relation to the Rights Issue
Rules	:	Rules on Take-overs, Mergers and Compulsory Acquisitions, which must be read together with the Malaysian Code on Take-overs and Mergers 2016 and any rulings issued by the SC pursuant to Section 217 of the CMSA, as amended from time to time
Rules of Bursa Depository	:	Rules of Bursa Depository as issued pursuant to the SICDA
Sale Shares	:	2,500 iMedia Shares, representing the entire equity interest in iMedia as per the SSA
SC	:	Securities Commission Malaysia
Scenario 1	:	Undertaking Shareholder subscribes in full in respect of its entitlement to 58,907,329 Rights Shares together with excess rights application for any Rights Shares which are unsubscribed by the remaining Entitled Shareholders to meet the Minimum Subscription Level
Scenario 2	:	All Entitled Shareholders subscribe for their rights entitlements pursuant to the Rights Issue
Second Hurdle	:	Consolidated PATAMI of iMedia Group for the FYE 2021 exceeding the Base PATAMI and being at least RM3,000,000
Second Hurdle Payment	:	Additional consideration of RM15,000,000 which is to be satisfied via a combination of cash payment of RM9,000,000 and issuance of 24,000,000 new Catcha Digital Shares at an issue price of RM0.25 per Catcha Digital Share to the Vendors upon meeting the Second Hurdle. In aggregate, the total additional consideration to be paid to the Vendors upon meeting the First Hurdle and Second Hurdle is RM30,000,000 which is to be satisfied via a combination of cash payment of RM18,000,000 and issuance of 48,000,000 new Catcha Digital Shares in aggregate at an issue price of RM0.25 per Catcha Digital Share
Shah	:	Mohd Shahzeeq Bin Mohd Shahren

DEFINITIONS (cont'd)

Shareholders	:	Registered holders of Catcha Digital Shares
Share Registrar	:	Boardroom Share Registrars Sdn Bhd (Registration No.: 199601006647 (378993-D))
SICDA	:	Securities Industry (Central Depositories) Act 1991, as amended from time to time and any re-enactment thereof
SSA	:	Share sale agreement dated 1 September 2020 entered into between Catcha Digital and the Vendors in relation to the Acquisition, as amended and supplemented by the amended and restated share sale agreement dated 23 December 2020, second amended and restated share sale agreement dated 10 September 2021, third amended and restated share sale agreement dated 12 November 2021, fourth amended and restated share sale agreement dated 24 May 2022 and variation letters dated 1 March 2021, 31 May 2021, 30 August 2021, 26 November 2021, 30 March 2022, 27 June 2022, 30 August 2022, 30 November 2022, 14 December 2022 and 13 January 2023
SSPA	:	Share sale and purchase agreement
TA Securities or Principal Adviser or Sponsor	:	TA Securities Holdings Berhad (Registration No.: 197301001467 (14948-M))
Unconditional Date	:	The date upon which the SSA becomes unconditional upon the fulfilment of the Conditions Precedent in accordance with the terms and conditions of the SSA
Undertaking	:	Irrevocable and unconditional undertaking from the Undertaking Shareholder to subscribe in full in respect of its entitlement to 58,907,329 Rights Shares together with excess rights application for any Rights Shares which are unsubscribed by the remaining Entitled Shareholders to meet the Minimum Subscription Level
Vendors	:	Collectively, Catcha Investments and iCreative
VWAMP	:	Volume-weighted average market price
% or per cent	:	Per centum or percentage
RM and sen	:	Ringgit Malaysia and sen, respectively

All references to “our Company” or “Catcha Digital” in this Abridged Prospectus are made to Catcha Digital and references to “our Group” and/or “Catcha Digital Group” are made to our Company and our subsidiaries. All references to “we”, “us”, “our” and “ourselves” are made to our Company, or where the context requires, our Group or any of our subsidiaries.

All references to “you” and “your” in this Abridged Prospectus are made to the Entitled Shareholders and/or where the context otherwise requires, their renounee(s)/transferee(s) (if applicable).

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

DEFINITIONS (cont'd)

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

The word "approximately" used in this Abridged Prospectus is to indicate that a number is not exact, but that number is usually rounded off to the nearest hundredth or two (2) decimal places. Any discrepancies in the tables between amounts stated and the totals in this Abridged Prospectus are due to rounding.

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

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TABLE OF CONTENTS

	PAGE
ADVISERS' DIRECTORY	xi
SUMMARY OF THE RIGHTS ISSUE	xiii
LETTER TO OUR ENTITLED SHAREHOLDERS CONTAINING: -	
1. INTRODUCTION	1
2. DETAILS OF THE RIGHTS ISSUE	5
2.1 Details of the Rights Issue	5
2.2 Basis of determining and justification for the issue price of the Rights Shares	6
2.3 Ranking of the Rights Shares	6
2.4 Shareholder's Undertaking	6
2.5 Listing of and quotation for the Rights Shares	8
3. UTILISATION OF PROCEEDS	8
4. RATIONALE FOR THE RIGHTS ISSUE	10
5. THE REGULARISATION PLAN	10
5.1 Acquisition	10
5.2 Rights Issue	16
5.3 Exemption	16
6. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS	18
6.1 Overview and outlook of the Malaysian economy	18
6.2 Overview on the digital and social media advertising industry in Malaysia	19
6.3 Prospect and future plans of our Group	21
7. RISK FACTORS	25
7.1 Risk relating to our Group	25
7.2 Risk relating to the Rights Issue	28
8. EFFECTS OF THE RIGHTS ISSUE	30
8.1 Share capital	30
8.2 NA and gearing	31
8.3 Earnings and EPS	31
8.4 Convertible securities	31
8.5 Shareholdings of substantial shareholders/Vendors	32
9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENTS AND MATERIAL TRANSACTION	34
9.1 Working capital	34
9.2 Borrowings	34
9.3 Contingent liabilities	35
9.4 Material commitments	35
9.5 Material transaction	35

TABLE OF CONTENTS (cont'd)

	PAGE
10. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE OR TRANSFER AND EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES	35
10.1 General	35
10.2 NPA	35
10.3 Last time, day and date for acceptance and payment	35
10.4 Methods of acceptance and application	35
10.5 Procedures for acceptance and payment	36
10.6 Procedures for part acceptance	42
10.7 Procedures for sale or transfer of Provisional Allotments	42
10.8 Procedures for acceptance by renounee(s)/transferee(s)	43
10.9 Procedures for application for Excess Rights Shares	43
10.10 Notice of allotment	45
10.11 Form of issuance	45
10.12 Laws of foreign jurisdictions	46
11. TERMS AND CONDITIONS	48
12. FURTHER INFORMATION	48
APPENDICES	
I INFORMATION ON CATCHA DIGITAL	49
II INFORMATION ON iMEDIA GROUP	63
III PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CATCHA DIGITAL AS AT 31 MARCH 2023 WITH THE REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON	73
IV ACCOUNTANTS' REPORT ON iMEDIA GROUP	88
V ADDITIONAL INFORMATION	400

ADVISERS' DIRECTORY

- PRINCIPAL ADVISER AND SPONSOR** : TA Securities Holdings Berhad
(Registration No.: 197301001467 (14948-M))
32nd Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur
Tel : +603 - 2072 1277
Fax : +603 - 2026 0127
- CO-ADVISER** : Malacca Securities Sdn Bhd
(Registration No.: 197301002760 (16121-H))
BO1-A-13A, Level 13A, Menara 2
No.3, Jalan Bangsar
KL Eco City
59200 Kuala Lumpur
Tel : +603 - 2201 2100
- SOLICITORS** : Messrs. Cheang & Ariff
Loke Mansion
273A, Jalan Medan Tuanku
50300 Kuala Lumpur
Tel : +603 - 2691 0803
Fax : +603 - 2691 4475
- COMPANY SECRETARY** : Tai Yit Chan (MAICSA 7009143)
SSM PC No. 202008001023
12th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor, Malaysia
Tel : +603 - 7890 4800
Fax : +603 - 7890 4650
- Tan Ai Ning (MAICSA 7015852)
SSM PC No. 202008000067
12th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor, Malaysia
Tel : +603 - 7890 4800
Fax : +603 - 7890 4650
- SHARE REGISTRAR** : Boardroom Share Registrars Sdn Bhd
(Registration No.: 199601006647 (378993-D))
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor, Malaysia
Tel : +603 - 7890 4700
Fax : +603 - 7890 4670

ADVISERS' DIRECTORY (cont'd)

AUDITORS REPORTING ACCOUNTANTS **AND** : BDO PLT
201906000013 (LLP0018825-LCA & AF 0206)
Level 8
BDO @ Menara CenTaRa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel : +603 - 2616 2888
Fax : +603 - 2616 3190/+603 - 2616 3191

Partner-in-charge : Ng Soe Kei
Approved number : 02982/08/2023 J
Qualification : Member of the Institute of Chartered Accountants in England and Wales (ICAEW), Fellow Member of the Association of Chartered Certified Accountants (ACCA), Member of the Malaysian Institute of Accountants (MIA)

INDEPENDENT RESEARCHER **MARKET** : Providence Strategic Partners Sdn Bhd
(Registration No.: 201701024744 (1238910-A))
67-1, Block D, Jaya One
Jalan Prof Diraja Ungku Aziz
46200 Petaling Jaya
Selangor, Malaysia
Tel : +603 - 7625 1769

Person-in-charge : Elizabeth Dhoss
Qualification : Bachelor of Business Administration from the University of Malaya

STOCK EXCHANGE LISTED : ACE Market of Bursa Securities

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SUMMARY OF THE RIGHTS ISSUE

THIS SUMMARY OF THE RIGHTS ISSUE ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS ABRIDGED PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE ABRIDGED PROSPECTUS.

- Issue size** : Renounceable rights issue of up to 174,640,020 Rights Shares.
Please refer to **Section 2.1** of this Abridged Prospectus for further details.
- Basis of allotment** : One (1) Rights Share for every one (1) existing Catcha Digital Share held by the Entitled Shareholders on the Entitlement Date.
Please refer to **Section 2.1** of this Abridged Prospectus for further details.
- Issue price** : The issue price of the Rights Shares is RM0.235.
Please refer to **Section 2.2** of this Abridged Prospectus for further details.
- Shareholder's Undertaking** : The Rights Issue will be structured on a Minimum Subscription Level. An underwriting arrangement is not required in respect of the Rights Issue.

Catcha Group had, on 25 February 2022, provided its Undertaking. Based on the issue price of RM0.235 per Rights Share, the number of Rights Shares together with excess application for Rights Shares to be subscribed by Catcha Group to meet the Minimum Subscription Level is 76,595,745 Rights Shares.

Please refer to **Section 2.4** of this Abridged Prospectus for further details.
- Utilisation of Proceeds** : Based on the issue price of RM0.235 per Rights Share, the Rights Issue is expected to raise gross proceeds of approximately RM41.04 million. The proceeds to be raised from the Rights Issue are to be utilised in the manner set out below: -

Utilisation of proceeds	Expected timeframe for utilisation of proceeds from completion of the Rights Issue	Scenario 1 (RM'000)	Scenario 2 (RM'000)
First Hurdle Payment and Second Hurdle Payment	Within 14 days	18,000	18,000
Working capital	Within 24 months	-	23,040
Total gross proceeds		18,000	41,040

Please refer to **Section 3** of this Abridged Prospectus for further details.

- Rationale for the Rights Issue** : The rationale for the Rights Issue are as follows: -
- to raise funds for the First Hurdle Payment, Second Hurdle Payment and working capital requirement of our Group;
 - enable our Company to raise requisite funds without incurring interest costs as compared to bank borrowings which would allow our Group to preserve the existing cash and bank balances;
 - strengthen the capital base as well as to improve the financial position of our Group;

SUMMARY OF THE RIGHTS ISSUE (cont'd)

Rationale for the Rights Issue (cont'd)

- enable the issuance of new Catcha Digital Shares on a pro rata basis without diluting the Entitled Shareholders' shareholdings provided that they subscribe in full for their respective entitlements; and
- enable our Shareholders to participate in the growth of the business and our Company's future endeavours.

Please refer to **Section 4** of this Abridged Prospectus for further details.

Risk factors

: You should carefully consider the following risk factors which may have an impact on the future performance of our Group before subscribing for or investing in the Rights Shares: -

(i) Risks relating to our Group

- dependent on search engines, social media and other online sources to attract consumers to its digital media platform assets;
- competes with other media players for advertising spend from brand owners and advertisers;
- unexpected network interruption caused by system failures or incidences of computer virus may reduce visitor traffic and affect the reputation of iMedia Group;
- dependent on key personnel to operate its business;
- brand owners and advertisers who use iMedia Group's digital media platforms can offer products and services outside of the latter's digital media platforms or obtain similar services from competitors; and
- as a creator and a distributor of content, iMedia Group is exposed to potential claims of plagiarism and violation of intellectual property rights of others.

(ii) Risks relating to the Rights Issue

- investment and capital market risk;
- delay/non-completion of the Rights Issue; and
- potential dilution on the Entitled Shareholders who do not or are not able to subscribe for their entitlements under the Rights Issue.

Please refer to **Section 7** of this Abridged Prospectus for further details.

Procedures for application for the Rights Shares and Excess Rights Shares

: Acceptance of and payment for the Provisional Allotments and application for the Excess Rights Shares must be made by way of the RSF enclosed together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF and must conform to the terms and conditions contained therein.

The last day, date and time for acceptance of and payment for the Provisional Allotments and the Excess Rights Shares is on **Friday, 14 July 2023 at 5.00 p.m.**

Please refer to **Section 10** of this Abridged Prospectus for further details.

CATCHA DIGITAL

CATCHA DIGITAL BERHAD
(Registration No. 201001033020 (916943-W))
(Incorporated in Malaysia)

Registered Office

12th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan Malaysia

28 June 2023

Board of Directors:

Patrick YKin Grove (*Non-Independent Non-Executive Chairman*)
Lucas Robert Elliott (*Non-Independent Non-Executive Director*)
Dato' Justin Leong Ming Loong (*Independent Non-Executive Director*)
Wan Mohd Firdaus Bin Wan Mohd Fuaad (*Independent Non-Executive Director*)
Shireen Chia Yin Ting (*Independent Non-Executive Director*)

To: Our Entitled Shareholders

Dear Sirs/Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 174,640,020 NEW ORDINARY SHARES IN CATCHA DIGITAL BERHAD ("CATCHA DIGITAL SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING CATCHA DIGITAL SHARE HELD BY THE ENTITLED SHAREHOLDERS OF OUR COMPANY AT 5.00 P.M. ON 28 JUNE 2023 AT AN ISSUE PRICE OF RM0.235 PER RIGHTS SHARE

1. INTRODUCTION

On 8 May 2017, Affin Hwang Investment Bank had, on behalf of our Board, announced that our Company and Youth Asia Sdn Bhd had on 8 May 2017 entered into a conditional sale and purchase agreement with MPDSB, an indirect wholly-owned subsidiary of Media Prima Berhad, to dispose of the entire 15,828,831 Rev Asia Holdings Shares, representing 100% equity interest in Rev Asia Holdings and its subsidiaries, after an internal reorganisation of Rev Asia Holdings and its subsidiaries, for a total cash consideration of RM105,000,000 only, subject to the terms and conditions of the sale and purchase agreement ("**Disposal**").

Pursuant to the sale and purchase agreement, our Company had disposed of our entire 11,080,182 Rev Asia Holdings Shares, representing 70% equity interest in Rev Asia Holdings to MPDSB, for a cash consideration of RM73,500,000, and Youth Asia Sdn Bhd disposed of its 4,748,649 Rev Asia Holdings Shares, representing the remaining 30% equity interest in Rev Asia Holdings to MPDSB, for a cash consideration of RM31,500,000.

Pursuant thereto, the Disposal effectively signifies that our Company had disposed of all of our business, including our core business and has no future revenue and profit contribution, and will carry on only as an investment holding company. The Disposal was completed on 1 August 2017.

On 3 August 2017, our Board announced that Bursa Securities had vide its letter dated 3 August 2017 informed that Catcha Digital is considered a Cash Company pursuant to Rule 8.03 and GN2 of the AMLR as the assets of our Company on a consolidated basis triggered the Cash Criterion pursuant to Rule 8.03(1) of the AMLR upon completion of the Disposal on 1 August 2017.

On 1 September 2020, TA Securities had, on behalf of our Board, announced the Acquisition and Exemption.

On 23 December 2020, TA Securities had, on behalf of our Board, announced that our Company intended to undertake the Proposed Rights Issue with Warrants.

On 22 January 2021, TA Securities had, on behalf of our Board, announced that an application in relation to the Regularisation Plan together with the listing application for new securities to be issued pursuant to the same had been resubmitted to Bursa Securities.

On 13 August 2021 TA Securities had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 12 August 2021 ("**Letter**") rejected the Regularisation Plan as our Sponsor had not demonstrated to the satisfaction of Bursa Securities the ability of the Regularisation Plan to comply with Chapter 3 and Guidance Note 18 of the AMLR. Our Company was able to appeal against the decision of Bursa Securities ("**Decision**") within 30 days from the date of the Letter.

On 10 September 2021, our Board announced that our Company has appointed Malacca Securities as our Company's Co-Adviser to jointly undertake with TA Securities the appeal against the Decision ("**Appeal**") and to act jointly for and on behalf of our Company to liaise with Bursa Securities on all matters pertaining thereto.

On 10 September 2021, TA Securities and Malacca Securities had, on behalf of our Board, announced that our Board had decided to vary the Proposed Rights Issue with Warrants to Initial Proposed Rights Issue as follows: -

	Proposed Rights Issue with Warrants	Initial Proposed Rights Issue
Issue size	Renounceable rights issue of up to 34,928,004 rights shares (with up to 104,784,012 free warrants).	Renounceable rights issue of up to 87,320,010 rights shares.
Basis of allotment	One (1) rights share for every five (5) existing Shares held, together with up to 104,784,012 free warrants on the basis of three (3) free warrants for every one (1) rights share subscribed, fractional entitlements to be disregarded.	One (1) rights share for every two (2) existing Shares held, fractional entitlements to be disregarded.

On 10 September 2021, TA Securities and Malacca Securities had, on behalf of our Board, announced that our Company had, on 10 September 2021, submitted the Appeal.

On 25 February 2022, TA Securities and Malacca Securities had, on behalf of our Board, announced that our Board had decided to vary the Initial Proposed Rights Issue to the Rights Issue as follows: -

	Initial Proposed Rights Issue	Rights Issue
Issue size	Renounceable rights issue of up to 87,320,010 rights shares.	Renounceable rights issue of up to 174,640,020 Rights Shares.
Basis of allotment	One (1) rights share for every two (2) existing Shares held, fractional entitlements to be disregarded.	One (1) Rights Share for every one (1) existing Share held.
Indicative issue price	RM0.30 per rights share	RM0.235 per Rights Share

On 5 April 2022, TA Securities had, on behalf of our Board, announced that Bursa Securities vide its letter dated 5 April 2022 approved the following: -

- (i) the Regularisation Plan;
- (ii) listing of and quotation for the Consideration Shares, 48,000,000 additional Shares to be issued for the First Hurdle Payment and Second Hurdle Payment and 6,796,800 additional Shares to be issued for the Additional Acquisitions; and
- (iii) listing of and quotation for 174,640,020 Rights Shares to be issued pursuant to the Rights Issue,

on the ACE Market of Bursa Securities.

The approval of Bursa Securities for the Regularisation Plan is subject to the following conditions: -

	Conditions imposed	Status of compliance
(i)	Catcha Digital and TA Securities to confirm all approvals of relevant authorities have been obtained for the implementation of the Regularisation Plan and furnish a copy of all approval letters from the relevant authorities;	To be complied
(ii)	Catcha Digital and TA Securities to furnish Bursa Securities with a certified true copy of the resolution passed by the Shareholders at the general meeting for the Regularisation Plan;	Met
(iii)	Catcha Digital and TA Securities to ensure that all directors and proposed directors of iMedia who have not attended the Mandatory Accreditation Programme pursuant to Rule 15.08 and Guidance Note 10 of the AMLR to do so prior to the completion of the Regularisation Plan;	Met
(iv)	Catcha Digital and TA Securities to furnish Bursa Securities with a copy of the public shareholding spread pursuant to Appendix 8E of the AMLR upon the completion of the Regularisation Plan;	To be complied
(v)	Catcha Digital, iMedia and TA Securities must fully comply with the relevant provisions under the AMLR pertaining to the implementation of the Regularisation Plan; and	To be complied
(vi)	Catcha Digital and TA Securities to inform Bursa Securities upon the completion of the Regularisation Plan and furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval.	To be complied

On 20 July 2022, our Shareholders approved the Regularisation Plan at the EGM.

On 13 February 2023, TA Securities had, on behalf of our Board, announced that the Exemption had been approved by the SC vide its letter dated 13 February 2023 pursuant to subparagraphs 4.08(1)(a) and 4.08(1)(b) of the Rules.

On 7 March 2023, TA Securities and Malacca Securities had, on behalf of our Board, announced that the Acquisition had been completed with the issuance and allotment of the Consideration Shares at an issue price of RM0.25 each to the Vendors on 7 March 2023. Please refer to Section 5.1 of this Abridged Prospectus for further details.

On 13 March 2023, TA Securities and Malacca Securities had, on behalf of our Board, announced that our Company had, on 13 March 2023, completed the following: -

- (i) issuance and allotment of 48,000,000 new Catcha Digital Shares at an issue price of RM0.25 each amounting to RM12,000,000 to the Vendors, being part payment for meeting the First Hurdle and Second Hurdle; and
- (ii) issuance and allotment of 3,013,200 new Catcha Digital Shares at an issue price of RM0.1994 each (being the seven (7)-day volume weighted average price of Catcha Digital Share up to 6 March 2023 (being the last trading day prior to the Completion Date)) amounting to RM600,832.08 to the vendors of Nara Media and Moretify. Pursuant to the terms of the SSA, our Company has also settled the remaining payment amounting to RM152,467.92 in cash (being the shortfall in value of the new Catcha Digital Shares issued to the vendors of Nara Media and Moretify in view that the issue price is less than RM0.25 per Catcha Digital Share).

Please refer to Section 5.1 of this Abridged Prospectus for further details.

On 14 June 2023, TA Securities and Malacca Securities had, on behalf of our Board, announced that the issue price of the Rights Shares has been fixed at RM0.235 per Rights Share.

On 14 June 2023, TA Securities and Malacca Securities had, on behalf of our Board, announced the Entitlement Date for the Rights Issue has been fixed at **5.00 p.m. on Wednesday, 28 June 2023**, together with the other relevant dates pertaining to the Rights Issue.

The listing of and quotation for the Rights Shares will commence after, amongst others, the receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to them.

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

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS WHICH SETS OUT THE DETAILS OF THE RIGHTS ISSUE AND RISK FACTORS ASSOCIATED WITH THE RIGHTS ISSUE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER IMMEDIATELY.

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2. DETAILS OF THE RIGHTS ISSUE

2.1 Details of the Rights Issue

The Rights Issue entails the renounceable rights issue of up to 174,640,020 Rights Shares, on the basis of one (1) Rights Share for every one (1) existing Catcha Digital Share held by the Entitled Shareholders on the Entitlement Date.

The actual number of Rights Shares to be issued pursuant to the Rights Issue will depend on the total number of issued Shares of our Company on the Entitlement Date. As at the LPD, the issued share capital of Catcha Digital is RM29,332,833.08 comprising 225,653,220 Catcha Digital Shares. Our Company does not have any treasury shares or convertible securities as at the LPD.

For information purposes, only the holders of Consideration Shares are entitled to the Rights Issue. The holders of 48,000,000 new Catcha Digital Shares and 3,013,200 new Catcha Digital Shares issued and allotted on 13 March 2023 pursuant to the First Hurdle Payment and Second Hurdle Payment and the settlement of 3rd tranche payment obligation for the acquisitions of Nara Media and Moretify are not entitled to the Rights Issue.

Any Rights Share which is not subscribed or validly subscribed for will be made available for excess Rights Shares application by other Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable). It is the intention of our Board to allocate the excess Rights Shares, if any, in a fair and equitable manner as follows:-

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for excess Rights Shares application; and
- (iii) finally, on a pro-rata basis and in board lots, to the transferee(s) and/or renounee(s) who have applied for excess Rights Shares application.

Nevertheless, our Board reserves the rights to allot any excess Rights Shares applied for in such manner as it may deem fit and expedient and in the best interest of our Company, subject always do such allocation being made on a fair and equitable basis and that the intention of our Board as sets out in (i), (ii) and (iii) above are achieved.

As the Rights Shares are prescribed securities, the respective CDS Accounts of the Entitled Shareholders will be duly credited with the number of Provisional Allotments they are entitled to subscribe for in full or in part under the terms of the Rights Issue. Entitled Shareholders will find the NPA as enclosed in this Abridged Prospectus, notifying Entitled Shareholders of the crediting of such securities into their respective CDS Accounts, and the RSF as enclosed in this Abridged Prospectus, enabling Entitled Shareholders to subscribe for the Provisional Allotments as well as to apply for Excess Rights Shares if Entitled Shareholders choose to do so.

Only Entitled Shareholders who have an address in Malaysia as stated in the Record of Depositors or who have provided our Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus together with the NPA and RSF.

Any dealings in our securities will be subject to, among others, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares will, upon allotment and issuance, be credited directly into the respective CDS Accounts of the successful applicants. No physical certificates will be issued to the successful applicants of the Rights Shares.

The Rights Issue is renounceable in full or in part. Accordingly, the Entitled Shareholders may fully or partially renounce their entitlements under the Rights Issue. The Rights Shares which are not taken up or not validly taken up by the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) shall be made available for excess applications for the Rights Shares.

Notices of allotment will be despatched to you within eight (8) Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities.

2.2 Basis of determining and justification for the issue price of the Rights Shares

The issue price of RM0.235 per Rights Shares has been fixed by our Board after taking into consideration the following: -

- (i) a discount of RM0.0023 or 0.97% to the five (5)-day VWAMP of Catcha Digital Shares up to and including 13 June 2023, being the last trading day of Catcha Digital Shares immediately preceding the price-fixing date of RM0.2373 per Catcha Digital Shares;
- (ii) the funding requirements of our Group as set out in Section 3 of this Abridged Prospectus;
- (iii) the Minimum Subscription Level (i.e., the Scenario 1);
- (iv) the rationale for the Rights Issue as set out in Section 4 of this Abridged Prospectus; and
- (v) the public shareholding spread requirements of Rule 8.02(1) of the AMLR which requires our Company to ensure that at least 25.00% of the total issued Shares (excluding treasury shares) are in the hands of public shareholders upon completion of the Regularisation Plan.

2.3 Ranking of the Rights Shares

The Rights Shares shall, upon allotment and issuance, rank equally in all respect with the existing Catcha Digital Shares in issue, save and except that they shall not be entitled to any dividends, rights, allotment and/or other distribution that may be declared, made or paid before the date of allotment of the Rights Shares.

2.4 Shareholder's Undertaking

Our Board has determined to undertake the Rights Issue on the Minimum Subscription Level after taking into consideration the minimum level of funds of approximately RM18.00 million required to be raised from the Rights Issue based on the issue price of RM0.235 per Rights Share after taking into consideration the following: -

- (i) the funding requirements of our Group as set out in Section 3 of this Abridged Prospectus; and
- (ii) the public shareholding spread requirements of Rule 8.02(1) of the AMLR which requires our Company to ensure that at least 25.00% of the total issued Shares (excluding treasury shares) are in the hands of public shareholders upon completion of the Regularisation Plan.

As the Rights Issue will be structured on a Minimum Subscription Level, an underwriting arrangement is not required in respect of the Rights Issue.

Catcha Group had, on 25 February 2022, provided its Undertaking to: -

- (i) subscribe in full in respect of its entitlement to 58,907,329 Rights Shares; and
- (ii) together with excess rights application for any Rights Shares which are unsubscribed by the remaining Entitled Shareholders to meet the Minimum Subscription Level.

Based on the issue price of RM0.235 per Rights Share, the number of Rights Shares together with excess rights application for any unsubscribed Rights Shares to be subscribed by Catcha Group to meet the Minimum Subscription Level is 76,595,745 Rights Shares.

Catcha Group has provided its confirmation that it has sufficient financial means and resources to subscribe in full its entitlements and Minimum Subscription Level pursuant to the Undertaking.

TA Securities and Malacca Securities had verified the sufficiency of financial resources of Catcha Group for the purpose of subscribing for the Rights Shares pursuant to the Undertaking.

Details of the Undertaking under the Minimum Subscription Level are as follows: -

	No. of Shares held as at the LPD	(%)⁽ⁱ⁾	Subscription based on Catcha Group's entitlement	(%)⁽ⁱⁱ⁾
Catcha Group	58,907,329	26.10	58,907,329	33.73

	Subscription based on excess application of Rights Shares	(%)⁽ⁱⁱ⁾	Total no. of Rights Shares	(%)⁽ⁱⁱⁱ⁾
Catcha Group	17,688,416	10.13	76,595,745	100.00

	Total no. of Shares	(%)^(iv)
Catcha Group	135,503,074	44.83

Notes: -

- (i) Based on the issued share capital of 225,653,220 Shares as at the LPD.
- (ii) Calculated based on the number of Rights Shares available for subscription totalling up to 174,640,020 Rights Shares pursuant to the Rights Issue.
- (iii) Calculated based on 76,595,745 Rights Shares pursuant to the Minimum Subscription Level.
- (iv) Calculated based on the enlarged share capital of 302,248,965 Rights Shares upon completion of the Rights Issue under Scenario 1.

Pursuant to the Undertaking, the shareholding of Catcha Group in our Company may increase from 33.73% after the Acquisition to 44.83% which would be a trigger of mandatory offer by Catcha Group due to crossing of control threshold upon completion of the Rights Issue.

The approval for the exemption to undertake the Mandatory Offer under subparagraph 4.08(1)(b) of the Rules has been obtained from the SC on 13 February 2023, after obtaining the approval of the non-interested shareholders of our Company at the EGM held on 20 July 2022.

Further, the Undertaking is not expected to result in any non-compliance on the public shareholding spread requirements of Rule 8.02(1) of the AMLR which requires our Company to ensure that at least 25.00% of the total issued Shares (excluding treasury shares) are in the hands of public shareholders upon completion of the Rights Issue. The public shareholding spread of our Company as at the LPD is approximately 33.88%. Upon completion of the Rights Issue, the public shareholding spread of our Company under Scenario 1 and Scenario 2 will be 25.29 % and 37.44 % respectively.

Pursuant to Rule 6.19(4) of the AMLR, where the Minimum Subscription Level is not achieved, the implementation of the Rights Issue must be terminated and all consideration received must be immediately returned to all subscribers. If the Minimum Subscription Level is not achieved by reason of the failure to fulfil the obligations under the Undertaking or for any other reason, Catcha Digital will not proceed to complete the Rights Issue, and all subscription monies received pursuant to the Rights Issue will be returned without interest as soon as practicable to the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who have subscribed for their entitlements.

2.5 Listing of and quotation for the Rights Shares

For clarity, the Rights Shares, together with the Consideration Shares and new Catcha Digital Shares issued and allotted on 13 March 2023 pursuant to the First Hurdle Payment and Second Hurdle Payment and the settlement of 3rd tranche payment obligation for the acquisitions of Nara Media and Moretify, will be concurrently listed and quoted on the ACE Market of Bursa Securities.

3. UTILISATION OF PROCEEDS

Based on the issue price of RM0.235 per Rights Share, the Rights Issue is expected to raise gross proceeds of approximately RM41.04 million. The proceeds to be raised from the Rights Issue are to be utilised in the manner set out below: -

Utilisation of proceeds	Expected timeframe for utilisation of proceeds from completion of the Rights Issue	Scenario 1 (RM'000)	Scenario 2 (RM'000)
First Hurdle Payment and Second Hurdle Payment	Within 14 days	18,000	18,000
Working capital ⁽ⁱ⁾	Within 24 months	-(ii)	23,040
Total gross proceeds		18,000	41,040

Notes: -

(i) The breakdown of the working capital is as follows: -

(a) payments of up to 50% of the total purchase consideration for each Additional Acquisition to iMedia's creditors who advanced any such sums paid to the vendor(s) for the Additional Acquisition.

Pursuant to the Goody Technologies SSPA, Nara Media SSPA and Moretify SSPA, the purchase consideration shall be made in three (3) tranches. iMedia has settled the 1st and 2nd tranche payments of Goody Technologies, Nara Media and Moretify via cash. iMedia has also settled the 3rd tranche payment of Goody Technologies via cash. Accordingly, as set out in Section 5.1.3 of this Abridged Prospectus, our Company shall make the payments of up to 50% of the total purchase consideration for each Additional Acquisition within 14 days after completion of the Rights Issue in the following manner: -

Name of company	50% of the total purchase consideration
	(RM)
Goody Technologies	930,000
Nara Media	2,407,500
Moretify	585,000
Total	3,922,500

Pursuant to the Nara Media SSPA and Moretify SSPA, the purchase considerations shall be satisfied via cash and/or issuance of new Catcha Digital Shares for the 2nd and 3rd tranche payments. The 2nd tranche payments under the Nara Media SSPA and Moretify SSPA respectively have been fully settled by iMedia via cash. The 3rd tranche payment shall be settled via cash and issuance of new Catcha Digital Shares pursuant to the Nara Media Variation Letter (Nazuwan), Nara Media Variation Letter (Shah) and Moretify Variation Letter respectively. The 3rd tranche payment of Nara Media via cash has been settled by iMedia while the 3rd tranche payment of Moretify via cash will be made within 14 days after the completion of the Rights Issue pursuant to the Moretify Variation Letter. The breakdown of the 3rd tranche payment via issuance of Catcha Digital Shares are as follows: -

	Via issuance of Catcha Digital Shares	Value of the Catcha Digital Shares
	3rd tranche payment	3rd tranche payment
	(unit)	(RM)
Vendors of Nara Media	2,311,200	577,800
Vendor of Moretify	702,000	175,500
Total	3,013,200	753,300

Our Company had, on 13 March 2023, issued and allotted 3,013,200 new Catcha Digital Shares at an issue price of RM0.1994 each (being the seven (7)-day volume weighted average price of Catcha Digital Share up to 6 March 2023 (being the last trading day prior to the Completion Date)) amounting to RM600,832.08 to the vendors of Nara Media and Moretify, respectively. Pursuant to the terms of the SSA, our Company has also settled the remaining payment amounting to RM152,467.92 in cash to the respective vendors of Nara Media and Moretify (being the shortfall in value of the new Catcha Digital Shares issued to the vendors of Nara Media and Moretify in view that the issue price is less than RM0.25 per Catcha Digital Share).

Premised on the above, the total amount which shall be repaid to iMedia's creditors and the vendor of Moretify for the 3rd tranche payment via cash is approximately RM3.17 million of which RM1.88 million had been fully repaid by iMedia (on behalf of our Company) on 19 April 2023 and 26 May 2023.

As at the LPD, the outstanding amount which shall be repaid to iMedia's creditors is RM1.11 million and the vendor of Moretify for the 3rd tranche payment via cash is RM0.18 million. The total outstanding amount of RM1.29 million will be settled in cash within 14 days after the completion of Rights Issue.

- (b) estimated expenses of RM2.50 million for the Regularisation Plan. The breakdown of the estimated expenses is as follows: -

	(RM'000)
Professional fees	1,800
Regulatory fees	100
General meeting and other related costs	100
Others	500
Total	2,500

For information purposes, our Company had, on 30 August 2021, issued the circular to Shareholders in relation to the proposed withdrawal of RM1,600,000 from the account operated by Pacific Trustee Berhad. The utilisation of the aforesaid amount has been approved by the Shareholders at the EGM held on 15 September 2021. The estimated expenses will be partly funded from the aforesaid amount.

Our Company intends to utilise the proceeds raised for the estimated expenses within one (1) month after the completion of the Rights Issue.

(c) *Based on (a) and (b) above, the total amount required for working capital is RM3.79 million (being the aggregate of RM1.29 million and the estimated expenses of RM2.50 million for the Regularisation Plan). The remaining amount unutilised after (a) and (b) above shall be utilised for our Group's day-to-day operations including, but not limited to the payment of directors' fees, compliance cost, staff related expenses, utilities and other office expenses of which the actual breakdown cannot be ascertained at this juncture and will be dependent on the operating and funding requirements of our Group at the time of utilisation.*

(ii) *In such event, our Company may utilise our internally-generated funds to fund our working capital requirements.*

Pending utilisation of proceeds from the Rights Issue for the abovementioned purposes, the proceeds will be placed in deposits with financial institutions or short term money market instruments as our Board may deem fit. The interest or any gain derived thereon will be used for our Group's day-to-day operations including, but not limited to the payment of directors' fees, compliance cost, staff related expenses, utilities and other office expenses of which the actual breakdown cannot be ascertained at this juncture and will be dependent on the operating and funding requirements of our Group at the time of utilisation.

4. RATIONALE FOR THE RIGHTS ISSUE

The Rights Issue is undertaken to raise funds for the First Hurdle Payment, Second Hurdle Payment and working capital requirement of our Group as set out in Section 3 of this Abridged Prospectus.

In addition, in view of our GN2 condition and without any core business to generate revenue and cash flows, our Board is of the view that the Rights Issue is the most appropriate avenue of fund-raising, after due consideration of the following: -

- (i) the Rights Issue enables our Company to raise requisite funds without incurring interest costs as compared to bank borrowings which would allow our Group to preserve the existing cash and bank balances;
- (ii) the Rights Issue will strengthen the capital base as well as to improve the financial position of our Group;
- (iii) the Rights Issue enables the issuance of new Catcha Digital Shares on a pro rata basis without diluting Entitled Shareholders' shareholdings provided that they subscribe in full for their respective entitlements; and
- (iv) the Rights Issue enables the existing Shareholders to participate in the growth of the business and our Company's future endeavour.

5. THE REGULARISATION PLAN

The Regularisation Plan was formulated to regularise our Company's GN2 condition in order to maintain our listing status on the ACE Market of Bursa Securities.

The Regularisation Plan consists of the Acquisition, the Rights Issue and the Exemption.

5.1 Acquisition

5.1.1 Background of the Acquisition

Catcha Digital had, on 1 September 2020, entered into the SSA with the Vendors for the acquisition of the entire equity interest in iMedia by Catcha Digital from the Vendors for the Purchase Consideration which shall be fully satisfied through the issuance of Consideration Shares, at an issue price of RM0.25 per Consideration Share.

On 14 September 2020, iMedia had allotted and issued an additional 2,400 new iMedia Shares at the issue price of RM1.00 per iMedia Share to the Vendors in the proportion as set out below: -

Vendors	No. of iMedia Shares held as at 1 September 2020	No. of new iMedia Shares allotted	Total iMedia Shares held
Catcha Investments	54	1,296	1,350
iCreative	46	1,104	1,150
Total	100	2,400	2,500

In this regard, our Company had, on 23 December 2020, entered into the amended and restated SSA to amend the terms of the SSA to acquire the additional 2,400 new iMedia Shares allotted and issued to the Vendors. As such the total number of Sale Shares to be acquired pursuant to the Acquisition and the allocation of the Purchase Consideration and number of new Catcha Digital Shares to be issued to the Vendors are as follows: -

Vendors	No. of Sale Shares	(%)	Purchase Consideration (RM'000)	No. of new Catcha Digital Shares to be issued⁽ⁱ⁾
Catcha Investments	1,350	54.00	5,400	21,600,000
iCreative	1,150	46.00	4,600	18,400,000
Total	2,500	100.00	10,000	40,000,000

Note: -

(i) Based on the issue price of RM0.25 per Consideration Share. Please refer to Section 5.1.2 of this Abridged Prospectus for the basis and justification in arriving at the Purchase Consideration.

Please refer to Appendix II of this Abridged Prospectus for the information on iMedia Group.

The Acquisition was completed on 7 March 2023 following the issuance and allotment of Consideration Shares at an issue price of RM0.25 each to the Vendors.

In addition to the Purchase Consideration, the following additional consideration shall be paid to the Vendors in accordance with the SSA: -

- RM6.00 million by way of issuance of new Shares at the same issue price of RM0.25 per Consideration Share and RM9.00 million in cash, subject to iMedia Group achieving a consolidated PATAMI for the FYE 2021 of no less than RM2.00 million; or
- RM12.00 million by way of issuance of new Shares at the same issue price of RM0.25 per Consideration Share and RM18.00 million in cash, subject to iMedia Group achieving a consolidated PATAMI for the FYE 2021 of at least RM3.00 million.

Based on the audited consolidated financial statements of iMedia Group for the FYE 2021, iMedia Group has registered a consolidated PATAMI of RM3.66 million. In this regard, the First Hurdle and Second Hurdle have been met.

Our Company had on 13 March 2023 issued and allotted 48,000,000 new Catcha Digital Shares at an issue price of RM0.25 each amounting to RM12,000,000 to the Vendors, being part payment for meeting the First Hurdle and Second Hurdle. The cash payment of RM18,000,000 shall be made within 14 days after the completion of Rights Issue in accordance with the SSA.

In addition to the above, as disclosed in Section 5.1.3(c) of this Abridged Prospectus, iMedia has settled the 1st and 2nd tranche payments in respect of each Additional Acquisition via cash. iMedia has also settled the 3rd tranche payments of Goody Technologies and Nara Media via cash. Accordingly, as disclosed in Section 5.1.3(c)(ii) of this Abridged Prospectus, Catcha Digital shall make the payments of up to 50% of the total purchase consideration for each Additional Acquisition within 14 days after completion of the Rights Issue, which is RM3.92 million, in the manner as set out in Section 5.1.3(c) of this Abridged Prospectus.

