



ASIA MEDIA GROUP BERHAD
(formerly known as Gerak Bayan Sdn Bhd)
(Company No. 813137-V)

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PROSPECTUS | ASIA MEDIA GROUP BERHAD (Company No. 813137-V)



ASIA MEDIA GROUP BERHAD

(formerly known as Gerak Bayan Sdn Bhd)

(Company No. 813137-V)

(Incorporated in Malaysia under the Companies Act, 1965)

INITIAL PUBLIC OFFERING OF 98,000,000 NEW ORDINARY SHARES OF RM0.10 EACH ("IPO SHARES") IN CONJUNCTION WITH OUR LISTING ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD COMPRISING:

- 90,000,000 IPO SHARES BY WAY OF PRIVATE PLACEMENT TO THE SELECTED INVESTORS; AND
- 8,000,000 IPO SHARES FOR APPLICATION BY THE PUBLIC

AT AN ISSUE PRICE OF RM0.23 PER IPO SHARE, PAYABLE IN FULL UPON APPLICATION

Principal Adviser, Sponsor, Managing Underwriter, Underwriter and Placement Agent



PM Securities Sdn. Bhd.

(66299-A) An Approved Universal Broker

A Participating Organisation of Bursa Malaysia Securities Berhad

Underwriter



JF APEX SECURITIES BERHAD (47680-X)

A Participating Organisation of Bursa Malaysia Securities Berhad

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" IN SECTION 5 OF THIS PROSPECTUS.

INVESTORS ARE ADVISED TO NOTE THAT COMPANIES LISTED ON THE ACE MARKET MAY BE OF HIGH INVESTMENT RISK.

THIS PROSPECTUS IS DATED 22 DECEMBER 2010

SHARIAH-COMPLIANT SECURITIES



IMPORTANT NOTICE

OUR DIRECTORS AND PROMOTERS (AS DEFINED HEREIN) HAVE SEEN AND APPROVED THIS PROSPECTUS AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS PROSPECTUS. THEY CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE IS NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS WHICH, IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS PROSPECTUS FALSE OR MISLEADING.

PM SECURITIES SDN BHD ("PM SECURITIES"), BEING THE PRINCIPAL ADVISER FOR OUR INITIAL PUBLIC OFFERING ("IPO"), ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING OUR IPO.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SECURITIES COMMISSION ("SC"). THE REGISTRATION OF THIS PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS OUR IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SECURITIES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART. THE SC ALSO TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS 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 CONTENTS OF THIS PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF OUR IPO AND YOUR INVESTMENT IN OUR SHARES. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

APPROVAL HAS BEEN OBTAINED FROM BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") FOR THE LISTING OF AND QUOTATION FOR OUR SHARES. BURSA SECURITIES SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR PART OF THE CONTENTS OF THIS PROSPECTUS. OUR ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF OUR IPO, OUR COMPANY OR OUR SHARES.

A COPY OF THIS PROSPECTUS, TOGETHER WITH THE APPLICATION FORMS, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES, WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

COMPANIES LISTED ON THE ACE MARKET MAY HAVE A LIMITED OPERATING HISTORY OR MAY NOT HAVE ANY PROFIT TRACK RECORD PRIOR TO LISTING. SUCH COMPANIES MAY BE OF HIGH INVESTMENT RISK. AS WITH ALL INVESTMENTS, PROSPECTIVE INVESTORS SHOULD BE AWARE OF ALL POTENTIAL RISKS IN INVESTING IN SUCH COMPANIES AND SHOULD MAKE THE DECISION TO INVEST AFTER GIVING DUE AND CAREFUL CONSIDERATION BY REFERRING TO, AMONG OTHERS, THE PROSPECTUS, LATEST FINANCIAL STATEMENTS AND CORPORATE ANNOUNCEMENTS. YOU ARE STRONGLY RECOMMENDED TO SEEK ADVICE FROM A SECURITIES PROFESSIONAL/ADVISER.

THE PUBLIC ISSUE (AS DEFINED HEREIN) IN RESPECT OF OUR IPO IS AN EXEMPT TRANSACTION UNDER SECTION 213 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 ("CMSA") AND IS THEREFORE NOT SUBJECT TO THE APPROVAL OF THE SC.

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

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

OUR SECURITIES ARE CLASSIFIED AS SHARIAH COMPLIANT BY THE SHARIAH ADVISORY COUNCIL OF THE SC BASED ON OUR AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009. THIS CLASSIFICATION REMAINS VALID FROM THE DATE OF ISSUE OF THE PROSPECTUS UNTIL THE NEXT SHARIAH COMPLIANCE REVIEW TO BE UNDERTAKEN BY THE SHARIAH ADVISORY COUNCIL OF THE SC. THE NEW STATUS IS RELEASED IN THE UPDATED LIST OF SHARIAH-COMPLIANT SECURITIES ON THE LAST FIRDAY OF THE MONTH OF MAY AND NOVEMBER.

YOU CAN ALSO VIEW OR DOWNLOAD THIS PROSPECTUS FROM THE WEBSITE OF BURSA SECURITIES AT www.bursamalaysia.com.

A COPY OF THIS PROSPECTUS SO REGISTERED IS AVAILABLE ON THE WEBSITES OF RHB BANK BERHAD AT www.rhbbank.com.my, MALAYAN BANKING BERHAD AT www.maybank2u.com.my, CIMB BANK BERHAD AT www.cimbclicks.com.my AND AFFIN BANK BERHAD AT www.affinOnline.com (VIA HYPERLINK TO THE WEBSITE OF BURSA SECURITIES) AND ON THE WEBSITE OF CIMB INVESTMENT BANK BERHAD AT www.eipocimb.com.

YOU ARE ADVISED THAT THE INTERNET IS NOT A FULLY SECURED MEDIUM, AND THAT YOUR INTERNET SHARE APPLICATION (AS DEFINED HEREIN) MAY BE SUBJECT TO THE RISKS OF PROBLEMS OCCURRING DURING THE DATA TRANSMISSION, COMPUTER SECURITY THREATS SUCH AS VIRUSES, HACKERS AND CRACKERS, FAULTS WITH COMPUTER SOFTWARE AND OTHER EVENTS BEYOND THE CONTROL OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS (AS DEFINED HEREIN). THESE RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS. IF YOU DOUBT THE VALIDITY OR INTEGRITY OF AN ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM US, OUR PRINCIPAL ADVISER OR THE ISSUING HOUSE, A PAPER/PRINTED COPY OF THIS PROSPECTUS. IN THE EVENT OF ANY DISCREPANCIES ARISING BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS FOR ANY REASON WHATSOEVER, THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS, WHICH ARE IDENTICAL TO THE COPY OF THE PROSPECTUS REGISTERED WITH THE SC, SHALL PREVAIL.

IN RELATION TO ANY REFERENCE IN THIS PROSPECTUS TO THIRD PARTY INTERNET SITES (REFERRED TO AS "THIRD PARTY INTERNET SITES"), WHETHER BY WAY OF HYPERLINKS OR BY WAY OF DESCRIPTION OF THE THIRD PARTY INTERNET SITES, YOU ACKNOWLEDGE AND AGREE THAT:

- (I) WE AND OUR PRINCIPAL ADVISER DO NOT ENDORSE AND ARE NOT AFFILIATED IN ANY WAY WITH THE THIRD PARTY INTERNET SITES AND ARE NOT RESPONSIBLE FOR THE AVAILABILITY OF, OR THE CONTENTS OR ANY DATA, INFORMATION, FILES OR OTHER MATERIAL PROVIDED ON THE THIRD PARTY INTERNET SITES. YOU SHALL BEAR ALL RISKS ASSOCIATED WITH THE ACCESS TO OR USE OF THE THIRD PARTY INTERNET SITES;
- (II) WE AND OUR PRINCIPAL ADVISER ARE NOT RESPONSIBLE FOR THE QUALITY OF PRODUCTS OR SERVICES IN THE THIRD PARTY INTERNET SITES, FOR FULFILLING ANY OF THE TERMS OF YOUR AGREEMENTS WITH THE THIRD PARTY INTERNET SITES. WE AND OUR PRINCIPAL ADVISER ARE ALSO NOT RESPONSIBLE FOR ANY LOSS OR DAMAGE OR COSTS THAT YOU MAY SUFFER OR INCUR IN CONNECTION WITH OR AS A RESULT OF DEALING WITH THE THIRD PARTY INTERNET SITES OR THE USE OF OR RELIANCE ON ANY DATA, INFORMATION, FILES OR OTHER MATERIAL PROVIDED BY

SUCH PARTIES; AND

- (III) ANY DATA, INFORMATION, FILES OR OTHER MATERIAL DOWNLOADED FROM THE THIRD PARTY INTERNET SITES IS DONE AT YOUR OWN DISCRETION AND RISK. WE AND OUR PRINCIPAL ADVISER ARE NOT RESPONSIBLE, LIABLE OR UNDER OBLIGATION FOR ANY DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA RESULTING FROM THE DOWNLOADING OF ANY SUCH DATA, INFORMATION, FILES OR OTHER MATERIAL.

WHERE AN ELECTRONIC PROSPECTUS IS HOSTED ON THE WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS, YOU ARE ADVISED THAT:

- (I) THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS ARE ONLY LIABLE IN RESPECT OF THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS, TO THE EXTENT OF THE CONTENTS OF THE ELECTRONIC PROSPECTUS SITUATED ON THE WEB SERVERS OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS WHICH MAY BE VIEWED VIA YOUR WEB BROWSER OR OTHER RELEVANT SOFTWARE. THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS SHALL NOT BE RESPONSIBLE IN ANY WAY FOR THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS WHICH HAS BEEN DOWNLOADED OR OTHERWISE OBTAINED FROM THE WEB SERVERS OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS AND THEREAFTER COMMUNICATED OR DISSEMINATED IN ANY MANNER TO YOU OR OTHER PARTIES; AND
- (II) WHILE ALL REASONABLE MEASURES HAVE BEEN TAKEN TO ENSURE THE ACCURACY AND RELIABILITY OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS, THE ACCURACY AND RELIABILITY OF AN ELECTRONIC PROSPECTUS CANNOT BE GUARANTEED AS THE INTERNET IS NOT A FULLY SECURED MEDIUM.

THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS SHALL NOT BE LIABLE (WHETHER IN TORT OR CONTRACT OR OTHERWISE) FOR ANY LOSS, DAMAGE OR COSTS YOU OR ANY OTHER PERSON MAY SUFFER OR INCUR DUE TO, AS A CONSEQUENCE OF OR IN CONNECTION WITH ANY INACCURACIES, CHANGES, ALTERATIONS, DELETIONS OR OMISSIONS IN RESPECT OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS WHICH MAY ARISE IN CONNECTION WITH OR AS A RESULT OF ANY FAULT OR FAULTS WITH WEB BROWSERS OR OTHER RELEVANT SOFTWARE, ANY FAULT OR FAULTS ON YOUR OR ANY THIRD PARTY'S PERSONAL COMPUTER, OPERATING SYSTEM OR OTHER SOFTWARE, VIRUSES OR OTHER SECURITY THREATS, UNAUTHORISED ACCESS TO INFORMATION OR SYSTEMS IN RELATION TO THE WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS, AND/OR PROBLEMS OCCURRING DURING DATA TRANSMISSION, WHICH MAY RESULT IN INACCURATE OR INCOMPLETE COPIES OF INFORMATION BEING DOWNLOADED OR DISPLAYED ON YOUR PERSONAL COMPUTER.

YOU SHOULD NOT TAKE THE AGREEMENT BY THE UNDERWRITERS TO UNDERWRITE THE PUBLIC ISSUE (AS DEFINED HEREIN) AS AN INDICATION OF THE MERITS OF OUR IPO.

THIS PROSPECTUS HAS NOT BEEN AND WILL NOT BE MADE TO COMPLY WITH THE LAWS OF ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA, AND HAS NOT BEEN AND WILL NOT BE LODGED, REGISTERED OR APPROVED PURSUANT TO OR UNDER ANY APPLICABLE SECURITIES OR EQUIVALENT LEGISLATION WITH OR BY ANY REGULATORY AUTHORITY OR OTHER RELEVANT BODY OF ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA.

THIS PROSPECTUS IS NOT INTENDED TO BE AND WILL NOT BE ISSUED, CIRCULATED OR DISTRIBUTED AND OUR IPO WILL NOT BE MADE OR DEEMED TO BE MADE 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 MALAYSIA. OUR IPO TO WHICH THIS PROSPECTUS RELATES IS ONLY AVAILABLE TO PERSONS RECEIVING THIS PROSPECTUS ELECTRONICALLY OR OTHERWISE WITHIN MALAYSIA.

TENTATIVE TIMETABLE

The following events are intended to take place on the following tentative dates:

Event	Tentative date
Opening of the application for our IPO Shares (as defined herein)	22 December 2010 at 10.00 a.m.
Closing of the application for our IPO Shares	29 December 2010 at 5.00 p.m.
Tentative date for balloting of applications for our IPO Shares	31 December 2010
Tentative date for allotment of our IPO Shares to successful applicants	3 January 2011
Tentative listing date	11 January 2011

This timetable is tentative and is subject to change which may be necessary to facilitate implementation procedures. The applications for our IPO Shares will close on the time and date stated above or such later date or dates as our Directors and Underwriters (as defined herein) may in their absolute discretion mutually decide.

Should the closing date for the application of our IPO Shares be extended, the dates for the allotment of our IPO Shares pursuant to our IPO and our Listing (as defined herein) will be extended accordingly. We will announce any extension of time for the application of our IPO Shares by way of advertisements in a widely circulated English and Bahasa Malaysia newspaper within Malaysia.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Any discrepancies in the tables between the amounts listed and the totals in this Prospectus are due to rounding.

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. References to persons shall include companies and corporations.

All references to dates and times are references to dates and times in Malaysia.

All references to “our Company” and “Asia Media” in this Prospectus are to Asia Media Group Berhad (*formerly known as Gerak Bayan Sdn Bhd*), references to “our Group” is to our Company and our subsidiary companies taken as a whole and references to “we”, “us”, “our” and “ourselves” are to our Company and our subsidiary companies, save where the context otherwise requires.

Unless the context otherwise requires, references to “Management” are to our Directors as at the date of this Prospectus. Statements as to our beliefs, expectations, estimates and opinions are those of our Directors.

This Prospectus includes statistical data provided by various third parties and cites third party projections regarding growth and performance of the industry in which we operate. This data is taken or derived from information published by publicly available sources. In each such cases, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originates from us. In particular, certain information in this Prospectus is extracted or derived from the independent market research report by Frost & Sullivan Malaysia Sdn Bhd, International Economic Environment and Developments in the Malaysian Economy, Quarterly Bulletin and Third Quarterly Bulletin 2010 issued by Bank Negara Malaysia. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate. However, neither we nor our advisers have verified these figures.

We and our advisers do not make any representation as to the correctness, accuracy or completeness of such data. You should not place undue reliance on the statistical data cited in this Prospectus. Similarly, third party projections, including the projections from the independent market research report by Frost & Sullivan Malaysia Sdn Bhd, cited in this Prospectus are subject to uncertainties that could cause actual data to differ materially from the projected figures. We give no assurance that the projected figures will be achieved.

The information on our website, or any website directly or indirectly linked to such website does not form part of this Prospectus and you should not rely on it.

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FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts contained in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives of our Management for future operations, are forward-looking statements.

Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements include, without limitation, statements relating to:

- (i) demand for our products and services;
- (ii) our business strategies;
- (iii) plans and objectives of our Management for future operations;
- (iv) our financial position; and
- (v) our future earnings, cash flows and liquidity.

Our actual results may differ materially from the information contained in such forward-looking statements as a result of numerous factors beyond our control, including, without limitation:

- (i) the economic, political and investment environment in Malaysia; and
- (ii) government policies, legislations or regulations.