Based on the above, the total consideration including the 50% of the total purchase consideration for each Additional Acquisition to be settled by Catcha Digital is RM43.92 million and shall be satisfied via cash payment and issuance of new Catcha Digital Shares as follows: -

	Via cash payment (RM)	Via issuance of new Catcha Digital Shares		Total consideration (RM)
		No. of new Catcha Digital Shares issued	Value of new Catcha Digital Shares (RM)	
Purchase Consideration	-	40,000,000 ⁽ⁱⁱⁱ⁾	10,000,000	10,000,000
First Hurdle Payment	9,000,000 ⁽ⁱ⁾	24,000,000 ⁽ⁱⁱⁱ⁾	6,000,000	15,000,000
Second Hurdle Payment	9,000,000 ⁽ⁱ⁾	24,000,000 ⁽ⁱⁱⁱ⁾	6,000,000	15,000,000
50% of the total purchase consideration for each Additional Acquisition	3,169,200 ⁽ⁱⁱ⁾	3,013,200 ^(iv)	753,300 ^(iv)	3,922,500
Total	21,169,200	91,013,200	22,753,300	43,922,500

Notes: -

- (i) Being the consideration to be paid to the Vendors within 14 days after the completion of Rights Issue in accordance with the SSA.
- (ii) Out of the RM3.17 million, RM2.99 million had been paid to the vendor(s) for the Additional Acquisitions. The remaining RM0.18 million, being the payment to the vendor of Moretify for the 3rd tranche payment via cash will be paid within 14 days after the completion of Rights Issue.
- (iii) The Consideration Shares and 48,000,000 new Catcha Digital Shares (being new Catcha Digital Shares issued pursuant to the First Hurdle Payment and Second Hurdle Payment) have been issued and allotted to the Vendors at an issue price of RM0.25 each on 7 March 2023 and 13 March 2023 respectively.
- (iv) Our Company had on 13 March 2023 issued and allotted 3,013,200 new Catcha Digital Shares at an issue price of RM0.1994 each (being the seven (7)-day volume weighted average price of Catcha Digital Share up to 6 March 2023 (being the last trading day prior to the Completion Date)) amounting to RM600,832.08 to the vendors of Nara Media and Moretify, respectively. Pursuant to the terms of the SSA, we have also settled the remaining payment amounting to RM152,467.92 in cash to the respective vendors of Nara Media and Moretify (being the shortfall in value of the new Catcha Digital Shares issued to the vendors of Nara Media and Moretify in view that the issue price is less than RM0.25 per Catcha Digital Share).

5.1.2 Basis and justification in arriving at the Purchase Consideration

The Purchase Consideration was arrived at on a “willing-buyer willing-seller basis” after taking into consideration the following: -

- (i) an implied price-to-earnings ratio of approximately 13.89 times based on the estimated consolidated PATAMI of approximately RM0.72 million for the FYE 2020 of iMedia Group.

The breakdown of the estimated consolidated PATAMI of RM0.72 million of the then iMedia Group is as follows: -

Company	PATAMI* (RM)
iMedia	389,496
Oh Media	194,341
Ittify	82,646
Goody Technologies	53,997
Total	720,480

Note: -

* For the financial period commencing from the date being acquired by iMedia to 31 December 2020.

- (ii) the future earnings potential of iMedia Group;
- (iii) the future plans and business strategies of iMedia Group as set out in Section 6.3 of this Abridged Prospectus.

5.1.3 Liabilities to be assumed pursuant to the Acquisition

Pursuant to the SSA, our Company and the Vendors agree that on Completion Date: -

- (a) any amount owing to the Vendors or any former shareholders or directors or former directors of iMedia shall be written-off;
- (b) any amount owing to the vendors of shares in Ittify and Oh Media by iMedia shall be fully settled by the Vendors for and on behalf of iMedia in cash as and when they fall due. For the avoidance of doubt, this sub-clause herein shall not apply to any option to purchase shares exercisable by iMedia and iMedia shall pay the full amount for such option shares; and
- (c) (i) in respect of the purchase consideration for the acquisition of each of the Additional Acquisitions by iMedia, Catcha Digital agrees to, subject to Completion, make the payments up to the amount set out in paragraph (aa) or (bb) below: -
 - (aa) 50% of the total purchase consideration for each of the Additional Acquisition; or
 - (bb) up to a maximum of RM4,500,000 in aggregate for the Additional Acquisitions,

whichever is lower.

- (ii) if payment of all or part of the purchase consideration has been made by iMedia to the respective vendors for any of the Additional Acquisitions prior to Completion Date, and subject always to Completion, Catcha Digital agrees to repay iMedia's creditors who advanced any such sums paid to the vendor(s) for the Additional Acquisition, up to the amount set out in Section 5.1.3(c)(i), (aa) or (bb) above within 14 days after completion of the Rights Issue.

Pursuant to the Goody Technologies SSPA, Nara Media SSPA and Moretify SSPA, the purchase consideration shall be made in three (3) tranches. iMedia has settled the 1st and 2nd tranche payments in respect of each Additional Acquisition via cash. iMedia has also settled the 3rd tranche payments of Goody Technologies and Nara Media via cash. Accordingly, based on Section 5.1.3(c)(ii) above, Catcha Digital shall make the payments of up to 50% of the total purchase consideration for each Additional Acquisitions within 14 days after completion of the Rights Issue in the following manner: -

Name of company	50% of the total purchase consideration
	(RM)
Goody Technologies	930,000
Nara Media	2,407,500
Moretify	585,000
Total	3,922,500⁽ⁱ⁾

Note: -

- (i) The table below sets out the details of the 50% of the total purchase consideration to be settled by Catcha Digital which only takes into account the 2nd tranche and 3rd tranche payments of each Additional Acquisition. The breakdown of the 50% of the total purchase consideration to be settled by Catcha Digital of RM3.92 million is as follows: -

	Via cash			Via issuance of new Catcha Digital Shares	Value of the Catcha Digital Shares	50% of the total purchase consideration
	1 st tranche payment	2 nd tranche payment ^(b)	3 rd tranche payment ^(c)	3 rd tranche payment ^(d)	3 rd tranche payment ^(d)	
	(RM) ^(a)	(RM)	(RM)	(unit)	(RM)	
Vendors of Goody Technologies	(a)	744,000	186,000	-	-	930,000
Vendors of Nara Media	(a)	963,000	866,700	2,311,200	577,800	2,407,500
Vendor of Moretify	(a)	234,000	175,500	702,000	175,500	585,000
Total		1,941,000	1,228,200	3,013,200	753,300	3,922,500

Notes: -

- (a) 1st tranche payment has been settled by iMedia on the completion date pursuant to the respective SSPA.
- (b) 2nd tranche payment has been settled by iMedia.
- (c) 3rd tranche payment via cash: -
- has been paid to the vendors of Goody Technologies by iMedia;
 - has been paid to the vendors of Nara Media by iMedia on 23 June 2022; and

- *shall be paid to the vendor of Moretify within 14 days after completion of the Rights Issue, and in any event, on a date no later than 30 September 2023 or such other date as iMedia and the vendor of Moretify may mutually agree. iMedia has agreed to pay a late interest payment of 3% per annum in cash from 29 June 2022 until the cash portion of the 3rd tranche payment has been settled.*
- (d) *3rd tranche payment via issuance of 3,013,200 Catcha Digital Shares has been issued and allotted to the vendors of Nara Media and Moretify, respectively on 13 March 2023 at an issue price of RM0.1994 each (being the seven (7)-day volume weighted average price of Catcha Digital Share up to 6 March 2023 (being the last trading day prior to the Completion Date)) amounting to RM600,832.08. Pursuant to the terms of the SSA, we have also settled the remaining payment amounting to RM152,467.92 in cash to the respective vendors of Nara Media and Moretify (being the shortfall in value of the new Catcha Digital Shares issued to the vendors of Nara Media and Moretify in view that the issue price is less than RM0.25 per Catcha Digital Share).*

5.1.4 Sources of funding

The cash payment portion of RM18.00 million for the First Hurdle Payment and Second Hurdle Payment is to be funded via the proceeds to be raised from the Rights Issue.

As disclosed in Section 5.1.3(c) of this Abridged Prospectus, iMedia has settled the 1st and 2nd tranche payments in respect of each Additional Acquisition via cash and has also settled the 3rd tranche payments of Goody Technologies and Nara Media via cash. Accordingly, as disclosed in Section 5.1.3(c)(ii) of this Abridged Prospectus, Catcha Digital shall make payments of up to 50% of the total purchase consideration for each Additional Acquisition within 14 days after completion of the Rights Issue.

As at the LPD, out of the RM3.17 million, being the cash payment portion of 50% of the total purchase consideration for each Additional Acquisition, RM1.88 million had been fully repaid by iMedia (on behalf of our Company) on 19 April 2023 and 26 May 2023, and the outstanding amount of RM1.29 million is expected to be funded via the proceeds to be raised from the Rights Issue.

5.1.5 Additional financial commitment required

There are no additional financial commitments required by our Company in putting the assets/business to be acquired on-stream.

5.1.6 Rationale for the Acquisition

Catcha Digital was previously involved in the publishing business and online media business before it disposed of its 70% equity interest in Rev Asia Holdings to MPDSB for a cash consideration of RM73.50 million. Our Board has explored numerous other businesses and industries since our Company was classified as a Cash Company including its previous proposed acquisition of Orissa Wicomm (M) Sdn Bhd which is in the telecommunication business. However, our Board was of the opinion that it should re-focus and channel its expertise based on its strengths which are in the media and digital economy industry. In this regard, our Board has the relevant experience in the operations of the media business and will be able to provide a clear oversight of the business development and operations of our Group in the digital media industry upon completion of the Acquisition and is able to sustain our Company's position in the digital and social media advertising industry with the competitive strengths, future plans and business strategies of iMedia Group as set out in Section 6.3 of this Abridged Prospectus.

In respect of the Purchase Consideration, our management has considered bank borrowings whereby the cost of capital from bank borrowings is lower than its cost of equity. However, prior to the completion of the Acquisition, our Company did not have a core business to generate cash flows to make

repayment on borrowings and as such, our Company was not able to secure bank borrowings. In addition, our Board is of the view that the mode of settlement of the Purchase Consideration fully satisfied through issuance of new Catcha Digital Shares is justifiable.

The Acquisition allows our Company to regularise its GN2 condition in order to maintain our listing status on the ACE Market of Bursa Securities and is expected to provide the existing Shareholders an opportunity to participate in the digital media business following the completion of the Acquisition, which is expected to contribute to the revenue and bottom line of our Company, hence enhancing Shareholders' value.

5.1.7 Listing of and quotation for the Consideration Shares and new Catcha Digital Shares issued pursuant to the First Hurdle Payment and Second Hurdle Payment and the settlement of 3rd tranche of payment obligation for the acquisitions of Nara Media and Moretify

For clarity, the Rights Shares, together with the Consideration Shares and new Catcha Digital Shares issued and allotted on 13 March 2023 pursuant to the First Hurdle Payment and Second Hurdle Payment and the settlement of 3rd tranche payment obligation for the acquisitions of Nara Media and Moretify, will be concurrently listed and quoted on the ACE Market of Bursa Securities.

5.2 Rights Issue

The Rights Issue entails the renounceable rights issue of up to 174,640,020 Rights Shares, on the basis of one (1) Rights Share for every one (1) existing Catcha Digital Share held by the Entitled Shareholders on the Entitlement Date.

For information purposes, only the holders of Consideration Shares are entitled to the Rights Issue. The holders of 48,000,000 new Catcha Digital Shares and 3,013,200 new Catcha Digital Shares issued and allotted on 13 March 2023 pursuant to the First Hurdle Payment and Second Hurdle Payment and the settlement of 3rd tranche payment obligation for the acquisitions of Nara Media and Moretify are not entitled to the Rights Issue.

Please refer to Section 2 of this Abridged Prospectus for further details.

5.3 Exemption

Pursuant to subparagraphs 4.01(a) and 4.01(b) of the Rules, a mandatory offer shall apply to an acquirer where the acquirer acquired more than 33 per cent of the voting shares or voting rights of the company and the acquirer has triggered an acquisition of more than two (2) per cent of the voting shares or voting rights of a company in any period of six (6) months by an acquirer holding over 33 per cent but not more than 50 per cent of the voting shares or voting rights of the company, respectively.

The following set out the three (3) different scenarios that led to the trigger of the Mandatory Offer: -

(i) Collective trigger by Patrick, Catcha Group and their PACs

Following the completion of the Acquisition, the shareholdings of Patrick, Catcha Group and their PACs in our Company collectively increased from 43.75% to 56.64%, and increased further to 65.98% after the First Hurdle Payment and Second Hurdle Payment and decreased from 65.98% to 65.10% after the settlement of 3rd tranche payment obligation for the acquisitions of Nara Media and Moretify undertaken by iMedia. Upon completion of the Rights Issue, the collective shareholdings of Patrick, Catcha Group and their PACs in our Company will increase from 65.10% to 73.94% (in Scenario 1) or decrease from 65.10% to 61.41% (in Scenario 2), respectively.

Based on the above, the collective shareholdings of Patrick, Catcha Group and their PACs increased by more than 2% of the voting shares of our Company within a period of six (6) months and from below 50% to beyond 50% upon completion of the Acquisition.

As such, Patrick, Catcha Group and their PACs are obliged to undertake the Mandatory Offer pursuant to subparagraph 4.01(b) of the Rules.

(ii) Individual trigger by Catcha Group

The shareholding of Catcha Group in our Company decreased from 43.75% to 33.73% after the completion of the Acquisition and further decreased to 26.46% and 26.10% after the First Hurdle Payment and Second Hurdle Payment and settlement of 3rd tranche payment obligation for the acquisition of Nara Media and Moretify undertaken by iMedia respectively. Upon completion of the Rights Issue, the shareholding of Catcha Group in our Company may increase from 26.10% to 44.83% and 29.43% in Scenario 1 and Scenario 2 respectively.

Based on the above, in Scenario 1, the shareholding of Catcha Group in our Company will increase to more than 33% of the voting shares of our Company. Accordingly, there would be a trigger of mandatory offer by Catcha Group due to crossing of control threshold (i.e., more than 33% of the voting shares of our Company) upon completion of the Rights Issue pursuant to subparagraph 4.01(a) of the Rules.

(iii) Single entity trigger by Patrick with entities which are subject to his statutory control (i.e. holding of more than 50% of the voting shares or voting rights in Catcha Group and Catcha Investments)

Pursuant to Notes to Paragraph 4.01 of the Rules, in determining whether a member has incurred a mandatory offer, the SC will have regard to the holdings of persons who are subject to his statutory control. Based on a single entity concept, Patrick, who has statutory control in both Catcha Group and Catcha Investments with 80.00% equity interest respectively, is obliged to undertake the Mandatory Offer.

Following the completion of the Acquisition, the indirect shareholding of Patrick in our Company (which is held via Catcha Group and Catcha Investments) increased from 43.75% to 46.10%, increased further to 47.80% after the First Hurdle Payment and Second Hurdle Payment and decreased from 47.80% to 47.16% after the settlement of 3rd tranche payment obligation for the acquisition of Nara Media and Moretify undertaken by iMedia. Upon completion of the Rights Issue, the indirect shareholdings of Patrick in our Company may increase from 47.16% to 60.55% (in Scenario 1) or decrease from 47.16% to 46.70% (in Scenario 2), respectively.

Following the Acquisition and Rights Issue, the indirect shareholding of Patrick will increase by more than 2% of the voting shares of our Company within a period of six (6) months and from below 50% to beyond 50% in Scenario 1.

The Exemption will relieve Patrick, Catcha Group and their PACs from the Mandatory Offer and will ensure successful completion of the Regularisation Plan. As such, Patrick, Catcha Group and their PACs had sought the exemption from the SC pursuant to subparagraphs 4.08(1)(a) and 4.08(1)(b) of the Rules to undertake the Mandatory Offer. The SC had, vide its letter dated 13 February 2023, approved the Exemption.

6. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS

6.1 Overview and outlook of the Malaysian economy

The Malaysian economy further expanded in the first quarter of 2023 (5.6%; 4Q 2022: 7.1%; 1Q 2011 - 4Q 2019 average: 5.1%), driven mainly by domestic demand. Further improvement in the labour market, with strong growth in employment and continued expansion in wages, have supported private consumption spending. Meanwhile, investment activity was underpinned by capacity expansion and continued implementation of multi-year projects. Inbound tourism continued to recover, lifting services exports and partially offsetting the slower goods export growth. On the supply side, the services and manufacturing sectors continued to drive growth. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 0.9% (4Q 2022: -1.7%).

During the first quarter of 2023, domestic demand grew by 4.6% (4Q 2022: 6.8%), mainly supported by private sector expenditure. Private consumption expanded by 5.9% (4Q 2022: 7.3%), supported by improving labour market conditions and policy measures such as higher minimum wage and continued cash transfers. Public consumption contracted by 2.2% (4Q 2022: 3.0%), attributable to lower Government supplies and services spending. Private investment grew by 4.7% (4Q 2022: 10.3%), supported by continued capacity expansion by firms and further progress of construction activities. Public investment grew by 5.7% (4Q 2022: 6.0%), driven mainly by capital expenditure by public corporations.

For 2023, headline and core inflation are projected to moderate over the course of the year but remain elevated at an average of between 2.8% and 3.8%. The moderation is mainly attributed to lower global cost factors, amid the easing of supply chain disruptions and lower commodity prices. However, core inflation will remain at elevated levels due to firm demand conditions. Upward pressures to inflation are expected to continue to be partly contained by existing domestic policy on price controls and fuel subsidies. The balance of risk to the inflation outlook is tilted to the upside, as it remains subjected to changes to domestic policy measures on administered prices, financial market developments and commodity price developments.

(Source: BNM Quarterly Bulletin Vol. 38, No. 1, the First Quarter of 2023, Bank Negara Malaysia)

The global gross domestic product (“GDP”) growth in 2022 moderated to 3.4% reflecting the economic slowdown in advanced economies as well as emerging market and developing economies (EMDEs). Despite the softened global growth, Malaysia’s economy recorded a strong growth of 8.7% in 2022, exceeding the initial projection of 6.5% - 7%, whereby real output value reached above the pre-pandemic level. The commendable performance was driven by domestic demand and improved labour market in line with the transition to the endemic phase. These resulted from an increase in economic activities which include household spending, investment and tourism. Subsequently, encouraging expansion in all economic sectors primarily the services and manufacturing have also provided continuous impetus to the significant economic growth in 2022. Furthermore, the growth was attributed to robust external demand, especially among Malaysia’s major trading partners.

Notwithstanding the growth, the economy in 2022 experienced several challenges with escalating inflationary pressures due to high commodity and food prices as well as softened global economic growth and trade. Therefore, the Government has taken various holistic and comprehensive measures to help the rakyat and businesses in dealing with inflationary pressures and higher cost of living.

In 2023, global growth is expected to further soften at 2.9% on the back of persistent pressures such as inflation, tightening global financial conditions and economic deceleration among major economies. Meanwhile, Malaysia's economic growth is projected to moderate amid the signs of weakness in the global growth momentum. The growth will be mainly supported by steady domestic demand primarily private expenditure as well as initiatives under the Budget 2023 and development expenditure under the Twelfth Malaysia Plan, 2021 - 2025 (12MP). However, a slowdown in external demand is expected to moderate exports growth, particularly in the electrical and electronic (E&E) products and major commodities.

On the supply side, all economic sectors are expected to remain in the positive growth trajectory in 2023, driven by the services and manufacturing sectors. Other sectors, namely agriculture, mining and construction are also expected to grow further in line with the improvement in economic activities. However, downside risks such as prolonged geopolitical conflict, climate-related disasters and persistently high inflation are expected to further hampering the global economic growth, hence, affecting Malaysia's performance. Overall, the nation's GDP is forecast to grow approximately 4.5% in 2023.

(Source: Economic & Fiscal Outlook and Federal Government Revenue Estimates 2023, Ministry of Finance Malaysia)

6.2 Overview on the digital and social media advertising industry in Malaysia

The media industry is an industry where information and messages are transmitted to a mass audience publicly through different types of communication media such as, but not limited to, print, television and the Internet. The media industry is one of the most important mass communication tools that content owners use to carry messages in advertisements or content that can reach and influence audience. Content owners may be brand owners intending to advertise and sell their products, government health authorities broadcasting a health campaign, and media owners and advertisers who want to generate entertainment revenues from an audience.

The media industry typically generates revenue from brand owners and/or advertisers that advertise their products through advertisements on a media channel (such as television, print, online, etc.). This spending on advertisements, known as advertising expenditure ("**ADEX**") is thus commonly used as a measure of performance for the media industry.

Digital ADEX in Malaysia grew from RM727.6 million in 2017 to RM937.8 million in 2019 at a compound annual growth rate ("**CAGR**") of 13.5%. Among the identified digital platforms, native witnessed the highest growth in digital ADEX between 2017 and 2019, increasing from RM18.2 million to RM55.3 million at a CAGR of 74.4%. In 2020, digital ADEX began showing signs of recovery after a drought during the 6.5-week movement control order ("**MCO**") period implemented by the Government in mid-March 2020. During the MCO period, the slowdown in ADEX was experienced across all media types, namely traditional as well as digital. By May 2020, total media ADEX rebounded, largely driven by Ramadan and Hari Raya-related advertisements, along with the impact of the re-opening various business sectors during the conditional MCO period. In May 2020, top spenders in digital advertising included the retail, communication, non-alcoholic beverages, food and beverages as well as media sectors. Media-related advertisements, such as publications, production houses, sports channels, streaming services, were more active in digital. Digital advertisements for the retail sector were largely driven by fast food and electronic commerce ("**e-commerce**") businesses. Further, digital ADEX by non-governmental organisations ("**NGOs**") and government agencies rose significantly over the same period, as these organisations were increasingly communicating with the people about safety measures and lockdown policies. Digital ADEX rounded the year with a marginal increase to RM939.9 million (2019: RM937.8 million).

Digital ADEX rebounded to RM1.4 billion in 2021, with all digital platform categories showing significant growth. Major sporting events such as the UEFA EURO 2020 (which was rescheduled to June – July 2021) and Tokyo 2020 Summer Olympics (which was rescheduled to July – August 2021), the easing of COVID-19 restrictions and the usual festive-related ADEX supported the higher digital ADEX in 2021. Digital ADEX increased at a year-on-year growth rate of 1.8% in 2022, sustained by advertisements from the food and beverages, technology and electronics as well as finance and banking sectors as more businesses returned to operating at optimal levels during the year.

Providence projects digital ADEX to rise from RM1.4 billion in 2022 to RM1.9 billion in 2024 at a CAGR of 16.5%, supported by the convergence of mobile and digital devices in consumer lifestyles, the rise of social media, strong connectivity services and improving internet infrastructure as well as stimulus packages announced by the Government which would contribute to the recovery in consumer sentiment and spending.

The following are the key demand drivers of the digital and social media advertising industry in Malaysia: -

(i) Convergence of mobile and digital devices in consumer lifestyles create digital and social media advertising opportunities for brand owners and advertisers

According to the International Telecommunication Union, the percentage of households in Malaysia with a computer more than doubled from 31.3% in 2005 to 88.3% in 2021. The percentage of households in Malaysia with access to the internet increased from 15.2% in 2005 to 95.5% in 2021.

In Malaysia, smartphone penetration has increased from 51.0% in 2014 to 98.9% in 2022. Mobile devices, and particularly smartphones, are becoming part of the lifestyle for Malaysians who use it for communication, and as a platform for obtaining information, socialising, entertainment, shopping and performing banking activities.

(ii) The rise of social media has led to new digital advertising opportunities

According to We Are Social in their latest Digital 2023 report, Malaysia has 26.8 million active social media users who spend an average of 2 hours and 47 minutes on social media consumption daily. Social media penetration in Malaysia stood at 78.5% in January 2023. Social media provides brands with an intimate platform to connect with customers and shape their perceptions, whether through timely and targeted promotions, responsive customer service or the creation of communities of interest.

(iii) Strong connectivity services support the growth of digital and social media advertising

Broadband subscriptions grew from 37.9 million in 2017 to reach 47.8 million in 2022. Malaysia's broadband market is predominantly mobile based with subscriptions, totalling 42.2 million and penetration rate of 131.0% in 2022, supported by 3G and 4G LTE population coverage. Malaysia's mobile cellular market in 2021 had a 144.0% penetration rate per 100 inhabitants.

(iv) Improving internet infrastructure increases the adoption of mobile and digital devices, thereby creating digital and social media advertising opportunities for brand owners and advertisers

The capital expenditure of fixed service providers increased from RM1.8 billion in 2014 to RM2.1 billion in 2018 at a CAGR of 3.8%. The capital expenditure of mobile service providers increased from RM4.9 billion in 2014 to RM5.2 billion in 2018 at a CAGR of 1.4%. Over the last five years, mobile service providers have invested cumulatively approximately RM29.0 billion in capital expenditure as they deployed mobile and fixed broadband networks and the corresponding business support systems to increase coverage and capacity. In 2019, the capital expenditure of fixed service and mobile service telecommunication industry players dropped to RM4.60 billion, from the RM7.4 billion incurred in 2018. Subsequently in 2020, the capital expenditure of fixed service and mobile service telecommunication industry players rose to approximately RM4.75 billion. In 2021, the capital expenditure of fixed service and mobile service telecommunication industry players rose to approximately RM4.98 billion, comprising RM3.03 billion from mobile service providers and RM1.95 billion from fixed service providers. These capital expenditure investments are primarily to support the increase in data consumption, JENDELA network requirements as well as the need to maintain service quality.

(v) Efforts by the Government to improve consumer wellbeing and bridge economic divide post COVID-19 is anticipated to support the digital and social media advertising industry

The Government has announced several initiatives under Budget 2023 to improve consumer wellbeing and bridge economic divide in Malaysia. These initiatives to improve digital connectivity and bridge the economic gap will collectively restore consumer sentiment and promote spending in line with the recovery and growth of Malaysia's economy.

(Source: Independent Market Research Report on the Digital and Social Media Advertising Industry in Malaysia dated 16 June 2023 by Providence)

6.3 Prospect and future plans of our Group

Our Company was previously involved in the publishing business and online media business while iMedia, together with its subsidiaries, is principally engaged in the business of online media advertising and social media marketing. Following the completion of the Acquisition, iMedia became a wholly-owned subsidiary of our Company. With the relevant experience in the operations of the media business, our Board will be able to provide a clear oversight of the business development and operations of our Group in the digital media industry and is able to sustain our Company's position in the digital and social media advertising industry with the competitive strengths, future plans and business strategies of iMedia Group as set out below: -

(i) Competitive strengths

- (a) iMedia Group's integrated digital media business model offers a spectrum of digital media advertising services on multiple digital media platforms. This is made possible through iMedia Group's business model that offers an end-to-end solution for digital media advertising solution, comprising digital media marketing and social influencer marketing.
- (b) Leveraging on its social media and content websites, namely www.beautifulnara.com, www.kimchidaily.my, www.ohmedia.my, www.goodymy.com, www.goody25.com and www.moretify.com, iMedia Group is able to capture a larger diverse target audience for its digital advertising engagements. These social media and content websites are Malay, English and Chinese language portals that feature latest news,

entertainment, trending lifestyle, fashion, art, travel and food. Apart from its owned content websites, iMedia Group also resells advertising space from other leading news sites and digital media assets, such as iQiyi, Newswav, Oriental Daily, Weirdkaya and Malaysia Gazette, to complement its owned aforementioned social media and content websites to provide a comprehensive online media advertising solutions to its customers. Therefore, iMedia Group has the capability to conduct cross-marketing within its social media and content websites to efficiently target audience of different demographics according to customer's marketing objectives.

- (c) iMedia Group has a competent key senior management team that possesses in-depth experience in operations, finance and sales and marketing within the media and advertising industries. Leveraging on their key senior management team's industry experience, iMedia Group is able to respond promptly to evolving industry trends and has successfully initiated and maintained business relationships with a number of media services providers. Under their leadership, iMedia Group has capitalised on the fast-growing demand of advertising solutions and has successfully grown and positioned itself as an integrated digital media solutions provider within the local advertising industry. This key senior management team comprising the following personnel: -

Name	Designation	Years of relevant working experience
Voon Tze Khay	CEO	22
Loh Ken Wei	Chief Commercial Officer	17
Tee Choon Wee	Chief Financial Officer	12*
Brian Alexis Antonisamy A/L	Sales Director	22

Note: -

* Tee Choon Wee has approximately 22 years of work experience in finance and accounting, of which 12 years are in the advertising industry.

- (d) iMedia Group constantly strives to develop and strengthen its customer base. iMedia Group has established business relationships with its customers comprising local and multinational brand owners from a wide variety of industries including property, telecommunication and food as well as companies in e-commerce and fast-moving consumer goods business. iMedia Group's ability to capture customers from diverse industries has allowed it to diversify and reduce the risk of concentration on any particular industry. This prevents the business operations of iMedia Group from being vulnerable to seasonality, economic cycles and fluctuations in a particular industry.
- (e) iMedia Group leverages on digital advertising spend to increase the visibility within the advertising industry. iMedia Group has customers comprising local and multinational brand owners from a wide variety of industries. iMedia Group's digital media websites target a diverse target audience of different demographics. Moving forward, iMedia Group intends to leverage on the diversity of its digital media websites to secure more customers and increased ADEX from existing customers to generate greater revenue.

(ii) Future plans and business strategies of iMedia Group

- (a) iMedia Group intends to increase its presence in existing markets through strategic investments, mergers and acquisitions opportunities. iMedia Group will continue to seek opportunities within the digital media advertising, in particularly content, social media and influencer marketing businesses. iMedia Group intends to explore investments and merger

and acquisitions activities that are complementary to its business to enhance its operational efficiencies in terms of range of services and delivery methods and expand iMedia Group's solution portfolio. iMedia Group believes that any potential mergers and acquisitions would enable it to expand and strengthen its solution offering and enhance its business reputation within the advertising industry. As at the LPD, iMedia Group has not entered into any binding agreement for any acquisition, but iMedia Group has identified several potential acquisition targets and will continue to seek for more potential acquisition targets.

On 23 March 2023, iMedia executed a non-binding letter of intent indicating its interest to acquire 300 ordinary shares in Headline Media Sdn Bhd ("**Headline Media**"), representing 30% of the issued share capital of Headline Media ("**Proposed Acquisition**"), with an option to acquire additional 500 ordinary shares in Headline Media, representing 50% of the issued share capital of Headline Media exercisable at any time within 36 months after the completion of the Proposed Acquisition. The Proposed Acquisition is to further boost iMedia Group's digital media ecosystem and expand its reach within Malaysia, especially among the English-speaking community. Headline Media owns and operates four digital media platforms, namely: -

- (i) WeirdKaya (weirdkaya.com), an English social news site;
- (ii) LokLokWords (loklokwords.com), a content platform targeting Chinese independent school students;
- (iii) EzLokal Food, a Malay lifestyle and food review platform; and
- (iv) OnlyFood KL, a food review platform.

Subsequently, on 31 May 2023, iMedia signed a non-binding letter of intent with Headline Media to extend the exclusivity period for the Proposed Acquisition until 30 September 2023.

iMedia had, on 20 February 2023, entered into an Exclusive Representation Agreement with Headline Media whereby iMedia was appointed as Headline Media's exclusive advertising sales representative for these digital media platforms. Upon completion of the Proposed Acquisition, all digital media platforms owned and operated by Headline Media will be operated by iMedia Group alongside iMedia Group's existing social media and content websites which in turn, allows iMedia Group to capture a larger diverse target audience for its digital advertising engagements.

- (b) iMedia Group plans to expand its social influencer marketing business by establishing an influencer marketing academy. The influencer marketing academy programme will be specially catered for any businesses that are interested or looking out to expand and widen their business reach using social media platforms. Businesses that sign up for the influencer marketing academy programme would be able to gain valuable insights such as ways to source for or reach out to influencers that matches their brand profiles, learn to manage influencers so that content produced will be aligned with their business direction as well as techniques to create quality content within budget. In line with the expansion plan, iMedia Group also intends to engage selected influencers on exclusive basis to share their insights, updates and knowledge on influencer marketing. iMedia Group's plan to establish this influencer marketing academy is still in the preliminary stages, as it is presently researching and identifying potential social influencers to join its academy. Since 2021, iMedia Group has been identifying and engaging micro and macro influencers (being influencers with

approximately 5,000 to 100,000 followers) on a long term contractual basis, whereby these influencers will provide iMedia Group with content on a regular basis and at preferential rates. These influencers are potential participants for iMedia's influencer marketing academy. Presently, iMedia Group has eight (8) social influencers engaged on an exclusive basis.

In view of the popularity of social media channels, iMedia will also leverage on Ittify's network of influencers to launch social commerce initiatives and live streaming content via its digital media platforms by leveraging on Facebook live and Instagram live ("**social commerce and content platforms**"). In mid-2020, iMedia Group commenced streaming Facebook live shows via its digital media platforms such as www.ohmedia.my, to promote selected brands/products with viewers.

iMedia Group intends to collaborate with Ittify's network of social influencers to promote brands and products on social commerce and content platforms. Presently, iMedia Group is in the process of identifying suitable social influencers for this initiative. iMedia Group is also assessing the technical requirements for and potential improvements to its digital media platform capabilities with the addition of such live streaming functions. This will enable social influencers to promote brands and sell products and services to target audiences within the Ittify platform. This social commerce and content platform can also help brand owners to connect with consumers, thereby increasing brand awareness as well as boosting leads and sales with the help of these influencers.

Through this initiative, iMedia Group aims to create a talent pool of social media influencers that will support its social influencer marketing business. This will enable iMedia Group to support brand owners and/or advertisers who are seeking to complement their advertising campaigns with social media marketing.

- (c) iMedia Group intends to enhance the content of its digital media platforms to retain and expand market reach through (i) enrich its digital media content by delivering an increasing and steady stream of diversified content covering topics that are in line with the latest market trends which are more appealing to readers, whether by text, photo or video; (ii) enhance its production capability, which will enable iMedia Group to provide tailor made solutions to its customers by assisting them in formulation advertising campaign and curating advertising materials. iMedia Group intends to set-up an in-house production team by recruiting more content production executives to facilitate the offering of quality content production services to brand owners; and (iii) increase social commerce and live streaming content initiatives via its social distribution platforms. The added social commerce features across the social media platforms such as Facebook Live and Instagram Live will enable iMedia Group to generate sales for brand owners through live stream.
- (d) iMedia Group intends to upgrade and enhance the features and functionalities of its social influencer marketing platform and digital media platforms. The upgrading and enhancements of the features and functionalities of social influencer marketing platform and digital media platforms includes (i) Ittify - iMedia Group intends to upgrade and enhance the features and functionalities of Ittify platform and application (app) to enhance the overall user experience and optimise the features of performance reporting through delivering more comprehensive evaluation marketing reports to advertisers, optimising and enhancing the selection of influencers, and improving user experience for Ittify's employees, influencers and advertisers; and (ii) www.goody25.com - www.goody25.com is supported by www.goodywriter.com, an editorial crowdsourcing platform for content creation. Leveraging on the increase

in demand of content marketing, iMedia Group plans to further expand www.goodywriter.com to support its existing digital media platforms and over the long term, potentially other third-party content websites. Further, iMedia Group intends to also leverage on www.goodywriter.com to source content writers for its English and Malay medium digital media platforms. Through the outsourcing of content creation, iMedia Group's digital media platforms have more capabilities to enhance its marketing strategy such as promoting on social media. In line with iMedia Group's future expansion, the outsourcing of third-party content creators will also allow its digital media platforms to scale up its advertising solutions by publishing more content related articles, photos and videos more frequently without compromising the level of quality.

Premised on the above, our Board is cautiously optimistic that the Regularisation Plan is in the best interest of our Company as it is adequately addressing our Company's GN2 condition and provide us with a core business and a new income stream to our existing Catcha Digital Group. Riding on the tailwind of a positive outlook on the Malaysian economy and a growing digital media advertising industry as set out in Sections 6.1 and 6.2 of this Abridged Prospectus, and considering the competitive strengths and future plans of iMedia Group as set out in Section 6.3 of this Abridged Prospectus, our Board expects iMedia Group will continue to attract more clients and increase its revenue per client in the future. Further, the Acquisition is expected to sustain our Group's business operations, contribute positively to the long-term future earnings of our Group and enhance our Shareholders' value.

7. RISK FACTORS

In addition to other information contained in this Abridged Prospectus, you and/or your renounee(s)/transferee(s) (if applicable) should carefully consider the following risk factors which may have an impact on the future performance of our Group before subscribing for or investing in the Rights Shares.

7.1 Risks relating to our Group

Following the completion of the Acquisition, our Company is exposed to the following risk factors inherent by iMedia Group inherent in the digital and social media advertising industry as set out below: -

7.1.1 iMedia Group is dependent on search engines, social media and other online sources to attract consumers to its digital media platform assets

iMedia Group's success depends on its ability to attract online consumers to its digital media platforms. iMedia Group depends, in part, on search engines, social media and other online sources for its website traffic. iMedia Group is included in search results as a result of both paid search listings, where it purchases specific search terms that result in the inclusion of its advertisement and, separately, organic searches that depend upon the content on its digital media platforms.

Search engines, social media platforms and other online sources often revise their algorithms and introduce new advertising products. If one or more of the search engines or other online sources on which iMedia Group relies for website traffic were to modify its general methodology on how it displays iMedia Group's advertisements, resulting in fewer consumers clicking through its digital media platforms, iMedia's business could be affected.

If one or more of the search engines or other online sources on which iMedia Group relies for purchased listings modifies or terminates its relationship with iMedia Group, iMedia Group could lose consumer traffic to its websites and this could have an adverse effect on iMedia Group's business and financial performance.

7.1.2 iMedia Group competes with other media players for advertising spend from brand owners and advertisers

iMedia Group competes for advertising spend with traditional offline media such as television, billboards, radio, magazines and newspapers, as well as online sources such as websites, social media and websites dedicated in providing information comparable to those that is provided in iMedia Group's websites. iMedia Group's ability to attract and retain advertisers, and to generate advertising revenue from them, depends on a number of factors, including: -

- the ability of its advertisers to earn an attractive return on investment from their spending with iMedia Group;
- the ability to increase the number of consumers using their digital media platforms;
- the ability to compete effectively with other media for advertising spending; and
- the ability to keep pace with changes in technology.

If current advertisers reduce or end their advertising spending with iMedia Group and iMedia Group is unable to increase the spending of other advertisers or attract new advertisers, this will affect the revenue and business of iMedia Group.

7.1.3 Unexpected network interruption caused by system failures or incidences of computer virus may reduce visitor traffic and affect the reputation of iMedia Group

Both the continual accessibility of iMedia Group's digital media platforms and the performance and reliability of its technical infrastructure are critical to iMedia Group's reputation and the ability of the respective digital media platforms to attract and retain users and advertisers. Any system failure or performance inadequacy that causes interruptions in the availability of services or increases the response time of services could reduce user satisfaction and traffic, which would reduce iMedia Group's digital media platforms appeal to users and advertisers. As the number of pages and traffic of iMedia Group's digital media platforms increase, there can be no assurance that iMedia Group will be able to scale its systems proportionately. In addition, any system failures and electrical outages could impact iMedia Group's business.

Computer viruses may cause delays or other service interruptions on the systems used by iMedia Group. In addition, the inadvertent transmission of computer viruses could expose iMedia Group to a risk of loss or litigation and possible liability. iMedia Group may be required to expend capital and other resources to protect iMedia Group's digital media platforms against the threat of such computer viruses and to alleviate any problems.

7.1.4 iMedia Group is dependent on key personnel to operate its business

iMedia Group is dependent on key personnel to operate its business. These key personnel are Voon Tze Khay (CEO), Loh Ken Wei (Chief Commercial Officer), Tee Choon Wee (Chief Financial Officer) and Brian Alexis A/L Antonisamy (Sales Director). If iMedia Group is unable to retain and attract qualified personnel, iMedia Group's ability to develop and successfully grow its business could be affected.

iMedia Group's future success depends on its continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals and experienced information technology personnel are in high

management or key employees could adversely affect iMedia Group's ability to execute its business plan and strategy, and iMedia Group may not be able to find adequate replacements on a timely basis, or at all.

7.1.5 Brand owners and advertisers who use iMedia Group's digital media platforms can offer products and services outside of the latter's digital media platforms or obtain similar services from competitors

iMedia Group generally does not have exclusive relationships with brand owners and advertisers, and thus, consumers may purchase products from them without having to use iMedia Group's digital media platforms. Brand owners and advertisers can attract consumers directly through their own marketing campaigns or other traditional methods of distribution, such as referral arrangements, physical storefront operations or broker agreements. Brand owners and advertisers also may offer information to prospective customers online directly, through one or more online competitors, or both.

If iMedia Group's brand owners and advertisers determine to compete directly with iMedia Group or choose to favour one or more of its competitors, they could cease providing iMedia Group advertising opportunities. If consumers seek products directly from brand owners and advertisers or through iMedia Group's competitors, the financial performance of iMedia Group could be affected.

Notwithstanding the above, iMedia Group's value proposition is that it owns multiple social media and content websites across multiple language platforms which target audiences of different demography. Thus, brand owners and/or advertisers who engage iMedia Group will have access to all these social media and content websites for cross-marketing activities. As these social media and content websites are in different languages and have different target consumer demographics, brand owners and/or advertisers are able to target audiences of different demographics based on each brand's marketing objectives. The combined nationwide reach of iMedia Group's social media and content websites is approximately 13.1 million Malaysians as at the LPD, based on the combined social media followers of the digital media websites, Facebook pages and Instagram accounts owned by iMedia Group.¹ Brand owners and/or advertisers are able to place advertisements in the forms of display, video and article advertising among iMedia Group's various digital media platforms to take advantage of the traffic in these social media and content websites.