Additional factors that could cause our actual results, performance, achievements or industry results to differ materially include, but are not limited to, those discussed in Section 5 (Risk Factors) of this Prospectus. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

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DEFINITIONS

Unless otherwise indicated, the following words and abbreviations shall apply throughout this Prospectus:

ACE Market	: ACE Market of Bursa Securities
Acquisition	: The acquisition of the entire issued and paid-up share capital of AMSB comprising 100,000,000 ordinary shares of RM0.10 each from WHSB, MASB, TJBSB and BTV for a total purchase consideration of RM12,999,998 satisfied by the issuance of 129,999,980 new Shares in our Company
Act	: Companies Act, 1965 including any statutory modification, amendment or re-enactment thereof for the time being in force
ADA	: Authorised Depository Agent
Adex	: Advertising expenditure, the amount spent by an organisation or person on advertising
AMSB	: Asia Media Sdn Bhd
Application Form(s)	: The application form(s) for the application for our IPO Shares accompanying this Prospectus
Asia Media or Company	: Asia Media Group Berhad (<i>formerly known as Gerak Bayan Sdn Bhd</i>)
Asia Media Marketing	: Asia Media Marketing Sdn Bhd (<i>formerly known as Ciri Kesturi Sdn Bhd</i>)
Asia Media Interactive	: Asia Media Interactive Sdn Bhd (<i>formerly known as Ibizasia.com Sdn Bhd</i>)
ASP Class License	: License issued by MCMC to conduct any one or all the application services as stipulated under Sections 44, 126 and 127 of the Communications and Multimedia Act, 1998
ATM	: Automated teller machine
Authorised Financial Institution(s)	: The authorised financial institution(s) participating in the Internet Share Applications with respect to payments for our IPO Shares under the Public Issue
Board	: Board of Directors of our Company
BTV	: BTV Cinebus Sdn Bhd
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd
Bursa Securities	: Bursa Malaysia Securities Berhad
CAGR	: Compounded annual growth rate
CASP Individual License	: License issued by MCMC to provide (i) subscription broadcasting; (ii) terrestrial radio broadcasting; and (iii) non-subscription based TV broadcasting
Causeway Link Buses	: Bus services covering Johor Bahru, Larkin terminal and cross border services to Singapore operated by Handal Indah Sdn Bhd
CDS	: Central Depository System
CMSA	: Capital Markets and Services Act 2007, including any statutory modification, amendment or re-enactment thereof for the time being in force
Director(s)	: Director(s) of our Company and shall have the meaning given in Section 4 of the Act

DEFINITIONS (Cont'd)

EBITDA	: Earnings before interest, taxation, depreciation and amortisation
Electronic Prospectus	: Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium, including but not limited to CD-ROMs or floppy diskettes
Electronic Share Application	: Application for the 8,000,000 IPO Shares under the Public Issue through a Participating Financial Institution's ATM
EPS	: Earnings per Share
FPE	: Financial period ended 31 December
FYE	: Financial year ended/ending 31 December
GP	: Gross profit
GPRS	: General packet radio services
Group	: Our Company and subsidiary companies, collectively
GRPS	: General packet radio services
ICT	: Information and Communication Technology
IMR	: Independent market researcher or Frost & Sullivan Malaysia Sdn Bhd
IMR Report	: Frost & Sullivan Malaysia Sdn Bhd's independent market research report on the independent assessment of the DOOH transit media industry dated December 2010
Internet Participating Financial Institution(s)	: The institution(s) participating in the Internet Share Applications, namely, RHB Bank Berhad, Malayan Banking Berhad, CIMB Bank Berhad, CIMB Investment Bank Berhad and Affin Bank Berhad
Internet Share Application(s)	: The application(s) for the 8,000,000 IPO Shares under the Public Issue through an online share application service provided by the Internet Participating Financial Institution(s)
IPO	: This initial public offering of our Shares
IPO Price	: RM0.23 for each IPO Share
IPO Share(s)	: 98,000,000 new Shares to be issued pursuant to the Public Issue
Issuing House	: Malaysian Issuing House Sdn Bhd
KL Monorail	: Kuala Lumpur Monorail system operated by KL Monorail Sdn Bhd
KTMB Intercity	: Intercity train service operated by KTM Berhad
KTMB Komuter	: Electrified commuter train service operated by KTM Berhad
Listing	: Admission of our Company to the Official List of Bursa Securities and the listing of and quotation for our entire enlarged issued and paid-up share capital of RM22,800,000 comprising 228,000,000 Shares on the ACE Market of Bursa Securities
Listing Requirements	: ACE Market Listing Requirements of Bursa Securities and any amendments thereto from time to time
LPD	: 6 December 2010, being the latest practicable date prior to the registration of this Prospectus
LRT	: Light Rail Transit system operated by Rangkaian Pengangkutan Integrasi Deras Sdn Bhd
Managing Underwriter	: PM Securities

DEFINITIONS (Cont'd)

Market Day	: Any day on which Bursa Securities is open for the trading of securities
MASB	: Matrix Angle Sdn Bhd
MCMC	: Malaysian Communications and Multimedia Commission
MDeC	: Multimedia Development Corporation Sdn Bhd
MSC Malaysia	: Multimedia Super Corridor Malaysia
MSC Malaysia Status	: The status of MSC Malaysia
NA	: Net assets
NFP Individual License	: License issued by MCMC to allow us to provide, construct and maintain telecommunications infrastructure such as earth stations, fixed links and cables, radio communications transmitters, satellite hubs and links, towers, poles, ducts and pits
Nice and Nice++	: Long distant express bus services operated by Plusliner Sdn Bhd
NSP Individual License	: License issued by MCMC to allow us to provide nationwide broadcasting and data services
NTA	: Net tangible assets
Official List	: A list specifying all securities which have been admitted for listing on Bursa Securities
OOH	: Out-of-home
Participating Financial Institution(s)	: Participating financial institution(s) for Electronic Share Application, a list as set out in Section 17.5.2 of this Prospectus
PAT	: Profit after taxation
PBT	: Profit before taxation
PE multiple	: Price earnings multiple
Placement Agent	: PM Securities
Plusliner	: Long distant express bus services operated by Plusliner Sdn Bhd
PM Securities	: PM Securities Sdn Bhd
Promoters	: WHSB, Wong Shee Kai and Teh Sew Wan, collectively
Public	: All persons or members of the public excluding our Directors, substantial shareholders and persons connected or associated with them (as defined in the Listing Requirements)
Public Issue	: Public issue by our Company of the IPO Shares to be allocated in the manner set out in Section 4.3 of this Prospectus
RapidKL	: Rangkaian Pengangkutan Integrasi Deras Sdn Bhd, a government-owned company
RapidKL Buses	: Bus services in Klang Valley operated by RapidKL
Record of Depositors	: A record of depositors provided by Bursa Depository under the rules of Bursa Depository
Reporting Accountants	: Messrs Tan Chin Huat & Co.
RM and sen	: Ringgit Malaysia and sen respectively
R&D	: Research and development
SC	: Securities Commission

DEFINITIONS (*Cont'd*)

SD	:	Standard definition
Share(s)	:	Ordinary share(s) of RM0.10 each in our Company
SME	:	Small and medium enterprises
SMS	:	Short messaging services
Sponsor	:	PM Securities
SSA	:	Share Sale Agreement dated 3 May 2010, entered into by our Company with WHSB, MASB, TJBSB and BTV pursuant to the Acquisition
TESB	:	Transnet Express Sdn Bhd
TJBSB	:	Transnet (JB) Sdn Bhd
TV	:	Television
Underwriters	:	PM Securities and JF Apex Securities Berhad
Underwriting Agreement	:	Underwriting Agreement dated 3 December 2010 entered into between our Company, PM Securities and JF Apex Securities Berhad
US	:	United States of America
USD	:	US Dollar
WHSB	:	Wong SK Holdings Sdn Bhd

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GLOSSARY OF TERMS

To facilitate better understanding of the business of our Group, the following glossary contains an explanation and description of certain terms used in this Prospectus in connection with our Group. The terms and their meanings may not correspond to standard industry meanings or usage of these terms.

Advertisers	:	Organisations or person who pay for the production, execution and placement of advertisements in the media
Advertising agency	:	An organisation, on behalf of its customers, produces advertisements and places advertisement in the media
AMTV	:	Asia Media TV, our Company's flagship channel that uses LCD-TV screens to display information and entertainment programs, advertisements, community-driven messages and public bulletins in public transport
AMTV Exp	:	Asia Media TV operated for long journey buses
AMTV JB	:	Asia Media TV operated for buses in the region of Johor Bahru
AMTV KL	:	Asia Media TV operated for buses in the region of Klang Valley
Content provider	:	Organisations or person which supply contents on particular topics or subject matters for our AMTV
DOOH	:	Digital-out-of-home, one of the modern broadcasting media where content is broadcasted through digital screens in public areas, including transit vehicle
DTTB	:	Digital Terrestrial Television Broadcasting, a type of infrastructure that employs digital broadcasting to transmit TV signal from terrestrial transmission towers to a conventional aerial
DVB-T	:	Digital Video Broadcasting-Terrestrial, a system that transmits compressed digital audio, video and other data in an transport stream
DVB-T2	:	Digital Video Broadcasting-Terrestrial-2 nd Generation, an extension of the TV standard DVB-T. A system that transmits compressed digital audio, video and other data in physical layer pipes
External production house	:	A third party who provides us with ideas, proposals and its expertise in producing more complex productions with additional technical effects
Gap filler(s)	:	A repeater that takes the signal off the air from the broadcast transmitter and retransmit. It is used to connect signals between transmitters in poor coverage area that is usually blocked by hills or large buildings
In-house production	:	Our creative department which assists our advertising customers in producing advertisements and produces contents and programmes for our AMTV
LCD	:	Liquid crystal display, a thin, flat electronic visual display that uses the light modulating properties of liquid crystals. It is used in a wide range of applications including computer monitors, TV signage and etc.
LED	:	Light Emitting Diode, a display and lighting technology used in various electrical and electronic products, from a tiny on/off light to digital readouts, flashlights, traffic lights and perimeter lighting
MPEG-4	:	Moving Picture Expert Group, a patented collection of methods defining compression of audio and visual digital data

GLOSSARY OF TERMS (*Cont'd*)

Narrowcast	:	The transmission of data to a specific group of recipients. Cable TV is an example of narrowcasting since the signals of cable TV are only sent to those that have subscribed to the cable service. In contrast, terrestrial TV uses a broadcast model in which the signals are transmitted to anywhere with the receiver's antenna
Plasma screen	:	A flat panel display consisting of two flat glass panels that sandwich plasma cells. Each plasma cell contains a mixture of gases, mainly the noble gases xenon, neon, and helium. When the flat panel display is electrically charged, the plasma becomes electrically excited and will emit coloured lights
Transit media owners	:	The owners of DOOH transit media and the digital equipment used in transmitting both contents and advertisements to an audience
Transit-TV Network (Bus)	:	Our integrated network system used for the broadcasting of contents and advertisements via our AMTV which are installed on RapidKL Buses and Causeway Link Buses
Transit-TV Network System	:	Our integrated network system used for the broadcasting of contents and advertisements via our AMTV
WAP	:	Wireless Access Protocol

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1. INTRODUCTION

This Prospectus is dated 22 December 2010.

We have registered a copy of this Prospectus together with the Application Forms with the SC. We have also lodged a copy of this Prospectus, together with the Application Forms with the Registrar of Companies. Neither the SC nor the Registrar of Companies takes any responsibility for its contents.

We have obtained the approval from Shariah Advisory Council of the SC, for the purpose of the IPO and the Listing, classified our Shares as Shariah-compliant based on the audited financial statements of AMSB for the financial year ended 31 December 2009. This classification remains valid until the next Shariah compliance review is undertaken by the Shariah Advisory Council of the SC. The new status is released in the updated list of Shariah-compliant securities, on the last Friday of May and November.

We have also obtained the approval from Bursa Securities on 30 November 2010, for, *inter-alia*, our admission to the Official List of the ACE Market of Bursa Securities and for the quotation of all our Shares.

Our Shares will be admitted to the Official List of the ACE Market of Bursa Securities and an official quotation will commence after, *inter-alia*, the receipt of confirmation from Bursa Depository that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been issued and despatched to all the successful applicants. Admission to the Official List of the ACE Market of Bursa Securities shall not be taken as an indication of the merits of our Company, our Shares and/or our IPO.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed our Shares as a prescribed security. Therefore, we will deposit our Shares directly with Bursa Depository. Any dealings in our Shares will be carried out in accordance with the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository. We will not issue share certificates to successful applicants.

Pursuant to the Listing Requirements, at least 25% of the total number of our Shares for which Listing is sought must be in the hands of public shareholders and a minimum number of two hundred (200) public shareholders holding not less than one hundred (100) Shares each at the point of our Listing. If we fail to do so, we may not be allowed to proceed with our Listing. In such an event, all monies paid in respect of all applications will be returned in full without interest and if such monies are not returned in full within fourteen (14) Market Days after we become liable to do so, the provision of subsection 243(2) of the CMSA shall apply accordingly.

If you are submitting your application by way of Application Form or Electronic Share Application or Internet Share Application (refer to Section 17.4, Section 17.5 and Section 17.6 respectively of this Prospectus), you **MUST** have a CDS account. If you presently do not have a CDS account, you should open a CDS account at an ADA prior to making an application for our IPO Shares. A corporation or institution cannot apply for our IPO Shares by way of Electronic Share Application or Internet Share Application.

You should rely on the information contained in this Prospectus. We and our Principal Adviser have not authorised anyone to provide you with information that is different and not contained in this Prospectus. The delivery of this Prospectus or any issue or offer made in connection with this Prospectus shall not, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Prospectus. Nonetheless, should we become aware of any material change or development affecting a matter disclosed in this Prospectus from the date of registration of this Prospectus with the SC up to the date of our Listing, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238 of the CMSA.

I. INTRODUCTION (*Cont'd*)

We are not making any offer to sell or invitation to subscribe for our IPO Shares in any jurisdiction and in any circumstances in which such an invitation and/or offer is not authorised or lawful or to any person to whom it is unlawful to make such an offer or invitation. As the distribution of this Prospectus and the sale of our IPO Shares in certain other jurisdiction may be restricted by law, persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF OUR IPO AND INVESTMENT IN OUR COMPANY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS BEFORE APPLYING FOR OUR IPO SHARES.

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2. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Address	Profession	Nationality
Datuk Wira Syed Ali Bin Tan Sri Syed Abbas Alhabshee (Executive Chairman)	No. 32, Jalan Satu Taman Tun Abdul Razak 68000 Ampang Selangor Darul Ehsan	Company Director	Malaysian
Dato' Wong Shee Kai (Executive Director and Chief Executive Officer)	No. 5, Jalan Enak 2 Taman Gembira 58200 Kuala Lumpur	Company Director	Malaysian
Sabaruddin Bin Ahmad Sabri (Executive Director)	No. 1911, Jalan E5/10 Taman Ehsan Kepong 52100 Kuala Lumpur	Company Director	Malaysian
Teh Sew Wan (Non-Independent Non-Executive Director)	No. 5, Jalan Enak 2 Taman Gembira 58200 Kuala Lumpur	Company Director	Malaysian
Dato' Hussian @ Rizal Bin A. Rahman (Independent Non-Executive Director)	Lot 68, Jalan Balau Damansara Height 50490 Kuala Lumpur	Company Director	Malaysian
Yeong Siew Lee (Independent Non-Executive Director)	A-3-12, Damansara Sutera PSN KIP Utama Taman Perindustrian KIP 52200 Kuala Lumpur	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Dato' Hussian @ Rizal Bin A. Rahman	Chairman	Independent Non-Executive Director
Yeong Siew Lee	Member	Independent Non-Executive Director
Teh Sew Wan	Member	Non-Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Dato' Hussian @ Rizal Bin A. Rahman	Chairman	Independent Non-Executive Director
Yeong Siew Lee	Member	Independent Non-Executive Director
Teh Sew Wan	Member	Non-Independent Non-Executive Director

2. CORPORATE DIRECTORY (Cont'd)**REMUNERATION COMMITTEE**

Name	Designation	Directorship
Dato' Hussian @ Rizal Bin A. Rahman	Chairman	Independent Non-Executive Director
Yeong Siew Lee	Member	Independent Non-Executive Director
Dato' Wong Shee Kai	Member	Executive Director

REGISTERED OFFICE	: Level 8, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Tel No. : 03-7841 8000 Fax No. : 03-7841 8199
HEAD / MANAGEMENT OFFICE / PRINCIPAL PLACE OF BUSINESS	: No. 35, First Floor Jalan Bandar 16 Pusat Bandar Puchong 47100 Puchong Selangor Darul Ehsan Tel No. : 03-5882 7788 Fax No. : 03-5882 6622 Website : www.asiamedia.net.my E-mail address : info@asiamedia.net.my