7.1.6 As a creator and a distributor of content, iMedia Group is exposed to potential claims of plagiarism and violation of intellectual property rights of others

iMedia Group relies on the work product of its internal content creators (such as article writers and video production teams) and freelance content creators to create original content for its digital media platforms and for use in its marketing messages. As a creator and distributor of original content and third-party provided content, iMedia Group may also be exposed to liability in connection with content that it does not create but that is posted to its digital media platforms by users and/or other third parties through forums, comments and other social media features. Should the content distributed through iMedia Group's digital media platforms violate the intellectual property rights of others or otherwise give rise to claims against iMedia Group, iMedia Group could be subject to claims of liability. These claims could divert management time and attention away from iMedia Group's business and result in costs to investigate and defend, regardless of the merit of these claims. If iMedia Group becomes subject to these or similar types of claims and are not successful in its defense, iMedia Group may incur damages.

¹ Sourced from Google Analytics.

iMedia Group is cognizant of and places importance on developing quality and original content for its digital media platforms, as this contributes to building brand reputation as well as attracting users to its digital media platforms. As such, iMedia Group has adopted stringent internal quality control measures and runs its content through a rigorous quality control process, including internal peer review and an automated plagiarism program, to review and scan all content before it is published. These measures are aimed at minimising the potential exposure to plagiarism and violation of intellectual property rights of others across the digital media platforms that iMedia Group owns.

7.2 Risks relating to the Rights Issue

7.2.1 Investment and capital market risk

The market price of the Rights Shares to be issued pursuant to the Rights Issue is subject to fluctuation and will be influenced by, amongst others, the prevailing market sentiments, the volatility of Catcha Digital Shares, the outlook of the digital and social media advertising industry as well as the business developments and future financial performance of our Group.

There can be no assurance that the market price of the Rights Shares upon or subsequent to the listing of and quotation for the Rights Shares on the ACE Market of Bursa Securities, will be at a level that meets the investment objectives or targets of any subscriber of the Rights Shares.

7.2.2 Delay/non-completion of the Rights Issue

The Rights Issue is exposed to the risk that it may be delayed or terminated on the occurrence of any force majeure events or circumstances such as acts of Government, natural disasters including without limitation the occurrence of a tsunami and/or earthquakes, acts of terrorism, strikes, national disorder, declaration of a state of war or accidents, or any change in law, regulation, policy or ruling, which are beyond the control of our Company, arising prior to the completion of the Rights Issue. There can be no assurance that the abovementioned events will not occur and cause a delay or failure to implement the Rights Issue.

In this respect, all proceeds arising from the Rights Issue will be refunded without interest to the Entitled Shareholders and/or their renounees (if applicable) in the event the Rights Issue is aborted and if such monies are not repaid within 14 days after it becomes liable, our Company 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 CMSA. Notwithstanding the above, our Company will exercise its best endeavour to ensure the successful implementation of the Rights Issue.

In the event that the Rights Shares have been allotted to the successful Entitled Shareholders and/or their renounees(s) (if applicable) and the Rights Shares are subsequently cancelled or terminated, a return of monies to the shareholders can only be achieved by way of cancellation of our Company's share capital as provided under the Act. Such cancellation requires the approval of our Company's shareholders by way of special resolutions in general meetings, consent of our Company's creditors (where applicable) and may require the confirmation of the Court. There can be no assurance that such monies can be returned within a short period of time or at all under such circumstances.

7.2.3 Potential dilution

The Entitled Shareholders who do not or are not able to subscribe for their entitlements under the Rights Issue will have a reduction in their proportionate percentage of shareholdings and voting interest in our Company, as a result of the issuance of new Catcha Digital Shares. Consequently, their proportionate entitlements to any future dividends, rights, allotments and/or other distributions that our Company may declare, make or pay after completion of the Rights Issue will be correspondingly diluted.

7.2.4 Forward-looking statements and other information

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

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

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

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8. EFFECTS OF THE RIGHTS ISSUE

The pro forma effects of Rights Issue on our Company's share capital, NA, NA per Share and gearing, earnings and EPS and substantial shareholders shareholdings of our Company shall be based on the following scenarios: -

Scenario 1 : Undertaking Shareholder subscribes in full in respect of its entitlement to 58,907,329 Rights Shares together with excess rights application for any Rights Shares which are unsubscribed by the remaining Entitled Shareholders to meet the Minimum Subscription Level

Scenario 2 : All Entitled Shareholders subscribe for their rights entitlements pursuant to the Rights Issue

8.1 Share capital

The pro forma effects of Rights Issue on the issued share capital of our Company are set out below: -

	Scenario 1		Scenario 2	
	No. of Shares	(RM)	No. of Shares	(RM)
Issued share capital as at the LPD	225,653,220	29,332,833	225,653,220	29,332,833
To be issued pursuant to the Rights Issue ⁽ⁱ⁾	76,595,745	18,000,000	174,640,020	41,040,405
Enlarged issued share capital	302,248,965	47,332,833	400,293,240	70,373,238

Note: -

(i) Based on the issue price of RM0.235 per Rights Share.

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8.2 NA and gearing

The pro forma effects of the Rights Issue on the NA and gearing of our Group based on the latest unaudited consolidated financial statements for the FPE 2023 are set out below: -

	Unaudited as at FPE 2023 (RM'000)	After the Rights Issue	
		Scenario 1 (RM'000)	Scenario 2 (RM'000)
Share capital	29,333	47,333 ⁽ⁱ⁾	70,373 ⁽ⁱ⁾
Accumulated losses	(6,205)	(8,705) ⁽ⁱⁱ⁾	(8,705) ⁽ⁱⁱ⁾
NA/Shareholders' fund	23,128	38,628	61,668
No. of Shares ('000)	225,653	302,249	400,293
NA per Share (RM)	0.10	0.13	0.15
Total borrowings	N/A	N/A	N/A
Gearing ratio (times)	N/A	N/A	N/A

Notes: -

(i) Based on the issue price of RM0.235 per Rights Share.

(ii) After deducting the estimated expenses of RM2.50 million in relation to the Regularisation Plan.

8.3 Earnings and EPS

Our Company had on 7 March 2023 completed the Acquisition. Following the completion of the Acquisition, the earnings and EPS of our Group recorded 0.18 sen for the FPE 2023.

Notwithstanding that, the issuance of Rights Shares pursuant to Rights Issue will have a dilutive effect on the EPS of our Group.

The pro forma effects of the Rights Issue on the earnings and EPS of our Group based on the latest unaudited consolidated financial statements for the FPE 2023 are set out below: -

	Unaudited as at FPE 2023 (RM'000)	After the Rights Issue	
		Scenario 1 (RM'000)	Scenario 2 (RM'000)
PAT	520	520	520
Attributable to: -			
- Owners of our Company	399	399	399
- Non-controlling interest	121	121	121
Enlarged number of Shares in issue ('000)	225,653	302,249	400,293
Basic EPS (sen) ⁽ⁱ⁾	0.18	0.13	0.10

Note: -

(i) Calculated based on PAT attributable to the owners of our Company divided by enlarged number of Catcha Digital Shares in issue.

8.4 Convertible securities

Our Company does not have any convertible securities as at the LPD.

8.5 Shareholdings of substantial shareholders

The pro forma effects of the Rights Issue on the substantial shareholders' shareholdings as well as the public shareholding spread (which excludes shareholdings of substantial shareholders and Directors) of our Company are as follows: -

Scenario 1: -

Substantial shareholders	As at the LPD			After the Rights Issue		
	Direct		Indirect	Direct		Indirect
	No. of Shares	(%)	No. of Shares	No. of Shares	(%)	No. of Shares
Catcha Group	58,907,329	26.10	-	135,503,074 ^(iv)	44.83	-
Patrick Lucas	-	-	106,427,329 ⁽ⁱ⁾⁽ⁱⁱ⁾	-	-	183,023,074 ⁽ⁱ⁾⁽ⁱⁱ⁾
Catcha Investments	-	-	106,427,329 ⁽ⁱ⁾⁽ⁱⁱ⁾	-	-	183,023,074 ⁽ⁱ⁾⁽ⁱⁱ⁾
iCreative	47,520,000	21.06	-	47,520,000	15.72	-
Voon Tze Khay	40,480,000	17.94	-	40,480,000	13.39	-
Tee Choon Wee	-	-	40,480,000 ⁽ⁱⁱⁱ⁾	-	-	40,480,000 ⁽ⁱⁱⁱ⁾
Loh Ken Wei	-	-	40,480,000 ⁽ⁱⁱⁱ⁾	-	-	40,480,000 ⁽ⁱⁱⁱ⁾
Brian Alexis A/L Antonisamy	-	-	40,480,000 ⁽ⁱⁱⁱ⁾	-	-	40,480,000 ⁽ⁱⁱⁱ⁾
Pro forma public shareholding spread	76,432,191	33.88	-	76,432,191	25.29	-

Notes: -

- (i) Deemed interested by virtue of his interest in Catcha Group pursuant to Section 8 of the Act.
- (ii) Deemed interested by virtue of his interest in Catcha Investments pursuant to Section 8 of the Act.
- (iii) Deemed interested by virtue of his interest in iCreative pursuant to Section 8 of the Act.
- (iv) Irrevocable and unconditional undertaking from the Undertaking Shareholder to subscribe in full for its entitlement as at the Entitlement Date and excess application for the Rights Shares under the Rights Issue to meet the Minimum Subscription Level.

Scenario 2: -

	As at the LPD				After the Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)
Substantial Shareholders								
Catcha Group	58,907,329	26.10	-	-	117,814,658	29.43	-	-
Patrick	-	-	106,427,329 ⁽ⁱ⁾⁽ⁱⁱ⁾	47.16	-	-	186,934,658 ⁽ⁱ⁾⁽ⁱⁱ⁾	46.70
Lucas	-	-	106,427,329 ⁽ⁱ⁾⁽ⁱⁱ⁾	47.16	-	-	186,934,658 ⁽ⁱ⁾⁽ⁱⁱ⁾	46.70
Catcha Investments	47,520,000	21.06	-	-	69,120,000	17.27	-	-
iCreative	40,480,000	17.94	-	-	58,880,000	14.71	-	-
Voon Tze Khay	-	-	40,480,000 ⁽ⁱⁱⁱ⁾	17.94	-	-	58,880,000 ⁽ⁱⁱⁱ⁾	14.71
Tee Choon Wee	-	-	40,480,000 ⁽ⁱⁱⁱ⁾	17.94	-	-	58,880,000 ⁽ⁱⁱⁱ⁾	14.71
Loh Ken Wei	-	-	40,480,000 ⁽ⁱⁱⁱ⁾	17.94	-	-	58,880,000 ⁽ⁱⁱⁱ⁾	14.71
Brian Alexis A/L Antonisamy	-	-	40,480,000 ⁽ⁱⁱⁱ⁾	17.94	-	-	58,880,000 ⁽ⁱⁱⁱ⁾	14.71
Pro forma public shareholding spread	76,432,191	33.88	-	-	149,851,182	37.44	-	-

Notes: -

- (i) Deemed interested by virtue of his interest in Catcha Group pursuant to Section 8 of the Act.
- (ii) Deemed interested by virtue of his interest in Catcha Investments pursuant to Section 8 of the Act.
- (iii) Deemed interested by virtue of his interest in iCreative pursuant to Section 8 of the Act.

As at the LPD, the public shareholding spread of our Company is 33.88%. Upon completion of the Rights Issue, the pro forma public shareholding spread will be 25.29% and 37.44% under Scenario 1 and 2 respectively. Our Board will ensure continued compliance with the public shareholding spread requirement at all times.

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

9.1 Working capital

Our Group's working capital is funded through our existing cash and bank balances. As at the LPD, our Group's cash and bank balances stood at RM4.40 million. Apart from cash and bank balances, our Group does not have access to other material unused sources of liquidity as at the LPD.

Our Board is of the opinion that, our Group will have sufficient working capital available for a period of 12 months from the date of this Abridged Prospectus, after taking into consideration the proceeds to be raised from the Rights Issue and internally generated funds from the business of iMedia Group.

9.2 Borrowings

Save as disclosed below, our Group does not have any borrowing which are non-interest bearing and/or in foreign currency denomination throughout FYEs 2020 to 2022, FPE 2023 and up to the LPD: -

- (a) A loan facility of RM370,000 owing by Nara Media to a Malaysian financial institution. Nara Media had, on 12 January 2021, fully settled the redemption sum of RM374,459.87 as per the settlement statement.
- (b) An outstanding loan of RM1,110,282 with interest bearing 3.0% per annum owing by iMedia to iCreative for the partial payments of second tranche payment due to the vendor(s) of Goody Technologies, Nara Media and Moretify as well as partial payments of final tranche due to the vendors of Goody Technologies and Nara Media. In view that this outstanding loan relates to the Additional Acquisitions wherein our Company is required to settle in cash within 14 days after the completion of the Rights Issue, this outstanding loan of RM1,110,282 with interest bearing 3.0% per annum was subsequently assigned by iMedia to our Company on 31 May 2023;
- (c) A loan of RM1,535,418 with interest bearing 3.0% per annum owing by iMedia to Catcha Investments for the partial payments of second tranche payment due to the vendor(s) of Goody Technologies, Nara Media and Moretify as well as partial payments of final tranche payment due to the vendors of Goody Technologies and Nara Media. iMedia had, on 26 May 2023, fully repaid the loan of RM1,535,418;
- (d) A loan of RM1,800,000 with interest bearing 6.0% per annum owing by iMedia to Catcha Investments for the partial payments of second tranche payment due to the vendors of Nara Media. iMedia had, on 19 April 2023, fully repaid the loan of RM1,800,000;
- (e) A non-interest-bearing advance of RM1.38 million owing by iCreative to iMedia. iCreative had, on 27 February 2023, fully repaid the non-interest bearing advance of RM1.38 million; and
- (f) A non-interest-bearing advance of RM1.62 million owing by Catcha Investments to iMedia. Catcha Investments had, on 2 March 2023, fully repaid the non-interest bearing advance of RM1.62 million.

Over FYEs 2020 to 2022, iMedia Group has not experienced any claw back or reduction in the facilities limits granted to iMedia Group by the lenders.

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

9.3 Contingent liabilities

As at the LPD, our Board is not aware of any contingent liability which, upon becoming enforceable, may have a material impact on our Group’s financial position.

9.4 Material commitments

As at the LPD, our Board is not aware of any material commitment for capital expenditures, incurred or known to be incurred, which may have a material impact on the results or financial position of our Group.

9.5 Material transaction

Save for the Acquisition which was completed on 7 March 2023 and Rights Issue, our Board confirmed that there are no other transactions which may have a material impact on our Group’s operations, financial position and results since our Group’s most recent announced financial statements for the FPE 2023.

10. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE OR TRANSFER AND EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES

10.1 General

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for such Provisional Allotments provisionally allotted to you, as well as the Excess Rights Shares, if you choose to do so.

This Abridged Prospectus and the RSF are also available on Bursa Securities’ website (<http://www.bursamalaysia.com>).

The outcome of the Rights Issue shall be announced after the Closing Date.

10.2 NPA

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

10.3 Last time, day and date for acceptance and payment

The last time, day and date for acceptance and payment for the Provisional Allotments and the Excess Rights Shares is at **5.00 p.m. on Friday, 14 July 2023**.

10.4 Methods of acceptance and application

You may subscribe for the Provisional Allotments as well as apply for the Excess Rights Shares, if you choose to do so, using either of the following methods: -

Method of application	Category of Entitled Shareholders
RSF	All Entitled Shareholders
Electronic Application ⁽ⁱ⁾	All Entitled Shareholders

Note: -

(i) *The following surcharge per Electronic Application via ATM will be charged by the Participating Financial Institution: -*

- *Affin Bank Berhad – RM4.00; and*
- *Public Bank Berhad – RM4.00*

The following processing fee per Electronic Application via internal financial services website will be charged by the respective Participating Financial Institutions: -

- *Affin Bank Berhad (<https://www.affinbank.com.my>) – RM4.00; and*
- *Public Bank Berhad (<http://www.pbebank.com>) – RM4.00*

10.5 Procedures for acceptance and payment

10.5.1 By way of RSF

Acceptance of and payment for the Provisional Allotments must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instruction contained in the RSF. Acceptances and/or payments which do not strictly conform to the terms of this Abridged Prospectus, the RSF or the notes and instruction contained therein 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 ALLOTMENTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S)/ TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENTS ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN. IN ACCORDANCE WITH SECTION 232(2) OF THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS ABRIDGED PROSPECTUS.

YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

If you and/or your renounee(s)/transferee(s) (if applicable) wish to accept either in full or in part of the Provisional Allotments of your entitlement, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be sent to our Share Registrar using the reply envelope provided (at your own risk) by **ORDINARY POST, COURIER or DELIVERY BY HAND** at the following address: -

Boardroom Share Registrars Sdn Bhd (Registration No.: 199601006647 (378993-D))

11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor, Malaysia
Tel. No. : +603 7890 4700
Fax No. : +603 7890 4670

so as to arrive not later than **5.00 p.m. on Friday, 14 July 2023**, being the last time, day and date for acceptance and payment for the Provisional Allotments.

If you and/or your renounee(s)/transferee(s) (if applicable) lose, misplace or for any other reasons require another copy of the RSF, you and/or your renounee(s)/transferee(s) (if applicable) may obtain additional copies from your stockbroker, our Share Registrar at the address stated above or at our Company's registered office or the website of Bursa Securities (<http://www.bursamalaysia.com>).

One (1) RSF can only be used for acceptance of Provisional Allotments standing to the credit of one (1) CDS Account. Separate RSF(s) must be used for the acceptance of Provisional Allotments standing to the credit of more than one (1) CDS Account(s) as stated in the completed RSF(s).

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

You and/or your renounee(s)/transferee(s) (if applicable) should take note that a trading board lot for the Rights Shares comprises 100 Rights Shares. The minimum number of securities that can be subscribed for or accepted is one (1) Rights Share. Fractions of Rights Shares, if any, shall be disregarded, and dealt with in such manner as our Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of our Company.

If acceptance of and payment for the Provisional Allotments allotted to you and/or your renounee(s)/transferee(s) (if applicable) are not received by our Share Registrar by **5.00 p.m. on Friday, 14 July 2023**, being the last time, day and date for acceptance and payment, you and/or your renounee(s)/transferee(s) (if applicable) will be deemed to have declined the Provisional Allotments and it will be cancelled. Such Rights Shares not taken up will be allotted to the applicants applying for Excess Rights Shares in the manner as set out in Section 10.9 of this Abridged Prospectus.

Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. No acknowledgement will be issued for the receipt of the RSF or the accompanying subscription monies for your acceptance of the Provisional Allotments. Our Board reserves the right not to accept any application or to accept any application in part only without providing any reason.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE PROVISIONAL ALLOTMENTS ACCEPTED 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 "ACCOUNT PAYEE ONLY", MADE PAYABLE TO "CATCHA DIGITAL RIGHTS ISSUE ACC", AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, CONTACT NUMBER, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR BY THE CLOSING DATE.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR 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 MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

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

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

ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS MUST BE MADE IN ACCORDANCE WITH THE RSF ENCLOSED WITH THIS ABRIDGED PROSPECTUS AND MUST BE COMPLETED STRICTLY IN ACCORDANCE WITH THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. ACCEPTANCES AND/OR PAYMENTS WHICH DO NOT CONFORM WITH THE TERMS AND CONDITIONS OF THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF OR WHICH ARE ILLEGIBLE MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. OUR SHARE REGISTRAR WILL NOT CONTACT YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE) FOR SUCH ACCEPTANCES.

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. THE REFUND WILL BE CREDITED DIRECTLY INTO YOUR BANK ACCOUNT IF YOU HAVE PROVIDED SUCH BANK ACCOUNT INFORMATION TO BURSA DEPOSITORY FOR THE PURPOSES OF CASH DIVIDEND/DISTRIBUTION. IF YOU HAVE NOT PROVIDED SUCH BANK ACCOUNT INFORMATION TO BURSA DEPOSITORY, THE REFUND WILL BE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN FIFTEEN (15) MARKET DAYS FROM THE CLOSING DATE.

10.5.2 By way of Electronic Application

Only Malaysian individuals who are Entitled Shareholders may apply for the Rights Issue by way of Electronic Application.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for Electronic Application and the procedures set out at the ATMs and internet financial services website of the Participating Financial Institutions before making an Electronic Application.

The procedures for Electronic Applications at the ATMs and internet financial services website of the Participating Financial Institutions are set out on the ATM screens and internet financial services website of the relevant Participating Financial Institutions ("**Steps**"). For illustration purposes, the procedures for Electronic Applications are set out below. Please read carefully the terms of this Abridged Prospectus, the Steps and the Terms and Conditions of Electronic Applications set out in Section 10.5.2(ii) of this Abridged Prospectus before making an Electronic Application.

You must have an account with a Participating Financial Institution and an ATM card issued by a Participating Financial Institution or with access to internet financial services with **Affin Bank Berhad** at <https://www.affinbank.com.my> or **Public Bank Berhad** at <http://www.pbebank.com>.

You are advised to read and understand this Abridged Prospectus **BEFORE** making the application.

You shall apply for the Rights Issue via the ATM or internet financial services website of the Participating Financial Institutions by choosing the Electronic Application option. Mandatory statements required in the application are as set out in Section 10.5.2(ii) of this Abridged Prospectus "**Terms and Conditions of Electronic Application**".

Upon the completion of your Electronic Application transaction via ATM, 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 our Company or our Share Registrar. The Transaction Record is for your record and is not required to be submitted with your application.

For application via internet financial services website, a message from the Participating Financial Institutions pertaining to the payment status will appear on the screen of the website through which the online payment for the Provisional Allotments is being made. Subsequently, the Participating Financial Institutions shall confirm that the said application has been completed, via the confirmation screen in respect of your application ("**Confirmation Screen**") on their website. You are advised to print out the Confirmation Screen for your reference and record.

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 INSTITUTIONS, 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.

(i) Participating Financial Institution

Electronic Application may be made through an ATM or internet financial services websites of the following Participating Financial Institutions and their branches within Malaysia: -

- Affin Bank Berhad; or
- Public Bank Berhad

(ii) Terms and Conditions of Electronic Application

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

- (a) You are required to confirm the following statements and undertake that the following information given are true to contract: -

- (aa) you have attained 18 years of age as at the Closing Date;

- (bb) you have read this Abridged Prospectus and understood and agreed with the terms and conditions of the application; and
- (cc) you hereby give consent to our Company, Bursa Depository, our Share Registrar, the relevant Participating Financial Institutions, their respective agents and any third party involved in facilitating the application/refunds, to disclose information pertaining to yourself and your account with the Participating Financial Institutions 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 unless you complete all the steps required by the Participating Financial Institution. By doing so, you will have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 134(1)(a) of the Financial Services Act 2013 and Section 45(1)(a) of the SICDA, to the disclosures as described above.

- (b) You confirm that you are not applying for the Provisional Allotments 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 Institutions 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 ATM or screen of financial services websites of the Participating Financial Institutions 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 Provisional Allotments 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)) of the number of Provisional Allotments applied for shall signify, and shall be treated as, your acceptance of the number of Provisional Allotments 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, request and authorise our Company to credit the Provisional Allotments 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 Institutions or Bursa Depository and you irrevocably agree that if: -

- (aa) our Company, our Share Registrar or Bursa Depository does not receive your Electronic Application; or
- (bb) 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 Institutions or Bursa Depository for the Provisional Allotments applied for or for any compensation, loss or damage relating to the application for the Provisional Allotments.

- (g) All of your particulars, including your nationality and place of residence, in the records of the relevant Participating Financial Institutions at the time you make your Electronic Application shall be true and correct, and our Company, our Share Registrar, the relevant Participating Financial Institutions 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 Institutions 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: -
 - (aa) in consideration of our Company agreeing to allow and accept your application for the Provisional Allotments via the Electronic Application facility established by the Participating Financial Institutions at their perspective ATMs and internet financial services websites, your Electronic Application is irrevocable and cannot be subsequently withdrawn;
 - (bb) 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 any cause beyond our control;
 - (cc) notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for the Provisional Allotments 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 Provisional Allotments; and
 - (dd) you agree that in relation to any legal action, proceedings or dispute arising out of or in relation to 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 submit 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 terms/instructions.
- (k) Notification on the outcome of your application for the Rights Shares will be despatched to you by ordinary post to the correspondence address as show on Bursa Depository's record at your own risk within the timelines as follows: -
 - (aa) successful application – a notice of allotment will be despatched within eight (8) Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities; or
 - (bb) unsuccessful/partial 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 Closing Date.

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 10.5.2(ii) of this Abridged Prospectus 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.

10.6 Procedures for part acceptance

If you do not wish to accept the Provisional Allotments in full, you are entitled to accept part of your entitlements that can be subscribed/applied for. The minimum number of Rights Shares that may be subscribed for or accepted is one (1) Rights Share. Fractions of a Rights Shares will be disregarded and the aggregate of such fractions shall be dealt with as our Board may at its absolute discretion deem fit and expedient and in the best interests of our Company.

You must complete Parts I(A) and II of the RSF by specifying the number of Rights Shares which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar, in the same manner as set out in Section 10.5.1 of this Abridged Prospectus.

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

10.7 Procedures for sale or transfer of Provisional Allotments

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

To sell/transfer of all or part of your entitlement to the Provisional Allotments, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository during the period up to the last date and time for sale or transfer of the Provisional Allotments in accordance with the Rules of Bursa Depository. If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments not sold or transferred by completing Parts I(A) and II of the RSF. Please refer to Sections 10.5 and 10.6 of this Abridged Prospectus for the procedure for acceptance and payment.

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

Renouncee(s)/transferee(s) of the Provisional Allotments may obtain a copy of this Abridged Prospectus and the RSF from their stockbrokers or from our Share Registrar, or at our Company's registered office. This Abridged Prospectus and RSF are also available on Bursa Securities' website (<http://www.bursamalaysia.com>).

10.8 Procedures for acceptance by renouncee(s)/transferee(s)

Renouncee(s)/transferee(s) (if applicable) who wish to accept the Provisional Allotments must obtain a copy of the RSF from their stockbrokers, our Share Registrar, or at our Company's registered office or from Bursa Securities' website (<http://www.bursamalaysia.com>) and complete the RSF and submit the same together with the remittance to our Share Registrar at the abovementioned address in accordance with the notes and instructions printed therein.

The procedures for acceptance and payment applicable to the Entitled Shareholders as set out in Sections 10.5 and 10.6 of this Abridged Prospectus also applies to renouncee(s)/transferee(s) (if applicable) who wish to accept the Provisional Allotments.

RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF CAREFULLY.

10.9 Procedures for application for Excess Rights Shares

10.9.1 By way of RSF

As an Entitled Shareholder, you and/your renouncee(s)/transferee(s) (if applicable) may apply for Excess Rights Shares in addition to the Provisional Allotments by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forward it (together with a **separate remittance made in RM** for the full amount payable in respect of the Excess Rights Shares applied for) to our Share Registrar at the address set out above, **not later than Friday, 14 July 2023 at 5.00 p.m.**, being the Closing Date.

PAYMENT FOR THE EXCESS RIGHTS SHARES APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS SET OUT IN SECTION 10.5 OF THIS ABRIDGED PROSPECTUS, AND 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 "ACCOUNT PAYEE ONLY" AND MADE PAYABLE TO "CATCHA DIGITAL EXCESS RIGHTS ISSUE ACC" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, CONTACT NUMBER, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS TO BE

RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE CLOSING DATE. THE PAYMENT MUST BE MADE FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE EXCESS RIGHTS SHARES APPLIED FOR, ANY EXCESS OR INSUFFICIENT REMITTANCES MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

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

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to the Entitled Shareholders who have applied for Excess Rights Shares, on a pro-rata basis and in board lots, calculated based on their respective shareholdings in our Company as per their CDS Account on the Entitlement Date;
- (iii) thirdly, for allocation to the Entitled Shareholders who have applied for Excess Rights Shares, on a pro-rata basis and in board lots, calculated based on the quantum of their respective number of Excess Rights Shares they applied for; and
- (iv) lastly, for allocation to renouncee(s)/transferee(s) (if applicable) who have applied for Excess Rights Shares, on a pro-rata basis and in board lots, calculated based on the quantum of their respective number of Excess Rights Shares they applied for.

In the event there is any balance Excess Rights Shares after steps (i) to (iv) are carried out, steps (ii) to (iv) will be repeated to allocate the balance Excess Rights Shares.

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

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

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

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

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

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES APPLICATIONS, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO YOU WITHIN FIFTEEN (15) MARKET DAYS FROM THE CLOSING DATE BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK.

10.9.2 By way of Electronic Application

You and/or your renounee(s)/transferee(s) (if applicable) may apply for the Excess Rights Shares in excess of your entitlement via Electronic Application in addition to your Provisional Allotments. If you wish to do so, you may apply for the Excess Rights Shares by following the same steps as set out in Section 10.5.2 of this Abridged Prospectus.

The Electronic Application for Excess Rights Shares will be made on, subject to, the same terms and conditions appearing in Section 10.5.2(ii) of this Abridged Prospectus.

10.10 Notice of allotment

Within five (5) Market Days after the Closing Date, our Company will make the relevant announcements in relation to the subscription rate of the Rights Issue.

Upon allotment of the Rights Shares in respect of your acceptance and/or your renounee(s)/transferee(s) acceptance (if applicable) and Excess Rights Shares application (if any), the Rights Shares shall be credited directly into the respective CDS Account where the Provisional Allotments were credited. No physical certificates will be issued in respect of the Rights Shares. However, a notice of allotment will be despatched to you and/or your renounee(s)/transferee(s) (if applicable) by ordinary post within eight (8) Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities, to the address last shown on the Record of Depositors at your own risk.

Where any application for the Rights Shares is not accepted due to non-compliance with the terms of the Rights Issue 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. The refund will be by issuance of cheque and will be despatched to you within 15 Market Days from the Closing Date by ordinary post to the address last 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 Shares, cannot be withdrawn subsequently.

10.11 Form of issuance

Bursa Securities has already prescribed our Rights Shares to be listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares are prescribed securities and as such, the SICDA and the Rules of Bursa Depository shall apply in respect of the dealings in the said securities.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical certificate will be issued to you under the Rights Issue. Instead, the Rights Shares will be credited directly into your CDS Accounts.

A notice of allotment will be despatched to you and/or your renounee(s)/transferee(s) (if applicable) by ordinary post to the address shown in our Record of Depositors provided by Bursa Depository at your own risk within eight (8) Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities.

Where the Rights Shares are provisionally allotted to the Entitled Shareholders in respect of their existing Catcha Digital Shares standing to the credit in their CDS Account as at the Entitlement Date, the acceptance by the Entitled Shareholders of the Provisional Allotments shall mean that they consent to receive such Provisional Allotments as prescribed or deposited securities which will be credited directly into their CDS Account.

Any person who intends to subscribe for the Rights Shares as a renounee by purchasing the Provisional Allotments from an Entitled Shareholder will have his Rights Shares credited directly as prescribed securities into his CDS Account.

The Excess Rights Shares, if allotted to the successful applicant who applies for Excess Rights Shares, will be credited directly as prescribed securities into his CDS Account.

10.12 Laws of foreign jurisdictions

The Documents 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) for subscription of any foreign jurisdiction. The Rights Issue will not be made or offered in any foreign jurisdiction.

The Documents are not intended to be (and will not be) issued circulated or distributed, and the Rights Issue will not be made or offered or deemed made or offered, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue to which this Abridged Prospectus relates is only available to persons receiving the Documents within Malaysia.

Accordingly, the Documents have not been (and will not be) despatched to the Foreign Addressed Shareholders. However, the Foreign Addressed Shareholders may collect the Documents from our Share Registrar in Malaysia, Boardroom Share Registrars Sdn Bhd, at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, who is entitled to request for such evidence as they deem necessary to satisfy themselves as to the identity and authority of the person collecting the Documents.

Our Company will not make or be bound to make any enquiry as to whether you have an address or address for service in Malaysia other than as stated in the Record of Depositors on the Entitlement Date or who have provided our Share Registrar with an address in Malaysia for the despatch of Documents as at **5.00 P.M on Wednesday, 28 June 2023** and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. We will assume that the Rights Issue and the acceptance by the Entitled Shareholders thereof would not be in breach of the laws of any jurisdiction. We will further assume that the Entitled Shareholders have accepted the Rights Shares in Malaysia and will at all applicable times be subject to the laws of Malaysia.

To the extent you accept your Provisional Allotments and/or apply for the Excess Rights Shares, your acceptance of the terms thereof will be deemed to be in compliance with the Rights Issue and not in breach of the laws of any country or jurisdiction. To the extent you accept your Provisional Allotments and/or apply for the Excess Rights Shares, you will be deemed to have accepted the Rights Issue in Malaysia and be subject to the laws of Malaysia with respect thereto.

All Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) shall be solely responsible to seek advice from their legal and/or professional advisers as to the laws of the countries or jurisdictions to which they are or might be subject to. Neither we, our Board, TA Securities, Malacca Securities, our Share Registrar, nor any other adviser to the Rights Issue ("**Parties**") shall accept any responsibility or liability whatsoever in the event any acceptance or renunciation made by any Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable), is or shall become illegal, unenforceable, voidable or void in any such country or jurisdiction. Such Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) will also have no claims whatsoever against us in respect of their entitlement or to any proceeds thereof.

The Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such foreign country or jurisdiction and our Company shall be entitled to be fully indemnified and held harmless by such Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) for any issue, transfer or any other taxes or duties as such person may be required to pay. They will have no claims whatsoever against the Parties in respect of their rights and entitlements under the Rights Issue. Such Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) should also 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 exercise their rights in respect of the Rights Issue.

By signing any of the forms accompanying this Abridged Prospectus, the NPA, and the RSF, the Foreign Addressed Shareholders and/or the renounee(s)/transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) the Parties that: -

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which that Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) are or may be subject to;
- (ii) the Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (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 Allotments;
- (iii) the Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (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 Allotments, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) the Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) are aware that the Provisional Allotments 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 Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) have respectively received a copy of this Abridged Prospectus and have had access to such financial and other information and have been afforded the opportunity to pose such questions to the representatives of our Company and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares; and

- (vi) the Foreign Addressed Shareholders and/or their renouncee(s)/transferee(s) (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, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares.

Persons receiving the Documents (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send the Documents into any jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If the Documents 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 therewith.

Any person who does forward the Documents 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 from any such application by the Foreign Addressed Shareholders and/or their renouncee(s)/transferee(s) (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 as invalid if it we believe that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

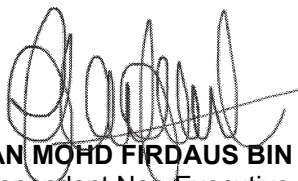
11. TERMS AND CONDITIONS

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

12. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of our Board
CATCHA DIGITAL BERHAD



WAN MOHD FIRDAUS BIN WAN MOHD FUAAD
Independent Non-Executive Director

INFORMATION ON CATCHA DIGITAL

1. BACKGROUND INFORMATION ON OUR COMPANY

Catcha Digital was incorporated in Malaysia under the Companies Act, 1965 on 5 October 2010 and deemed registered under the Act as a private limited company under the name of Catcha Media Sdn Bhd. On 19 November 2010, our Company was converted into a public company and assumed the name of Catcha Media Berhad and was listed on the ACE Market of Bursa Securities on 22 July 2011. On 17 June 2014, our Company changed our name from Catcha Media Berhad to Rev Asia Berhad.

Subsequently in 2017, our Company and Youth Asia Sdn Bhd disposed of the entire 15,828,831 ordinary shares in Rev Asia Holdings to MPDSB, an indirect wholly-owned subsidiary of Media Prima Berhad, representing 100% equity interest in Rev Asia Holdings and its subsidiaries, after an internal reorganisation of Rev Asia Holdings and its subsidiaries, for a total cash consideration of RM105,000,000 only, subject to the terms and conditions of the sale and purchase agreement.

Pursuant to the said agreement, Catcha Digital had disposed of its entire 11,080,182 ordinary shares in Rev Asia Holdings, representing 70% equity interest in Rev Asia Holdings to MPDSB, for a cash consideration of RM73,500,000, and Youth Asia Sdn Bhd disposed of its 4,748,649 ordinary shares in Rev Asia Holdings, representing the remaining 30% equity interest in Rev Asia Holdings to MPDSB, for a cash consideration of RM31,500,000.

Upon completion of the Disposal on 1 August 2017, Bursa Securities vide its letter dated 3 August 2017 informed that Catcha Digital is considered a Cash Company pursuant to Rule 8.03 and GN2 of the AMLR.

Prior to the completion of the Disposal, Catcha Digital was involved in the publishing business and online media business. As at the LPD, our Company is an investment holding company.

Our Company had, on 28 July 2021, changed its name from Rev Asia Berhad to Catcha Digital Berhad.

2. SHARE CAPITAL AND OPTIONS

As at the LPD, the issued share capital of Catcha Digital is RM29,332,833.08 comprising 225,653,220 Catcha Digital Shares. Our Company does not have any treasury shares or convertible securities.

As at the LPD, our Company does not have any option available to subscribe.

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INFORMATION ON CATCHA DIGITAL (cont'd)**3. BOARD OF DIRECTORS**

The Directors of Catcha Digital are as follows: -

Name	Age/Nationality	Designation	Address
Patrick YKin Grove	48/Australian	Non-Independent Non-Executive Chairman	37-22-3 Sri Penaga Condo, Jalan Medang Serai, Bukit Bandaraya Bangsar, 59100 Kuala Lumpur, Wilayah Persekutuan, Malaysia
Lucas Robert Elliott	47/Australian	Non-Independent Non-Executive Director	A-2-1 One Menerung, No 1, Jalan Menerung, Bukit Bandaraya Bangsar, 59100 Kuala Lumpur, Wilayah Persekutuan Malaysia
Dato' Justin Leong Ming Loong	45/Malaysian	Independent Non- Executive Director	C2-19-3 St Mary Residences, No 1 Jalan Tengah, 50250 Kuala Lumpur, Wilayah Persekutuan, Malaysia
Wan Mohd Firdaus Bin Wan Mohd Fuaad	40/Malaysian	Independent Non- Executive Director	7 Jalan Serene Kiara 10, Desa Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan, Malaysia
Shireen Chia Yin Ting	49/Malaysian	Independent Non- Executive Director	No. 70, Jalan 14/14, 46100 Petaling Jaya, Selangor, Malaysia

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INFORMATION ON CATCHA DIGITAL (cont'd)**4. DIRECTORS' SHAREHOLDINGS**

Save as disclosed below, none of our Directors have any direct and/or indirect shareholdings in our Company as at the LPD. The pro forma effects on the shareholdings of our Directors as at the LPD and after the Rights Issue are set out below: -

Scenario 1: -

Name	As at the LPD			After the Rights Issue			
	Direct		Indirect	Direct		Indirect	
	No. of Shares	(%) ⁽ⁱ⁾		No. of Shares	(%) ⁽ⁱⁱ⁾		No. of Shares
Patrick	-	-	106,427,329 ⁽ⁱ⁾	47.16	-	183,023,074 ⁽ⁱ⁾	60.55
Lucas	-	-	106,427,329 ⁽ⁱ⁾	47.16	-	183,023,074 ⁽ⁱ⁾	60.55
Dato' Justin Leong Ming Loong	2,313,700	1.02	-	-	2,313,700	-	0.77

Notes: -

(i) Deemed interested by virtue of his interests in Catcha Group and Catcha Investments pursuant to Section 8 of the Act.

(ii) Based on the issued share capital of 225,653,220 Shares as at the LPD.

(iii) Based on the enlarged issued share capital of 302,248,965 Shares.

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INFORMATION ON CATCHA DIGITAL (cont'd)**Scenario 2: -**

Name	As at the LPD			After the Rights Issue			
	Direct		Indirect	Direct		Indirect	
	No. of Shares	(%) ⁽ⁱ⁾	No. of Shares	(%) ⁽ⁱⁱ⁾	No. of Shares	(%) ⁽ⁱⁱⁱ⁾	
Patrick	-	-	106,427,329 ⁽ⁱ⁾	47.16	-	186,934,658 ⁽ⁱ⁾	46.70
Lucas	-	-	106,427,329 ⁽ⁱ⁾	47.16	-	186,934,658 ⁽ⁱ⁾	46.70
Dato' Justin Leong Ming Loong	2,313,700	1.02	-	-	4,627,400	1.16	-

Notes: -

(i) Deemed interested by virtue of his interests in Catcha Group and Catcha Investments pursuant to Section 8 of the Act.

(ii) Based on the issued share capital of 225,653,220 Shares as at the LPD.

(iii) Based on the enlarged issued share capital of 400,293,240 Shares.

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INFORMATION ON CATCHA DIGITAL (cont'd)**5. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

Please refer to Section 8.5 of this Abridged Prospectus for the substantial shareholders' shareholdings as at the LPD and after the Rights Issue.

6. SUBSIDIARY AND ASSOCIATED COMPANIES OF OUR COMPANY

As at the LPD, our Company does not have any associated company. The subsidiaries of our Company as at the LPD are summarised as follows: -

Name of subsidiaries /Registration number	Date/ Country of incorporation	Effective equity interest (%)	Principal activities
Rev Home Sdn Bhd*/ 200701012036 (770041-T)	18 April 2007/Malaysia	70.00	Inactive
iMedia/ 201701038242 (1252413-W)	23 October 2017/Malaysia	100.00	Engaged in the business of online media advertising and social media marketing
Subsidiaries of iMedia			
Oh Media/ 201701044994 (1259167-K)	7 December 2017/Malaysia	80.00	Engaged in the business of online media advertising and social media marketing
Ittify/ 201501028586 (1153907-P)	3 August 2015/Malaysia	51.00	Engaged in the business of online media advertising and social media marketing
Goody Technologies/ 201601032642 (1203583-W)	30 September 2016/Malaysia	60.00	Engaged in the business of online media advertising and social media marketing
Nara Media/ 201301010217 (1040059-W)	27 March 2013/Malaysia	90.00	Engaged in the business of online media advertising and social media marketing
Moretify/ 201701037954 (1252125-V)	20 October 2017/Malaysia	60.00	Engaged in the business of online media advertising and social media marketing

Note: -

* On 17 August 2019, the sole shareholder of non-controlling interest has filed for member's voluntary winding up and it has been wound up as at the LPD.