COMPANY SECRETARIES	: See Siew Cheng (MAICSA 7011225) 17 Jalan Ara SD7/4G Bandar Sri Damansara 52200 Kuala Lumpur Eow Willey (MAICSA 7031441) 56 Jalan PUJ 1/6 Taman Puncak Jalil Bandar Putra Permai 43300 Seri Kembangan Selangor Darul Ehsan
----------------------------	--

REPORTING ACCOUNTANTS	: Tan Chin Huat & Co (AF 1395) No. 232, 2nd Floor Block A Damansara Intan No. 1 Jalan SS 20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No. : 03-7726 8992
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AUDITORS	: STYL Associates (AF 001929) 107B Jalan Aminuddin Baki Taman Tun Dr Ismail 60000 Kuala Lumpur Tel No. : 03-7727 5573
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2. CORPORATE DIRECTORY (Cont'd)

DUE DILIGENCE SOLICITORS	: Lee, Perara & Tan Advocates and Solicitors 55, Jalan Thambypillai Off Jalan Tun Sambanthan Brickfields 50470 Kuala Lumpur Tel No. : 03-2273 4307
PRINCIPAL BANKERS	: AmBank (M) Berhad No. 56, 58 & 60G Jalan SS 21/35 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No. : 03-7726 3660 Malayan Banking Berhad No. 7, Jalan Kenari Bandar Puchong Jaya Jalan Puchong 47100 Puchong Selangor Darul Ehsan Tel No. : 03-5882 0179
ISSUING HOUSE	: Malaysian Issuing House Sdn Bhd Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Tel No. : 03-7841 8000
SHARE REGISTRAR	: Tricor Investor Services Sdn Bhd Level 17, The Gardens North Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel No. : 03-2264 3883
INDEPENDENT MARKET RESEARCHER	: Frost & Sullivan Malaysia Sdn Bhd Suite E-08-15, Block E Plaza Mont' Kiara No. 2 Jalan Kiara Mont' Kiara 50480 Kuala Lumpur Tel No. : 03-6204 5800
PRINCIPAL ADVISER, SPONSOR, MANAGING UNDERWRITER, UNDERWRITER AND PLACEMENT AGENT	: PM Securities Sdn Bhd Mezzanine Floor Menara PM No. 2 Jalan Changkat Ceylon 50200 Kuala Lumpur Tel No. : 03-2731 3000

2. CORPORATE DIRECTORY (Cont'd)

UNDERWRITER	:	JF Apex Securities Berhad 6 th Floor Menara Apex Off Jalan Semenyih Bukit Merah 43000 Kajang Selangor Tel No. : 03-8736 1118
LISTING SOUGHT	:	ACE Market of Bursa Securities
SHARIAH STATUS	:	Approved by Shariah Advisory Council of the SC

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3. INFORMATION SUMMARY

THIS SECTION IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT OUR GROUP AND OUR IPO, WHICH IS EXTRACTED FROM THE FULL TEXT OF THIS PROSPECTUS. YOU SHOULD READ AND UNDERSTAND THIS SECTION AND THE ENTIRE PROSPECTUS BEFORE DECIDING WHETHER TO INVEST IN OUR COMPANY.

3.1 Overview of our Group and business

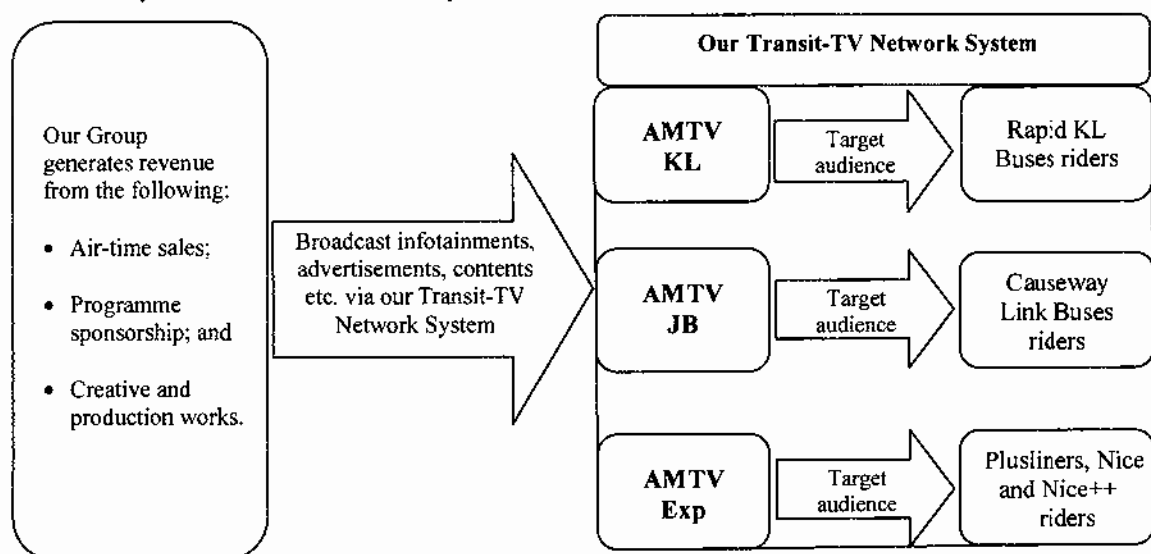
We were incorporated in Malaysia as a private limited company under the Act on 9 April 2008 under the name of Gerak Bayan Sdn Bhd and changed to our current name on 19 January 2010. We subsequently converted to a public limited company on 23 April 2010 as an investment holding company to facilitate our Listing. As part of our Listing, we had on 3 May 2010 entered into a SSA with WHSB, MASB, TJBSB and BTV to acquire AMSB's entire issued and paid-up share capital comprising 100,000,000 ordinary shares of RM0.10 each for a total purchase consideration of RM12,999,998, which was satisfied by the issuance of 129,999,980 new Shares in our Company. The purchase consideration was arrived at after taking into consideration the audited consolidated NTA of AMSB as at 31 December 2009 of RM7,968,541 and the capitalisation of the amount due to a director of AMSB, namely Dato' Wong Shee Kai, of RM5,000,000 for the advance given to AMSB to roll out the Transit-TV Network System. The capitalisation was completed on 1 April 2010.

The Acquisition was to facilitate our Listing and was completed on 3 May 2010.

AMSB is a MSC Malaysia Status company and it commenced business operations in October 2007 to operate the Transit-TV Network System via our flagship channel that uses LCD-TV screens to deliver compelling information and entertainment programs, advertisements, community-driven messages and public bulletins in public transport, which include RapidKL Buses, Causeway Link Buses, Plusliner, Nice and Nice++.

We were recognised as the biggest Transit-TV Network (Bus) in Malaysia as awarded by the Malaysian Book of Records in 2008 to deliver contents and advertisements on public transport in Malaysia based on the number of LCD-TV installed from September 2007 to March 2008. As at LPD, we have installed 3,293 LCD-TV on 1,450 buses. Our Transit-TV Network System delivers international contents such as music videos from Sony Music Entertainment (M) Sdn Bhd and Warner Music Malaysia Sdn Bhd and in-house productions that focus and target to a young demographic audience travelling on intra-city buses in addition to just advertising. In addition, our creative department provides a 'one-stop centre' to fulfil our customers' advertising and marketing needs which include services such as conceptualisation, design and pre and post production. On the other hand, our Transit-TV Network System has similarities to other OOH advertising networks, as we are also able to reach out to audience in public venue.

A summary of our business model is depicted as follow:



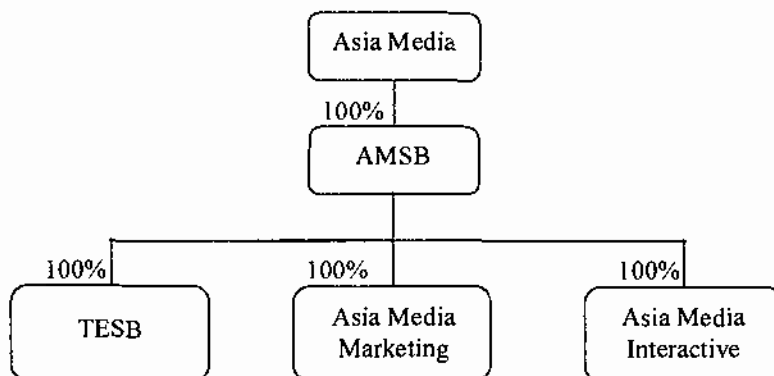
3. INFORMATION SUMMARY (Cont'd)

Over the past two (2) years, we have received numerous recognitions such as Best Start-up Company, SME Raising Star Award, SME 100 Award and the theBrandLaureate – SME Chapter Award, whilst Dato' Wong Shee Kai was recognised as Junior Chamber International Creative Young Entrepreneur, Excellence Leadership under the 8th Asia Pacific International Entrepreneur Excellence Award and the Most Promising Entrepreneur Award by Asia Pacific Entrepreneurship Awards.