Please refer to Appendix II of this Abridged Prospectus for the details on iMedia Group.

INFORMATION ON CATCHA DIGITAL (cont'd)**7. HISTORICAL FINANCIAL INFORMATION**

The following financial information for the past three (3) audited FYEs 2020 to 2022 as well as the unaudited FPE 2023 and FPE 2022 were extracted from the annual reports and quarterly results of our Group which were announced and published on Bursa Securities.

7.1 Consolidated statements of profit or loss

	Audited			Unaudited	
	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	-	-	-	-	2,926
COS	-	-	-	-	(816)
GP	-	-	-	-	2,110
Other income	49	27	17	-	184
Administrative expenses	(2,366)	(1,646)	(1,217)	(181)	(1,392)
Other expenses	(47)	(2)	-	-	(164)
Interest income	-	-	-	3	5
Interest expense	-	-	-	-	(20)
(LBT)/PBT	(2,364)	(1,621)	(1,200)	(178)	723
Taxation	-	-	-	(2)	(203)
(LAT)/PAT	(2,364)	(1,621)	(1,200)	(180)	520
Foreign exchange translation reserve	-	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive (loss)/income	(2,364)	(1,621)	(1,200)	(180)	520
(Loss)/Profit attributable to:					
Owners of the parent	(2,364)	(1,621)	(1,200)	(180)	399
Non-controlling interest	-	-	-	-	121
	(2,364)	(1,621)	(1,200)	(180)	520
Total comprehensive (loss)/income attributable to:					
Owners of the parent	(2,364)	(1,621)	(1,200)	(180)	399
Non-controlling interest	-	-	-	-	121
	(2,364)	(1,621)	(1,200)	(180)	520
Basic and diluted (LPS)/EPS (sen)	(1.76)	(1.20)	(0.89)	(0.13)	0.18

Commentaries**(i) Revenue**

There is no revenue recorded from FYEs 2020 to 2022 as our Group does not have a core business since the completion of the Disposal on 1 August 2017.

In FPE 2023, our Group recorded a revenue of RM2.93 million following the completion of the Acquisition on 7 March 2023 where iMedia Group has contributed RM2.93 million in revenue.

INFORMATION ON CATCHA DIGITAL (cont'd)**(ii) (LBT)/PBT**

Our Group's LBT decreased from LBT of RM2.36 million in FYE 2020 to LBT of RM1.20 million in FYE 2022. The LBT for FYE 2020 was mainly due to administrative expenses incurred by our Group i.e., non-recurring professional fees pertaining to the previous regularisation plans and the Regularisation Plan and annual recurring expenses.

In FYE 2021, our Group recorded a LBT of RM1.62 million, primarily derived from administration expenses for FYE 2021 totalling RM1.65 million. This is partially offset with interest income received of RM0.03 million.

In FYE 2022, our Group recorded a LBT of RM1.20 million, mainly due to lower professional fees paid in FYE 2022 in relation to the Regularisation Plan compared to previous FYE 2021.

In FPE 2023, our Group recorded a PBT of RM0.72 million, mainly due to the completion of the Acquisition on 7 March 2023 where iMedia Group has contributed RM0.72 million in PBT.

7.2 Consolidated statements of financial position

	Audited			Unaudited	
	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Assets					
Non-current assets					
Property, plant and equipment	-	-	-	-	267
Right-of-use assets	-	-	-	-	503
Intangible assets	-	-	-	-	9,124
Goodwill	-	-	-	-	31,937
	-	-	-	-	41,831
Current assets					
Other receivables	4	15	14	12	12,266
Current tax assets	71	51	19	16	19
Cash and cash equivalents	3,521	1,903	963	1,289	5,138
	3,596	1,969	996	1,317	17,423
TOTAL ASSETS	3,596	1,969	996	1,317	59,254
Equity and Liabilities					
Equity					
Share capital	6,732	6,732	6,732	6,732	29,333
Reserves	(3,783)	(5,404)	(6,604)	(5,584)	(6,205)
	2,949	1,328	128	1,148	23,128
Non-controlling interest	-	-	-	-	5,882
TOTAL EQUITY	2,949	1,328	128	1,148	29,010
Non-current liabilities					
Lease and deferred tax liabilities	-	-	-	-	155
	-	-	-	-	155
Current liabilities					
Other payables	647	641	868	169	30,089
	647	641	868	169	30,089
TOTAL LIABILITIES	647	641	868	169	30,244

INFORMATION ON CATCHA DIGITAL (cont'd)

	Audited			Unaudited	
	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
TOTAL EQUITY AND LIABILITIES	3,596	1,969	996	1,317	59,254
Number of Shares ('000)	134,640	134,640	134,640	134,640	255,653
Shareholders' fund/NA (RM'000)	2,949	1,328	128	1,148	23,128
NA per Share (RM)	0.02	0.01	^	0.01	0.13
Current ratio (times)	5.56	3.07	1.15	7.79	0.58

Note: -

^ Negligible.

Commentaries

(i) Assets

Our Group's total assets decreased from RM3.60 million as at 31 December 2020 to RM0.99 million as at 31 December 2022. The decrease was mainly due to the utilisation of cash for working capital and payments of professional fees.

For information purposes, pursuant to Rule 8.03(4) of the AMLR, a Cash Company must place at least 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from the disposal undertaken by the Cash Company) in an account opened with a financial institution licensed by Bank Negara Malaysia and operated by a custodian. Any interest generated by the monies held in the account must accrue to the account.

Accordingly, in year 2019, our Company had, on 11 September 2019, announced to Bursa Securities to withdraw RM3.74 million from the amount placed in the custodian account operated by Pacific Trustees Berhad for working capital and payments of professional fees. Our Company had obtained the approvals from Bursa Securities and the Shareholders on 26 September 2019 and 27 November 2019 respectively to withdraw the said amount.

On 11 June 2021, TA Securities had, on behalf of our Board, submitted an application in relation to the proposed withdrawal of RM1.60 million from the amount placed in the custodian account operated by Pacific Trustees Berhad for working capital and payments of professional fees. Our Company had obtained the approvals from Bursa Securities and the Shareholders on 16 July 2021 and 15 September 2021 respectively to withdraw the said amount.

As at 31 March 2023, our Group recorded total assets of RM59.25 million due to the increase in non-current assets of RM41.83 million, other receivables of RM12.27 million and cash and cash equivalents of RM5.14 million following the completion of the Acquisition on 7 March 2023.

INFORMATION ON CATCHA DIGITAL (cont'd)**(ii) Liabilities**

Our Group's total liabilities increased from RM0.65 million as at 31 December 2020 to RM0.87 million as at 31 December 2022. The increase was mainly due to the increase in amounts owing to professional advisors for services rendered.

As at 31 March 2023, our Group recorded total liabilities of RM30.24 million due to the increase in other payables and accruals of RM30.09 million following the completion of the Acquisition on 7 March 2023.

7.3 Consolidated statements of cash flow

	Audited			Unaudited	
	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net cash (used in)/from operating activities	(1,300)	(1,645)	(1,168)	(617)	4,190
Net cash from investing activities	45	27	228	3	5
Net cash used in financing activities	-	-	-	-	(20)
Net decrease in cash and cash equivalents	(1,255)	(1,618)	(940)	(614)	4,175
Cash and cash equivalents at beginning of financial year/period	4,776	3,521	1,903	1,903	963
Cash and cash equivalents at end of financial year/period	3,521	1,903	963	1,289	5,138

Commentaries**(i) Net cash (used in)/from operating activities**

In FYE 2020, net cash used in operating activities decreased by RM0.45 million or 25.71% from RM1.75 million in FYE 2019 to RM1.30 million in FYE 2020. The decrease was mainly due to administrative expenses and professional fees.

In FYE 2021, our Group recorded net cash used in operating activities of RM1.62 million which was mainly due to administrative expenses and professional fees.

In FYE 2022, our Group recorded net cash used in operating activities of RM1.17 million which was mainly due to administrative expenses and professional fees.

In FPE 2023, our Group recorded net cash from operating activities of RM4.19 million which was mainly due to the contribution of operating profit generated by iMedia Group.

INFORMATION ON CATCHA DIGITAL (cont'd)**(ii) Net cash from investing activities**

In FYE 2020, net cash from investing activities decreased by RM0.10 million or 66.67% from RM0.15 million in FYE 2019 to RM0.05 million in FYE 2020. The decrease was mainly due to the reduction in interest income received.

In FYE 2021, our Group recorded net cash from investing activities of RM0.03 million which was mainly due to the interest income.

In FYE 2022, our Group recorded net cash from investing activities of RM0.23 million which was mainly due to the advances from ultimate holding company and a related company.

In FPE 2023, our Group recorded net cash from investing activities of RM4,869 which was mainly due to the interest received from term deposits.

(iii) Net cash used in financing activities

Our Group had no cash flows derived from financing activities for the FYEs 2020 to 2022.

In FPE 2023, our Group recorded net cash used in financing activities of RM0.20 million which was mainly due to the interest expense from term loan.

8. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of Catcha Digital Shares as traded on Bursa Securities for the past twelve (12) months up to the LPD are as follows: -

	Highest (RM)	Lowest (RM)
<u>2022</u>		
June	0.220	0.160
July	0.235	0.180
August	0.265	0.185
September	0.240	0.170
October	0.215	0.175
November	0.200	0.170
December	0.205	0.180
<u>2023</u>		
January	0.195	0.175
February	0.200	0.170
March	0.345	0.190
April	0.295	0.240
May	0.275	0.225
Last transacted market price as at the LTD		0.275
Last transacted market price on 26 June 2023, being the latest Market Day prior to the ex-date of the Rights Issue		0.225
Last transacted market price as at the LPD		0.250

(Source: Bloomberg)

INFORMATION ON CATCHA DIGITAL (cont'd)

9. MATERIAL CONTRACTS

Save for the SSA, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business of our Group) which have been entered into by our Group within two (2) years immediately preceding the date of this Abridged Prospectus.

10. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware and does not have any proceedings, pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially affect the business or financial position of our Group: -

- (i) Nara Media and Oh Media had, on 13 July 2022, respectively received a letter of demand from Messrs Melanie claiming that Nara Media and Oh Media have allegedly defamed its clients, namely Johan Andreas Byvall and Noor Ashikin Allias. The claimants have demanded, amongst others, compensation for damages amounting to RM200,000 for the claimants' alleged injury to their reputation, embarrassment and for the distressed caused, and costs incurred by the claimants from Nara Media and Oh Media, respectively. Nara Media's and Oh Media's solicitors have respectively responded to Messrs Melanie refuting the claim. As at the LPD, Nara Media and Oh Media have not received any reply or response from Messrs Melanie and/or the claimants; and
- (ii) Moretify had, on 18 July 2022, received a letter of demand from Messrs Raslan Loong, Shen & Eow ("RLSE") claiming that Moretify has allegedly defamed its clients, namely Chin Siu Wai, Gaga Customade Enterprise, GAGA CUSTOMADE and GAGACUSTOMADE. The claimants have demanded, amongst others, compensation for damages (of an unspecified amount), legal costs, investigation fees and other expenses suffered and incurred by the claimants from Moretify. Moretify's solicitors have responded to RLSE refuting the claim. As at the LPD, Moretify has not received any reply or response from RLSE and/or the claimants.

Considering that our Group has not received any reply or responses from the respective claimants and/or their respective solicitors, our Board is of the view that the above claims are not expected to have any material impact to the Regularisation Plan as well as the financial and operations of our Group.

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INFORMATION ON CATCHA DIGITAL (cont'd)

11. ADDITIONAL INFORMATION

Save as disclosed below, as at the date of this Abridged Prospectus, there is/are: -

- (i) no breach of laws and regulations governing our business operations which may materially affect our Group's operation;
- (ii) no tax penalty imposed by the Inland Revenue Board ("IRB") on our Group; and
- (iii) no past or on-going regulatory audits or inspections in relation to tax matters.

(a) iMedia

The Royal Malaysian Customs Department ("**RMCD**"), vide its email dated 9 December 2022, in conducting a sales and service tax ("**SST**") related audit on iMedia, had requested iMedia to submit several documents for its review and iMedia had, on 22 February 2023 reverted with the documents as requested to the RMCD.

Subsequently, the RMCD informed iMedia, vide its letter dated 11 April 2023, that there is a shortfall of RM19,839.62 for the amount of SST payable in respect of the period from 1 March 2020 to 31 December 2020 due to inaccurate or incomplete SST-02 Statement submitted to the RMCD. iMedia had, on 12 April 2023, agreed to make payment for the shortfall and the amount of RM19,839.62 payable to the RMCD had been accrued in iMedia's accounts as at 30 April 2023. The RMCD had, vide its claim bill dated 3 May 2023, instructed iMedia to pay the amount of RM19,839.62 to the RMCD within 14 days from the date of the said claim bill. The management of iMedia has settled the tax shortfall on 12 May 2023.

Considering the quantum of the liability, the Board of Directors of iMedia is of the view that the above regulatory audit will not have any material impact on iMedia's operations. Hence, our Board is of the view that the above regulatory audit will not have any material impact on the Regularisation Plan.

(b) Oh Media

The IRB had, on 23 February 2023, requested for the submission of employer-related documents for the financial years ended 2020 and 2021. Oh Media has requested for an extension of time to submit the documents via its email on 29 March 2023, and the IRB had, via its email on 29 March 2023, granted Oh Media an extension of time until 5 April 2023. On 4 April 2023, Oh Media had submitted the employer-related documents to the IRB. The IRB had, vide its letters of notification dated 3 May 2023, notified Oh Media that the company did not comply with subsections 83(1A) and 83(2) of Income Tax Act 1967 and the IRB had set out the total compound payable by Oh Media amounting to RM2,200. The management of Oh Media has settled the compound on 12 May 2023.

Separately, the IRB had, vide its letter dated 21 March 2023, requested for all information in relation to any remuneration of the directors of Oh Media for the FYE 2022 to be uploaded through the Government's portal: <https://esmup.hasil.gov.my/>. Oh Media's tax agent has requested for an extension of time to submit the documents via its email on 18 April 2023, and the IRB had, vide its letter dated 18 April 2023, granted Oh Media an extension of time until 19 May 2023. Oh Media had submitted the relevant information to the IRB on 11 May 2023.

INFORMATION ON CATCHA DIGITAL (cont'd)

Considering the type of documents which the IRB requested and the quantum of the compound at this juncture, the Board of Directors of Oh Media is of the view that the above regulatory audits are not expected to have any material impact on Oh Media's business operations.

Premised on the above, our Board is of the view that the above regulatory audits are not expected to have any material impact on the Regularisation Plan, financial and operations of our Group.

(c) Goody Technologies

The RMCD had, via an email on 10 January 2022 attached a letter dated 10 January 2021 requesting Goody Technologies to submit certain documents of the company to the RMCD for audit purposes. Goody Technologies had, on 12 January 2022 and 13 January 2022, reverted with documents as requested to the RMCD. On 22 November 2022 and 5 December 2022, the RMCD further requested for additional information from Goody Technologies and agreed for Goody Technologies to furnish the additional information to the RMCD once the relocation of Goody Technologies' office is complete in view that Goody Technologies required additional time to extract the data required by the RMCD due to the relocation. Goody Technologies had, on 17 March 2023, submitted the relevant documents as requested to the RMCD. As at the date of this Abridged Prospectus, Goody Technologies is still awaiting response from the RMCD.

The management and the Board of Directors of Goody Technologies are not able to quantify any potential tax liabilities (if any) at this juncture. Notwithstanding this, considering no indication from the RMCD on any material mis-statement or under payment of relevant taxes at this juncture, the Board of Directors of Goody Technologies is of the view that the above regulatory audit is not expected to have any material impact on Goody Technologies' business operations. Therefore, our Board is of the view that the above regulatory audit is not expected to have any impact on the Regularisation Plan, financial and operations our Group.

(d) Nara Media

The IRB had, vide its letter of notification dated 26 October 2022, notified Nara Media that the company did not fully comply with the Income Tax (Deduction from Remuneration) Rules 1994 for the years ended 2019, 2020 and 2021. In the said letter of notification, the IRB had set out the compound and shortfall in monthly tax deductions payable by Nara Media amounting to RM14,210.58.

Nara Media had submitted two (2) letters dated 3 November 2022 on the following matters: -

- (i) application to the IRB to review its decision relating to the audit findings and statement of compound in relation to the tax exemption on travelling allowance of RM600.00 claimed by one of its employees for the period of October 2021 to December 2021; and
- (ii) appealing against the compound imposed. The company had further explained that the company had, at that time, outsourced to a third party to assist in the company's tax submission. However, it was noted that the computation and tax deduction was not accurate.

INFORMATION ON CATCHA DIGITAL (cont'd)

Subsequent to Nara Media's follow up email to the IRB on 15 March 2023, the IRB had, via its email on 16 March 2023, informed that they will review the documents submitted. The letters dated 3 November 2022 were re-submitted to IRB on 9 May 2023 upon request from the IRB. The potential liability of RM14,211.00 has been accrued in Nara Media's accounts for FYE 2022.

Premised on the above, our Board is of the view that the above matters will not have any material impact on the Regularisation Plan, financial and operations of our Group.

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INFORMATION ON iMEDIA GROUP

1. BACKGROUND INFORMATION ON iMEDIA

iMedia was incorporated in Malaysia on 23 October 2017 under the Act as a private limited company under the name of KL Internet City Sdn Bhd and subsequently adopted the name iMedia Asia Sdn Bhd on 11 November 2019. On 28 March 2023, iMedia became the wholly-owned subsidiary of Catcha Digital. Prior to the completion of the Acquisition and share transfer to Catcha Digital, iMedia was owned by Catcha Investments and iCreative with 54.00% and 46.00% equity interest, respectively.

iMedia was initially incorporated as a subsidiary of Catcha Investments to research and explore opportunities relating to the Kuala Lumpur Internet City project. The Kuala Lumpur Internet City project was part of the Digital Free Trade Zone (DFTZ) initiative, with Kuala Lumpur Internet City envisioned as a satellite services hub in Bandar Malaysia and a digital hub for global and local internet companies. KL Internet City Sdn Bhd became inactive in 2019 as opportunities did not arise from the Kuala Lumpur Internet City project in 2017 and 2018 respectively. Thus in 2020, iCreative and Catcha Investments decided to pursue opportunities in digital media marketing and advertising solutions, being a business that they saw growth opportunities and had prior experience. As such, the vehicle that was selected was KL Internet City Sdn Bhd, which was subsequently renamed to iMedia.

iMedia is an integrated digital media solutions provider, principally engaged in the business of online media advertising and social media marketing. It provides media advertising solutions, comprising digital media marketing and social influencer marketing.

In 2020, Voon Tze Khay together with co-founders Loh Ken Wei, Tee Choon Wee and Brian Alexis A/L Antonisamy proposed a new business model for iMedia to engage in technology, content development and social influencer marketing business. In the same year, iMedia acquired 80.00%, 51.00%, 60.00%, 90.00% and 60.00% equity interest in Oh Media, Ittify, Goody Technologies, Nara Media and Moretify, respectively. Following the completion of the said acquisitions (between August 2020 and January 2021), Oh Media, Ittify, Goody Technologies, Nara Media and Moretify became the subsidiaries of iMedia.

2. SHARE CAPITAL AND OPTIONS

As at the LPD, the issued share capital of iMedia is RM2,500 comprising 2,500 iMedia Shares. iMedia does not have any treasury shares or convertible securities.

As at the LPD, iMedia does not have any option available to subscribe.

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INFORMATION ON iMEDIA GROUP (cont'd)**3. BOARD OF DIRECTORS**

The board of directors of iMedia are as follows: -

Name	Age/Nationality	Designation	Address
Patrick YKin Grove	48/Australian	Non-Independent Non-Executive Director	37-22-3 Sri Penaga Condo, Jalan Medang Serai, Bukit Bandaraya Bangsar, 59100 Kuala Lumpur, Wilayah Persekutuan, Malaysia
Lucas Robert Elliott	47/Australian	Non-Independent Non-Executive Director	A-2-1 One Menerung, No 1, Jalan Menerung, Bukit Bandaraya Bangsar, 59100 Kuala Lumpur, Wilayah Persekutuan Malaysia
Voon Tze Khay	47/Malaysian	Executive Director/CEO	Five Stones, Block C 02-02, Jalan SS 2/72, 47300 Petaling Jaya, Selangor, Malaysia
Tee Choon Wee	46/Malaysian	Executive Director/Chief Financial Officer	No. 8, Jalan Kemuning Bayu 33/30C, Kemuning Utama, 40400 Shah Alam, Selangor, Malaysia

Please refer to Section 5 of Appendix I of this Abridged Prospectus for the shareholdings of the directors of iMedia.

4. SUBSTANTIAL SHAREHOLDER

As at the LPD, iMedia is a wholly-owned subsidiary of our Company.

5. SUBSIDIARY AND ASSOCIATED COMPANIES OF iMEDIA

As at the LPD, iMedia does not have any associated company. Please refer to Section 6 of Appendix I of this Abridged Prospectus for the details of the subsidiaries of iMedia.

INFORMATION ON iMEDIA GROUP (cont'd)**6. HISTORICAL FINANCIAL INFORMATION**

For information purposes, iMedia undertook the acquisitions of Oh Media, Ittify, Goody Technologies, Nara Media and Moretify since March 2020 to form a group of companies under iMedia Group and these acquisitions were completed between August 2020 and January 2021. Accordingly, the financial statements used in the preparation of the financial information for iMedia and its subsidiaries are based on the following: -

- (i) Pro forma financial statements based on iMedia and its subsidiaries' respective audited financial statements for the FYE 2020;
- (ii) Audited consolidated financial statements of iMedia Group for the FYEs 2021 and 2022; and
- (iii) Unaudited consolidated financial statements of iMedia Group for the FPE 2023 and FPE 2022.

The financial statements used in the preparation of the financial information (i) and (ii) above were prepared in accordance with the MFRS. Any adjustments which were dealt with when preparing the financial information have been highlighted and disclosed in the Accountants' Report as set out in Appendix IV of this Abridged Prospectus. The pro forma and consolidated statements of profit or loss, pro forma and consolidated statements of financial position and pro forma and consolidated statements of cash flow of iMedia Group for the past three (3) FYEs 2020 to 2022 were prepared for illustration purposes only, based on iMedia and its subsidiaries' respective audited financial statements for the relevant financial years under review and should be read in conjunction with the analysis of iMedia Group's financial information as set out in Sections 6.1 to 6.3 below and the Accountants' Report as set out in Appendix IV of this Abridged Prospectus.

6.1 Pro forma and consolidated statements of profit or loss

	Pro forma	Consolidated			
		Audited		Unaudited	
	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FPE 2022 (RM'000)	FPE 2023 (RM'000)
Revenue	11,554	22,746	30,168	7,658	8,987
COS	(4,261)	(7,213)	(8,484)	(2,256)	(2,156)
GP	7,293	15,533	21,684	5,402	6,831
Other income	272	52	24	4	64
Administrative expenses and other operating	(6,520)	(9,409)	(11,117)	(2,343)	(2,926)
Net losses on impairment of financial assets	(21)	(21)	(42)	9	10
Operating profit	1,024	6,155	10,549	3,072	3,979
Finance costs	(70)	(85)	(266)	(40)	(91)
PBT	954	6,070	10,283	3,032	3,888
Tax expenses	(502)	(1,560)	(2,602)	(593)	(780)
PAT	452	4,510	7,681	2,439	3,108
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	452	4,510	7,681	2,439	3,108
PAT/Total comprehensive income attributable to:					
Owners of the parent	N/A	3,658	6,392	1,958	2,491
Non-controlling interest	N/A	852	1,289	481	617
	N/A	4,510	7,681	2,439	3,108
Number of shares ('000)	374	3	3	3	3
GP margin (%)	63.12	68.29	71.88	70.54	76.01
PBT margin (%)	8.26	26.69	34.09	39.59	43.26
PAT margin (%)	3.91	19.83	25.46	31.85	34.58
Basic and diluted EPS (RM)	1.21	1,219.33	2,130.67	652.67	830.33

INFORMATION ON iMEDIA GROUP (cont'd)

Comparison between FYE 2020 and FYE 2021

iMedia Group's total revenue continued to improve from RM11.55 million in FYE 2020 to RM22.75 million in FYE 2021, recording a 96.97% growth or RM11.20 million. The revenue for the digital media marketing increased by RM9.23 million or 98.51% from RM9.37 million in FYE 2020 to RM18.60 million in FYE 2021 while social influencer marketing increased by RM1.97 million or 90.37% from RM2.18 million in FYE 2020 to RM4.15 million in FYE 2021.

The increase in the revenue of both the digital media marketing and social influencer marketing segment in FYE 2021 were due to the increase in spending per customer incurred by iMedia Group's key clients where the average spending for top five (5) clients for FYE 2021 is RM0.93 million as compared to RM0.40 million for FYE 2020, increase in number of new advertisers from 165 advertisers in FYE 2020 to 322 advertisers in FYE 2021, increase in advertising rates between 10% to 20% across all advertising products in FYE 2021 as compared to FYE 2020, introduction of new advertising products in FYE 2021, such as Facebook Nuggets and Photostories across iMedia's publisher Facebook pages, interactive Instagram filters and stickers across iMedia's publisher brands and a larger audience network arising from its newly acquired subsidiaries.

iMedia Group's total COS increased from RM4.26 million in FYE 2020 to RM7.21 million in FYE 2021, recording an increase of 69.25% or RM2.95 million mainly due to higher video production cost, boosting cost and revenue share cost to third party's partners; arising from advertising revenue generated by iMedia. In addition, total COS from Ittify also increased due to the increase of its cost of service (mainly influencers cost) arising from higher revenue growth in FYE 2021. As a group, iMedia Group continues to leverage on the business synergies across all its brands to provide customers a more complete product range. While the COVID-19 pandemic has affected a large number of industries, digital ADEX continues to be strong and thus has continued to fuel iMedia Group's growth. This was evidenced by iMedia Group's revenue which increased by 96.97% in FYE 2021 compared to FYE 2020.

Total GP of iMedia Group increased by 113.03% or RM8.24 million between FYE 2020 to FYE 2021. Digital media marketing remains the key contributor to iMedia Group's overall GP with 88.87% and 90.81% of the total GP for the FYE 2020 and FYE 2021. This is mainly contributed by overall revenue increase which is in line with iMedia Group's vision and strategy to combine and take advantage of the brand synergies and to offer customers a full range of products and services. The overall GP margin of social influencer marketing decreased by 2.81% from 37.20% in FYE 2020 to 34.39% in FYE 2021 mainly due to lower GP margin contribution by Ittify as a result of higher fee paid or payable to social influencers.

iMedia Group increased its PBT by 538.95% or RM5.12 million from FYE 2020 to FYE 2021. Digital media marketing remains the key contributor to iMedia Group's overall PBT which was 82.29% and 92.78% of the total PBT of the FYE 2020 and FYE 2021 respectively. The overall PBT margin of social influencer marketing increased by 2.81% from 7.74% in FYE 2020 to 10.55% in FYE 2021 mainly due to more effective campaigns execution via its Ittify mobile application.

Comparison between FYE 2021 and FYE 2022

iMedia Group's total revenue continued to improve from RM22.75 million in FYE 2021 to RM30.17 million in FYE 2022, recording a 32.62% growth or RM7.42 million. The revenue for the digital media marketing increased by RM6.85 million or 36.83% from RM18.60 million in FYE 2021 to RM25.45 million in FYE 2022 while social influencer marketing increased by RM0.57 million or 13.73% from RM4.15 million in FYE 2021 to RM4.72 million in FYE 2022.

INFORMATION ON iMEDIA GROUP (cont'd)

The increase in the revenue of both the digital media marketing and social influencer marketing segment in FYE 2022 were due to the increase in spending per customer incurred by iMedia Group's key clients where the average spending for top five (5) clients for FYE 2022 is RM1.03 million as compared to RM0.93 million for FYE 2021, introduction of iCanvas, a sub-division of iMedia, which contributed new revenue of RM1.12 million as client's social media management agency in FYE 2022, new omnichannel strategy that involves multiple marketing channels for specific client campaigns and new advertising products in FYE 2022, such as Facebook Banchan, TikTok and IG reels shortform videos and gamification content.

iMedia Group's total COS increased from RM7.21 million in FYE 2021 to RM8.48 million in FYE 2022, recording an increase of 17.61% or RM1.27 million mainly due to higher boosting cost and revenue share cost to third party's partners; arising from advertising revenue generated by iMedia. In addition, total COS from Ittify also increased due to the increase of its cost of service (mainly influencers cost) arising from higher revenue growth in FYE 2022. As a group, iMedia Group continues to leverage on the business synergies across all its brands to provide customers a more complete product range. While the COVID-19 pandemic has affected a large number of industries, digital ADEX continues to be strong and thus has continued to fuel iMedia Group's growth. This was evidenced by continuous growth in iMedia Group's revenue, which recorded an increase of 32.62% in FYE 2022 compared to FYE 2021.

Total GP of iMedia Group increased by 39.58% or RM6.15 million between FYE 2021 to FYE 2022. Digital media marketing remains the key contributor to iMedia Group's overall GP with 90.81% and 91.15% of the total GP for the FYE 2021 and FYE 2022, respectively. This is mainly contributed by overall revenue increase which is in line with iMedia Group's vision and strategy to combine and take advantage of the brand synergies and to offer customers a full range of products and services. The overall GP margin of social influencer marketing increased by 6.31% from 34.39% in FYE 2021 to 40.70% in FYE 2022 mainly due to higher GP margin contribution by Ittify as a result of lower growth of fee paid or payable to social influencers as compared to the revenue growth.

iMedia Group increased its PBT by 69.36% or RM4.21 million from FYE 2021 to FYE 2022. Digital media marketing remains the key contributor to iMedia Group's overall PBT which was 92.78% and 91.44% of the total PBT of the FYE 2021 and FYE 2022 respectively. The overall PBT margin of social influencer marketing increased by 8.03% from 10.55% in FYE 2021 to 18.58% in FYE 2022 mainly due to lower growth of fee paid or payable to social influencers as compared to the revenue growth as well as more stringent cost management of the business where the employee cost was controlled at similar level in FYE 2021 and FYE 2022 with higher revenue in FYE 2022.

Comparison between FPE 2022 and FPE 2023

iMedia Group's total revenue continued to improve from RM7.66 million in FPE 2022 to RM8.99 million in FPE 2023, recording a 17.36% growth or RM1.33 million. The revenue for the digital media marketing increased by RM1.38 million or 22.08% from RM6.25 million in FPE 2022 to RM7.63 million in FPE 2023 while social influencer marketing marginally decreased by RM0.05 million or 3.55% from RM1.41 million in FPE 2022 to RM1.36 million in FPE 2023.

The increase in the revenue for the digital media marketing segment in FPE 2023 was due to the higher value of advertising campaigns size incurred by iMedia Group's key clients where the average advertising campaigns size for top ten (10) clients for FPE 2023 is approximately RM16,000 as compared to approximately RM12,000 for FPE 2022; the introduction of iCanvas, a sub-division of iMedia in FYE 2022, which contributed new revenue of RM0.84 million as client's social media management agency in FPE 2023; expanding the use of omnichannel strategy that involves multiple marketing channels for specific client campaigns as well as improvising the advertising

INFORMATION ON iMEDIA GROUP (cont'd)

products launched in FYE 2022, such as Facebook Banchan, TikTok and IG reels shortform videos and gamification content.

The marginal decrease in the revenue for the social influencer marketing segment in FPE 2023 was due to the lower number of advertising campaign launches in FPE 2023 of 41 as compared to 58 in FPE 2022 despite a higher average advertising campaigns size of approximately RM33,000 for FPE 2023 as compared to approximately RM24,000 for FPE 2022.

iMedia Group's total COS decreased from RM2.26 million in FPE 2022 to RM2.16 million in FPE 2023, recording a marginal decrease of 4.42% or RM0.10 million mainly due to higher boosting cost and production cost which were offset against the lower revenue share cost to third party's partners; arising from higher advertising revenue generated by iMedia on its digital media marketing segment. Nevertheless, total COS from Ittify has decreased as a result of lower cost of service (mainly influencers cost) arising from the decrease of revenue in FPE 2023. As a group, iMedia Group continues to leverage on the business synergies across all its brands to provide customers a more complete product range. This was evidenced by continuous growth in iMedia Group's revenue, which recorded an increase of 17.36% in FPE 2023 as compared to FPE 2022.

Total GP of iMedia Group increased by 26.48% or RM1.43 million between FPE 2022 to FPE 2023. Digital media marketing remains the key contributor to iMedia Group's overall GP with 89.02% and 88.70% of the total GP for the FPE 2023 and FPE 2022, respectively. This is mainly contributed by overall revenue increase which is in line with iMedia Group's vision and strategy to combine and take advantage of the brand synergies and to offer customers a full range of products and services. The overall GP margin of social influencer marketing segment increased by 11.89% from 43.26% in FPE 2022 to 55.15% in FPE 2023 mainly due to higher GP margin contribution by Ittify as a result of lower cost of service (mainly influencers cost) arising from higher rate of decrease of fee paid or payable to social influencers as compared to the lower rate of decrease of its revenue.

iMedia Group increased its PBT by 28.38% or RM0.86 million in FPE 2023. Digital media marketing segment remains the key contributor to iMedia Group's overall PBT which was 87.66% and 88.45% of the total PBT of FPE 2023 and FPE 2022 respectively. The overall PBT margin of social influencer marketing segment increased by 10.47% from 24.82% in FPE 2022 to 35.29% in FPE 2023 which is in line with the improvement to the GP margin as explained above.

6.2 Pro forma and consolidated statements of financial position

	Pro forma	Consolidated			
		Audited		Unaudited	
	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FPE 2022 (RM'000)	FPE 2023 (RM'000)
Non-current assets	12,423	14,217	14,387	14,102	14,263
Current assets	6,541	11,395	17,347	14,035	17,431
TOTAL ASSETS	18,964	25,612	31,734	28,137	31,694
Invested equity	773	-	-	-	-
Share capital	-	3	3	3	3
Capital contribution reserve	-	-	-	-	753
Retained profit	1,159	4,403	10,795	6,361	13,286
	1,932	4,406	10,798	6,364	14,042
Non-controlling interests	-	3,976	5,265	4,456	5,882
TOTAL EQUITY	1,932	8,382	16,063	10,820	19,924

INFORMATION ON iMEDIA GROUP (cont'd)

	Pro forma	Consolidated			
		Audited		Unaudited	
	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FPE 2022 (RM'000)	FPE 2023 (RM'000)
Non-current liabilities	3,652	95	155	-	155
Current liabilities	13,380	17,135	15,516	17,317	11,615
TOTAL LIABILITIES	17,032	17,230	15,671	17,317	11,770
TOTAL EQUITY AND LIABILITIES	18,964	25,612	31,734	28,137	31,694

Comparison between FYE 2020 and FYE 2021

iMedia Group's growth continued to strengthen iMedia Group's financial position with an increase in trade receivables, contract assets and cash balances by RM3.56 million, RM0.78 million and RM0.56 million respectively resulting from increased revenue and profit.

As at 31 December 2021, the non-current other payables that related to the amount owing by iMedia to the vendors of Oh Media, Ittify, Goody Technologies, Nara Media and Moretify amounting to RM3.59 million has been reclassified as current other payables. Total liabilities between FYE 2020 and FYE 2021 increased by RM0.20 million primarily due to higher trade payables, contract liabilities and current tax liabilities offset by settlement of second tranche payments of RM2.04 million to the vendor(s) of Oh Media, Ittify and Goody Technologies and partial second tranche payments of RM126,000 to the vendors of Nara Media as well as settlement of the borrowings amounted to RM0.37 million. This is in line with the overall improved financial performance of iMedia Group for FYE 2021.

Comparison between FYE 2021 and FYE 2022

iMedia Group's growth continued to strengthen iMedia Group's financial position with an increase in trade and other receivables and contract assets by RM4.31 million and RM2.52 million respectively and offset by lower cash balances by RM0.87 million resulting from increased revenue and profit.

As at 31 December 2022, total liabilities between FYE 2021 and FYE 2022 decreased by RM1.56 million primarily due to lower trade and other payable arising from the settlement of second tranche payments of RM2.28 million to the vendor(s) of Moretify and Nara Media as well as partial final tranche payments of RM1.42 million to the vendors of Goody Technologies and Nara Media offset by higher contract liabilities, current tax liabilities and lease liabilities. This is in line with the overall improved financial performance of iMedia Group for FYE 2022.

Comparison between FPE 2022 and FPE 2023

iMedia Group's growth continued to strengthen its financial position with an increase in trade and other receivables, contract assets and amount due from our Company by RM2.19 million, RM1.15 million and RM1.20 million respectively and offset by lower cash balances by RM1.15 million resulting from increased revenue and profit.

As at 31 March 2023, total liabilities decreased by RM5.55 million primarily due to lower trade and other payables arising from the settlements of the final tranche payments of RM3.30 million to the vendors of Oh Media, Ittify, Goody Technologies and Nara Media and the partial final tranche payments of RM0.18 million to the vendor of Moretify as well as repayment of advances to iCreative and Catcha Investments (both being iMedia's shareholders and related party) amounted to RM1.65 million; offset by higher current tax liabilities and lease liabilities. This is in line with the overall improved financial performance of iMedia Group for FPE 2023.

INFORMATION ON iMEDIA GROUP (cont'd)**6.3 Pro forma and consolidated statements of cash flow**

	Pro forma	Consolidated			
		Audited		Unaudited	
	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FPE 2022 (RM'000)	FPE 2023 (RM'000)
Net cash from operating activities	10,120	4,256	6,580	2,673	1,043
Net cash used in investing activities	(11,651)	(2,261)	(3,915)	(2,183)	(784)
Net cash from/(used in) financing activities	3,498	(1,432)	(3,537)	1,625	1,578
Net increase/(decrease) in cash and cash equivalents	1,967	563	(872)	2,115	1,837
Cash and cash equivalents at beginning of financial year/period	476	2,443	3,006	3,006	2,134
Cash and cash equivalents at end of financial year/period	2,443	3,006	2,134	5,121	3,971

FYE 2020**(i) Net cash from operating activities**

In FYE 2020, iMedia Group recorded net cash from operating activities of RM10.12 million which was mainly due to the increase in the payable amounts to the vendors arising from the acquisitions of Oh Media, Ittify, Goody Technologies, Nara Media and Moretify during the financial year amounted to RM8.22 million and improved net cash inflow from iMedia Group amounted to RM1.47 million arising from higher operating profit generated during the financial year.

(ii) Net cash used in investing activities

In FYE 2020, iMedia Group recorded net cash used in investing activities of RM11.65 million which was mainly due to net cash outflow arising from the acquisitions of Oh Media, Ittify, Goody Technologies, Nara Media and Moretify during the financial year amounted to RM11.48 million.

(iii) Net cash from financing activities

In FYE 2020, iMedia Group recorded net cash used in financing activities of RM3.50 million which was mainly due to the net cash inflow from the advances of iMedia's shareholders during the financial year amounted to RM3.51 million.

INFORMATION ON iMEDIA GROUP (cont'd)

FYE 2021**(i) Net cash from operating activities**

In FYE 2020, net cash from operating activities stood at RM10.12 million, of which RM8.22 million was mainly due to the increase in the payable amounts to the vendors arising from the acquisitions of Oh Media, Ittify, Goody Technologies, Nara Media and Moretify during the financial year. Excluding this one-off item, iMedia Group recorded improved net cash inflow amounted to RM2.36 million arising from higher operating profit generated in FYE 2021.

(ii) Net cash used in investing activities

In FYE 2020, net cash used in investing activities stood at RM11.65 million, of which RM11.48 million was mainly due to net cash outflow arising from the acquisitions of Oh Media, Ittify, Goody Technologies, Nara Media and Moretify during the financial year. Excluding this one-off item, iMedia Group recorded higher net cash used in investing activities in FYE 2021 by RM2.09 million which was mainly due to the second tranche payments to the vendor(s) of Oh Media, Ittify and Goody Technologies totalling RM2.04 million, partial second tranche payments to the vendors of Nara Media totalling RM126,000 and the purchase of equipment.

(iii) Net cash used in financing activities

In FYE 2021, iMedia Group recorded net cash used in financing activities of RM1.43 million mainly due to net repayment to iMedia's shareholders amounted to RM0.64 million, full settlement of Nara Media's term loan amounted to RM0.37 million as well as payment of lease liabilities amounted to RM0.41 million.

FYE 2022**(i) Net cash from operating activities**

In FYE 2022, iMedia Group recorded an improved net cash from operating activities of RM6.58 million mainly due to higher operating profit generated in FYE 2022.

(ii) Net cash used in investing activities

In FYE 2022, iMedia Group recorded higher net cash used in investing activities of RM3.92 million mainly due to the settlement of second tranche payments of RM2.28 million to the vendor(s) of Moretify and Nara Media as well as partial final tranche payments of RM1.42 million to the vendors of Goody Technologies and Nara Media as well as the purchase of equipment.

(iii) Net cash used in financing activities

In FYE 2022, iMedia Group recorded net cash used in financing activities of RM3.54 million mainly due to net advances to iCreative and Catcha Investments (both being iMedia's shareholders and related party) amounted to RM2.87 million for respective short-term working capital purposes and the payment of lease liabilities amounted to RM0.41 million.

INFORMATION ON iMEDIA GROUP (cont'd)

FPE 2023**(i) Net cash from operating activities**

In FPE 2023, iMedia Group recorded lower net cash from operating activities of RM1.04 million mainly due to higher operating profit generated in FPE 2023 offset against higher payment of trade and other payables and current tax liabilities.

(ii) Net cash used in investing activities

In FPE 2023, iMedia Group recorded lower net cash used in investing activities of RM0.78 million mainly due to the settlement of final tranche payments of RM0.58 million to the vendors of Nara Media and partial final tranche payments of RM0.18 million to the vendor of Moretify as well as the purchase of equipment.

(iii) Net cash from financing activities

In FPE 2023, iMedia Group recorded lower net cash from financing activities of RM1.58 million mainly due to cash inflow arising from the repayment of advances from iCreative and Catcha Investments (both being iMedia's shareholders and related party) amounted to RM3.00 million (as disclosed in Sections 9.2(e) and (f) of this Abridged Prospectus) offset against cash outflows arising from the advances to our Company of RM1.20 million for our short-term working capital purposes and the payment of lease liabilities amounted to RM0.14 million.

7. BORROWINGS

Please refer to Section 9.2 of this Abridged Prospectus for further details.

8. CONTINGENT LIABILITIES

Please refer to Section 9.3 of this Abridged Prospectus.

9. MATERIAL COMMITMENTS

Please refer to Section 9.4 of this Abridged Prospectus.

10. MATERIAL CONTRACTS

Please refer to Section 9 of Appendix I of this Abridged Prospectus for further details.

11. MATERIAL LITIGATION

Please refer to Section 10 of Appendix I of this Abridged Prospectus for further details.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CATCHA DIGITAL AS AT 31 MARCH 2023 WITH THE REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON



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 Malaysia

The Board of Directors
Catcha Digital Berhad
 12th Floor, Menara Symphony
 No. 5, Jalan Professor Khoo Kay Kim,
 Seksyen 13, 46200 Petaling Jaya,
 Selangor Darul Ehsan Malaysia.

Date: 16 June 2023

Our ref: BDO/AN/TKY

Dear Sirs

Catcha Digital Berhad (“Catcha Digital” or “the Company”) and its subsidiaries (“Catcha Digital Group” or “the Group”)
Report on the Compilation of Pro Forma Consolidated Statements of Financial Position as at 31 March 2023

We have completed our assurance engagement to report on the compilation of Pro Forma Consolidated Statements of Financial Position of the Group prepared by the Board of Directors of the Company (“Board of Directors”). The Pro Forma Consolidated Statements of Financial Position as at 31 March 2023 together with the accompanying notes thereon, for which we have stamped for purpose of identification only, have been prepared for inclusion in the Abridged Prospectus to the shareholders of Catcha Digital in connection with the renounceable rights issue of up to 174,640,020 new ordinary shares in Catcha Digital (“Abridged Prospectus”).

The renounceable rights issue entails the issuance of up to 174,640,020 new ordinary shares in Catcha Digital (“Catcha Digital Share(s)”) (“Rights Share(s)”) on the basis of one (1) Rights Share for every one (1) existing Catcha Digital Share held by the entitled shareholders at an issue price of RM0.235 per Rights Share.

The applicable criteria on the basis of which the Board of Directors has compiled the Pro Forma Consolidated Statements of Financial Position are described in notes to the Pro Forma Consolidated Statements of Financial Position.

The Pro Forma Consolidated Statements of Financial Position have been compiled by the Board of Directors for illustrative purposes only, to illustrate the impact of the transactions as set out in notes to the Pro Forma Consolidated Statements of Financial Position on the Group’s financial position as at 31 March 2023 had the transactions been effected as at 31 March 2023. As part of this process, information about the financial position of the Group has been extracted by the Board of Directors from the unaudited consolidated financial statements of Catcha Digital for the financial period ended 31 March 2023, which have been announced in Bursa Malaysia Securities Berhad on 31 May 2023.

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

The Board of Directors is solely responsible for compiling the Pro Forma Consolidated Statements of Financial Position as at 31 March 2023 and the related notes on the basis as described in notes to the Pro Forma Consolidated Statements of Financial Position.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CATCHA DIGITAL AS AT 31 MARCH 2023 WITH THE REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

**Reporting Accountants' Independence and Quality Management**

We have complied with the independence and other ethical requirements of the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Information, and Other Assurance and Related Services Engagements* and accordingly, the firm is required to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion, about whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, by the Board of Directors on the basis described in notes to the Pro Forma Consolidated Statements of Financial Position.

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

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

The purpose of Pro Forma Consolidated Statements of Financial Position included in the Abridged Prospectus is solely to illustrate the impact of significant events or transactions on unadjusted statements of financial position of the entity as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions as at 31 March 2023, would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis set out in notes to the Pro Forma Consolidated Statements of Financial Position involves performing procedures to assess whether the applicable criteria on the basis used by the Board of Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related Pro Forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statements of Financial Position reflect the proper application of those adjustments to the unadjusted statements of financial position.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CATCHA DIGITAL AS AT 31 MARCH 2023 WITH THE REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)



Reporting Accountants' Responsibility (continued)

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

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

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

Opinion

In our opinion, the Pro Forma Consolidated Statements of Financial Position of the Group have been compiled, in all material respects, on the basis described in notes to the Pro Forma Consolidated Statements of Financial Position.

Other Matter

This report has been prepared solely for the purpose stated above, in connection with the renounceable rights issue of new ordinary shares in Catcha Digital. As such, this report should not be used for any other purpose without our prior written consent. Neither the Firm nor any member or employee of the Firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'BDO PLT'.

BDO PLT
201906000013 (LLP0018825-LCA & AF 0206)
Chartered Accountants

Kuala Lumpur
16 June 2023

A handwritten signature in black ink, appearing to read 'Ng Soe Kei'.

Ng Soe Kei
02982/08/2023 J
Chartered Accountant

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CATCHA DIGITAL AS AT 31 MARCH 2023 WITH THE REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

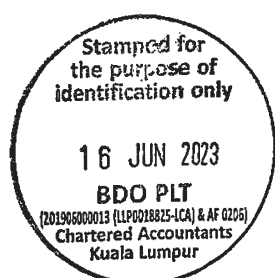
*Catcha Digital Berhad (Registration No. 201001033020 (916943-W))
Pro Forma Consolidated Statements of Financial Position*

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023

The Pro Forma Consolidated Statements of Financial Position ("SOFP") of the Group as at 31 March 2023 have been prepared for illustrative purposes only to show the effects on the unaudited SOFP of Catcha Digital as at 31 March 2023 based on the assumptions that the proposals as set out in Note 1 had been effected on 31 March 2023.

Scenario 1*

	Note	Unaudited [#] as at 31 March 2023 RM'000	Adjustment I RM'000	Pro Forma I RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	3	267	-	267
Right-of-use assets	4	503	-	503
Intangible assets	5	41,061	-	41,061
		41,831	-	41,831
Current assets				
Trade and other receivables	6	9,124	-	9,124
Contract assets	7	3,142	-	3,142
Current tax assets	8	19	-	19
Cash and cash equivalents	9	5,138	18,000	23,138
		17,423	18,000	35,423
TOTAL ASSETS		<u>59,254</u>	<u>18,000</u>	<u>77,254</u>
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	10	29,333	18,000	47,333
Accumulated losses	11	(6,205)	(2,500)	(8,705)
Shareholders' fund/ Net assets		23,128	15,500	38,628
Non-controlling interest	12	5,882	-	5,882
TOTAL EQUITY		29,010	15,500	44,510
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	17	25	-	25
Lease liabilities	14	130	-	130
		155	-	155



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CATCHA DIGITAL AS AT 31 MARCH 2023 WITH THE REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

*Catcha Digital Berhad (Registration No. 201001033020 (916943-W))
Pro Forma Consolidated Statements of Financial Position*

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023
(continued)**

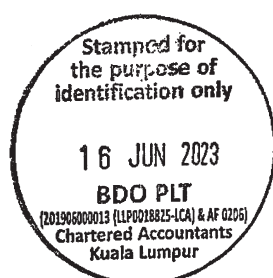
The Pro Forma Consolidated Statements of Financial Position ("SOFP") of the Group as at 31 March 2023 have been prepared for illustrative purposes only to show the effects on the unaudited SOFP of Catcha Digital as at 31 March 2023 based on the assumptions that the proposals as set out in Note 1 had been effected on 31 March 2023. (continued)

Scenario 1*

	Note	Unaudited [#] as at 31 March 2023 RM'000	Adjustment I RM'000	Pro Forma I RM'000
Current liabilities				
Trade and other payables	13	25,844	2,500	28,344
Contract liabilities	15	2,284	-	2,284
Current tax liabilities	16	1,582	-	1,582
Lease liabilities	14	379	-	379
		<u>30,089</u>	<u>2,500</u>	<u>32,589</u>
TOTAL LIABILITIES		<u>30,244</u>	<u>2,500</u>	<u>32,744</u>
TOTAL EQUITY AND LIABILITIES		<u>59,254</u>	<u>18,000</u>	<u>77,254</u>
Net assets (RM'000)		23,128		38,628
Number of ordinary shares assumed in issue ('000)		225,653		302,249
Net assets attributable to equity holders per ordinary share (RM)		0.10		0.13

* prepared in accordance with Paragraph 5.15(a), Division 5, Part II of the Prospectus Guidelines issued by Securities Commission Malaysia.

[#] based on the announced unaudited quarterly financial results for the period ended 31 March 2023 and in accordance with Chapter 5 of the Prospectus Guidelines (Para 5.13) of Securities Commission Malaysia.



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CATCHA DIGITAL AS AT 31 MARCH 2023 WITH THE REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

Catcha Digital Berhad (Registration No. 201001033020 (916943-W))
Pro Forma Consolidated Statements of Financial Position

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023 (continued)

The Pro Forma Consolidated Statements of Financial Position ("SOFP") of the Group as at 31 March 2023 have been prepared for illustrative purposes only to show the effects on the unaudited SOFP of Catcha Digital as at 31 March 2023 based on the assumptions that the proposals as set out in Note 1 had been effected on 31 March 2023. (continued)

Scenario 2*

	Note	Unaudited# as at 31 March 2023 RM'000	Adjustment I RM'000	Pro Forma I RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	3	267	-	267
Right-of-use assets	4	503	-	503
Intangible assets	5	41,061	-	41,061
		41,831	-	41,831
Current assets				
Trade and other receivables	6	9,124	-	9,124
Contract assets	7	3,142	-	3,142
Current tax assets	8	19	-	19
Cash and cash equivalents	9	5,138	41,040	46,178
		17,423	41,040	58,463
TOTAL ASSETS		<u>59,254</u>	<u>41,040</u>	<u>100,294</u>
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	10	29,333	41,040	70,373
Accumulated losses	11	(6,205)	(2,500)	(8,705)
Shareholders' fund/ Net assets		23,128	38,540	61,668
Non-controlling interest	12	5,882	-	5,882
TOTAL EQUITY		29,010	38,540	67,550
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	17	25	-	25
Lease liabilities	14	130	-	130
		155	-	155



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CATCHA DIGITAL AS AT 31 MARCH 2023 WITH THE REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

*Catcha Digital Berhad (Registration No. 201001033020 (916943-W))
Pro Forma Consolidated Statements of Financial Position*

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023
(continued)**

The Pro Forma Consolidated Statements of Financial Position ("SOFP") of the Group as at 31 March 2023 have been prepared for illustrative purposes only to show the effects on the unaudited SOFP of Catcha Digital as at 31 March 2023 based on the assumptions that the proposals as set out in Note 1 had been effected on 31 March 2023. (continued)

Scenario 2*

	Note	Unaudited [#] as at 31 March 2023 RM'000	Adjustment I RM'000	Pro Forma I RM'000
Current liabilities				
Trade and other payables	13	25,844	2,500	28,344
Contract liabilities	15	2,284	-	2,284
Current tax liabilities	16	1,582	-	1,582
Lease liabilities	14	379	-	379
		<u>30,089</u>	<u>2,500</u>	<u>32,589</u>
TOTAL LIABILITIES		<u>30,244</u>	<u>2,500</u>	<u>32,744</u>
TOTAL EQUITY AND LIABILITIES		<u>59,254</u>	<u>41,040</u>	<u>100,294</u>
Net assets (RM'000)		23,128		61,668
Number of ordinary shares assumed in issue ('000)		225,653		400,293
Net assets attributable to equity holders per ordinary share (RM)		0.10		0.15

* prepared in accordance with Paragraph 5.15(a), Division 5, Part II of the Prospectus Guidelines issued by Securities Commission Malaysia.

[#] based on the announced unaudited quarterly financial results for the period ended 31 March 2023 and in accordance with Chapter 5 of the Prospectus Guidelines (Para 5.13) of Securities Commission Malaysia.



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CATCHA DIGITAL AS AT 31 MARCH 2023 WITH THE REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

*Catcha Digital Berhad (Registration No. 201001033020 (916943-W))
Pro Forma Consolidated Statements of Financial Position*

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

1. BASIS OF PREPARATION

The Pro Forma Consolidated Statements of Financial Position as at 31 March 2023, for which the Directors of Catcha Digital are solely responsible, were prepared to illustrate the effects of the proposal mentioned below on the unaudited consolidated statements of financial position of the Group as at 31 March 2023 on the assumption that such proposal was effected on 31 March 2023, and should be read in conjunction with the Notes in this section.

The Pro Forma Consolidated Statements of Financial Position as at 31 March 2023 together with the Notes were prepared in a manner consistent with both the format of the financial statements and accounting policies adopted by the Group for its unaudited consolidated financial statements for the financial period ended 31 March 2023, which were prepared in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

The Company is undertaking a renounceable rights issue of up to 174,640,020 new ordinary shares in Catcha Digital ("Catcha Digital Share(s)") ("Rights Share(s)") on the basis of one (1) Rights Share for every one (1) existing Catcha Digital Share held by the entitled shareholders at an issue price of RM0.235 per Rights Share ("Rights Issue").

The Pro Forma Consolidated Statements of Financial Position have been prepared for illustrative purposes only. Such information, because of its nature, does not give a true picture of the effects of the Rights Issue on the financial position of the Group, had the transactions or events occurred on 31 March 2023. Further, such information does not purport to predict the Group's future financial position.

The Pro Forma Consolidated Statements of Financial Position of the Group are presented in two (2) scenarios and were prepared for illustrative purposes assuming assumptions that the Rights Issue was effected on that date, as follows:

Scenario 1

Scenario 1 assumes minimum level of funds amounting to RM18,000,000 required to be raised from the Rights Issue based on the irrevocable and unconditional undertaking from the Catcha Group Pte Ltd to subscribe in full for its entitlement and excess application for the Rights Shares.

Scenario 2

Scenario 2 assumes all entitled shareholders subscribe for their rights entitlements pursuant to the Rights Issue.

2. PRO FORMA ADJUSTMENTS TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

2.1 SCENARIO 1

PRO FORMA I

Pro forma I is stated after the following: ("Adjustment I")

- (i) minimum subscription level for the Rights Issue; and
- (ii) estimated expenses of RM2.50 million for the Regularisation Plan.

2.2 SCENARIO 2

PRO FORMA I

Pro forma I is stated after the following: ("Adjustment I")

- (i) all entitled shareholders subscribe the Rights Issue; and
- (ii) estimated expenses of RM2.50 million for the Regularisation Plan.



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CATCHA DIGITAL AS AT 31 MARCH 2023 WITH THE REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

*Catcha Digital Berhad (Registration No. 201001033020 (916943-W))
Pro Forma Consolidated Statements of Financial Position*

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

3 PROPERTY, PLANT AND EQUIPMENT

Scenario 1 and Scenario 2

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

	RM'000
As at 31 March 2023	267
Adjustment for the Rights Issue	-
Pro Forma I	267

4 RIGHT-OF-USE ASSETS

Scenario 1 and Scenario 2

The movements of right-of-use assets are as follows:

	RM'000
As at 31 March 2023	503
Adjustment for the Rights Issue	-
Pro Forma I	503

5 INTANGIBLE ASSETS

Scenario 1 and Scenario 2

The movements of intangible assets are as follows:

	RM'000
As at 31 March 2023	41,061
Adjustment for the Rights Issue	-
Pro Forma I	41,061

The intangible assets comprise of the following:

	RM'000
Goodwill from iMedia Asia Sdn. Bhd.	4,370
Provisional goodwill arising from the acquisition of iMedia Asia Sdn. Bhd.	27,567
Brand name	9,053
Software	71
	41,061



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CATCHA DIGITAL AS AT 31 MARCH 2023 WITH THE REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

Catcha Digital Berhad (Registration No. 201001033020 (916943-W))
Pro Forma Consolidated Statements of Financial Position

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

5 INTANGIBLE ASSETS

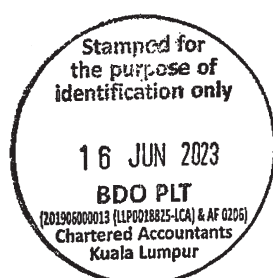
The details of the goodwill arising from the acquisition of iMedia Asia Sdn. Bhd. are as follows:

	RM'000	RM'000
Property, plant and equipment		268
Right-of-use assets		538
Intangible assets		
- Software	73	
- Brand name	9,053	
- Goodwill	4,370	
		13,496
Trade and other receivables		8,177
Contract assets		4,305
Cash and cash equivalents		3,632
Lease liabilities		(542)
Trade and other payables		(2,480)
Contract liabilities		(3,758)
Current tax liabilities		(1,494)
Deferred tax liabilities		(25)
Total identifiable net assets		22,117
Provisional goodwill		27,567
Non-controlling interest		(5,761)
Purchase consideration #		43,923

Details breakdown of the purchase consideration:

	Via cash payment (RM)	Via issuance of new Catcha Digital Shares		Total consideration (RM)
		No. of new Catcha Digital Shares issued	Value of new Catcha Digital Shares (RM)	
Purchase Consideration	-	40,000,000	10,000,000	10,000,000
First Hurdle Payment	9,000,000	24,000,000	6,000,000	15,000,000
Second Hurdle Payment	9,000,000	24,000,000	6,000,000	15,000,000
50% of the total purchase consideration for each Additional Acquisition	3,169,200	3,013,200	753,300	3,922,500
Total	21,169,200	91,013,200	22,753,300	43,922,500

A Purchase Price Allocation (“PPA”) exercise will be conducted within 12 months period from 1 March 2023.



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CATCHA DIGITAL AS AT 31 MARCH 2023 WITH THE REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

Catcha Digital Berhad (Registration No. 201001033020 (916943-W))
Pro Forma Consolidated Statements of Financial Position

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

6 TRADE AND OTHER RECEIVABLES

Scenario 1 and Scenario 2

The movements of trade and other receivables are as follows:

	RM'000
As at 31 March 2023	9,124
Adjustment for the Rights Issue	-
Pro Forma I	9,124

7 CONTRACT ASSETS

Scenario 1 and Scenario 2

The movements of contract assets are as follows:

	RM'000
As at 31 March 2023	3,142
Adjustment for the Rights Issue	-
Pro Forma I	3,142

8 CURRENT TAX ASSETS

Scenario 1 and Scenario 2

The movements of current tax assets are as follows:

	RM'000
As at 31 March 2023	19
Adjustment for the Rights Issue	-
Pro Forma I	19

9 CASH AND CASH EQUIVALENTS

Scenario 1

The movements of cash and cash equivalents are as follows:

	RM'000
As at 31 March 2023	5,138
Adjustment for the proceeds from Rights Issue	18,000 ⁽¹⁾
Pro Forma I	23,138



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CATCHA DIGITAL AS AT 31 MARCH 2023 WITH THE REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

*Catcha Digital Berhad (Registration No. 201001033020 (916943-W))
Pro Forma Consolidated Statements of Financial Position*

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

9 CASH AND CASH EQUIVALENTS (continued)

Scenario 2

The movements of cash and cash equivalents are as follows:

	RM'000
As at 31 March 2023	5,138
Adjustment for the proceeds from Rights Issue	41,040 ⁽¹⁾
Pro Forma I	46,178

(1) Based on the issue price of RM0.235 per Rights Share.

10 SHARE CAPITAL

Scenario 1

The movements of share capital are as follows:

	RM'000
As at 31 March 2023	29,333
Adjustment for the Rights Issue	18,000 ⁽¹⁾
Pro Forma I	47,333

Scenario 2

The movements of share capital are as follows:

	RM'000
As at 31 March 2023	29,333
Adjustment for the Rights Issue	41,040 ⁽¹⁾
Pro Forma I	70,373

(1) Based on the issue price of RM0.235 per Rights Share.

11 ACCUMULATED LOSSES

Scenario 1 and Scenario 2

The movements of reserves are as follows:

	RM'000
As at 31 March 2023	(6,205)
Adjustment for estimated expenses of RM2.50 million for the Regularisation Plan	(2,500)
Pro Forma I	(8,705)



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CATCHA DIGITAL AS AT 31 MARCH 2023 WITH THE REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

Catcha Digital Berhad (Registration No. 201001033020 (916943-W))
Pro Forma Consolidated Statements of Financial Position

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

12 NON-CONTROLLING INTEREST

Scenario 1 and Scenario 2

The movements of minority interest are as follows:

	RM'000
As at 31 March 2023	5,882
Adjustment for the Rights Issue	-
Pro Forma I	5,882

13 TRADE AND OTHER PAYABLES

Scenario 1 and Scenario 2

The movements of trade and other payables are as follows:

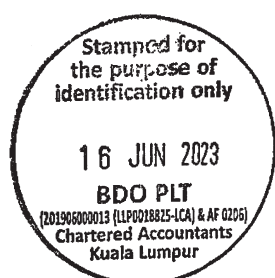
	RM'000
As at 31 March 2023	25,844
Adjustment for estimated expenses of RM2.50 million for the Regularisation Plan	2,500
Pro Forma I	28,344

14 LEASE LIABILITIES

Scenario 1 and Scenario 2

The movements of lease liabilities are as follows:

	RM'000
Non-current lease liabilities	
As at 31 March 2023	130
Adjustment for the Rights Issue	-
Pro Forma I	130
Current lease liabilities	
As at 31 March 2023	379
Adjustment for the Rights Issue	-
Pro Forma I	379



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CATCHA DIGITAL AS AT 31 MARCH 2023 WITH THE REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

*Catcha Digital Berhad (Registration No. 201001033020 (916943-W))
Pro Forma Consolidated Statements of Financial Position*

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

15 CONTRACT LIABILITIES

Scenario 1 and Scenario 2

The movements of contract liabilities are as follows:

	RM'000
As at 31 March 2023	2,284
Adjustment for the Rights Issue	-
Pro Forma I	2,284

16 CURRENT TAX LIABILITIES

Scenario 1 and Scenario 2

The movements of current tax liabilities are as follows:

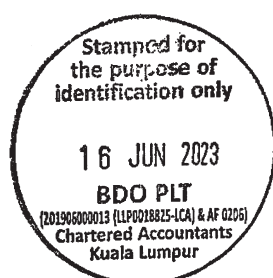
	RM'000
As at 31 March 2023	1,582
Adjustment for the Rights Issue	-
Pro Forma I	1,582

17 DEFERRED TAX LIABILITIES

Scenario 1 and Scenario 2

The movements of deferred tax liabilities are as follows:

	RM'000
As at 31 March 2023	25
Adjustment for the Rights Issue	-
Pro Forma I	25



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CATCHA DIGITAL AS AT 31 MARCH 2023 WITH THE REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

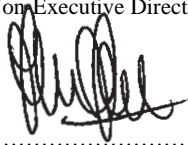
*Catcha Digital Berhad (Registration No. 201001033020 (916943-W))
Pro Forma Consolidated Statements of Financial Position*

APPROVAL BY THE BOARD OF DIRECTORS

The Pro Forma Consolidated Statements of Financial Position have been approved and adopted by the Board of Directors in accordance with a resolution dated **16 June 2023**.



.....
Lucas Robert Elliott
Non-Independent Non-Executive Director



.....
Wan Mohd Firdaus Bin Wan Mohd Fuaad
Independent Non-Executive Director
16 June 2023

ACCOUNTANTS' REPORT ON iMEDIA GROUP



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BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Malaysia

The Board of Directors
Catcha Digital Berhad
12th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan Malaysia.

Date: 16 June 2023

Our ref: BDO/AN/TKY

Dear Sirs

REPORTING ACCOUNTANTS' OPINION ON THE FINANCIAL INFORMATION CONTAINED IN THE ACCOUNTANTS' REPORT OF iMEDIA ASIA SDN. BHD. AND ITS SUBSIDIARIES

Opinion

We have audited the financial information of iMedia Asia Sdn. Bhd. ("iMedia"), Oh Media Sdn. Bhd. ("Oh Media"), Ittify Sdn. Bhd. ("Ittify"), Goody Technologies Sdn. Bhd. ("Goody Technologies"), Nara Media Sdn. Bhd. ("Nara Media") and Moretify Sdn. Bhd. ("Moretify") ("iMedia and its subsidiaries"), which comprise the statements of financial position as at 31 December 2020, 31 December 2021 and 31 December 2022 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of iMedia and its subsidiaries for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022, and notes to this Report, including a summary of significant accounting policies as set out in this report.

This report is prepared solely to comply with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and Prospectus Guidelines issued by the Securities Commission Malaysia ("SC") and for the inclusion in the Abridged Prospectus to the shareholders of Catcha Digital Berhad ("Catcha Digital") in connection with the renounceable rights issue of up to 174,640,020 new ordinary shares in Catcha Digital and for no other purpose. We do not assume responsibility to any other person for the content of this report.

The renounceable rights issue of up to 174,640,020 new ordinary shares in Catcha Digital ("Catcha Digital Share(s)") ("Rights Share(s)") on the basis of one (1) rights share for every one (1) existing Catcha Digital Share held by the entitled shareholders at an issue price of RM0.235 per Rights Share.

In our opinion, the financial information, give a true and fair view of the financial position of iMedia and its subsidiaries as at 31 December 2020, 31 December 2021 and 31 December 2022 and of their financial performance and their cash flows for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022 in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs").

ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

**Basis for Opinion**

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the *Reporting Accountants’ Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of iMedia and its subsidiaries in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants* (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Directors’ Responsibility for the Financial Statements

The Directors of iMedia and its subsidiaries are responsible for the preparation of financial statements of iMedia and its subsidiaries that give a true and fair view in accordance with MFRSs and IFRSs. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of iMedia and its subsidiaries that are free from material misstatement, whether due to fraud or error.

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

Reporting Accountants’ Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of iMedia and its subsidiaries as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements of iMedia and its subsidiaries, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

**Reporting Accountants' Responsibilities for the Audit of the Financial Statements (continued)**

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (continued):

- b) Obtain an understanding of internal control relevant to the audit 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 internal control of iMedia and its subsidiaries.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of iMedia and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of iMedia and its subsidiaries or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause iMedia and its subsidiaries to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements of iMedia and its subsidiaries, including the disclosures, and whether the financial statements of iMedia and its subsidiaries represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within iMedia and its subsidiaries to express an opinion on the financial statements of iMedia and its subsidiaries. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
16 June 2023

Ng Soe Kei
02982/08/2023 J
Chartered Accountant

ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

1. DETAILS OF THE RENOUNCEABLE RIGHTS ISSUE OF CATCHA DIGITAL BERHAD'S SHARE

The renounceable rights issue of up to 174,640,020 new ordinary shares in Catcha Digital ("Catcha Digital Share(s)") ("Rights Share(s)") on the basis of one (1) rights share for every one (1) existing Catcha Digital Share held by the entitled shareholders at an issue price of RM0.235 per Rights Share.

2. GENERAL INFORMATION OF IMEDIA**2.1 CORPORATE INFORMATION**

iMedia is a private limited liability company, incorporated and domiciled in Malaysia.

The registered office of iMedia is located at 12th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor.

The principal place of business of iMedia is located at Co-labs Coworking, The Starling, Level 4, The Starling Mall, No. 6, Jalan SS21/37, Damansara Utama, 47400 Petaling Jaya, Selangor.

With effect from 7 March 2023, the Directors regard Catcha Digital Berhad as the immediate holding company, a company incorporated and domiciled in Malaysia and listed in the ACE Market of Bursa Malaysia Securities Berhad and Catcha Group Pte. Ltd., a company incorporated in Singapore of the ultimate holding company.

iMedia is a subsidiary of Catcha Investment Ltd., a company incorporated in British Virgin Island, which is also regarded by the Directors as the ultimate holding company.

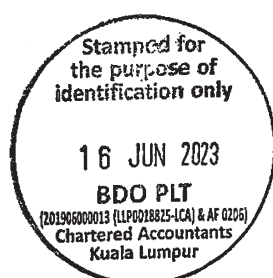
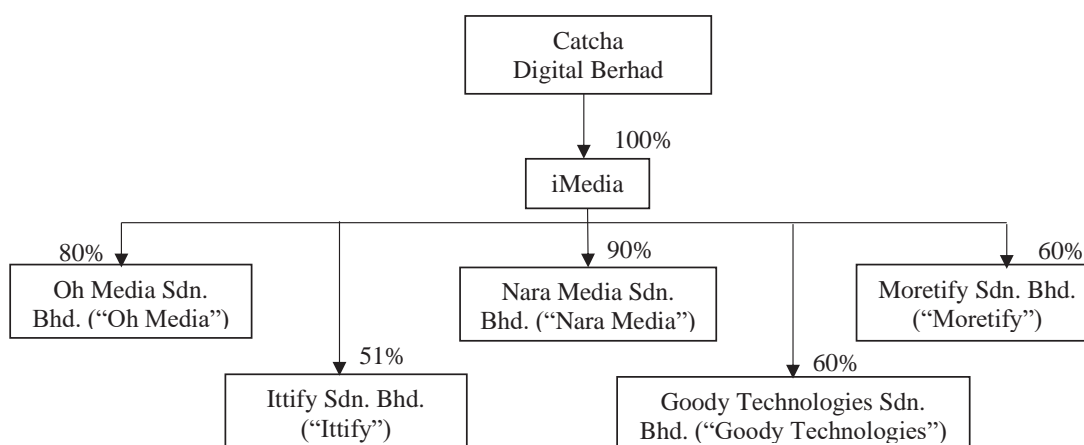
These Reports are presented in Ringgit Malaysia ('RM'), which is also the functional currency of iMedia.

2.2 PRINCIPAL ACTIVITIES

iMedia is principally engaged in the online media advertising and social media marketing. There have been no significant changes in the nature of these principal activities during the FYE 31 December 2022.

2.3 CORPORATE STRUCTURE

As at the date of this Report, the corporate structure of iMedia is as follows:



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

3. SUBSIDIARIES

As at the date of this Report, the subsidiary companies of iMedia are as follows:

Name of subsidiary companies /Registration number	Date/Country of incorporation	Effective equity interest (%)	Date of acquisition	Principal activities
Oh Media/ 201701044994 (1259167-K)	7 December 2017/Malaysia	80.00	14 July 2020	Engaged in the business of online media advertising and social media marketing
Itify/ 201501028586 (1153907-P)	3 August 2015/Malaysia	51.00	4 August 2020	Engaged in the business of online media advertising and social media marketing
Goody Technologies/ 201601032642 (1203583-W)	30 September 2016/Malaysia	60.00	9 November 2020	Engaged in the business of online media advertising and social media marketing
Nara Media/ 201301010217 (1040059-W)	27 March 2013/Malaysia	90.00	23 December 2020	Engaged in the business of online media advertising and social media marketing
Moretify/ 201701037954 (1252125-V)	20 October 2017/Malaysia	60.00	28 December 2020	Engaged in the business of online media advertising and social media marketing

4. SHARE CAPITAL

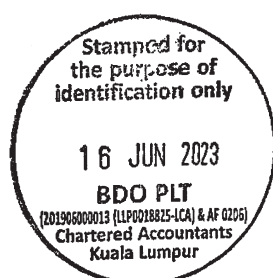
On 17 January 2020, iMedia increased its issued share capital from RM2 to RM100 by way of issuance of 98 ordinary shares at an issue price of RM1 each fully paid by cash for a total consideration of RM98.

On 14 September 2020, iMedia increased its issued share capital from RM100 to RM2,500 by way of issuance of 2,400 ordinary shares at an issue price of RM1 each fully paid by other than cash type of RM2,400.

As at the date of this Report, the issued and paid up share capital of iMedia was RM2,500 comprising 2,500 ordinary shares in iMedia.

5. DIVIDENDS

No dividend has been paid, declared or proposed by iMedia since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

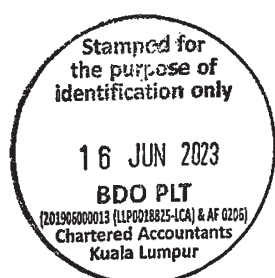
iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

6. RELEVANT FINANCIAL YEAR ENDS AND AUDITORS

The relevant financial years ("RFY") for the purpose of this report and the statutory auditors of iMedia and its group of companies for the RFY are as follows:

Company	RFY Financial Period Ended ("FPE")/ Financial Year Ended ("FYE")	Accounting Standard applied	Statutory auditors
iMedia	FYE 31 December 2020	MFRS	BDO PLT
	FYE 31 December 2021	MFRS	BDO PLT
	FYE 31 December 2022	MFRS	BDO PLT
<u>Oh Media</u>	FYE 31 December 2020	MFRS	BDO PLT
	FYE 31 December 2021	MFRS	BDO PLT
	FYE 31 December 2022	MFRS	BDO PLT
<u>Ittify</u>	FYE 31 December 2020	MFRS	BDO PLT
	FYE 31 December 2021	MFRS	BDO PLT
	FYE 31 December 2022	MFRS	BDO PLT
<u>Goody Technologies</u>	FYE 31 December 2020	MFRS	BDO PLT
	FYE 31 December 2021	MFRS	BDO PLT
	FYE 31 December 2022	MFRS	BDO PLT
<u>Nara Media</u>	FYE 31 December 2020	MFRS	BDO PLT
	FYE 31 December 2021	MFRS	BDO PLT
	FYE 31 December 2022	MFRS	BDO PLT
<u>Moretify</u>	FYE 31 December 2020 ⁽¹⁾	MFRS	BDO PLT
	FYE 31 December 2021	MFRS	BDO PLT
	FYE 31 December 2022	MFRS	BDO PLT

(1) For the purpose of this Report, the Directors re-prepared the financial statement for 12 months period to 31 December 2020 to be coterminous with the FYE of Catcha Digital and BDO PLT has re-audited these financial statements.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA**7.1 STATEMENTS OF FINANCIAL POSITION OF IMEDIA**

	Note	Company		
		2020 RM	2021 RM	2022 RM
ASSET				
Non-current assets				
Plant and equipment	7.8.1	83,644	106,423	109,949
Right-of-use assets	7.8.2	290,656	257,510	279,655
Investments in subsidiaries	7.8.4	11,485,000	11,485,000	11,485,000
		11,859,300	11,848,933	11,874,604
Current assets				
Trade and other receivables	7.8.5	3,087,698	7,496,176	11,487,728
Contract assets	7.8.6	337,717	1,115,158	3,633,016
Cash and bank balances	7.8.7	2,062,170	2,251,143	1,697,683
		5,487,585	10,862,477	16,818,427
TOTAL ASSET		<u>17,346,885</u>	<u>22,711,410</u>	<u>28,693,031</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	7.8.8	2,500	2,500	2,500
Retained earnings		216,925	1,838,634	5,068,501
TOTAL EQUITY		219,425	1,841,134	5,071,001
Non-current liabilities				
Deferred tax liabilities	7.8.9	-	-	16,107
Other payables	7.8.10	3,588,419	-	-
		3,588,419	-	16,107
Current liabilities				
Trade and other payables	7.8.10	11,984,755	18,499,202	17,961,921
Contract liabilities	7.8.6	987,740	1,673,313	4,760,292
Lease liabilities	7.8.2	292,625	257,510	279,655
Current tax liabilities		273,921	440,251	604,055
		13,539,041	20,870,276	23,605,923
TOTAL LIABILITIES		<u>17,127,460</u>	<u>20,870,276</u>	<u>23,622,030</u>
TOTAL EQUITY AND LIABILITIES		<u>17,346,885</u>	<u>22,711,410</u>	<u>28,693,031</u>

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the purpose of
identification only

16 JUN 2023

BDO PLT

(201906000013 (LLP0218825-ICA) & AF 0206)
Chartered Accountants
Kuala Lumpur

ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.1 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF IMEDIA**

	Note	Group		
		2020 (Restated) RM	2021 RM	2022 RM
ASSET				
Non-current assets				
Plant and equipment	7.8.1	293,978	213,539	274,965
Right-of-use assets	7.8.2	479,561	474,491	608,955
Intangible assets	7.8.3	13,587,389	13,529,238	13,502,643
		14,360,928	14,217,268	14,386,563
Current assets				
Trade and other receivables	7.8.5	3,715,144	7,273,015	11,580,013
Contract assets	7.8.6	337,717	1,115,158	3,633,016
Current tax assets		45,535	-	-
Cash and bank balances	7.8.7	2,444,191	3,006,316	2,134,244
		6,542,587	11,394,489	17,347,273
TOTAL ASSET		20,903,515	25,611,757	31,733,836
EQUITY AND LIABILITIES				
Equity				
Share capital	7.8.8	2,500	2,500	2,500
Retained earnings		744,781	4,402,959	10,794,881
		747,281	4,405,459	10,797,381
Non-controlling interests		3,124,020	3,975,693	5,265,185
TOTAL EQUITY		3,871,301	8,381,152	16,062,566
Non-current liabilities				
Other payables	7.8.10	3,588,419	-	-
Lease liabilities	7.8.2	57,014	94,935	129,506
Deferred tax liabilities	7.8.9	7,408	-	25,256
		3,652,841	94,935	154,762

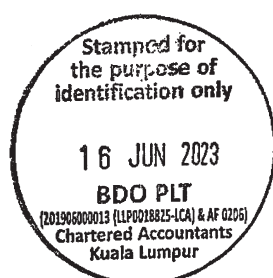


ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.1 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)**

	Note	Group		
		2020 (Restated) RM	2021 RM	2022 RM
Current liabilities				
Trade and other payables	7.8.10	10,871,916	14,184,377	8,961,285
Contract liabilities	7.8.6	1,298,208	1,765,205	4,788,449
Borrowings	7.8.11	368,188	-	-
Lease liabilities	7.8.2	432,635	382,890	481,811
Current tax liabilities		408,426	803,198	1,284,963
		<u>13,379,373</u>	<u>17,135,670</u>	<u>15,516,508</u>
TOTAL LIABILITIES		<u>17,032,214</u>	<u>17,230,605</u>	<u>15,671,270</u>
TOTAL EQUITY AND LIABILITIES		<u>20,903,515</u>	<u>25,611,757</u>	<u>31,733,836</u>

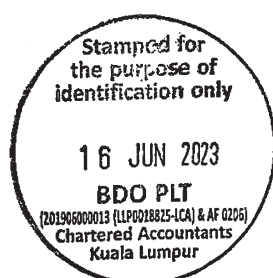


ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.2 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF IMEDIA**

	Note	Company		
		2020 RM	2021 RM	2022 RM
Revenue	7.9.1	7,726,557	21,626,285	29,100,463
Cost of sales		(5,260,628)	(14,273,740)	(18,107,746)
Gross profit		2,465,929	7,352,545	10,992,717
Other income		105,100	99,799	82,193
Administrative expenses and other operating expenses		(1,968,625)	(5,012,753)	(6,444,918)
Net losses on impairment of financial assets		(42,755)	(37,432)	(42,749)
Operating profit		559,649	2,402,159	4,587,243
Finance costs	7.9.2	(27,074)	(71,657)	(256,859)
Profit before tax	7.9.3	532,575	2,330,502	4,330,384
Tax expenses	7.9.4	(311,421)	(708,793)	(1,100,517)
Profit after tax		221,154	1,621,709	3,229,867
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		221,154	1,621,709	3,229,867

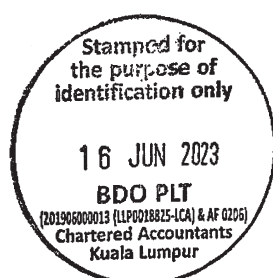


ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.2 CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF IMEDIA**

	Note	Group		
		2020 RM	2021 RM	2022 RM
Revenue	7.9.1	8,093,084	22,746,420	30,168,677
Cost of sales		(4,078,063)	(7,213,347)	(8,484,337)
Gross profit		4,015,021	15,533,073	21,684,340
Other income		146,580	51,303	24,474
Administrative expenses and other operating expenses		(2,661,070)	(9,408,335)	(11,117,239)
Net losses on impairment of financial assets		(32,273)	(20,841)	(41,977)
Operating profit		1,468,258	6,155,200	10,549,598
Finance costs	7.9.2	(29,033)	(84,907)	(265,806)
Profit before tax	7.9.3	1,439,225	6,070,293	10,283,792
Tax expenses	7.9.4	(442,769)	(1,560,442)	(2,602,378)
Profit after tax		996,456	4,509,851	7,681,414
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		996,456	4,509,851	7,681,414
Profit for the financial year/Total comprehensive income attributable to:				
Owners of the parent		749,010	3,658,178	6,391,922
Non-controlling interests		247,446	851,673	1,289,492
		996,456	4,509,851	7,681,414

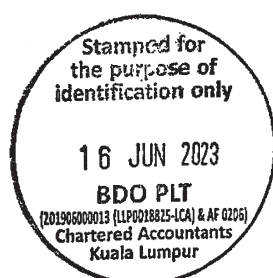


ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.3 STATEMENTS OF CHANGE IN EQUITY OF IMEDIA**