As at LPD, we were accorded with the licences/approvals from several governmental bodies. The list of our licenses/approvals is as follow:

- (i) ASP Class License;
- (ii) CASP Individual License;
- (iii) NSP Individual License;
- (iv) NFP Individual License;
- (v) Film production and distribution license;
- (vi) Printing and publishing permit; and
- (vii) Permission to provide our broadcasting services through three (3) digital multimedia services' channels within the frequency bands of 1,452 megahertz to 1,492 megahertz in Peninsular Malaysia.

Our Group structure and the principal activities are as follows:



Company	Principal activities
Asia Media	Investment holding company
AMSB	Multimedia advertising services, media communications, commercialisation of narrowcasting network solutions (i.e, display of contents on a digital signage network) and dynamic and automation contents (i.e, a moving and automatic way of reloading contents) and provision of integration, maintenance and support services relating to the above products
TESB	Content sales and marketing of electronic audio visual media
Asia Media Marketing	Dormant ⁽¹⁾
Asia Media Interactive	Dormant ⁽²⁾

3. INFORMATION SUMMARY (Cont'd)

Notes:

- (1) Asia Media Marketing is expected to commence business operations upon commercialisation of our DTTB in the first half of 2011.*
- (2) Asia Media Interactive is expected to commence business operations upon commercialisation of our mobile interactive services in the first half of 2011.*

Please refer to Sections 6 and 7 of this Prospectus for further information on our Group and our business respectively.

3.2 Our competitive strengths and advantages

We believe our position, as one of the established players in the DOOH transit media industry in Malaysia, is primarily attributable to the following competitive strengths and advantages:

(i) Early market presence

We are one of the first companies to establish a large-scale DOOH advertising network in the public transport system in the major cities of Malaysia. By recognising this market opportunity and entering into this sector early, we have secured medium-term exclusive contracts with the major bus companies. As a result, we control a substantial portion of the market share for advertising on DOOH media.

(ii) Large scale that attracts advertising customers

We operate the largest DOOH advertising network covering major public transport in Malaysia based on the number of LCD-TV installed in buses. We believe that our broad geographic coverage and our strong presence in major cities make us attractive to advertisers who wish to reach diverse consumer market across Malaysia.

(iii) Exclusive agreements with certain bus companies

Our Transit-TV Network System on the RapidKL Buses, Causeway Link Buses, Plusliner, Nice and Nice++ are secured by our exclusive agreements with the companies that are medium-term in nature.

(iv) Effective advertising solutions with contents

Our Transit-TV Network System provides an effective method for our advertising customers to reach out to a large moving audience by reaching the targeted audience during a period of time when they remain in an enclosed environment with a few form of entertainment to compete for their attention.

(v) Bridge between advertisers and riders

We have taken a role as a bridge between our customers and the bus riders by taking advantage of the integrated media communication environment which enables us to provide better value added services to our customers by increasing their publicity while keeping in touch constantly with the public transport riders and viewers at the same time.

(vi) Strong management and sales teams

We have experienced management and sales teams, in particular Dato' Wong Shee Kai, who has contributed significantly to the growth and development of our Group and has successfully led our Group to become an established and reputable player in the DOOH transit media industry in Malaysia.

3. INFORMATION SUMMARY (Cont'd)

- (vii) **The only DOOH transit media player in Malaysia with full fledged CASP Individual License, NFP Individual License, NSP Individual License and ASP Class License**

We believe that we are the only DOOH transit media player in Malaysia with a full-fledged CASP Individual License, NFP Individual License, NSP Individual License and ASP Class License, which enable us to operate a nationwide 24-hour free-to-air broadcasting, subscription broadcasting and terrestrial radio broadcasting. In addition, we are one of the few companies in Malaysia that is permitted to operate live broadcasting services and facilities in Malaysia.

Please refer to Section 7.5 of this Prospectus for further information on our Group's competitive strengths and advantages.

3.3 Our new services, future plans and strategies

We intend to strengthen our position as the largest DOOH media provider and to become a comprehensive provider of DOOH advertising service in Malaysia. As such, we anticipate to carry out the following new services, plans and strategies in the near future to strengthen our position:

- (i) **DTTB**

Currently, the contents of our Transit-TV Network System are operated using the pre-recorded system. Moving forward, we will upgrade our current pre-recorded system to DTTB to deliver real-time contents and information to the targeted mobile audience.

- (ii) **Mobile interactive**

We plan to roll out our mobile interactive as part of the platform for advertising which is mostly via SMS advertising, multimedia messaging advertising, advertising within mobile games and mobile videos. In addition, advertisers are able to advertise their products and services when the mobile users download mobile content, mobile web page or when the mobile user interacts with a telephone-based service such as movie ticketing or directory assistance, whereby a full screen of advertisements will appear when any of the above services was requested.

- (iii) **Expand coverage**

We intend to expand the coverage and penetration of our Transit-TV Network System. In addition to installing LCD-TV screens in public transport, we will be expanding to operate stationary advertising platform in major bus and train stations. We intend to install two (2) sets of ceiling mount consists of six (6) LCD-TVs per station and two (2) sets of walkway stand consists of eight (8) vertical LCD-TVs in each of the stations.

- (iv) **Maximised average revenue per hour**

We intend to increase our efforts to offer more programmes that embed advertising, such as strategic products or infomercials. In addition, we may derive revenue from selling sponsorships for each of the programmes on our network. We believe these additional advertising opportunities will increase our average revenue per hour.

- (v) **Overseas expansion**

Our Group's current revenue is solely derived from the local market. Moving forward, we plan to increase our revenue via the increase in geographical coverage by expanding regionally such as expansion to Indonesia within two (2) years. We are confident that we will be able to replicate our business model in the regional markets given our vast experience and proven track records in Malaysia.

3. INFORMATION SUMMARY (*Cont'd*)

(vi) Improved our DTTB technology and techniques to extend more services to more devices

We plan to improve our DTTB technology to include more live information such as disasters warning. The improved broadcasting capability of our network will allow us to utilise our network to disseminate public-interest messages and programmes that promote the general welfare of society and other urgent messages during emergency situation such as flood, tsunami and land slide.

We also plan to improve our ability to broadcast information and entertainment to more devices apart from the public transport such as mobile phones, personal computers and personal digital assistant.

Please refer to Sections 7.2.2 and 7.15.1 of this Prospectus for further details on our Group's new services, future plans and strategies.

3.4 Our prospects

The DOOH transit media industry is expected to grow from about RM15.5 million in 2009 to an estimated RM62.5 million in 2014. The DOOH experienced healthy growth rates from 2007 to 2009, largely because the industry is still in its nascent stage and is still growing from a small Adex base contribution at the beginning of this period. This contributed to high year-on-year growth rates from 2007 to 2009. However as the industry develops, the year-on-year growth rates from 2010 to 2014 are expected to stabilize to an average of approximately 30%.

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

The estimated CAGR for the DOOH transit media industry in Malaysia is about 30.5% for the period of 2010 to 2014. The growth of DOOH transit media industry is facilitated by the price erosion of digital screens with the average price of digital screen expected to decrease by a CAGR of approximately -2.6% over the period from 2007 to 2014. Additionally, with the Government aggressively promoting the upgrade of the public transport service in the country, this is expected to further boost the growth of DOOH transit media industry with the expected increase in public transport riderships. Combined, these provide us with significant opportunities for growth and expansion.

(Source: IMR Report)

Our Directors are of the view that the prospects of our Group are favourable. This is in light of our competitive strengths, advantages and future plans, which would enable us to sustain our business and provide business growth opportunities.

Please refer to Section 7.15.2 of this Prospectus for further details on our Group's prospects.

3.5 Financial highlights

3.5.1 Statements of comprehensive income

The summarised proforma consolidated results for the 3-month FPE 2007, FYE 2008, FYE 2009 and 6-month period ended 30 June 2010 have been prepared for illustrative purposes only based on the audited financial statements of the companies in our Group and on the assumption that the current structure of our Group has been in existence throughout the periods under review.