COMPANY	Note	Shares capital RM	(Accumulated losses)/ Retained earnings RM	(Capital deficiencies)/ Total equity RM
Balance as at 1 January 2020		2	(4,229)	(4,227)
Profit for the financial year		-	221,154	221,154
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	221,154	221,154
Transaction with owners				
Issuance of ordinary shares	7.8.8	2,498	-	2,498
		2,498	-	2,498
Balance as at 31 December 2020/ 1 January 2021		2,500	216,925	219,425
Profit for the financial year		-	1,621,709	1,621,709
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	1,621,709	1,621,709
Balance as at 31 December 2021/ 1 January 2022		2,500	1,838,634	1,841,134
Profit for the financial year		-	3,229,867	3,229,867
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	3,229,867	3,229,867
Balance as at 31 December 2022		2,500	5,068,501	5,071,001



ACCOUNTANTS' REPORT ON IMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.3 CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY OF IMEDIA**

GROUP	Note	Shares capital RM	(Accumulated loss)/ Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	(Capital deficiencies)/ Total equity RM
At 1 January 2020		2	(4,229)	(4,227)	-	(4,227)
Profit for the financial year		-	749,010	749,010	247,446	996,456
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	749,010	749,010	247,446	996,456
Transactions with owners						
Acquisition of a subsidiaries		-	-	-	361,579	361,579
Issuance of ordinary shares	7.8.8	2,498	-	2,498	-	2,498
		2,498	-	2,498	361,579	364,077
Balance as at 31 December 2020, as previously stated		2,500	744,781	747,281	609,025	1,356,306
Adjustment	7.8.4(c)	-	-	-	2,514,995	2,514,995
Balance as at 31 December 2020, as restated		2,500	744,781	747,281	3,124,020	3,871,301
Balance as at 1 January 2021		2,500	744,781	747,281	3,124,020	3,871,301
Profit for the financial year		-	3,658,178	3,658,178	851,673	4,509,851
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	3,658,178	3,658,178	851,673	4,509,851
Balance as at 31 December 2021		2,500	4,402,959	4,405,459	3,975,693	8,381,152

10

100



ACCOUNTANTS' REPORT ON IMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)

7.3 CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY OF IMEDIA (continued)

GROUP	Shares capital RM	Retained earnings RM	Total attributable to owners of the parent RM	Non- controlling interests RM	Total equity RM
Balance as at 1 January 2022	2,500	4,402,959	4,405,459	3,975,693	8,381,152
Profit for the financial year	-	6,391,922	6,391,922	1,289,492	7,681,414
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	-	6,391,922	6,391,922	1,289,492	7,681,414
Balance as at 31 December 2022	2,500	10,794,881	10,797,381	5,265,185	16,062,566

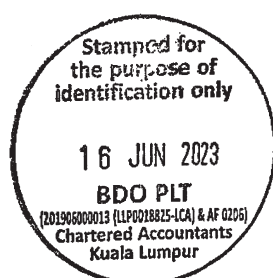


ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.4 STATEMENTS OF CASH FLOWS OF IMEDIA**

	Note	Company		
		2020 RM	2021 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		532,575	2,330,502	4,330,384
Adjustments for:				
Bad debt written off		-	13,000	-
Depreciation of plant and equipment	7.8.1	14,228	44,637	59,651
Depreciation of right-of-use assets	7.8.2	72,664	269,940	257,510
Gain on disposal of plant and equipment		-	-	(48)
Fair value gain on discount on long term payables		(83,850)	-	-
Impairment losses on:				
- trade receivables	7.8.5(h)	39,206	75,194	106,986
- contract assets	7.8.6(e)	3,549	4,993	15,950
Reversal of impairment losses on:				
- trade receivables	7.8.5(h)	-	(39,206)	(75,194)
- contract assets	7.8.6(e)	-	(3,549)	(4,993)
Interest expense	7.9.2	27,074	71,657	256,859
Lease concession	7.8.2	-	(11,700)	-
Operating profit before changes in working capital		605,446	2,755,468	4,947,105
Changes in working capital:				
Contract assets		(341,266)	(778,885)	(2,528,815)
Trade and other receivables		(3,126,904)	(4,457,466)	(4,023,344)
Contract liabilities		987,740	685,573	3,086,979
Trade and other payables		12,124,276	5,670,947	6,038,869
Cash generated from operating activities		10,249,292	3,875,637	7,520,794
Tax paid		(37,500)	(542,463)	(920,606)
Net cash from operating activities		10,211,792	3,333,174	6,600,188

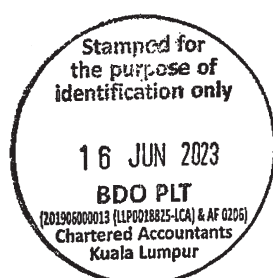


ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.4 STATEMENTS OF CASH FLOWS OF IMEDIA (continued)**

	Note	Company		
		2020 RM	2021 RM	2022 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of interest in subsidiaries	7.8.4(c)	(11,485,000)	-	-
Repayment to other payables		-	(2,166,000)	(3,701,700)
Proceeds from disposal of plant and equipment		-	-	1,380
Purchases of plant and equipment	7.8.1	(97,872)	(67,416)	(64,509)
Net cash used in investing activities		(11,582,872)	(2,233,416)	(3,764,829)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of advances to a corporate shareholder		-	(604,000)	(799,116)
Repayment of advances to a related party		-	(906,000)	(1,199,034)
Payments of lease liability	7.8.2	(75,000)	(267,300)	(264,000)
Advances to a corporate shareholder		-	-	(1,380,000)
Advances to a related party		-	-	(1,620,000)
Proceeds from ordinary shares issued	7.8.8	98	-	-
Loans from a corporate shareholder		1,174,946	348,000	762,282
Loans from a related party		2,333,204	522,000	1,361,418
Interest paid		-	(3,485)	(250,369)
Net cash from/(used in) financing activities		3,433,248	(910,785)	(3,388,819)
Net increase/(decrease) in cash and cash equivalents		2,062,168	188,973	(553,460)
Cash and cash equivalents at beginning of financial year		2	2,062,170	2,251,143
Cash and cash equivalents at end of financial year	7.8.7	2,062,170	2,251,143	1,697,683



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.4 CONSOLIDATED STATEMENTS OF CASH FLOWS OF IMEDIA**

	Note	Group		
		2020 RM	2021 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		1,439,225	6,070,293	10,283,792
Adjustments for:				
Amortisation of intangible assets	7.8.3	23,144	58,151	49,155
Bad debt written off		-	13,000	147
Depreciation of plant and equipment	7.8.1	19,893	176,873	131,411
Depreciation of right-of-use assets	7.8.2	78,654	405,479	397,450
Gain on disposal of plant and equipment		-	-	(1,161)
Plant and equipment written off	7.8.1	-	20	44
Fair value gain on discount on long term payables		(83,850)	-	-
Gain on lease remeasurement	7.8.2	-	(313)	(1,260)
Impairment losses on:				
- trade receivables	7.8.5(h)	42,901	75,286	107,204
- contract assets	7.8.6(e)	3,549	4,993	15,950
- other receivables	7.8.5(i)	-	898	-
Interest expense	7.9.2	29,033	84,907	265,805
Interest income		(10)	(19)	(742)
Loss on foreign exchange - unrealised		2,278	-	-
Reversal of impairment losses on:				
- trade receivables	7.8.5(h)	(12,309)	(47,358)	(75,286)
- other receivables	7.8.5(i)	-	(9,429)	(898)
- contract assets	7.8.6(e)	(1,868)	(3,549)	(4,993)
Lease concession	7.8.2	-	(11,700)	-
Waiver of debts		(11,296)	-	-
Operating profit before changes in working capital		1,529,344	6,817,532	11,166,618
Changes in working capital:				
Contract assets		(28,841)	(778,885)	(2,528,815)
Trade and other receivables		(2,384,477)	(3,590,268)	(4,338,165)
Contract liabilities		1,231,757	466,997	3,023,244
Trade and other payables		9,822,757	2,468,961	1,353,059
Cash generated from operating activities		10,170,540	5,384,337	8,675,941
Tax paid		(59,861)	(1,127,543)	(2,095,357)
Net cash from operating activities		10,110,679	4,256,794	6,580,584



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.4 CONSOLIDATED STATEMENTS OF CASH FLOWS OF IMEDIA (continued)**

	Note	Group		
		2020 RM	2021 RM	2022 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of subsidiaries, net of cash and cash equivalents acquired	7.8.4(c)	(10,973,786)	-	-
Withdrawal of deposits pledged to licensed banks		-	1,060	-
Repayment to other payables		-	(2,166,000)	(3,701,700)
Interest received		10	19	742
Proceeds from disposal of plant and equipment		-	-	2,500
Purchases of:				
- plant and equipment	7.8.1	(110,922)	(96,454)	(194,220)
- intangible assets	7.8.3	(7,850)	-	(22,560)
Net cash used in investing activities		<u>(11,092,548)</u>	<u>(2,261,375)</u>	<u>(3,915,238)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances to a corporate shareholder		-	-	(1,380,000)
Advances to a related party		-	-	(1,620,000)
Repayment of advances to a corporate shareholder		-	(604,000)	(799,116)
Repayment of advance to a related party		-	(906,000)	(1,199,034)
Interest paid		(1,650)	(9,746)	(250,369)
Loans from a corporate shareholder		1,174,946	348,000	762,282
Loans from a related party		2,333,204	522,000	1,361,418
Repayment of term loans		-	(368,188)	-
Payments of lease liability	7.8.2	(81,600)	(414,300)	(412,599)
Proceeds from ordinary shares issued		98	-	-
Net cash from/(used in) financing activities		<u>3,424,998</u>	<u>(1,432,234)</u>	<u>(3,537,418)</u>
Net increase/(decrease) in cash and cash equivalents		2,443,129	563,185	(872,072)
Cash and cash equivalents at beginning of financial year		<u>2</u>	<u>2,443,131</u>	<u>3,006,316</u>
Cash and cash equivalents at end of financial year	7.8.7(d)	<u>2,443,131</u>	<u>3,006,316</u>	<u>2,134,244</u>

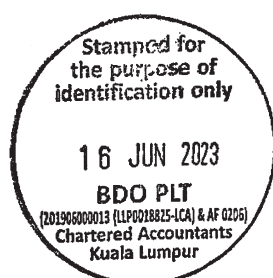


ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.4 CONSOLIDATED STATEMENTS OF CASH FLOWS OF IMEDIA (continued)****RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

Lease liabilities (Note 7.8.2)	Company RM	Group RM
At 1 January 2020		
Cash flows	(75,000)	(81,600)
Non-cash flows:		
- Financed by lease	363,320	363,320
- Unwinding of interest	4,305	4,614
- Acquisition of subsidiaries (Note 7.8.4(c))	-	203,315
	<u>292,625</u>	<u>489,649</u>
At 31 December 2020/ 1 January 2021		
Cash flows	(267,300)	(414,300)
Non-cash flows:		
- Financed by lease	257,510	426,784
- Lease concession	(11,700)	(11,700)
- Re-measurement	(20,716)	(26,688)
- Unwinding of interest	7,091	14,080
	<u>257,510</u>	<u>477,825</u>
At 31 December 2021/ 1 January 2022		
Cash flows	(264,000)	(412,599)
Non-cash flows:		
- Financed by lease	279,655	544,930
- Lease concession	-	-
- Re-measurement	-	(14,276)
- Unwinding of interest	6,490	15,437
	<u>279,655</u>	<u>611,317</u>
At 31 December 2022		
		<u>611,317</u>
Term loan (Note 7.8.11)		Group RM
At 1 January 2020		-
Non-cash flows:		
Acquisition of subsidiary		<u>368,188</u>
At 31 December 2020/ 1 January 2021		368,188
Cash flows		<u>(368,188)</u>
At 31 December 2021		<u>-</u>



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES****7.5.1 BASIS OF PREPARATION**

The financial information of iMedia and its subsidiaries ("iMedia Group") and iMedia for the FYEs 31 December 2020, 31 December 2021 and 31 December 2022 have been prepared in accordance with MFRSs.

The Directors consider that it is appropriate to prepare the historical financial information of iMedia on a going concern basis and accordingly, the historical financial information do not include any adjustments relating to the recoverability and classification of recorded assets amount, or to amounts or classification of liabilities that may be necessary, if the going concern basis of preparing the historical financial information of iMedia is not appropriate

The following accounting policies have been used consistently in the preparation of the historical financial information.

7.5.2 Basis of accounting

The financial information of iMedia have been prepared under the historical cost convention except as otherwise stated in the historical financial information.

The preparation of these financial information in conformity with MFRSs and IFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 7.7 of this Report. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

7.5.3 Basis of consolidation

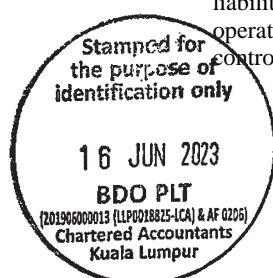
Where iMedia has control over an investee, it is classified as a subsidiary. iMedia controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where iMedia has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists iMedia considers all relevant facts and circumstances, including:

- (a) The size of iMedia's voting rights relative to both the size and dispersion of other parties who hold voting rights;
- (b) Substantive potential voting rights held by iMedia and by other parties;
- (c) Other contractual arrangements; and
- (d) Historic patterns in voting attendance.

The consolidated financial statements present the results of iMedia Group as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.5.3 Basis of consolidation (continued)**

Non-controlling interests represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the parent. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

7.5.4 Plant and equipment and depreciation

All items of plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs would flow to iMedia Group and iMedia and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which iMedia Group and iMedia is obligated to incur when the asset is acquired, if applicable.

Each part of an item of plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods are as follows:

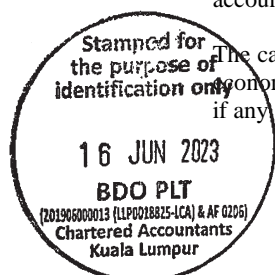
	2020	2021	2022
Computer and software	2 - 5 years	3 years	3 years
Office equipment	2 - 10 years	5 years	5 years
Furniture and fittings	3 - 10 years	5 years	5 years
Renovation	6 - 10 years	5 years	5 years

The revision in estimation above have been applied prospectively with effect from 1 January 2021. The effect of the above revision were accounted for prospectively as a change in accounting estimate and as result, the depreciation charge of the iMedia Group for 31 December 2021 has increased by RM 86,614.

At the end of each reporting period, the carrying amount of an item of plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is recognised in profit or loss.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.5.5 Leases**

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- (a) Leases of low value assets; and
- (b) Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case iMedia Group's and iMedia's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- (a) Amounts expected to be payable under any residual value guarantee;
- (b) The exercise price of any purchase option granted in favour of iMedia Group and iMedia if it is reasonable certain to assess that option; and
- (c) Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- (a) Lease payments made at or before commencement of the lease;
- (b) Initial direct costs incurred; and
- (c) The amount of any provision recognised where iMedia Group and iMedia is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When iMedia Group and iMedia revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.5.5 Leases (continued)**

When iMedia Group and iMedia renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- (a) If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- (b) In all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount; and
- (c) If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to iMedia Group and iMedia to use an identified asset and require services to be provided to iMedia Group and iMedia by the lessor, iMedia Group and iMedia has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Identifying leases

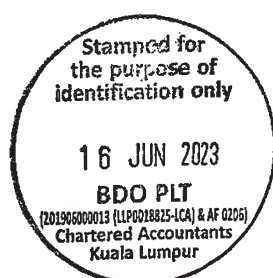
iMedia Group and iMedia accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) There is an identified asset;
- (b) iMedia Group and iMedia obtains substantially all the economic benefits from use of the asset; and
- (c) iMedia Group and iMedia has the right to direct use of the asset.

iMedia Group and iMedia considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether iMedia Group and iMedia obtains substantially all the economic benefits from use of the asset, iMedia Group and iMedia considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether iMedia Group and iMedia has the right to direct use of the asset, iMedia Group and iMedia considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, iMedia group and iMedia considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, iMedia Group and iMedia applies other applicable MFRSs rather than MFRS 16.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.5.6 Subsidiaries**

A subsidiary is an entity in which iMedia Group are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

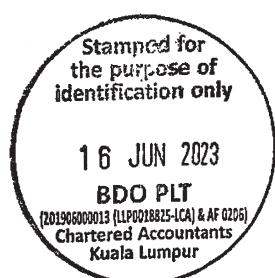
An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of iMedia at cost. Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the separate financial statements of iMedia. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. Investments accounted for at cost shall be accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with MFRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, iMedia Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

7.5.7 Goodwill

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, iMedia Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest 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 gain on bargain purchase.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Objective events that would trigger a more frequent impairment review include adverse industry or economic trends, significant restructuring actions, significantly lowered projections of profitability, or a sustained decline in the acquiree's market capitalisation. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.5.8 Other intangible assets****(i) Brand names**

The cost of brand names acquired represents its fair value as at the date of acquisition. Following initial recognition, brand names are carried at cost less any accumulated impairment losses. Brand names which are considered to have indefinite useful lives, are not amortised but tested for impairment, annually or more frequently when indicators of impairment are identified. The useful lives of brand names are reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

(ii) Computer software

Computer software acquired separately are measured on initial recognition at cost. Following initial recognition, computer software are carried at cost less any accumulated amortisation and any accumulated impairment losses. Computer software are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for a computer software may be impaired. The amortisation period and the amortisation method for a computer software are reviewed at least each balance sheet date.

Amortisation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which iMedia Group operate. The principal amortisation periods are as follows:

Computer software	5 years
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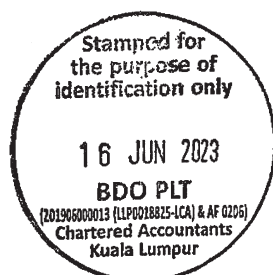
7.5.9 Impairment of non-financial assets

The carrying amount of assets, except for financial assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating units ("CGU") to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.5.9 Impairment of non-financial assets (continued)**

The impairment loss is recognised in profit or loss immediately.

An impairment loss on assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversals are recognised as income immediately in profit or loss.

7.5.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to iMedia Group and iMedia.

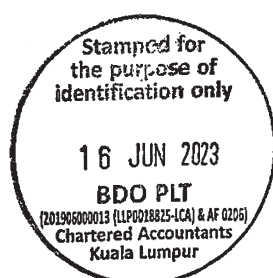
A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to iMedia Group and iMedia.

Financial instruments are recognised on the statement of financial position when iMedia Group and iMedia has become a party to the contractual provisions of the instrument. At initial recognition, an entity shall measure a financial asset (unless it is a trade receivable that does not contain a significant financing component measured at the transaction price) or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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

(a) Financial assets

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss ("FVTPL"), directly attributable transaction costs.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.5.10 Financial instruments (continued)**

(a) Financial assets (continued)

iMedia Group and iMedia determine the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process. Financial assets are carried net of impairment losses if any.

(ii) Financial assets measured at fair value

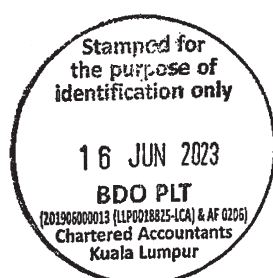
Financial assets that are debt instruments are measured at Fair Value Through Other Comprehensive Income ("FVTOCI"), if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives).

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in profit or loss. Dividends on equity instruments are recognised in profit or loss when iMedia's right to receive payment is established.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.5.10 Financial instruments (continued)****(a) Financial assets (continued)**

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Cash and bank balances are measured at amortised cost. Cash and cash equivalents consist of cash at bank and on hand, deposits with licensed banks, short term funds and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less and are used by iMedia Group and iMedia in the management of its short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using settlement date accounting.

(b) Financial liabilities

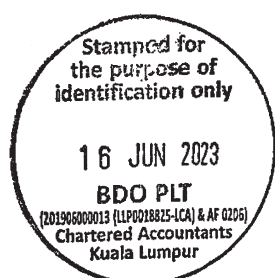
Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, iMedia become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(i) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by iMedia Group and iMedia that do not meet the hedge accounting criteria. Derivatives liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss except for iMedia Group's and iMedia's own credit risk increase or decrease which is recognised in other comprehensive income. Net gain or losses on derivatives include exchange differences.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.5.10 Financial instruments (continued)**

(b) Financial liabilities (continued)

(ii) Financial liabilities at amortised cost

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

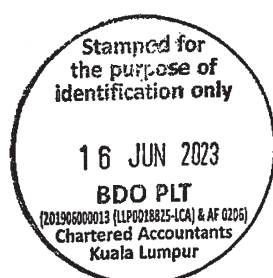
For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

On issue of a financial instrument that contains both a liability and an equity component, the fair value of the liability portion is determined using a market interest rate for an equivalent financial instrument; this amount is carried as a liability on an amortised cost basis until extinguished on conversion or maturity of the instrument. The remainder of the proceeds is allocated to the conversion option which is recognised and included in equity.

The portion of a convertible instrument representing the value of the conversion option at the time of the issue is included in equity. The value of the conversion option is not changed in subsequent periods. Upon conversion of the instrument to equity shares, the amount credited to share capital is the aggregate of the amounts classified within liability and equity at the time of conversion. No gain or loss is recognised.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.5.11 Equity**

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

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

7.5.12 Impairment of financial assets

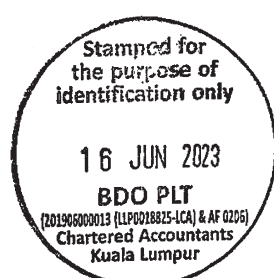
iMedia Group and iMedia recognises an impairment loss allowance for expected credit losses on a financial asset that is measured at amortised cost. iMedia Group and iMedia applies the simplified approach to measure expected credit losses ("ECL"). This entails recognising a lifetime expected loss allowance for all trade receivables, if any.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that iMedia Group and iMedia expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the asset's original effective interest rate of the asset.

iMedia Group and iMedia considers credit loss experience and observable data such as current changes and futures forecasts in economic conditions of iMedia Group's and iMedia's industry to the financial statements to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

Impairment for trade receivables and contract assets that do not contain a significant financing component is recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

In measuring the expected credit losses on trade receivables and contract assets, the probability of non-payment by the trade receivables and contract assets is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables and contract assets. For trade receivables and contract assets, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statement of profit or loss.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF iMEDIA (continued)**7.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.5.12 Impairment of financial assets (continued)**

Impairment for other receivables, if any, are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve (12) month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, iMedia Group and iMedia assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The probability of non-payment of other receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve (12) month or lifetime expected credit loss for other receivables and amount due from a related party.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

7.5.13 Borrowing costs

All borrowing costs are recognised to profit or loss in the period in which they are incurred.

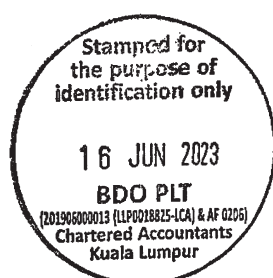
7.5.14 Income taxes

Income taxes include all domestic and foreign taxes, if any, on taxable profits. Income taxes also include other taxes such as withholding taxes and real property gains taxes payable on disposal of properties, if any.

Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which iMedia Group and iMedia operates and include all taxes based upon the taxable profits (including withholding taxes payable by iMedia on distribution of retained earnings to iMedia Group and iMedia), and real property gains taxes payable on disposal of properties, if any.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.5.14 Income taxes (continued)****(b) Deferred tax**

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

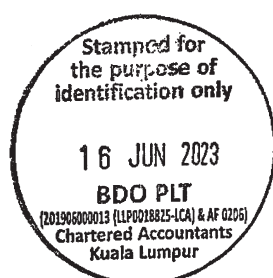
A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

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 the deferred income taxes relate to the same taxation authority on either:

- (i) the same taxable entity; or
- (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantial effect of actual enactment by the end of each reporting period.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.5.15 Provisions**

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Where iMedia Group and iMedia expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

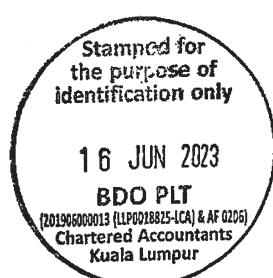
Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If iMedia Group and iMedia has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

7.5.16 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of iMedia Group and iMedia or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. iMedia Group and iMedia does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of iMedia Group and iMedia. iMedia Group and iMedia does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF iMEDIA (continued)**7.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.5.17 Employee benefits****(a) Short term employee benefits**

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to iMedia Group and iMedia.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving iMedia Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

Contributions to defined contribution pension scheme are recognised as an expense in the period in which the related service is performed.

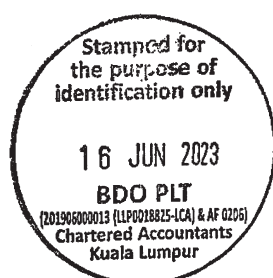
iMedia Group and iMedia participate in the national pension scheme as defined by the laws. iMedia Group and iMedia make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme.

7.5.18 Foreign currencies**(a) Functional and presentation currency**

Items included in the financial statements of iMedia Group and iMedia are measured using the currency of the primary economic environment in which these entities operate ("the functional currency"). The financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of iMedia.

(b) Foreign currency transactions and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of the reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the year in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost, are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.5.19 Revenue recognition**

iMedia Group and iMedia recognises revenue from contracts with customers for the provision of services and sale of goods based on the five-step model as set out below:

- (a) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and the criteria that must be met.
- (b) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- (c) Determine the transaction price. The transaction price is the amount of consideration to which iMedia Group and iMedia expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties, returns, rebates and discounts.
- (d) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, iMedia Group and iMedia allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which iMedia Group and iMedia expects to be entitled in exchange for satisfying each performance obligation.
- (e) Recognise revenue when (or as) iMedia Group and iMedia satisfies a performance obligation.

iMedia Group and iMedia satisfies a performance obligation and recognise revenue over time if iMedia's performance:

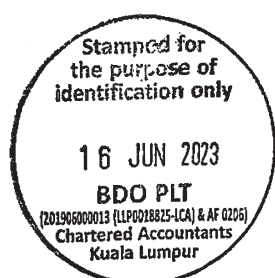
- (a) Does not create an asset with an alternative use to iMedia Group and iMedia and has an enforceable right to payment for performance completed to-date; or
- (b) Creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) Provides benefits that the customer simultaneously receives and consumes as iMedia Group and iMedia performs.

When iMedia Group and iMedia satisfies a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

Projects

Projects may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.5.19 Revenue recognition (continued)**Projects (continued)

Revenue from projects is measured at the fixed transaction price agreed under the agreement.

iMedia Group and iMedia determines the transaction price of a contract after considering the effect of variable consideration, constraining estimates of variable consideration, effect of significant financing component, non-cash consideration and consideration payable to customer.

When the fair value of variable consideration is uncertain, iMedia Group and iMedia estimates the amount of consideration by using the most likely amount method and only recognises to the extent that is highly probable that a significant reversal in cumulative revenue will not occur.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that iMedia Group and iMedia would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Control of the asset is transferred over time if the performance of iMedia does not create an asset with an alternative use to iMedia Group and iMedia and iMedia Group and iMedia has an enforceable right to payment for performance completed to date.

iMedia Group and iMedia recognises revenue over time using an input method to measure progress towards complete satisfaction of the service, as the customer simultaneously received and consumes the benefits provided by iMedia Group and iMedia. Revenue is recognised on a straight-line basis over the contracted period as services are provided on a continuous basis.

iMedia Group and iMedia identifies performance obligations that are distinct and material, which are judgmental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations. iMedia Group and iMedia also estimate total performance period in applying the input method to recognise revenue over time. In estimating total performance period to complete, iMedia Group and iMedia considers the completeness and accuracy of its performance period estimation, including performance period for contract variations.

7.5.20 Fair value measurements

The fair value of an asset or a liability except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

iMedia Group and iMedia measures the fair value of an asset or a liability by taking into consideration the characteristics of the asset or liability that market participants would price the asset or liability. iMedia Group and iMedia has considered the following characteristics when determining its fair value:

- (a) the condition and location of the asset; and
- (b) restrictions, if any, on the sale or use of the asset.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****7.5.20 Fair value measurements (continued)**

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

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

- (a) a liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and
- (b) an entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

7.5.21 Contract assets/(liabilities)

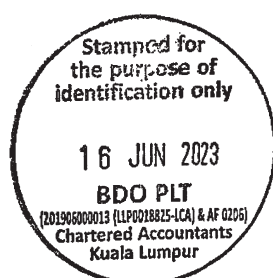
A contract asset is recognised when the right to consideration of iMedia Group and iMedia in excess of the progress billing.

A contract liability is stated at cost and represents the obligation of iMedia Group and iMedia to transfer services to a customer for which consideration has been received (or the amount is due) from the customers.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when iMedia Group and iMedia issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

Incremental costs of obtaining a contract with a customer are recognised as assets if the entity expects to recover those costs. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

Refer to Note 7.5.12 of this Report for impairment approach of contract assets.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.6 ADOPTION OF MFRSs AND AMENDMENTS TO MFRSs****7.6.1 New MFRSs adopted during the financial years**

iMedia Group adopted the following Standards and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial years:

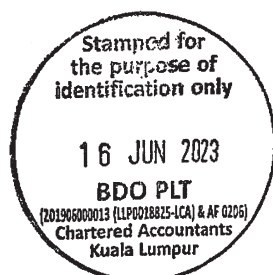
Title	Effective Date
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 101 and MFRS 108 Definition of Material</i>	1 January 2020
<i>Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform</i>	1 January 2020
<i>Amendment to MFRS 16 Covid-19-Related Rent Concessions</i>	1 June 2020
<i>Amendments to MFRS 4 Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9</i>	17 August 2020
<i>Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)</i>	1 January 2021
<i>Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)</i>	1 April 2021
<i>Annual Improvements to MFRS Standards 2018-2020</i>	1 January 2022
<i>Amendments to MFRS 3 Reference to the Conceptual Framework</i>	1 January 2022
<i>Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
<i>Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022

Adoption of the above Standards and Amendments did not have any material effect on the financial performance or position of iMedia Group except for the adoption of Amendment to MFRS 16 as described in the following section.

COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendments to MFRS 16)

Effective 1 June 2020, MFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

- (i) The changes in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (ii) The reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (iii) There is no substantive change to other terms and conditions of the lease.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.6 ADOPTION OF MFRSs AND AMENDMENTS TO MFRSs (continued)****7.6.1 New MFRSs adopted during the financial years (continued)**

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in MFRS 16 in accounting for the concession.

iMedia Group elected to utilise the practical expedient for all rent concessions that meet the criteria during the financial year ended 31 December 2020.

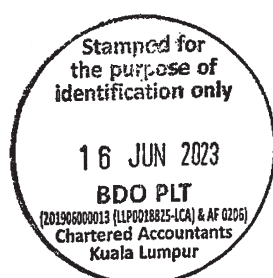
Accounting for the rent concessions as lease modifications would have resulted in iMedia Group remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, iMedia Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

On 31 March 2021, the MASB issued another Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021, which extended the above practical expedient to reductions in lease payments that were originally due on or before 30 June 2022. This Amendment is effective for annual periods beginning on or after 1 April 2021 with earlier application permitted. This Amendment is to be applied mandatorily by those entities that have elected to apply the previous amendment COVID-19-Related Rent Concessions. Accordingly, iMedia Group has applied the Amendment Covid-19-Related Rent Concessions beyond 30 June 2021 in the current annual financial statements. The effect of applying the practical expedient is disclosed in Note 7.8.2(b) of this Report.

7.6.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contract</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimate</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 16 <i>Lease liability in a sale and leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

iMedia Group is still in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable in future financial years.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF iMEDIA (continued)**7.7 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS****7.7.1 Changes in estimates**

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During the FYE 31 December 2021, iMedia Group revised the estimated of useful life of plant and equipment as disclosed in Note 7.5.4 to the financial statements.

The Directors are of the opinion that there are no changes in estimates at the end of the reporting period.

7.7.2 Critical judgements made in applying accounting principles

There are no critical judgements made by management in the process of applying the accounting policies of iMedia Group and of iMedia that have a significant effect on the amounts recognised in the financial statements.

7.7.3 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Depreciation of plant and equipment and amortisation of intangible assets

The cost of plant and equipment and intangible assets is depreciated on a straight-line basis over the assets' useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

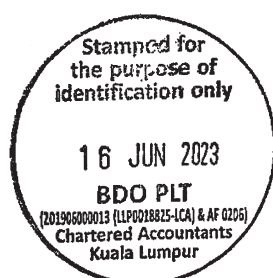
(b) Determination of the lease term for leases

iMedia Group and iMedia determine the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if iMedia are reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for iMedia Group and iMedia to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of iMedia Group and iMedia.

(c) Impairment of goodwill and brand names

iMedia Group determines whether goodwill and brand names are impaired at least on an annual basis. This requires an estimation of the value-in-use of the subsidiaries to which goodwill and brand names are allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and is significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of iMedia Group's assessment for impairment of goodwill and brand names. The assumptions used are disclosed in Note 7.8.3 of this Report.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.7 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)****7.7.3 Key sources of estimation uncertainty (continued)****(d) Impairment of trade receivables and financial assets**

The impairment of trade receivables and financial assets are based on assumptions about risk of default and expected credit loss rates. iMedia Group and iMedia adopts judgement in making these assumption and selecting inputs for computing such impairment loss, broadly based on the available customers' historical data, the existing market conditions including forward looking estimates at end of the reporting period.

(e) Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses based on the interpretation of tax laws and legislations during the estimation of the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. iMedia Group and iMedia recognised liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made.

(f) Fair value measurement

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable.

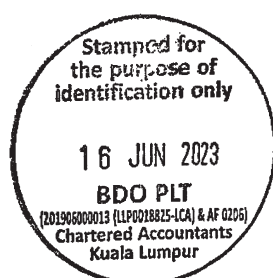
Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

iMedia Group and iMedia measures financial instruments at fair value as disclosed in Note 7.8.13 of this Report.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)

7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA

7.8.1 PLANT AND EQUIPMENT

Company

2020	Balance	Additions	Depreciation	Balance
	as at		charge for	as at
1.1.2020	RM	RM	the financial	31.12.2020
			year	
			RM	RM
Carrying amount				
Computer and software	-	61,997	(12,434)	49,563
Office equipment	-	35,875	(1,794)	34,081
	-	97,872	(14,228)	83,644
2020				
		Cost	Accumulated	Carrying
		RM	depreciation	amount
			RM	RM
Computer and software		61,997	(12,434)	49,563
Office equipment		35,875	(1,794)	34,081
		97,872	(14,228)	83,644
2021				
	Balance	Additions	Depreciation	Balance
	as at		charge for	as at
	1.1.2021	RM	the financial	31.12.2021
	RM	RM	year	RM
			RM	
Carrying amount				
Computer and software	49,563	67,416	(37,462)	79,517
Office equipment	34,081	-	(7,175)	26,906
	83,644	67,416	(44,637)	106,423
2021				
		Cost	Accumulated	Carrying
		RM	depreciation	amount
			RM	RM
Computer and software		129,413	(49,896)	79,517
Office equipment		35,875	(8,969)	26,906
		165,288	(58,865)	106,423



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA****7.8.1 PLANT AND EQUIPMENT**

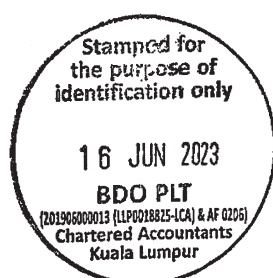
	Balance as at		Disposals	Depreciation	Balance as at
	1.1.2022	Additions		charge for the financial year	
2022	RM	RM	RM	RM	RM
Computer and software	79,517	64,509	(1,332)	(52,476)	90,218
Office equipment	26,906	-	-	(7,175)	19,731
	106,423	64,509	(1,332)	(59,651)	109,949

2022	Cost	Accumulated	Carrying
	RM	depreciation	amount
	RM	RM	RM
Computer and software	189,928	(99,710)	90,218
Office equipment	35,875	(16,144)	19,731
	225,803	(115,854)	109,949

Group

2020	Balance as at		Acquisition of subsidiaries	Additions	Depreciation	Balance as at
	1.1.2020	RM			charge for the financial year	
Carrying amount	RM	RM	RM	RM	RM	
Computer and software	-	55,243	75,047	(16,987)	113,303	
Office equipment	-	77,214	35,875	(2,702)	110,387	
Furniture and fittings	-	13,094	-	(170)	12,924	
Renovation	-	57,398	-	(34)	57,364	
	-	202,949	110,922	(19,893)	293,978	

2020	Cost	Accumulated	Carrying
	RM	depreciation	amount
	RM	RM	RM
Computer and software	279,172	(165,869)	113,303
Office equipment	150,040	(39,653)	110,387
Furniture and fittings	21,799	(8,875)	12,924
Renovation	75,388	(18,024)	57,364
	526,399	(232,421)	293,978



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)

7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA

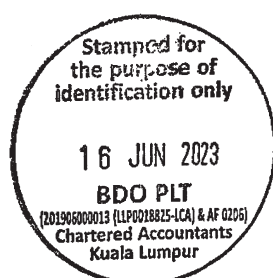
7.8.1 PLANT AND EQUIPMENT (continued)

Group

	Balance as at 1.1.2021 RM	Additions RM	Write off RM	Depreciation charge for the financial year RM	Balance as at 31.12.2021 RM
2021					
Carrying amount					
Computer and software	113,303	95,154	(16)	(85,033)	123,408
Office equipment	110,387	1,300	(4)	(51,880)	59,803
Furniture and fittings	12,924	-	-	(8,190)	4,734
Renovation	57,364	-	-	(31,770)	25,594
	<u>293,978</u>	<u>96,454</u>	<u>(20)</u>	<u>(176,873)</u>	<u>213,539</u>

	Cost RM	Accumulated depreciation RM	Carrying amount RM
2021			
Computer and software	342,751	(219,343)	123,408
Office equipment	146,210	(86,407)	59,803
Furniture and fittings	21,799	(17,065)	4,734
Renovation	75,388	(49,794)	25,594
	<u>586,148</u>	<u>(372,609)</u>	<u>213,539</u>

	Balance as at 1.1.2022 RM	Additions RM	Disposals RM	Write off RM	Depreciation charge for the financial year RM	Balance as at 31.12.2022 RM
2022						
Carrying amount						
Computer and software	123,408	114,682	(1,332)	(3)	(85,712)	151,043
Office equipment	59,803	20,011	(6)	(7)	(26,133)	53,668
Furniture and fittings	4,734	6,851	(1)	-	(2,639)	8,945
Renovation	25,594	52,676	-	(34)	(16,927)	61,309
	<u>213,539</u>	<u>194,220</u>	<u>(1,339)</u>	<u>(44)</u>	<u>(131,411)</u>	<u>274,965</u>



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.1 PLANT AND EQUIPMENT (continued)**

2022	Cost RM	Accumulated depreciation RM	Carrying amount RM
Computer and software	448,581	(297,538)	151,043
Office equipment	152,938	(99,270)	53,668
Furniture and fittings	25,592	(16,647)	8,945
Renovation	126,714	(65,405)	61,309
	<u>753,825</u>	<u>(478,860)</u>	<u>274,965</u>

7.8.2 LEASES

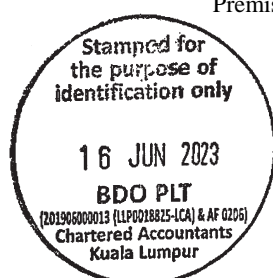
iMedia Group and iMedia as lessee

Right-of-use assets

Company	Balance as at 1.1.2020 RM	Addition RM	Depreciation RM	Balance as at 31.12.2020 RM
2020				
Carrying amount				
Premises	-	363,320	(72,664)	290,656
	<u>-</u>	<u>363,320</u>	<u>(72,664)</u>	<u>290,656</u>

2021	Balance as at 1.1.2021 RM	Addition RM	Remeasu- rement RM	Depreciation RM	Balance as at 31.12.2021 RM
Carrying amount					
Premises	290,656	257,510	(20,716)	(269,940)	257,510
	<u>290,656</u>	<u>257,510</u>	<u>(20,716)</u>	<u>(269,940)</u>	<u>257,510</u>

2022	Balance as at 1.1.2022 RM	Addition RM	Depreciation RM	Balance as at 31.12.2022 RM
Carrying amount				
Premises	257,510	279,655	(257,510)	279,655
	<u>257,510</u>	<u>279,655</u>	<u>(257,510)</u>	<u>279,655</u>



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)

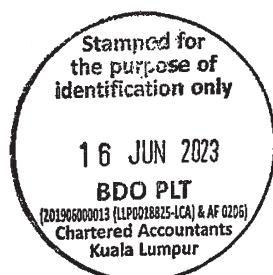
7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)

7.8.2 LEASES (continued)

iMedia Group and iMedia as lessee (continued)

Lease liabilities

Company	Balance as at 1.1.2020 RM	Addition RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2020 RM		
2020							
Carrying amount							
Premises	-	363,320	(75,000)	4,305	292,625		
	-	363,320	(75,000)	4,305	292,625		
	Balance as at 1.1.2021 RM	Addition RM	Remeasu- rement RM	Lease payments RM	Lease Concession RM	Interest expense RM	Balance as at 31.12.2021 RM
2021							
Carrying amount							
Premises	292,625	257,510	(20,716)	(267,300)	(11,700)	7,091	257,510
	292,625	257,510	(20,716)	(267,300)	(11,700)	7,091	257,510
	Balance as at 1.1.2022 RM	Addition RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2022 RM		
2022							
Carrying amount							
Premises	257,510	279,655	(264,000)	6,490	279,655		
	257,510	279,655	(264,000)	6,490	279,655		



ACCOUNTANTS' REPORT ON I MEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)		NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)						
7.8 LEASES (continued)		iMedia Group and iMedia as lessee (continued)						
Group	Balance as at 1.1.2020 RM	Acquisition of subsidiaries RM	Addition RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2020 RM		
2020	-	203,315	363,320	(81,600)	4,614	489,649		
Carrying amount Premises	-	203,315	363,320	(81,600)	4,614	489,649		
2021		Balance as at 1.1.2021 RM	Addition RM	Remeasurement RM	Lease payments RM	Lease concession RM	Interest expense RM	Balance as at 31.12.2021 RM
Carrying amount Premises	489,649	426,784	(26,688)	(414,300)	(11,700)	14,080	477,825	
	489,649	426,784	(26,688)	(414,300)	(11,700)	14,080	477,825	



ACCOUNTANTS' REPORT ON IMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)
7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)
7.8.2 LEASES (continued)

iMedia Group and iMedia as lessee (continued)

Lease liabilities (continued)

Group	Balance as at 1.1.2022 RM	Addition RM	Remeasurement RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2022 RM
2022	477,825	544,930	(14,276)	(412,599)	15,437	611,317
Carrying amount	477,825	544,930	(14,276)	(412,599)	15,437	611,317
Premises						
Represented by:	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM
Current liabilities	292,625	257,510	279,655	432,635	382,890	481,811
Non-current liabilities	-	-	-	57,014	94,935	129,506
	292,625	257,510	279,655	489,649	477,825	611,317
Lease liabilities owing to non-financial institutions	292,625	257,510	279,655	489,649	477,825	611,317

(a) iMedia Group and iMedia has certain leases of machineries with lease term of twelve (12) months or less, and low value leases of office equipment of RM20,000 and below. iMedia Group and iMedia applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.