3. INFORMATION SUMMARY (Cont'd)

You should read the summary financial information in conjunction with the full text of this Prospectus, including the Reporting Accountants' letter on the proforma consolidated financial information and the Accountants' Report set out in Sections 13.9 and 14 respectively of this Prospectus and the management's discussion and analysis of financial condition and results of operations as set out in Section 13.2 of this Prospectus.

	3-month			6-month period ended 30 June	
	FPE 2007	FYE 2008	FYE 2009	2009⁽¹⁾	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	3,501	6,533	13,150	7,550	9,996
GP	1,793	3,830	6,883	2,783	5,119
EBITDA	969	2,187	4,234	1,272	4,222
Less: Amortisation	-	(5)	(5)	(3)	(3)
Finance cost	(145)	-	(70)	(13)	(46)
Depreciation	(144)	(816)	(830)	(415)	(718)
Add: Interest income	31	46	29	14	23
PBT	711	1,412	3,358	855	3,478
Taxation	(6)	-	-	-	(3)
PAT	705	1,412	3,358	855	3,475
Number of Shares in issue ('000) ⁽²⁾	130,000	130,000	130,000	130,000	130,000
Gross EPS (sen) ⁽³⁾	0.55	1.09	2.58	1.32 ⁽⁵⁾	5.35 ⁽⁵⁾
Net EPS (sen) ⁽⁴⁾	0.54	1.09	2.58	1.32 ⁽⁵⁾	5.35 ⁽⁵⁾
GP margin (%)	51.19	58.63	52.34	36.86	51.22
PBT margin (%)	20.31	21.61	25.54	11.33	34.79
PAT margin (%)	20.14	21.61	25.54	11.33	34.76

Notes:

(1) Unaudited and for comparison purpose only.

(2) Number of existing Shares in issue after the Acquisition but before the Public Issue.

(3) Calculated based on PBT of our Group for the respective years/periods divided by the number of Shares had our Group been in existence.

(4) Calculated based on PAT of our Group for the respective years/periods divided by the number of Shares had our Group been in existence.

(5) Based on annualised PBT and PAT.

3.5.2 Statements of financial position

The proforma consolidated statements of financial position set out below are for illustrative purposes only to show the effects of the Public Issue and the utilisation of the proceeds and on the assumption that these transactions had been effected as at 30 June 2010.

You should read the proforma consolidated statements of financial position in conjunction with the full text of this Prospectus, including the Reporting Accountants' letter on the proforma consolidated financial information and the Accountants' Report set out in Sections 13.9 and 14 respectively of this Prospectus and the management's discussion and analysis of financial condition and results of operations as set out in Section 13.2 of this Prospectus.

3. INFORMATION SUMMARY (Cont'd)

	Audited as at 30 June 2010 RM	(i) After Public Issue RM	(ii) After (i) and utilisation of proceeds RM
Assets			
Non- current assets			
Property, plant and equipment	13,544,284	13,544,284	29,544,284
Development costs	13,523	13,523	13,523
Intangible assets ⁽¹⁾	2,211,950	2,211,950	2,211,950
Goodwill on consolidation	2,570,627	2,570,627	2,570,627
Total non-current assets	18,340,384	18,340,384	34,340,384
Current assets			
Trade receivables	194,049	194,049	194,049
Other receivables and prepaid expenses	34,976	34,976	34,976
Deferred expenditure	131,100	131,100	-
Deposits with financial institutions	662,376	662,376	662,376
Cash and bank balances	1,523,461	24,063,461	6,654,561
Total current assets	2,545,962	25,085,962	7,545,962
Total assets	20,886,346	43,426,346	41,886,346
Equity and liabilities			
Capital and reserves			
Share capital	13,000,000	22,800,000	22,800,000
Share premium	-	12,740,000	11,200,000
Retained earnings	6,017,612	6,017,612	6,017,612
Shareholders' equity	19,017,612	41,557,612	40,017,612
Non-current liability			
Term loan	1,234,496	1,234,496	1,234,496
Total non-current liability	1,234,496	1,234,496	1,234,496
Current liabilities			
Trade payables	130,000	130,000	130,000
Other payables and accrued expenses	30,841	30,841	30,841
Amount owing to directors	75,755	75,755	75,755
Term loan	394,944	394,944	394,944
Tax liability	2,698	2,698	2,698
Total current liabilities	634,238	634,238	634,238
Total liabilities	1,868,734	1,868,734	1,868,734
Total equity and liabilities	20,886,346	43,426,346	41,886,346

Note:

(1) The intangible assets consist of the following:

	(RM)
• Application and licensing fees for the CASP Individual License, NFP Individual License and NSP Individual License	180,000
• Incidental costs, which include feasibility studies, technical consultation and preparation of applications for the CASP Individual License, NFP Individual License and NSP Individual License	2,031,000
• Trade mark registration fee	950
Total	2,211,950

3. INFORMATION SUMMARY (Cont'd)

3.6 Summary of our IPO

- IPO size : 98,000,000 IPO Shares by our Company, which will be allocated as follows:
- 90,000,000 IPO Shares by way of private placement to the selected investors at the IPO Price; and
 - 8,000,000 IPO Shares for the application by the Public at the IPO Price.
- IPO Price : RM0.23 per IPO Share.
- Use of proceeds : We intend to utilise the gross proceeds from the Public Issue of RM22.54 million in the following manner:

	RM'000	Percentage of gross proceeds (%)	Estimated timeframe for utilisation upon Listing
Capital expenditure	16,000	70.98	Within 12 months
Working capital	5,000	22.18	Within 12 months
Defray estimated listing expenses	1,540	6.84	Within 2 weeks
Total gross proceeds	22,540	100.00	

Please refer to Section 4 of this Prospectus for detailed information on our IPO.

3.7 Risk factors

An investment in our IPO Shares involves a certain degree of risk. Before investing in our IPO Shares, you should carefully consider the following risk factors (which may not be exhaustive), along with other matters in this Prospectus.

Risks relating to our business and industry

- (i) Loss of our management team or key personnel would adversely impact our business and growth prospects
- (ii) Failure to attract and maintain advertisers would negatively affect our growth and future revenue
- (iii) Failure to maintain existing or develop new working relationships with local public transport would harm our business and prospects
- (iv) The process of developing a good working relationship and installing our Transit-TV Network System can be time-consuming and requires us to commit a substantial amount of resources
- (v) We do not have exclusive or long-term agreements with our advertising customers and we may lose their engagement if they are not satisfied with our services or for whatsoever reasons
- (vi) We operate in the advertising industry, which is sensitive to changes in economic conditions and advertising trends
- (vii) We are dependent on the assistance of external production houses in meeting customers' requirements

3. INFORMATION SUMMARY (Cont'd)

- (viii) If advertisers or the viewing public do not accept or lose interest in our Transit-TV Network System, our revenue may be negatively affected
- (ix) We are exposed to the risk of system failure
- (x) We are exposed to the risk of non-renewal and/or revocation of permits, approvals and business licenses
- (xi) We are exposed to operational risks
- (xii) We may face increasing competition in the future
- (xiii) Our efforts to achieve our future growth may not succeed
- (xiv) We might not be able to retain our MSC Malaysia Status
- (xv) We may not be able to protect our intellectual property
- (xvi) We may be subject to intellectual property infringement claims, which may materially disrupt our business
- (xvii) Our failure to maintain relationships with local TV stations for our DTTB live broadcasting would affect our future plan
- (xviii) Our success of DTTB live broadcasting will depend on the construction and reliability of our network infrastructure
- (xix) Our DTTB live broadcasting will be exposed to risks relating to our network
- (xx) We will rely on a limited number of principal suppliers for our DTTB infrastructure
- (xxi) We have a limited operating history and track records

Risks relating to the business environment

- (i) Our operations and operating results could be affected by changes in the political, economic, regulatory and social conditions
- (ii) We are subject to government regulations relating to advertising and telecasting services and business

Financial risks

- (i) Our plan to expand overseas will involve investment risks
- (ii) We may have future capital needs which will require additional financing and fund raising

Risks relating to our Listing and investment in our IPO Shares

- (i) Potential delay or failure of our Listing
- (ii) Delay between admission and trading of our IPO Shares
- (iii) No prior market for our Shares
- (iv) Volatility in our Share price and trading volume
- (v) Our Promoters will retain control over our Group upon Listing

3. INFORMATION SUMMARY (Cont'd)

Please refer to Section 5 of this Prospectus for further details on the above risk factors.