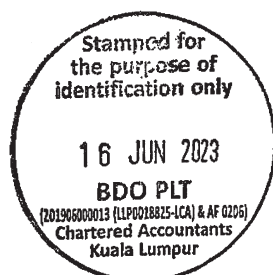
ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.2 LEASES (continued)****iMedia Group and iMedia as lessee (continued)**

(b) The following are the amounts recognised in profit or loss:

	2020 RM	Company 2021 RM	2022 RM
Depreciation charge of right-of-use assets (included in administration expenses)	72,664	269,940	257,510
Interest expense on lease liabilities (included in finance costs)	4,305	7,091	6,490
Expense relating to short-term leases (included in administration expenses)	17,886	260	275
Lease concession (included in other income)	-	(11,700)	-
	94,855	265,591	264,275
	2020 RM	Group 2021 RM	2022 RM
Depreciation charge of right-of-use assets (included in administration expenses)	78,654	405,479	397,450
Interest expense on lease liabilities (included in finance costs)	4,614	14,080	15,437
Expense relating to short-term leases (included in administration expenses)	34,268	260	275
Expense relating to leases of low-value assets (included in administration expenses)	446	2,718	2,450
Lease concession (included in other income)	-	(11,700)	-
Gain on lease remeasurement	-	(313)	(1,260)
	117,982	410,524	414,352



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

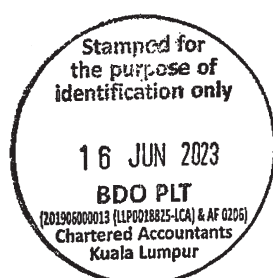
iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.2 LEASES (continued)****iMedia Group and iMedia as lessee (continued)**

(c) The following are total cash outflows for leases as a lessee:

	2020	Company	2022
	RM	2021	RM
		RM	RM
Included in net cash from operating activities:			
Payment relating to short-term leases and low value assets	17,886	260	275
Included in net cash used in financing activities:			
Payment of lease liabilities	75,000	267,300	264,000
	92,886	267,560	264,275
	2020	Group	2022
	RM	2021	RM
		RM	RM
Included in net cash from operating activities:			
Payment relating to short-term leases and low value assets	34,714	2,978	2,725
Included in net cash used in financing activities:			
Payment of lease liabilities	81,600	414,300	412,599
	116,314	417,278	415,324

(d) iMedia Group and iMedia leases several lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in iMedia Group's and iMedia's operations. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

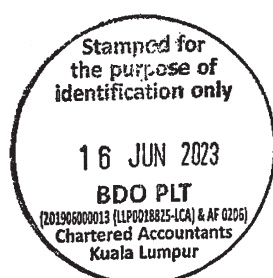
7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.2 LEASES (continued)****iMedia Group and iMedia as lessee (continued)**

(e) Management exercises significant judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.

(f) Information on financial risks of lease liabilities is disclosed in Note 7.8.14 of this Report.

7.8.3 INTANGIBLE ASSETS**Group**

	Goodwill (Restated) RM	Brand names (Restated) RM	Computer software RM	Total (Restated) RM
2020				
Cost				
As at 1 January	-	-	-	-
Acquisition of subsidiaries	3,342,966	7,565,181	232,021	11,140,168
Addition	-	-	7,850	7,850
As at 31 December, as previously stated	3,342,966	7,565,181	239,871	11,148,018
Adjustment (Note 7.8.4(c))	1,027,286	1,487,709	-	2,514,995
As at 31 December, as restated	4,370,252	9,052,890	239,871	13,663,013
Accumulated amortisation				
As at 1 January	-	-	(52,480)	(52,480)
Acquisition of subsidiaries	-	-	(23,144)	(23,144)
Amortisation charged during the year	-	-	(75,624)	(75,624)
As at 31 December	-	-	(75,624)	(75,624)
Net carrying amount				
At 31 December	4,370,252	9,052,890	164,247	13,587,389

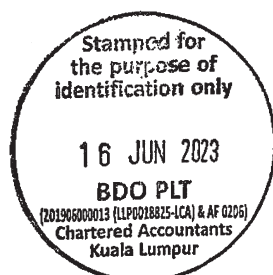


ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.3 INTANGIBLE ASSETS (continued)****Group**

	Goodwill RM	Brand names RM	Computer software RM	Total RM
2021				
Cost				
As at 1 January/31 December	4,370,252	9,052,890	239,871	13,663,013
Accumulated amortisation				
As at 1 January	-	-	(75,624)	(75,624)
Amortisation charged during the year	-	-	(58,151)	(58,151)
As at 31 December	-	-	(133,775)	(133,775)
Net carrying amount At 31 December	<u>4,370,252</u>	<u>9,052,890</u>	<u>106,096</u>	<u>13,529,238</u>
2022				
Cost				
As at 1 January	4,370,252	9,052,890	239,871	13,663,013
Addition	-	-	22,560	22,560
As at 31 December	<u>4,370,252</u>	<u>9,052,890</u>	<u>262,431</u>	<u>13,685,573</u>
Accumulated amortisation				
As at 1 January	-	-	(133,775)	(133,775)
Amortisation charged during the year	-	-	(49,155)	(49,155)
As at 31 December	-	-	(182,930)	(182,930)
Net carrying amount At 31 December	<u>4,370,252</u>	<u>9,052,890</u>	<u>79,501</u>	<u>13,502,643</u>



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.3 INTANGIBLE ASSETS (continued)**

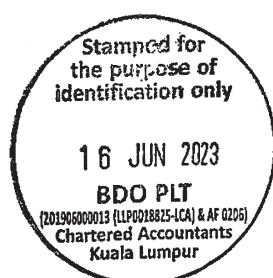
- (a) The brand names are recognised separable from goodwill on acquisition of subsidiaries companies.
- (b) For the purpose of impairment testing, goodwill is allocated to the subsidiaries acquired, which represents the lowest level within iMedia Group at which goodwill is monitored for internal management purposes.
- (c) The recoverable amounts of the subsidiaries are determined based on the value in use ('VIU') calculation. The VIU are calculated using the pre-tax cash flow projections based on financial budgets approved by management. The cash flow forecasts are based on budgets for the next five (5) years, with various inputs, assumptions and a terminal value thereafter. The cash flows were probability weighted based on the following scenarios:

	Best case	Base case	Worst case
Weighting	30%	50%	20%
Revenue growth rates	12% to 21%	12% to 18%	10% to 18%
Expenses growth rates	13% to 19%	14% to 21%	15% to 22%
Pre-tax discount rates	6.47%	6.47%	6.47%

- (d) The sensitivity of the impairment assessment to a reasonably possible change in each of the key inputs with all other variables held constant is as follows:

	Change in assumption
Probability weighted	Best case Base case Worst case 5% 50% 45%
Revenue growth rates	(3%)
Expenses growth rates	5%
Pre-tax discount rates	3%

- (e) Based on the annual impairment testing undertaken by iMedia Group, no impairment losses were required for the carrying amounts of the goodwill and brand names assessed as at 31 December 2020, 31 December 2021 and 31 December 2022 as their recoverable amounts were in excess of their carrying amounts. Management believes that there is no reasonably possible change in the key assumptions on which management has based its determination of the CGUs' recoverable amounts, which would cause the CGUs' carrying amounts to materially exceed their recoverable amounts.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.4 INVESTMENTS IN SUBSIDIARIES**

	Company		
	2020 RM	2021 RM	2022 RM
Unquoted equity shares, at cost	11,485,000	11,485,000	11,485,000

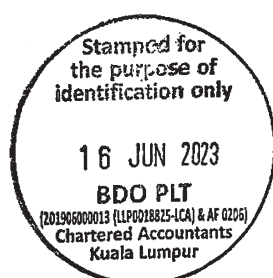
- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of iMedia at cost less impairment losses, if any.

All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

- (b) Details of the subsidiaries are as follows:

Name of companies	Country of incorporation/ Principal place of business	Effective interest in equity			Principal activities
		2020	2021	2022	
*Oh Media Sdn. Bhd.	Malaysia	80%	80%	80%	Engaged in the business of online media advertising and social media marketing
*Ittify Sdn. Bhd.	Malaysia	51%	51%	51%	Engaged in the business of online media advertising and social media marketing
*Goody Technologies Sdn. Bhd.	Malaysia	60%	60%	60%	Engaged in the business of online media advertising and social media marketing
*Nara Media Sdn. Bhd.	Malaysia	90%	90%	90%	Engaged in the business of online media advertising and social media marketing
*Moretify Sdn. Bhd.	Malaysia	60%	60%	60%	Engaged in the business of online media advertising and social media marketing

* Subsidiaries audited by BDO PLT.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.4 INVESTMENTS IN SUBSIDIARIES (continued)****(c) Acquisition of subsidiaries during the financial year ended 31 December 2020****(i) Oh Media Sdn. Bhd. ("Oh Media")**

On 11 March 2020, iMedia has entered into a Sale and Purchase Agreement with a third party to acquire 80% of equity interest comprising of 1,840 ordinary shares in Oh Media for a total purchase consideration of RM1,600,000. Arising from the acquisition, Oh Media has become 80% owned subsidiary of iMedia Group.

(ii) Ittify Sdn. Bhd. ("Ittify")

On 3 July 2020, iMedia has entered into a Sale and Purchase Agreement with third parties to acquire 51% of equity interest comprising of 1,020 ordinary shares in Ittify for a total purchase consideration of RM2,040,000. Arising from the acquisition, Ittify has become 51% owned subsidiary of iMedia Group.

(iii) Goody Technologies Sdn. Bhd. ("Goody Technologies")

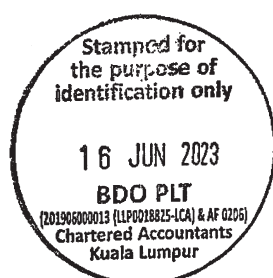
On 28 October 2020, iMedia has entered into a Sale and Purchase Agreement with third parties to acquire approximately 60% of equity interest comprising of 217,391 ordinary shares in Goody Technologies for a total purchase consideration of RM1,860,000. Arising from the acquisition, Goody Technologies has become approximately 60% owned subsidiary of iMedia Group.

(iv) Nara Media Sdn. Bhd. ("Nara Media")

On 3 November 2020, iMedia has entered into a Sale and Purchase Agreement with third parties to acquire 90% of equity interest comprising of 1,800 ordinary shares in Nara Media for a total purchase consideration of RM4,815,000. Arising from the acquisition, Nara Media has become 90% owned subsidiary of iMedia Group.

(v) Moretify Sdn. Bhd. ("Moretify")

On 27 November 2020, iMedia has entered into a Sale and Purchase Agreement with a third party to acquire 60% of equity interest comprising of 1,500 ordinary shares in Moretify for a total purchase consideration of RM1,170,000. Arising from the acquisition, Moretify has become 60% owned subsidiary of iMedia Group.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

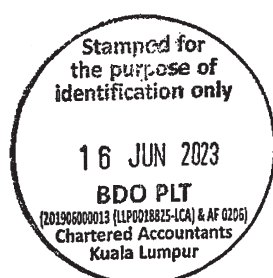
7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.4 INVESTMENTS IN SUBSIDIARIES (continued)**

- (c) Acquisition of subsidiaries during the financial year ended 31 December 2020 (continued)

The fair values of the identifiable assets and liabilities acquired and the effects on cash flows arising from the acquisitions were as follows:

	Note	At date of acquisition RM
Plant and equipment	7.8.1	202,949
Right-of-use assets	7.8.2	194,895
Intangible assets -software	7.8.3	179,541
Trade and other receivables		1,352,241
Contract assets		310,557
Current tax assets		83,952
Cash and bank balances		512,274
Trade and other payables		(1,188,680)
Contract liabilities		(66,451)
Deferred tax liabilities	7.8.9	(5,411)
Lease liabilities	7.8.2	(203,315)
Borrowings		(368,188)
Current tax liabilities		(65,932)
		<hr/>
Total identified net assets, at fair values		938,432
Non-controlling interests		(361,579)
		<hr/>
		576,853
		<hr/>
Intangible assets arising from the acquisitions	7.8.3	7,565,181
		<hr/>
		8,142,034
Goodwill arising from acquisition	7.8.3	3,342,966
		<hr/>
Purchase consideration		11,485,000
Cash and cash equivalents of the subsidiaries acquired		(511,214)
		<hr/>
Net cash outflow of iMedia Group on acquisition		10,973,786
		<hr/>

If the acquisition occurred on 1 January 2020, the revenue and profit after tax of iMedia Group for the financial year ended 31 December 2020 would have been RM12,929,956 and RM775,055 respectively.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.4 INVESTMENTS IN SUBSIDIARIES (continued)**

(c) Acquisition of subsidiaries during the financial year ended 31 December 2020 (continued)

During the financial year ended 31 December 2020, iMedia Group had acquired five subsidiaries for a total consideration RM11,485,000. iMedia Group had recognised intangible assets and goodwill of RM7,565,181 and RM3,342,966 respectively on a provisional basis.

The accounting of business combination of the five subsidiaries were based on the provisional fair values of their identifiable assets and liabilities. In accordance with MFRS 3 *Business Combinations*, iMedia Group has to carry out a Purchase Price Allocation ("PPA") exercise within 12 months from the date of acquisition.

During the financial year ended 31 December 2021, the iMedia Group has completed the PPA exercise to determine the fair value of the net assets of subsidiaries in accordance with requirements of MFRS 3 *Business Combinations*.

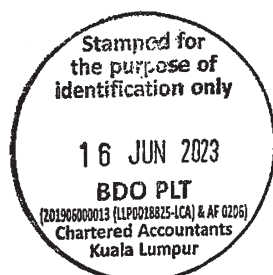
The details are as follows:

	RM
Provisional goodwill	3,342,966
Final goodwill	<u>4,370,252</u>
Increase in goodwill	<u><u>1,027,286</u></u>
	RM
Provisional intangible assets	7,565,181
Final intangible assets	<u>9,052,890</u>
Increase in intangible assets	<u><u>1,487,709</u></u>

The adjusted fair values of subsidiaries' identifiable assets have been reflected in the statements of financial position as at 31 December 2020.

Below are the effects of the final PPA adjustments in accordance with MFRS 3:

	As previously stated RM	Adjustments RM	As restated RM
As at 31 December 2020			
Statements of financial position			
Non-current assets			
Intangible assets	11,072,394	2,514,995	13,587,389
Equity			
Non-controlling interests	<u>609,025</u>	<u>2,514,995</u>	<u><u>3,124,020</u></u>



ACCOUNTANTS' REPORT ON IMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)
7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)

7.8.4 INVESTMENTS IN SUBSIDIARIES (continued)

(d) The subsidiaries of iMedia Group that have non-controlling interests ("NCI") are as follows:

	Oh Media Sdn. Bhd.	Ittify Sdn. Bhd.	Goody Technologies Sdn. Bhd.	Nara Media Sdn. Bhd.	Moretify Sdn. Bhd.	Total
2020						
NCI percentage of ownership interest and voting interest	20.00%	49.00%	40.00%	10.00%	40.00%	
Carrying amount of NCI (RM)	437,701	643,837	1,299,276	284,765	458,441	3,124,020
Profit allocated to NCI (RM)	63,178	69,428	114,840	-	-	247,446
2021						
NCI percentage of ownership interest and voting interest	20.00%	49.00%	40.00%	10.00%	40.00%	
Carrying amount of NCI (RM)	567,017	802,304	1,708,397	343,358	554,617	3,975,693
Profit allocated to NCI (RM)	129,316	158,467	409,121	58,594	96,175	851,673
2022						
NCI percentage of ownership interest and voting interest	20.00%	49.00%	40.00%	10.00%	40.00%	
Carrying amount of NCI (RM)	775,017	1,105,235	2,298,772	431,733	654,428	5,265,185
Profit allocated to NCI (RM)	208,000	302,931	590,376	88,375	99,810	1,289,492



ACCOUNTANTS' REPORT ON IMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)
 7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)
 7.8.4 INVESTMENTS IN SUBSIDIARIES (continued)

(e) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows:

2020	Oh Media Sdn. Bhd. RM	Ittify Sdn. Bhd. RM	Goody Technologies Sdn. Bhd. RM	Nara Media Sdn. Bhd. RM	Moretify Sdn. Bhd. RM	Total RM
Assets and liabilities						
Non-current assets	1,744,493	914,725	2,897,613	2,925,097	1,219,212	9,704,140
Current assets	640,540	1,049,066	1,221,618	400,698	53,103	3,365,025
Non-current liabilities	(806)	(1,191)	-	(5,972)	(56,453)	(64,422)
Current liabilities	(198,718)	(648,647)	(871,042)	(472,180)	(69,758)	(2,260,345)
Net assets	2,188,509	1,313,953	3,248,189	2,847,643	1,146,104	10,744,398
2021						
Assets and liabilities						
Non-current assets	1,744,863	841,706	2,922,461	2,923,925	1,122,152	9,555,107
Current assets	1,303,105	2,474,261	2,315,514	1,081,997	379,916	7,554,793
Non-current liabilities	-	-	-	(81,489)	(13,446)	(94,935)
Current liabilities	(212,879)	(1,678,612)	(966,984)	(490,853)	(102,080)	(3,451,408)
Net assets	2,835,089	1,637,355	4,270,991	3,433,580	1,386,542	13,563,557



ACCOUNTANTS' REPORT ON IMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)
7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)
7.8.4 INVESTMENTS IN SUBSIDIARIES (continued)

(e) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows (continued):

2022

Assets and liabilities

Non-current assets	1,771,131	835,947	2,974,582	3,008,863	1,144,886	9,735,409
Current assets	2,477,128	2,471,910	3,670,244	1,789,612	666,637	11,075,531
Non-current liabilities	(1,286)	(2,441)	(22,721)	(72,398)	(39,809)	(138,655)
Current liabilities	(371,886)	(1,049,835)	(875,173)	(408,745)	(135,645)	(2,841,284)
Net assets	3,875,087	2,255,581	5,746,932	4,317,332	1,636,069	17,831,001

2020	Oh Media Sdn. Bhd. RM	Ittify Sdn. Bhd. RM	Goody Technologies Sdn. Bhd. RM	Nara Media Sdn. Bhd. RM	Moretify Sdn. Bhd. RM	Total RM
Revenue	553,090	1,321,885	690,122	-	-	2,565,097
Profit for the financial year	315,890	141,690	287,101	-	-	744,681
Total comprehensive income	315,890	141,690	287,101	-	-	744,681
Cash flows from/(used in) operating activities	30,317	18,921	(96,314)	-	-	(47,076)
Cash flows used in investing activities	(290)	(50,393)	(12,190)	-	-	(62,873)
Cash flows used in financing activities	(13,750)	(15,150)	(33,600)	-	-	(62,500)
Net increase/(decrease) in cash and cash equivalents	16,277	(46,622)	(142,104)	-	-	(172,449)

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Chartered Accountants
Kuala Lumpur

ACCOUNTANTS' REPORT ON IMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)
7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)
7.8.4 INVESTMENTS IN SUBSIDIARIES (continued)

(e) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows (continued):

2021	Oh Media Sdn. Bhd. RM	Ittify Sdn. Bhd. RM	Goody Technologies Sdn. Bhd. RM	Nara Media Sdn. Bhd. RM	Moretify Sdn. Bhd. RM	Total RM
Results						
Revenue	1,643,171	4,151,938	3,008,012	1,567,630	757,580	11,128,331
Profit for the financial year	646,580	323,402	1,022,802	585,937	240,438	2,819,159
Total comprehensive income	646,580	323,402	1,022,802	585,937	240,438	2,819,159
Cash flows from operating activities	88,767	59,958	247,620	548,173	68,299	1,012,817
Cash flows used in investing activities	-	(9,126)	(18,833)	-	-	(27,959)
Cash flows used in financing activities	(27,000)	(54,000)	(41,797)	(446,449)	(41,400)	(610,646)
Net increase/(decrease) in cash and cash equivalents	61,767	(3,168)	186,990	101,724	26,899	374,212



ACCOUNTANTS' REPORT ON IMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

31. FINANCIAL INFORMATION OF IMEDIA (continued)

7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)

7.8.4 INVESTMENTS IN SUBSIDIARIES (continued)

- (e) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows (continued):

2022	Results	Oh Media	Ittify	Goody	Nara Media	Moretify	Total
		Sdn. Bhd. RM	Sdn. Bhd. RM	Technologies Sdn. Bhd. RM	Sdn. Bhd. RM	Sdn. Bhd. RM	RM
	Revenue	2,400,575	4,719,823	3,502,363	2,218,412	875,274	13,716,447
	Profit for the financial year	1,039,998	618,226	1,475,941	883,752	249,526	4,267,443
	Total comprehensive income	1,039,998	618,226	1,475,941	883,752	249,526	4,267,443
	Cash flows (used in)/from operating activities	(8,885)	155,135	(181,373)	6,319	87,092	58,288
	Cash flows used in investing activities	(2,666)	(24,900)	(69,111)	(42,542)	(11,191)	(150,410)
	Cash flows used in financing activities	(30,239)	(36,000)	(46,652)	(72,000)	(41,599)	(226,490)
	Net (decrease)/increase in cash and cash equivalents	(41,790)	94,235	(297,136)	(108,223)	34,302	(318,612)



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

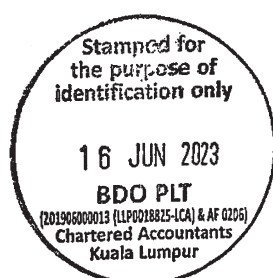
iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)

7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)

7.8.5 TRADE AND OTHER RECEIVABLES

	2020 RM	Company 2021 RM	2022 RM
Trade receivables			
Third parties	3,049,088	6,923,167	7,038,053
Less: Impairment loss	(39,206)	(75,194)	(106,986)
	3,009,882	6,847,973	6,931,067
Other receivables			
Third parties	1,000	-	892,223
Deposits	33,194	33,194	225,672
Amount owing from a corporate shareholder	-	-	1,380,000
Amount owing from a related party	-	-	1,620,000
Amount due from a subsidiary	9,000	307,720	55,445
	43,194	340,914	4,173,340
Total trade and other receivables, net of prepayments	3,053,076	7,188,887	11,104,407
Prepayments	34,622	307,289	383,321
Total trade and other receivables	<u>3,087,698</u>	<u>7,496,176</u>	<u>11,487,728</u>



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.5 TRADE AND OTHER RECEIVABLES (continued)**

	2020 RM	Group 2021 RM	2022 RM
Trade receivables			
Third parties	3,634,487	6,938,805	7,067,295
Less: Impairment loss	(47,358)	(75,286)	(107,204)
	3,587,129	6,863,519	6,960,091
Other receivables			
Third parties	33,596	19,763	922,249
Deposits	58,457	56,437	263,667
Amount owing from a corporate shareholder	-	-	1,380,000
Amount owing from a related party	-	-	1,620,000
	92,053	76,200	4,186,916
Less: Impairment loss - third parties	(10,000)	(1,469)	(571)
	82,053	74,731	4,186,345
Total trade and other receivables, net of prepayments	3,669,182	6,938,250	11,145,436
Prepayments	45,962	334,765	434,577
Total trade and other receivables	<u>3,715,144</u>	<u>7,273,015</u>	<u>11,580,013</u>

- (a) Total trade and other receivables, net of prepayments are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal credit terms of trade receivables granted by iMedia group and iMedia ranged from 30 to 90 days. They are recognised at their original invoices amounts, which represent their fair values on initial recognition.
- (c) The amounts owing from a corporate shareholder and a related party represent advances which are unsecured, non-interest bearing and payable within next twelve month in cash and cash equivalents.
- (d) Non-trade amount owing from a subsidiary represent payment made on behalf and rental receivables, which are unsecured, interest-free and payable upon demand within next twelve months on cash and cash equivalents.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

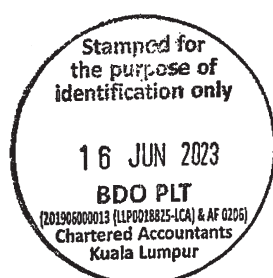
7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.5 TRADE AND OTHER RECEIVABLES (continued)**

- (e) Foreign currency exposure of trade and other receivables (net of prepayments) of iMedia Group and of iMedia are as follows:

	2020 RM	Company 2021 RM	2022 RM
Ringgit Malaysia	3,053,076	7,135,107	11,086,032
Taiwan Dollar	-	3,735	14,047
United States Dollar	-	50,045	4,328
	<u>3,053,076</u>	<u>7,188,887</u>	<u>11,104,407</u>
	2020 RM	Group 2021 RM	2022 RM
Ringgit Malaysia	3,604,281	6,883,892	11,127,061
Taiwan Dollar	-	3,735	14,047
United States Dollar	64,901	50,623	4,328
	<u>3,669,182</u>	<u>6,938,250</u>	<u>11,145,436</u>

- (f) The ageing analysis of trade receivables of iMedia Group and iMedia are as follows:

Company	Gross carrying amount RM	Total allowance RM	Balance RM
2020			
Current	1,792,781	(21,665)	1,771,116
Past due			
1 to 30 days	540,542	(6,911)	533,631
31 to 60 days	322,475	(4,559)	317,916
61 to 90 days	138,322	(2,159)	136,163
More than 91 days	254,968	(3,912)	251,056
	<u>1,256,307</u>	<u>(17,541)</u>	<u>1,238,766</u>
	<u>3,049,088</u>	<u>(39,206)</u>	<u>3,009,882</u>



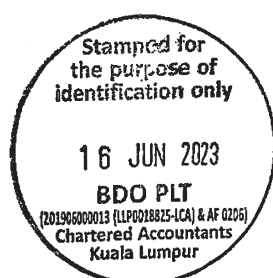
ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.5 TRADE AND OTHER RECEIVABLES (continued)**

(f) The ageing analysis of trade receivables of iMedia Group and iMedia are as follows: (continued)

Company	Gross carrying amount RM	Total allowance RM	Balance RM
2021			
Current	3,803,179	(37,455)	3,765,724
Past due			
1 to 30 days	819,571	(10,078)	809,493
31 to 60 days	639,704	(6,552)	633,152
61 to 90 days	732,592	(9,002)	723,590
More than 91 days	928,121	(12,107)	916,014
	<u>3,119,988</u>	<u>(37,739)</u>	<u>3,082,249</u>
	<u>6,923,167</u>	<u>(75,194)</u>	<u>6,847,973</u>
2022			
Current	3,136,166	(44,054)	3,092,112
Past due			
1 to 30 days	1,772,713	(27,116)	1,745,597
31 to 60 days	472,373	(7,334)	465,039
61 to 90 days	536,417	(9,296)	527,121
More than 91 days	1,120,384	(19,186)	1,101,198
	<u>3,901,887</u>	<u>(62,932)</u>	<u>3,838,955</u>
	<u>7,038,053</u>	<u>(106,986)</u>	<u>6,931,067</u>



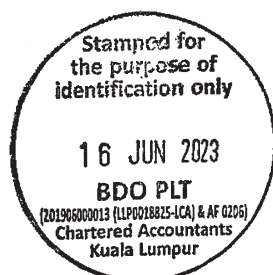
ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.5 TRADE AND OTHER RECEIVABLES (continued)**

(f) The ageing analysis of trade receivables of iMedia Group and iMedia are as follows (continued):

Group	Gross carrying amount RM	Total allowance RM	Balance RM
2020			
Current	1,956,037	(23,234)	1,932,803
Past due			
1 to 30 days	696,434	(8,027)	688,407
31 to 60 days	379,080	(5,020)	374,060
61 to 90 days	192,563	(2,703)	189,860
More than 91 days	410,373	(8,374)	401,999
	<u>1,678,450</u>	<u>(24,124)</u>	<u>1,654,326</u>
	<u>3,634,487</u>	<u>(47,358)</u>	<u>3,587,129</u>
2021			
Current	3,803,665	(37,458)	3,766,207
Past due			
1 to 30 days	821,638	(10,078)	811,560
31 to 60 days	639,704	(6,552)	633,152
61 to 90 days	732,592	(9,002)	723,590
More than 91 days	941,206	(12,196)	929,010
	<u>3,135,140</u>	<u>(37,828)</u>	<u>3,097,312</u>
	<u>6,938,805</u>	<u>(75,286)</u>	<u>6,863,519</u>
2022			
Current	3,150,571	(44,152)	3,106,419
Past due			
1 to 30 days	1,774,213	(27,126)	1,747,087
31 to 60 days	478,989	(7,378)	471,611
61 to 90 days	539,822	(9,319)	530,503
More than 91 days	1,123,700	(19,229)	1,104,471
	<u>3,916,724</u>	<u>(63,052)</u>	<u>3,853,672</u>
	<u>7,067,295</u>	<u>(107,204)</u>	<u>6,960,091</u>



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

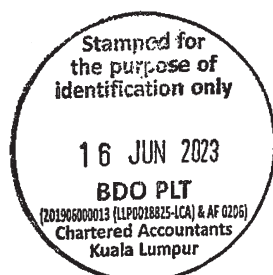
7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.5 TRADE AND OTHER RECEIVABLES (continued)**

- (g) As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of iMedia Group and of iMedia are summarised in the table below:

	2020	Company	2022
	RM	2021	RM
		RM	
Maximum exposure	3,009,882	6,847,973	6,931,067
Collateral obtained	-	-	-
Net exposure to credit risk	<u>3,009,882</u>	<u>6,847,973</u>	<u>6,931,067</u>
		Group	
	2020	2021	2022
	RM	RM	RM
Maximum exposure	3,587,129	6,863,519	6,960,091
Collateral obtained	-	-	-
Net exposure to credit risk	<u>3,587,129</u>	<u>6,863,519</u>	<u>6,960,091</u>

- (h) Movements in the impairment allowance for trade receivables are as follows:

	2020	Company	2022
	RM	2021	RM
		RM	
At 1 January	-	39,206	75,194
Reversal of impairment losses	-	(39,206)	(75,194)
Charge for the financial year	39,206	75,194	106,986
At 31 December	<u>39,206</u>	<u>75,194</u>	<u>106,986</u>
		Group	
	2020	2021	2022
	RM	RM	RM
At 1 January	-	47,358	75,286
Acquisition of subsidiaries	30,816	-	-
Written off	(14,050)	-	-
Reversal of impairment losses	(12,309)	(47,358)	(75,286)
Charge for the financial year	42,901	75,286	107,204
At 31 December	<u>47,358</u>	<u>75,286</u>	<u>107,204</u>



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.5 TRADE AND OTHER RECEIVABLES (continued)**

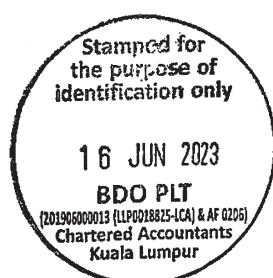
- (i) The reconciliation of movements in the impairment losses on other receivables are as follows:

	2020 RM	Group Lifetime ECL Credit Impaired 2021 RM	2022 RM
At 1 January	-	10,000	1,469
Acquisition of subsidiaries	10,000	-	-
Reversal of impairment losses		(9,429)	(898)
Charge for the financial year	-	898	-
At 31 December	<u>10,000</u>	<u>1,469</u>	<u>571</u>

- (j) Information on financial risks of trade and other receivables is disclosed in Note 7.8.14 of this Report.

7.8.6 CONTRACT ASSETS/(LIABILITIES)

	2020 RM	Company 2021 RM	2022 RM
Contract assets			
Contract assets relating to contracts with customers	341,266	1,120,151	3,648,966
Less: Impairment losses	(3,549)	(4,993)	(15,950)
	<u>337,717</u>	<u>1,115,158</u>	<u>3,633,016</u>
Contract liabilities			
Deferred income	(987,740)	(1,673,313)	(4,760,292)
	2020 RM	Group 2021 RM	2022 RM
Contract assets			
Contract assets relating to contracts with customers	341,266	1,120,151	3,648,966
Less: Impairment losses	(3,549)	(4,993)	(15,950)
	<u>337,717</u>	<u>1,115,158</u>	<u>3,633,016</u>
Contract liabilities			
Deferred income	(1,298,208)	(1,765,205)	(4,788,449)



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.6 CONTRACT ASSETS/(LIABILITIES) (continued)**

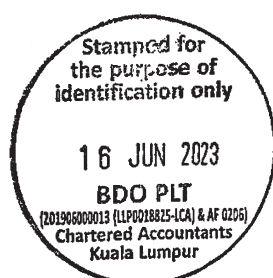
- (a) The contract assets primarily relate to iMedia's right to consideration for work completed and services provided on contracts but not yet billed as at the reporting date.
- (b) The contract liabilities are stated at cost and represents the obligation of iMedia to transfer services to customers for which consideration has been received from the customers.
- (c) Revenue of iMedia Group and iMedia of RM4,788,449 (31.12.2021: RM1,765,205; 31.12.2020: RM1,298,208) and RM4,760,292 (31.12.2021: RM1,673,313; 31.12.2020: RM987,740) respectively are expected to be recognised within the next twelve (12) months in the future in respect of unsatisfied contract liabilities as at the end of the reporting period.
- (d) Impairment for contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected loss provision for contract assets are as follows:

Group and Company	Current
2020	
Expected loss rate	1.04%
Gross carrying amount (RM)	341,266
Impairment (RM)	<u>(3,549)</u>
2021	
Expected loss rate	0.446%
Gross carrying amount (RM)	1,120,151
Impairment (RM)	<u>(4,993)</u>
2022	
Expected loss rate	0.437%
Gross carrying amount (RM)	3,648,966
Impairment (RM)	<u>(15,950)</u>

- (e) Movements in the impairment allowance for contract assets are as follows:

	2020	Company	2022
	RM	2021	RM
		RM	
As at 1 January	-	3,549	4,993
Reversal of impairment losses	-	(3,549)	(4,993)
Charge for the financial year	<u>3,549</u>	<u>4,993</u>	<u>15,950</u>
As at 31 December	<u>3,549</u>	<u>4,993</u>	<u>15,950</u>



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.6 CONTRACT ASSETS/(LIABILITIES) (continued)**

(e) Movements in the impairment allowance for contract assets are as follows (continued):

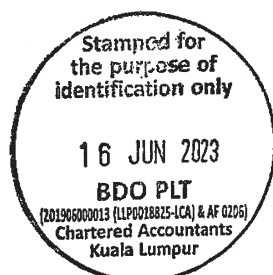
	2020 RM	Group 2021 RM	2022 RM
As at 1 January	-	3,549	4,993
Acquisition of subsidiaries	1,868	-	-
Reversal of impairment losses	(1,868)	(3,549)	(4,993)
Charge for the financial year	3,549	4,993	15,950
As at 31 December	3,549	4,993	15,950

(f) Information on financial risks of contract assets is disclosed in Note 7.8.14 of this Report.

7.8.7 CASH AND BANK BALANCES

	2020 RM	Company 2021 RM	2022 RM
Cash and bank balances	2,062,170	2,251,143	1,697,683
	2,062,170	2,251,143	1,697,683
	2020 RM	Group 2021 RM	2022 RM
Cash and bank balances	2,443,131	3,006,316	2,134,244
Deposits with licensed banks	1,060	-	-
	2,444,191	3,006,316	2,134,244

- (a) Cash and bank balances are classified as financial asset measured at amortised cost.
- (b) Cash and bank balances are denominated in Ringgit Malaysia ("RM").
- (c) No expected credit losses are recognised arising from the deposits with financial institutions because the probability of default by these financial institutions are negligible.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.7 CASH AND BANK BALANCES (continued)**

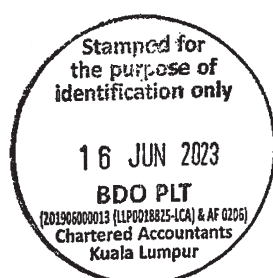
- (d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	2020 RM	Group 2021 RM	2022 RM
Cash and bank balances	2,443,131	3,006,316	2,134,244
Deposits with licensed banks	1,060	-	-
	<u>2,444,191</u>	<u>3,006,316</u>	<u>2,134,244</u>
Less: Fixed deposits with maturity periods of more than 3 months pledged with licensed banks	(1,060)	-	-
	<u>2,443,131</u>	<u>3,006,316</u>	<u>2,134,244</u>

- (e) Information on financial risks of cash and bank balances is disclosed in Note 7.8.14 of this Report.

7.8.8 SHARE CAPITAL

	Group and Company		
	2020	2021	2022
Number of ordinary shares Issued and fully paid			
Ordinary shares:			
At beginning of the financial year	2	2,500	2,500
Issuance of ordinary shares of RM1 each	2,498	-	-
At the end of the financial year	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
	2020 RM	2021 RM	2022 RM
Ordinary shares Issued and fully paid			
Ordinary shares:			
At beginning of the financial year	2	2,500	2,500
Issuance of ordinary shares of RM1 each	2,498	-	-
At the end of the financial year	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

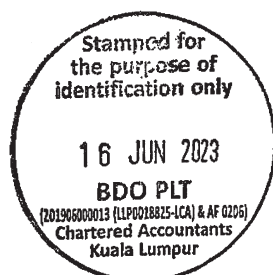
iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.8 SHARE CAPITAL (continued)**

- (a) Upon incorporation, 2 subscriber's shares were issued for cash consideration of RM2.
- (b) During the financial year 31 December 2020, iMedia increased its issued and paid-up share capital from RM2 to RM2,500 by way of the issuance of 98 ordinary shares at an issue price of RM1 each fully paid for cash type of shares for a total consideration of RM98 and 2,400 ordinary shares at an issue price of RM1 each fully paid for otherwise than cash type of shares for a total consideration of RM2,400.
- (c) The owners are entitled to receive dividends as and when declared by iMedia and are entitled to one (1) vote per ordinary share at meetings of iMedia. All ordinary shares rank pari passu with regard to the residual assets of iMedia.

7.8.9 DEFERRED TAX LIABILITIES

	2020 RM	Company 2021 RM	2022 RM
Balance as at 1 January	-	-	-
Recognised in profit or loss (Note 7.9.4)	-	-	16,107
	<u>-</u>	<u>-</u>	<u>16,107</u>
Balance as at 31 December	-	-	16,107
	<u>-</u>	<u>-</u>	<u>16,107</u>
Presented after appropriate offsetting as follows:			
Deferred tax assets	-	-	-
Deferred tax liabilities	-	-	16,107
	<u>-</u>	<u>-</u>	<u>16,107</u>
	2020 RM	Group 2021 RM	2022 RM
Balance as at 1 January	-	7,408	-
Acquisition of subsidiaries (Note 7.8.4 (c))	5,411	-	-
Recognised in profit or loss (Note 7.9.4)	1,997	(7,408)	25,256
	<u>7,408</u>	<u>-</u>	<u>25,256</u>
Balance as at 31 December	7,408	-	25,256
	<u>7,408</u>	<u>-</u>	<u>25,256</u>
Presented after appropriate offsetting as follows:			
Deferred tax assets	(1,012)	-	-
Deferred tax liabilities	8,420	-	25,256
	<u>7,408</u>	<u>-</u>	<u>25,256</u>



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.9 DEFERRED TAX LIABILITIES (continued)**

- (a) Components and movements of deferred tax liabilities during the financial year are as follows:

Deferred tax assets and deferred tax liabilities of iMedia

Company	Plant and equipment RM	Other RM	Total RM
At 1 January 2022	-	-	-
Recognised in profit or loss	16,107	-	16,107
At 31 December 2022	16,107	-	16,107

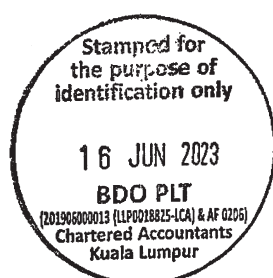
Deferred tax assets and deferred tax liabilities of iMedia Group

Group	Plant and equipment RM	Other RM	Total RM
At 1 January 2020	-	-	-
Recognised in profit or loss	8,420	(1,012)	7,408
At 31 December 2020	8,420	(1,012)	7,408
At 1 January 2021	8,420	(1,012)	7,408
Recognised in profit or loss	(8,420)	1,012	(7,408)
At 31 December 2021	-	-	-
At 1 January 2022	-	-	-
Recognised in profit or loss	25,143	113	25,256
At 31 December 2022	25,143	113	25,256

- (b) Unrecognised deferred tax assets

The amounts of temporary differences for which no deferred tax assets have been recognised in the consolidated statement of financial position are as follows:

	2020 RM	Company 2021 RM	2022 RM
Other temporary differences	129,446	415,794	-



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.9 DEFERRED TAX LIABILITIES (continued)**(b) Unrecognised deferred tax assets (continued)

The amounts of temporary differences for which no deferred tax assets have been recognised in the consolidated statement of financial position are as follows: (continued)

	2020 RM	Group 2021 RM	2022 RM
Other temporary differences	204,302	638,383	-

Deferred tax assets have not been recognised in respect of these items as it is not probable that taxable profits of iMedia Group and iMedia would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the tax authority.

7.8.10 TRADE AND OTHER PAYABLES

	2020 RM	Company 2021 RM	2022 RM
Non-current			
Other payables			
Third parties	3,588,419	-	-
Current			
Trade payables			
Third parties	590,417	717,664	516,641
Amounts owing to subsidiaries	1,964,840	6,109,622	9,397,708
	2,555,257	6,827,286	9,914,349
Other payables and accruals			
Third parties	4,728,088	6,332,260	1,843,419
Accruals	1,179,025	2,471,506	3,210,453
Amount owing to a subsidiary	14,235	-	-
Amount owing to a corporate shareholder	1,174,946	1,147,116	1,110,282
Amount owing to a related company	2,333,204	1,721,034	1,883,418
	9,429,498	11,671,916	8,047,572
Total current trade and other payables	11,984,755	18,499,202	17,961,921
Total trade and other payables	15,573,174	18,499,202	17,961,921

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(201906000013 (LLPD018825-1CA) & AF 0205)
Chartered Accountants
Kuala Lumpur

ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.10 TRADE AND OTHER PAYABLES (continued)**

	2020 RM	Group 2021 RM	2022 RM
Non-current			
Other payables			
Third parties	3,588,419	-	-
Current			
Trade payables			
Third parties	713,637	1,139,790	788,076
Other payables and accruals			
Third parties	4,892,884	6,456,663	1,866,331
Accruals	1,757,245	3,719,774	3,313,178
Amount owing to a corporate shareholder	1,174,946	1,147,116	1,110,282
Amount owing to a related party	2,333,204	1,721,034	1,883,418
	10,158,279	13,044,587	8,173,209
Total current trade and other payables	<u>10,871,916</u>	<u>14,184,377</u>	<u>8,961,285</u>
Total trade and other payables	<u>14,460,335</u>	<u>14,184,377</u>	<u>8,961,285</u>

- (a) Trade and other payables and accruals are classified as financial liabilities measured at amortised cost.
- (b) Non-current other payables represents cost of investment payables, which are unsecured, not payable within the next twelve months and non-interest bearing. In the previous financial year, included in other payables to third parties are cost of investment payables amounting to RM3,588,419, which are unsecured and interest bearing of 3.51% per annum.
- (c) Trade payables are non-interest bearing and the normal trade credit terms granted to iMedia Group and iMedia range from 30 to 90 days (31.12.2021: 30 to 90 days; 31.12.2020: 30 to 90 days) from date of invoice.
- (d) Non-trade amount owing to a subsidiary represents payments made on behalf which are unsecured, non-interest bearing and payable within next twelve month in cash and cash equivalents.
- (e) The amounts owing to a corporate shareholder and a related party represent loans with interest bearing ranging from 3.0% to 6.0% per annum. In the previous financial year, included in the amount owing to a corporate shareholder and a related party, RM348,000 and RM522,000 are the loan with interest bearing 3.0% per annum.
- (f) Trade and other payables are denominated in Ringgit Malaysia ("RM").

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The maturity profile trade and other payables of iMedia Group and of iMedia at the end of reporting period based on contractual undiscounted repayment obligations are repayable on demand or within one (1) year.

Information on financial risks of trade and other payables is disclosed in Note 7.8.14 of this Report.

ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.11 BORROWINGS**

	2020	Group 2021	2022
	RM	RM	RM
Term loan	368,188	-	-

- (a) Term loan is classified as financial liabilities measured at amortised cost.
- (b) Term loan is denominated in Ringgit Malaysia ("RM").
- (c) The term loan of iMedia Group was secured by:
- (i) Asset Sale Agreement for RM536,314.25 over Shariah compliant commodities determined by the Bank as per the e-certificate or such other evidence of ownership maintained by the Bank for the Facility;
 - (ii) letter of Guarantee from Credit Guarantee Corporation Malaysia Berhad (CGC) under Portfolio Guarantee (PG) for RM259,000; and
 - (iii) jointly and severally guaranteed by Mohd Shahzeeq Bin Mohd Shahren, Fadzlin Binti Zulkiflee and Ahmad Nazuwan Bin Amran, the shareholders of Nara Media Sdn. Bhd., a subsidiary of iMedia.

The term loan was fully repaid during the financial year ended 31 December 2021.

- (d) Information on financial risks of the borrowings and its remaining maturity is disclosed in Note 7.8.14 of this Report.

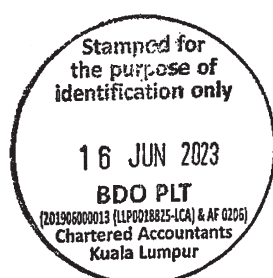
7.8.12 RELATED PARTIES DISCLOSURES

- (a) Identities of related parties

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

Related parties of iMedia includes:

- (i) Catcha Group Pte. Ltd., the ultimate company;
- (ii) Catcha Digital Berhad, the immediate holding company;
- (iii) Direct or indirect subsidiaries, associated companies or jointly controlled entities of the ultimate holding company;
- (iv) Key management personnel, which comprises persons (including the Directors of iMedia) having authority and responsibility for planning, directing, and controlling the activities of iMedia directly or indirectly; and
- (v) Companies in which the Directors, who are also the substantial shareholders of iMedia, have substantial financial interest.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

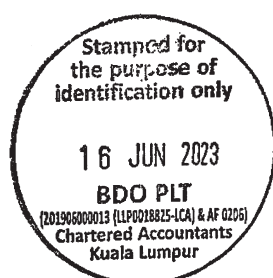
iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.12 RELATED PARTIES DISCLOSURES (continued)**

(b) Significant related party transactions

In addition to the transactions and balances detailed elsewhere in the financial statements, iMedia Group and iMedia had the following transactions with related parties during the financial year:

	2020	Company 2021	2022
	RM	RM	RM
Transaction with companies in which certain Directors have substantial financial interests,			
Catcha Group Sdn. Bhd.:			
- Absorbed expense:			
- Auditor's remuneration	2,000	-	-
- Other expenses	2,314	-	-
Transactions with subsidiaries,			
Oh Media Sdn. Bhd.:			
- rental income	(6,750)	(27,000)	(30,240)
- shared cost	509,594	1,467,313	2,218,489
Ittify Sdn. Bhd.:			
- rental income	(13,500)	(54,000)	(36,000)
- shared cost	1,321,885	4,146,888	4,606,449
- rental expenses	2,134	-	-
Goody Technologies Sdn. Bhd.:			
- shared cost	367,091	2,562,727	3,274,335
Nara Media Sdn Bhd			
- shared cost	-	1,207,771	1,821,248
Moretify Sdn Bhd			
- shared cost	-	623,497	727,712



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.12 RELATED PARTIES DISCLOSURES (continued)****(b) Significant related party transactions (continued)**

In addition to the transactions and balances detailed elsewhere in the financial statements, iMedia Group and iMedia had the following transactions with related parties during the financial year: (continued)

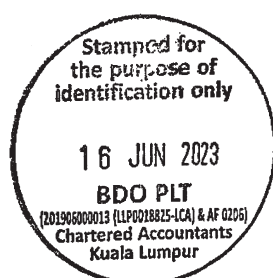
	2020	Group 2021	2022
	RM	RM	RM
Transaction with companies in which certain Directors have substantial financial interests,			
Catcha Group Sdn. Bhd.:			
- Absorbed expense:			
- Auditor's remuneration	2,000	-	-
- Other expenses	2,314	-	-
	2,314	-	-

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of iMedia.

The remuneration of director and key management personnel of iMedia during the financial years was as follows:

	2020	Company 2021	2022
	RM	RM	RM
Salaries and other emoluments	178,600	568,950	784,000
Defined contribution plan	20,380	68,274	94,080
Other benefits	923	1,847	2,004
	199,903	639,071	880,084



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.12 RELATED PARTIES DISCLOSURES (continued)**

(c) Compensation of key management personnel (continued)

The remuneration of director and key management personnel of iMedia during the financial years was as follows (continued):

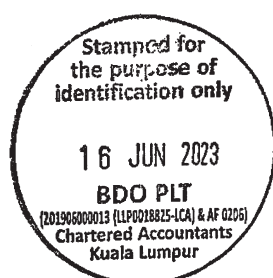
	2020 RM	Group 2021 RM	2022 RM
Salaries and other emoluments	319,029	1,539,550	1,654,850
Defined contribution plan	37,780	178,158	198,790
Other benefits	2,808	7,388	7,014
	359,617	1,725,096	1,860,654

7.8.13 FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of iMedia Group's capital management is to ensure that iMedia Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of iMedia remains unchanged during the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

iMedia Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, iMedia 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 financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.13 FINANCIAL INSTRUMENTS (continued)**

(a) Capital management (continued)

iMedia Group monitors capital on the basis of its gearing ratio which is total external debts divided by shareholders' funds. External debts comprise borrowings and lease liabilities, less cash and cash equivalents. Shareholders' funds represent equity attributable to the owners of the parent.

	Note	2020 RM	Group 2021 RM	2022 RM
Borrowings	7.8.11	368,188	-	-
Lease liabilities	7.8.2	489,649	477,825	611,317
Less: Cash and cash equivalents	7.8.7	(2,443,131)	(3,006,316)	(2,134,244)
Net debt		(1,585,294)	(2,528,491)	(1,522,927)
Total capital, equity attributable to the owners of the parent		747,281	4,405,459	10,797,381
Gearing ratio (times)		*	*	*

* Gearing ratio is not applicable as iMedia Group is at net cash position.

iMedia Group is not subject to any externally imposed capital requirements.

(b) Fair values measurement hierarchy and estimation

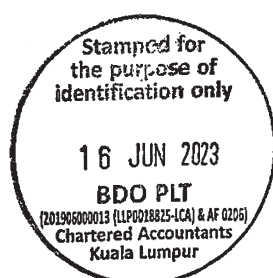
Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transactions between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

When measuring the fair value of an asset or a liability, iMedia Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that iMedia Group can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

iMedia Group recognises transfers between levels of the fair value hierarchy as at the date of event or change in circumstances that caused the transfers.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.13 FINANCIAL INSTRUMENTS (continued)**

- (b) Fair values measurement hierarchy and estimation (continued)

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values

The carrying amount of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period. As the financial assets and liabilities of iMedia Group and of iMedia are not carried at fair value by any valuation method, the fair value hierarchy is not presented.

7.8.14 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of iMedia Group and iMedia is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

iMedia Group and iMedia does not trade in derivative financial instruments. iMedia Group and iMedia is exposed mainly to foreign currency risk, liquidity and cash flow risk, credit risk and interest rate risk. Information on the management of the related exposures is detailed below.

- (i) Foreign currency risk

iMedia Group is exposed to transactional currency risk primarily through sales that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is United State Dollar (USD). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

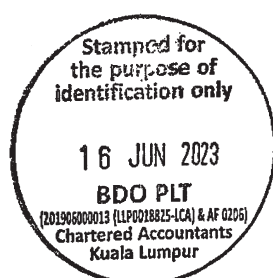
Sensitivity analysis for foreign currency risk

Sensitivity analysis of RM against foreign currency at the end of the reporting period was not presented as the exposure is not significant.

- (ii) Liquidity and cash flow risks

Liquidity and cash flow risk arises from the management of working capital of iMedia Group and iMedia. It is the risk that iMedia Group and iMedia would encounter difficulty in meeting its financial obligations when due.

iMedia Group and iMedia actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, iMedia Group and iMedia measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of iMedia Group and iMedia.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

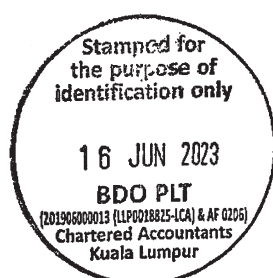
iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.14 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(ii) Liquidity and cash flow risks (continued)

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

Company	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2020				
Trade and other payables	11,984,755	3,649,500	-	15,634,255
Lease liabilities	300,000	-	-	300,000
Total undiscounted financial liabilities	12,284,755	3,649,500	-	15,934,255
2021				
Trade and other payables	18,499,202	-	-	18,499,202
Lease liabilities	264,000	-	-	264,000
Total undiscounted financial liabilities	18,763,202	-	-	18,763,202
2022				
Trade and other payables	17,961,921	-	-	17,961,921
Lease liabilities	288,000	-	-	288,000
Total undiscounted financial liabilities	18,249,921	-	-	18,249,921
Group				
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2020				
Financial liabilities				
Trade and other payables	10,871,916	3,649,500	-	14,521,416
Lease liabilities	447,000	58,950	-	505,950
Borrowings	374,460	-	-	374,460
Total undiscounted financial liabilities	11,693,376	3,708,450	-	15,401,826



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.14 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(ii) Liquidity and cash flow risks (continued)

The table below summarises the maturity profile of the liabilities of iMedia Group and iMedia at the end of each reporting period based on contractual undiscounted repayment obligations (continued).

Group	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2021				
Financial liabilities				
Trade and other payables	14,148,377	-	-	14,184,377
Lease liabilities	420,454	85,750	-	506,204
Total undiscounted financial liabilities	<u>14,604,831</u>	<u>85,750</u>	<u>-</u>	<u>14,690,581</u>
2022				
Financial liabilities				
Trade and other payables	8,961,285	-	-	8,961,285
Lease liabilities	544,200	133,150	-	677,350
Total undiscounted financial liabilities	<u>9,505,485</u>	<u>133,150</u>	<u>-</u>	<u>9,638,635</u>

(iii) Credit risk

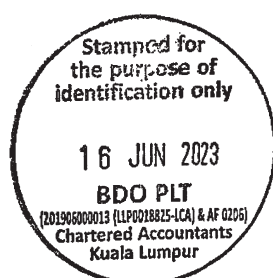
Exposure to credit risk arises mainly from sales made on credit terms and deposits with licensed banks. iMedia Group and iMedia controls the credit risk on sales by ensuring that its customers have sound financial position and credit history. iMedia Group and iMedia also seeks to invest cash assets safely and profitably with approved financial institutions in line with the policy of iMedia Group and iMedia.

Cash deposits, trade and other receivables and contract assets could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the policy of iMedia Group and iMedia to monitor the financial standing of these counter parties on an ongoing basis to ensure that iMedia Group and iMedia is exposed to minimal credit risk.

Information regarding credit enhancements for trade and other receivables and contract assets are disclosed in Notes 7.8.5 and 7.8.6 are neither past due nor impaired. This deposit is placed with or entered into with reputable financial institution with no history of default.

Exposure to credit risk

At the end of each reporting period, the maximum exposure to credit risk of iMedia Group and iMedia is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.14 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(iii) Credit risk (continued)

Credit risk concentration profile

At the end of the reporting period 31 December 2020, 31 December 2021 and 31 December 2022, iMedia Group and iMedia does not have any significant exposure to any individual customer or counterparty other than 70% (31.12.2021: 66%, 31.12.2020: 66%) of iMedia Group's trade receivables as at reporting date were due from twenty (20) (31.12.2021: fifteen (15), 31.12.2020: nine (9)) major customers and 70% (31.12.2021: 66%, 31.12.2020: 74%) of iMedia's trade receivables as at reporting date were due from twenty (20) (31.12.2021: fifteen (15), 31.12.2020: nine (9)) major customers.

iMedia Group and iMedia did not anticipate the carrying amount recorded at the reporting period to be significantly different from the values that would eventually be received.

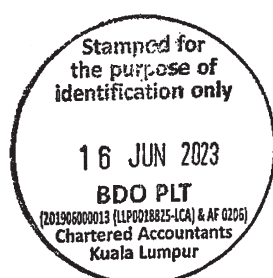
(iv) Interest rate risk

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

The exposure of iMedia Group to interest rates risk arises primarily from its borrowings. iMedia Group does not use derivative financial instruments to hedge this risk.

The following table sets out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the borrowings of iMedia Group that are exposed to interest rate risk:

Group	Weighted average effective interest rate per annum %	Within	1 - 2	2 - 5	More than	Total
		1 year	years	years	5 years	
		RM	RM	RM	RM	RM
2020						
Term loan						
Floating rates	7.56%	368,188	-	-	-	368,188



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF IMEDIA (continued)****7.8.14 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(iv) Interest rate risk (continued)

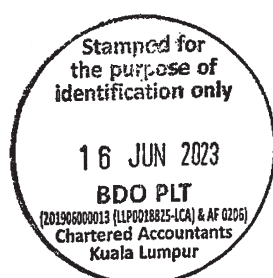
Sensitivity analysis for interest rate risk

Sensitivity analysis of interest rate for floating rate instruments at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	2020 RM	Group 2021 RM	2022 RM
Profit after tax			
- Increased by 0.5%	(1,399)	-	-
- Decreased by 0.5%	1,399	-	-

7.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF IMEDIA**7.9.1 REVENUE**

	2020 RM	Company 2021 RM	2022 RM
Revenue from contracts with customers			
- Sale of online advertising services	<u>7,726,557</u>	<u>21,626,285</u>	<u>29,100,463</u>
Timing of revenue recognition			
- Transferred over time	<u>7,726,557</u>	<u>21,626,285</u>	<u>29,100,463</u>
	2020 RM	Group 2021 RM	2022 RM
Revenue from contracts with customers			
- Sale of online advertising services	<u>8,093,084</u>	<u>22,746,420</u>	<u>30,168,677</u>
Timing of revenue recognition			
- Transferred over time	<u>8,093,084</u>	<u>22,746,420</u>	<u>30,168,677</u>



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

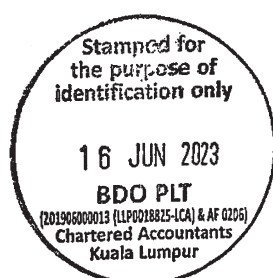
iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)

7.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF IMEDIA

7.9.2 FINANCE COSTS

	2020 RM	Company 2021 RM	2022 RM
Loan interest	-	3,485	101,921
Lease liabilities	4,305	7,091	6,490
Unwinding of discount on long term payables	22,769	61,081	-
Late payment interest	-	-	148,448
	<u>27,074</u>	<u>71,657</u>	<u>256,859</u>
	2020 RM	Group 2021 RM	2022 RM
Loan interest	1,650	9,746	101,921
Lease liabilities	4,614	14,080	15,437
Unwinding of discount on long term payables	22,769	61,081	-
Late payment interest	-	-	148,448
	<u>29,033</u>	<u>84,907</u>	<u>265,806</u>



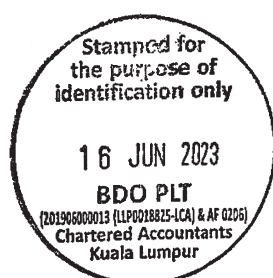
ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF IMEDIA (continued)****7.9.3 PROFIT BEFORE TAX**

Other than those disclosed elsewhere in the report, the profit before tax is arrived at:

	2020	Company	
	RM	2021	2022
		RM	RM
After charging:			
Auditors' remuneration			
- current year	20,000	21,000	26,000
- over provision in prior years	(2,000)	-	-
Rental expenses:			
- premises	17,719	-	-
- storages	167	260	275
Loss on foreign exchange			
- realised	-	426	858
And crediting:			
Fair value gain on discount on long term payables	83,850	-	-
Rental income	20,250	82,000	67,240
Lease concession	-	11,700	-
	2020	Group	
	RM	2021	2022
		RM	RM
After charging:			
Auditors' remuneration			
- current year	25,750	48,000	58,000
- over provision in prior years	(2,000)	-	-
Rental expenses :			
- premises	34,101	-	-
- storages	167	260	275
- equipment	446	2,718	2,450
Loss on foreign exchange:			
- realised	2,586	9,707	1,253
- unrealised	2,278	-	-



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

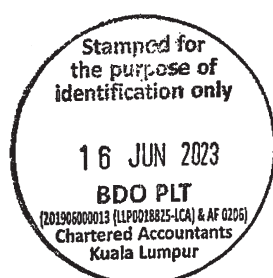
7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF IMEDIA (continued)****7.9.3 PROFIT BEFORE TAX (continued)**

Other than those disclosed elsewhere in the report, the profit before tax is arrived at (continued):

	2020 RM	Group 2021 RM	2022 RM
And crediting:			
Interest income	10	19	742
Fair value gain on discount on long term payables	83,850	-	-
Government subsidy	34,000	-	-
Realised gain on foreign exchange	146	2,299	85
Rental income	6,831	1,560	1,448
Lease concession	-	11,700	-
Waiver of debts	11,296	-	-
	11,296	-	-

7.9.4 TAX EXPENSES

	2020 RM	Company 2021 RM	2022 RM
Current tax expense based on profit for the financial year:			
- Income tax	311,421	696,630	1,189,815
- Under/(Over) provision in prior years	-	12,163	(105,405)
	311,421	708,793	1,084,410
Deferred tax (Note 7.8.9)			
- Relating to origination and reversal of temporary differences	-	-	1,226
- Under provision in prior years	-	-	14,881
	311,421	708,793	16,107
	311,421	708,793	1,100,517



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

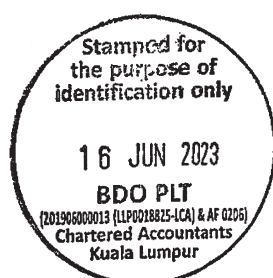
iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF IMEDIA (continued)****7.9.4 TAX EXPENSES (continued)**

	2020 RM	Group 2021 RM	2022 RM
Current tax expense based on profit for the financial year:			
- Income tax	440,314	1,460,848	2,659,642
- Under/(Over) provision in prior years	458	107,002	(82,520)
	440,772	1,567,850	2,577,122
Deferred tax (Note 7.8.9)			
- Relating to origination and reversal of temporary differences	1,483	(17,573)	4,441
- Under provision in prior years	514	10,165	20,815
	1,997	(7,408)	25,256
	<u>442,769</u>	<u>1,560,442</u>	<u>2,602,378</u>

- (a) The Malaysian income tax for small and medium-sized enterprises is calculated at the statutory tax rate of 17% (31.12.2021: 17%; 31.12.2020: 17%) on first RM600,000 (31.12.2021: RM600,000; 31.12.2020: RM600,000) of the chargeable income and 24% (31.12.2021: 24%; 31.12.2020: 24%) on the excess of RM600,000 (31.12.2021: RM600,000; 31.12.2020: RM600,000) of the chargeable income for the fiscal year/period.
- (b) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of iMedia Group and iMedia are as follows:

	2020 RM	Company 2021 RM	2022 RM
Profit before tax	532,575	2,330,502	4,330,384
Tax at Malaysian statutory tax rate at 24%	127,818	559,320	1,039,292
Tax effects in respect of:			
- Non-allowable expenses	216,513	120,847	151,761
- Non-taxable income	(20,124)	(10,261)	(12)



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF IMEDIA (continued)****7.9.4 TAX EXPENSES (continued)**

- (b) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of iMedia Group and iMedia are as follows (continued):

	2020	Company	2022
	RM	2021	RM
		RM	
Tax effects in respect of (continued):			
- Reduction in statutory tax rate on chargeable income up to RM600,000/ RM500,000	(42,000)	(42,000)	-
- Deferred tax assets not recognised	29,214	68,724	-
Under/(Over) provision in prior years:			
- current tax	-	12,163	(105,405)
- deferred tax	-	-	14,881
	<u>311,421</u>	<u>708,793</u>	<u>1,100,517</u>
	2020	Group	2022
	RM	2021	RM
		RM	
Profit before tax	<u>1,439,225</u>	<u>6,070,293</u>	<u>10,283,792</u>
Tax at Malaysian statutory tax rate at 24%	345,414	1,456,870	2,468,110
Tax effects in respect of:			
- Non-allowable expenses	168,689	166,773	206,604
- Non-taxable income	(20,124)	(51,072)	(10,631)
- Reduction in statutory tax rate on chargeable income up to RM600,000/RM500,000	(110,477)	(233,475)	-
- Deferred tax assets not recognised	58,295	104,179	-
	441,797	1,443,275	2,664,083
Under/(Over) provision in prior years:			
- current tax	458	107,002	(82,520)
- deferred tax	514	10,165	20,815
	<u>442,769</u>	<u>1,560,442</u>	<u>2,602,378</u>



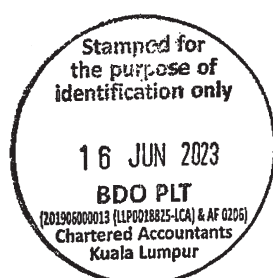
ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF IMEDIA (continued)****7.9.5 EMPLOYEE BENEFITS**

	2020	Company	
	RM	2021	2022
		RM	RM
Wages, salaries and bonuses	1,033,690	2,083,354	2,423,639
Contributions to defined contribution plan	126,006	393,744	502,071
Other benefits	276,523	1,750,858	2,045,598
	<u>1,436,219</u>	<u>4,227,956</u>	<u>4,971,308</u>
		Group	
	2020	2021	2022
	RM	RM	RM
Wages, salaries and bonuses	1,333,629	4,949,290	5,089,089
Contributions to defined contribution plan	170,944	732,172	861,706
Other benefits	288,457	2,098,897	2,256,171
	<u>1,793,030</u>	<u>7,780,359</u>	<u>8,206,966</u>

Included in the employee benefits of iMedia Group and iMedia is Directors' remuneration amounting to RM1,860,654 (31.12.2021: RM1,725,096, 31.12.2020: RM359,617) and RM880,084 (31.12.2021: RM639,071; 31.12.2020: RM199,903) respectively.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

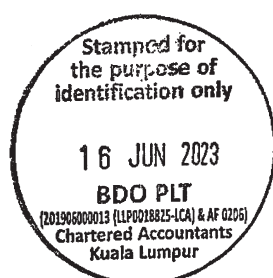
iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF iMEDIA (continued)**7.10 SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS**

- (a) On 11 March 2020, iMedia has entered into a Share Sale Purchase Agreement with a third party to acquire 80% of equity interest comprising of 1,840 ordinary shares in Oh Media for a total purchase consideration of RM1,600,000. The acquisition has been completed as at 31 December 2020.
- (b) On 3 July 2020, iMedia has entered into a Share Sale Purchase Agreement with third parties to acquire 51% of equity interest comprising of 1,020 ordinary shares in Ittify for a total purchase consideration of RM2,040,000. The acquisition has been completed as at 31 December 2020.
- (c) On 28 October 2020, iMedia has entered into a Share Sale Purchase Agreement with third parties to acquire approximately 60% of equity interest comprising of 217,391 ordinary shares in Goody Technologies for a total purchase consideration of RM1,860,000. The acquisition has been completed as at 31 December 2020.
- (d) On 3 November 2020, iMedia has entered into a Share Sale Purchase Agreement with third parties to acquire 90% of equity interest comprising of 1,800 ordinary shares in Nara Media for a total purchase consideration of RM4,815,000. The acquisition has been completed as at 31 December 2020.
- (e) On 27 November 2020, iMedia has entered into a Share Sale Purchase Agreement with a third party to acquire 60% of equity interest comprising of 1,500 ordinary shares in Moretify for a total purchase consideration of RM1,170,000. The acquisition has been completed as at 31 December 2020.
- (f) The Company and Rev Asia Berhad, had on 11 February 2021 been served a Writ of Summons and a Statement of Claim from Media Prima Digital Sdn. Bhd. and Rev Media Group Sdn. Bhd. ("Plaintiffs"). It relates to allegation of certain non-adherence to the terms relating to intellectual property matters under the Sales and Purchase Agreement entered into on 8 May 2017 between Media Prima Digital Sdn Bhd and Rev Asia Berhad and for passing off.

On 14 June 2021, the Company (as well as Rev Asia Berhad) entered into a Settlement Agreement with Media Prima Digital Sdn Bhd which includes the change of name from Rev Asia Berhad to Catcha Digital Berhad and the Rev Asia's shares to be traded and quoted under the new name "CATCHA".

On 11 August 2021, the Civil Suit has been withdrawn.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

7. FINANCIAL INFORMATION OF IMEDIA (continued)**7.10 SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS (continued)**

- (g) On 5 April 2022, Bursa Securities had approved the Revised Proposed Regularisation Plan of Catcha Digital Berhad ("Catcha Digital") for the proposed acquisition of the entire equity interest of the Company from Catcha Investments Ltd and iCreative Asia Sdn. Bhd..

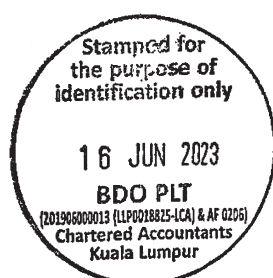
The mode of settlement for the purchase consideration are as follows:

- (i) purchase consideration of RM10,000,000 which will be fully satisfied through the issuance of 40,000,000 new Catcha Digital Shares ("Shares") at an issue price of RM0.25 per Share; and
- (ii) additional purchase consideration comprising of either:
- (a) an additional RM6 million by way of issuance of 24,000,000 new Shares at an issue price of RM0.25 each, and RM9.0 million in cash, subject to the Group achieving profit after taxation and minority interest ("PATAMI") of at least RM2.0 million for the FYE 31 December 2021; or
 - (b) an additional RM12 million by way of issuance of 48,000,000 new Shares at an issue price of RM0.25 each, and RM18.0 million in cash, subject to the Group achieving PATAMI of at least RM3.0 million for the FYE 31 December 2021; and
 - (c) additional purchase consideration of RM3,922,500 arising from the additional acquisitions by iMedia after 1 September 2020, to be satisfied by way of issuance of 6,796,800 new Shares at an issue price of RM0.25 each, with the balance in cash or to be fully satisfied in cash, at the option of Catcha Digital.

7.11 SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 7 March 2023, the proposed acquisition of the entire equity interest of iMedia from Catcha Investments Ltd and iCreative Asia Sdn. Bhd. has been completed.

On 23 March 2023, iMedia signed a term sheet to acquire 30% shares ("First Acquisition") at total purchase consideration of RM1,235,000, with an option to acquire another 50% shares in Headline Media Sdn. Bhd. at any time within 36 months after the completion of the First Acquisition.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

IMEDIA ASIA SDN. BHD. (201701038242 (1252413 – W))
(Incorporated in Malaysia)

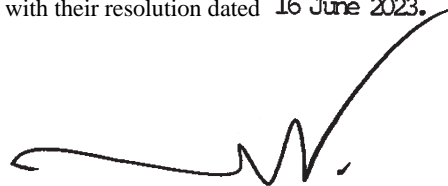
STATEMENT BY DIRECTORS

We, Voon Tze Khay and Tee Choon Wee, being two of the Directors of iMedia Asia Sdn. Bhd. (“iMedia”), state that, in the opinion of the Directors, the financial information set out on pages 4 to 92 are drawn up so as to give a true and fair view of the financial position of iMedia Group and iMedia as at 31 December 2020, 31 December 2021 and 31 December 2022, and of the financial performance and cash flows for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Signed on behalf of the Board of Directors in accordance with their resolution dated **16 June 2023.**



.....
Voon Tze Khay
Director
16 June 2023
16 June 2023



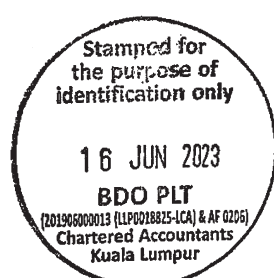
.....
Tee Choon Wee
Director

ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

8. FINANCIAL INFORMATION OF OH MEDIA**8.1 STATEMENTS OF FINANCIAL POSITION OF OH MEDIA**

		2020	2021	2022
		RM	RM	RM
ASSETS				
Non-current assets				
Plant and equipment	8.8.1	3,532	727	3,002
Right-of-use asset	8.8.2	26,170	26,345	50,338
		29,702	27,072	53,340
Current assets				
Trade and other receivables	8.8.3	539,471	1,121,847	2,101,437
Contract assets	8.8.4	40,642	59,064	295,287
Cash and bank balances	8.8.5	60,427	122,194	80,404
		640,540	1,303,105	2,477,128
TOTAL ASSETS		670,242	1,330,177	2,530,468
EQUITY AND LIABILITIES				
Equity				
Share capital	8.8.6	2,300	2,300	2,300
Retained earnings		468,418	1,114,998	2,154,996
TOTAL EQUITY		470,718	1,117,298	2,157,296
Non-current liabilities				
Deferred tax liabilities	8.8.7	806	-	1,286
Current liabilities				
Other payables and accruals	8.8.8	54,714	118,660	143,949
Contract liabilities	8.8.4	28,500	-	-
Lease liability	8.8.2	26,345	26,345	50,338
Current tax liabilities		89,159	67,874	177,599
		198,718	212,879	371,886
TOTAL LIABILITIES		199,524	212,879	373,172
TOTAL EQUITY AND LIABILITIES		670,242	1,330,177	2,530,468

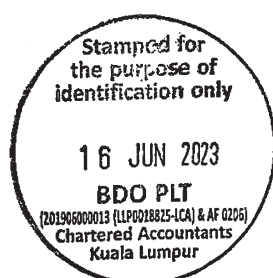


ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

8. FINANCIAL INFORMATION OF OH MEDIA (continued)**8.2 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF OH MEDIA**

	Note	2020 RM	2021 RM	2022 RM
Revenue	8.9.1	928,976	1,643,171	2,400,575
Cost of sales		(31,695)	-	-
Gross profit		897,281	1,643,171	2,400,575
Other income		26,327	7,490	-
Administrative expenses		(367,966)	(829,069)	(937,970)
Net losses on impairment of financial assets		(9,046)	(8,103)	(54,160)
Operating profit		546,596	813,489	1,408,445
Finance costs	8.9.2	(476)	(655)	(734)
Profit before tax	8.9.3	546,120	812,834	1,407,711
Tax expenses	8.9.4	(94,186)	(166,254)	(367,713)
Profit after tax		451,934	646,580	1,039,998
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		451,934	646,580	1,039,998

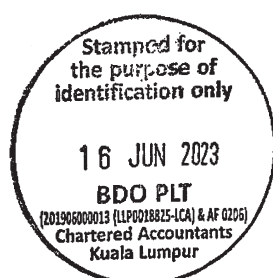


ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

8. FINANCIAL INFORMATION OF OH MEDIA (continued)**8.3 STATEMENTS OF CHANGE IN EQUITY OF OH MEDIA**

	Shares capital RM	Distributable Retained earnings RM	Total equity RM
Balance as at 1 January 2020	2,300	16,484	18,784
Profit for the financial year	-	451,934	451,934
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	451,934	451,934
Balance as at 31 December 2020/ 1 January 2021	2,300	468,418	470,718
Profit for the financial year	-	646,580	646,580
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	646,580	646,580
Balance as at 31 December 2021/ 1 January 2022	2,300	1,114,998	1,117,298
Profit for the financial year	-	1,039,998	1,039,998
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	1,039,998	1,039,998
Balance as at 31 December 2022	2,300	2,154,996	2,157,296

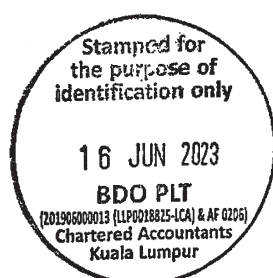


ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

8. FINANCIAL INFORMATION OF OH MEDIA (continued)**8.4 STATEMENTS OF CASH FLOWS OF OH MEDIA**

		2020 RM	2021 RM	2022 RM
	Note			
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		546,120	812,834	1,407,711
Adjustments for:				
Depreciation of plant and equipment	8.8.1	8,699	2,805	391
Depreciation of right-of-use assets	8.8.2	13,178	26,170	29,505
Plant and equipment written off	8.8.1	22,996	-	-
Impairment losses on:				
- contract assets	8.8.4(d)	427	214	1,061
Amount owing by immediate holding company	8.8.3(g)	8,619	16,935	70,248
Interest expense	8.9.2	476	655	734
Reversal of impairment losses on:				
- contract asset	8.8.4(d)	-	(427)	(214)
- trade receivables	8.8.3(g)	-	(8,619)	(16,935)
Waiver of debts		(11,296)	-	-
Operating profit before changes in working capital		589,219	850,567	1,492,501
Changes in working capital:				
Trade and other receivables		(548,090)	(590,692)	(1,032,903)
Contract assets		(41,069)	(18,209)	(237,070)
Other payables and accruals		14,198	63,946	25,289
Contract liabilities		28,500	(28,500)	-
Cash generated from operations		42,758	277,112	247,817
Tax paid		(12,441)	(188,345)	(256,702)
Net cash from/(used in) operating activities		30,317	88,767	(8,885)
CASH FLOWS FROM INVESTING ACTIVITY				
Purchase of plant and equipment, representing net cash used in investing activity	8.8.1	(290)	-	(2,666)



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

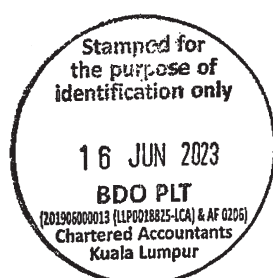
iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

8. FINANCIAL INFORMATION OF OH MEDIA (continued)**8.4 STATEMENTS OF CASH FLOWS OF OH MEDIA (continued)**

	Note	2020 RM	2021 RM	2022 RM
CASH FLOWS FROM FINANCING ACTIVITY				
Payments of lease liability, representing net cash used in financing activity	8.8.2	(13,750)	(27,000)	(30,239)
Net increase/(decrease) in cash and cash equivalents		16,277	61,767	(41,790)
Cash and cash equivalents at beginning of financial year		44,150	60,427	122,194
Cash and cash equivalents at end of financial year	8.8.5	60,427	122,194	80,404

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Note	2020 RM	2021 RM	2022 RM
Lease liability at 1 January		6,907	26,345	26,345
<u>Cash flows</u>				
- Payment of lease liability		(13,750)	(27,000)	(30,239)
<u>Non-cash changes</u>				
- Financed by lease		32,712	26,345	50,338
- Remeasurement of lease		-	-	3,160
- Unwinding of interest	8.9.2	476	655	734
Lease liability at 31 December	8.8.2	26,345	26,345	50,338



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

8. FINANCIAL INFORMATION OF OH MEDIA (continued)**8.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES****8.5.1 BASIS OF PREPARATION**

The financial information of Oh Media for the FYEs 31 December 2020, 31 December 2021 and 31 December 2022 have been prepared in accordance with MFRSs.

The following accounting policies have been used consistently in the preparation of the historical financial information.

8.5.2 Basis of accounting

The financial information of Oh Media have been prepared under the historical cost convention except as otherwise stated in the historical financial information.

The preparation of these financial information in conformity with MFRSs and IFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 8.7 of this Report. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

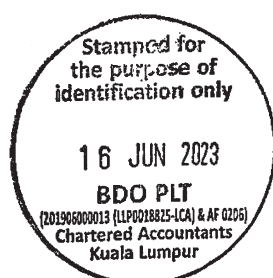
8.5.3 Plant and equipment and depreciation

All items of plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs would flow to Oh Media and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which Oh Media is obligated to incur when the asset is acquired, if applicable.

Each part of an item of plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

8. FINANCIAL INFORMATION OF OH MEDIA (continued)**8.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****8.5.3 Plant and equipment and depreciation (continued)**

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods and rates are as follows:

	2020	2021	2022
Fixtures and fittings	10 years	5 years	-
Furniture	10 years	5 years	-
Office equipment	10 years	5 years	5 years
Computer, games and peripherals	2-3 years	2-3 years	2-3 years
Renovation	10 years	5 years	-

The revision in estimation above have been applied prospectively with effect from 1 January 2021. The effect of the above revision were accounted for prospectively as a change in accounting estimate and as result, the depreciation charge of Oh Media for 31 December 2021 has increased by RM 211.

At the end of each reporting period, the carrying amount of an item of plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is recognised in profit or loss.

8.5.4 Leases

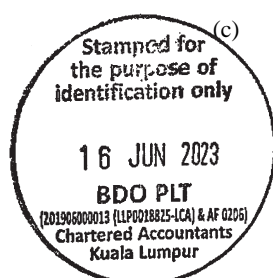
All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case Oh Media's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of Oh Media if it is reasonable certain to assess that option; and
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

8. FINANCIAL INFORMATION OF OH MEDIA (continued)**8.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****8.5.4 Leases (continued)**

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- (a) Lease payments made at or before commencement of the lease;
- (b) Initial direct costs incurred; and
- (c) The amount of any provision recognised where Oh Media is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When Oh Media revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When Oh Media renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

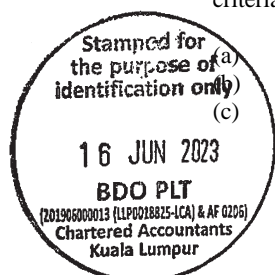
- (a) If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- (b) In all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount; and
- (c) If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to Oh Media to use an identified asset and require services to be provided to Oh Media by the lessor, Oh Media has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Identifying leases

Oh Media accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) There is an identified asset;
- (b) Oh Media obtains substantially all the economic benefits from use of the asset; and
- (c) Oh Media has the right to direct use of the asset.



ACCOUNTANTS' REPORT ON iMEDIA GROUP (cont'd)

iMedia Asia Sdn. Bhd. (201701038242 (1252413 - W))
Accountants' Report

8. FINANCIAL INFORMATION OF OH MEDIA (continued)**8.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****8.5.4 Leases (continued)**Identifying leases (continued)

Oh Media considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether Oh Media obtains substantially all the economic benefits from use of the asset, Oh Media considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether Oh Media has the right to direct use of the asset, Oh Media considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, Oh Media considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, Oh Media applies other applicable MFRSs rather than MFRS 16.

8.5.5 Impairment of non-financial assets

The carrying amount of assets, except for financial assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating units ("CGU") to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

An impairment loss on assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversals are recognised as income immediately in profit or loss.

8.5.6 Financial instruments

Stamped for
the purpose of
identification only

16 JUN 2023

BDO PLT

(201906000013 (LLPO218825-ICA) & AF 0205)
Chartered Accountants
Kuala Lumpur

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.