3.8 Shariah status

We have voluntarily submitted an application to the SC for a Shariah compliance review to be carried out by the Shariah Advisory Council of the SC as part of the process of determining our Shariah status at IPO.

The Shariah Advisory Council of the SC has classified our securities as Shariah-compliant based on the audited financial statements of AMSB for the FYE 2009 and the Shariah criteria adopted by the Shariah Advisory Council.

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4. PARTICULARS OF OUR IPO

4.1 Opening and closing of applications

Applications will be accepted from 10.00 a.m. on 22 December 2010 and will be closed at 5.00 p.m. on 29 December 2010 or such later date or dates as our Directors and Underwriters may in their absolute discretion mutually decide. **Late applications will not be accepted.**

4.2 Tentative timetable

The tentative timing of events leading up to our Listing is set out below:

Event	Tentative date
Opening of the application for our IPO Shares	22 December 2010 at 10.00 a.m.
Closing of the application for our IPO Shares	29 December 2010 at 5.00 p.m.
Tentative date for balloting of applications for our IPO Shares	31 December 2010
Tentative date for allotment of our IPO Shares to successful applicants	3 January 2011
Tentative listing date	11 January 2011

This timetable is tentative and is subject to change, which may be necessary to facilitate implementation procedures. The application for our IPO Shares will close on the time and date stated above or such later date or dates as our Directors and Underwriters may in their absolute discretion mutually decide. Should the closing date for the application of our IPO Shares be extended, the dates for the allotment of our IPO Shares pursuant to our IPO and our Listing will be extended accordingly. We will announce any extension of time for the application of our IPO Shares by way of advertisements in a widely circulated English and Bahasa Malaysia newspaper within Malaysia.

4.3 Details of our IPO

4.3.1 Private placement

90,000,000 IPO Shares, representing 39.47% of our enlarged issued and paid-up share capital, are available for application at the IPO Price by way of private placement to the selected investors.

The IPO Shares for allocation to the selected investors pursuant to the private placement will not be underwritten as irrevocable written undertakings have been obtained from the respective selected investors to subscribe for our IPO Shares.

4.3.2 Public

8,000,000 IPO Shares, representing 3.51% of our enlarged issued and paid-up share capital, are made available for application at the IPO Price by the Public.

All IPO Shares under the Public portion are fully underwritten by the Underwriters.

There is no minimum subscription amount to be raised from our IPO.

4. PARTICULARS OF OUR IPO (Cont'd)

4.4 Listing

In conjunction with our IPO, we have sought the admission to the Official List and the listing of and quotation for our entire enlarged issued and paid-up share capital comprising 228,000,000 Shares on the ACE Market of Bursa Securities, of which the approval was obtained on 30 November 2010.

4.5 Share capital

	No. of Shares	RM
Authorised share capital	500,000,000	50,000,000
Issued and fully paid-up share capital as at the date of this Prospectus	130,000,000	13,000,000
To be issued pursuant to the Public Issue	98,000,000	9,800,000
Enlarged issued and fully paid-up share capital upon Listing	228,000,000	22,800,000

The IPO Price of RM0.23 is payable in full on application.

As at the date of this Prospectus, we have only one (1) class of shares, namely ordinary shares of RM0.10 each, all of which rank *pari passu* with each other. Our IPO Shares, upon allotment and issuance, will rank *pari passu* in all respects with our existing issued and paid-up share capital including voting rights and will be entitled to all dividends, rights and distributions that may be declared subsequent to the date of allotment and issuance of our IPO Shares.

Subject to any special rights attaching to any Shares which we may issue in the future, the holders of the Shares in our Company shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share the profits paid out by us as dividends and other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to the surplus, in accordance with our Articles of Association.

Each of our shareholders shall be entitled to vote at any of our general meeting in person or by proxy or by attorney or by duly authorised representative. On a show of hands, every person present who is our shareholder or representative or proxy or attorney of our shareholders shall have one (1) vote, and in the case of poll, every of our shareholders present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each of the Share held. A proxy may but need not be a member of our Company and the provisions of Section 149(1)(b) of the Act shall not apply to our Company.

There is no limitation on the right to own our Shares, including the right of non-resident or foreign shareholders to hold or exercise voting rights on our Shares imposed by law or by constituent documents of our Company.

4.6 Market capitalisation

Based on the IPO Price of RM0.23 per IPO Share and our enlarged issued and paid-up share capital of 228,000,000 Shares, our market capitalisation on the ACE Market of Bursa Securities will be RM52,440,000.

4. PARTICULARS OF OUR IPO (Cont'd)

4.7 Purposes of our IPO

The purposes of our IPO are as follows:

- (i) To achieve listing status for our Company to enable us to gain recognition, enhance our corporate reputation and assist us in expanding our customer base;
- (ii) To provide an opportunity for the investing community including the Public, to participate in our continuing growth by way of equity participation;
- (iii) To enable us to have access to the capital market for cost effective capital raising for future expansion and the continuing growth of our Group; and
- (iv) To enhance the liquidity of our Shares.

4.8 Basis of arriving at the IPO Price

Our Directors, together with PM Securities as the Principal Adviser, Sponsor, Managing Underwriter, Underwriters and Placement Agent, have determined and agreed to the IPO Price of RM0.23 per IPO Share, based on the following factors:

- (i) our Group's historical net EPS of approximately RM0.03 (computed based on our audited annualised consolidated PAT for the 6-month period ended 30 June 2010 and our enlarged issued and paid-up share capital) and the net PE multiple of approximately 7.67 times;
- (ii) our proforma consolidated NA per Share as at 30 June 2010 of approximately RM0.18 (computed based on after the Public Issue and our enlarged issued and paid-up share capital);
- (iii) our competitive strengths and advantages are as below:
 - (a) early market presence;
 - (b) large scale that attract advertising customers;
 - (c) exclusive agreements with certain bus companies;
 - (d) effective advertising solutions with contents
 - (e) bridge between advertisers and riders;
 - (f) strong managements and sales teams; and
 - (g) the only DOOH transit media player in Malaysia with full fledged CASP Individual License, NFP Individual License, NSP Individual License and ASP Class License.

For further details of our competitive strengths and advantages, please refer to Section 7.5 of this Prospectus;

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4. PARTICULARS OF OUR IPO (Cont'd)

- (iv) our new services, future plans and strategies are as below:
- (a) upgrade our current pre-recorded system to DTTB to deliver substantial real-time value;
 - (b) roll out our mobile interactive services as part of the platform for advertising;
 - (c) expand the coverage of our Transit-TV Network System;
 - (d) maximise average revenue per hour;
 - (e) overseas expansion; and
 - (f) improve DTTB technology and techniques to extend more services to more devices.

For further details of our new services, future plans and strategies, please refer to Sections 7.2.2 and 7.15.1 of this Prospectus; and

- (v) the overview and prospects of the DOOH transit media industry by the IMR on the prevailing outlook of the advertising industry and DOOH transit media industry in Malaysia as outlined in Section 9 of this Prospectus.

Our Directors and PM Securities are of the opinion that the IPO Price is fair and reasonable after careful consideration of the abovementioned factors.

However, you should also take note that upon and subsequent to our Listing, the market price of our Shares is subject to the vagaries of market forces and other uncertainties, which may affect the pricing of our Shares being traded. You are reminded to consider carefully the risk factors as set out in Section 5 of this Prospectus before deciding to invest in our Shares.

4.9 Dilution

Dilution for our new shareholders pursuant to our IPO is the amount by which the IPO Price to be paid by our new shareholders of our IPO Shares exceeds the NA per Share after our IPO. The proforma NA per Share of our Group as at 30 June 2010, before adjusting for the net proceeds from the Public Issue, was approximately RM0.15 based on number of Shares in issue before the Public Issue.

Pursuant to the issuance of 98,000,000 IPO Shares at the IPO Price and after deducting the estimated listing expenses, the proforma consolidated NA per Share of our Group as at 30 June 2010 based on our enlarged issued and paid-up share capital of 228,000,000 Shares will be approximately RM0.18 per Share. This represents an immediate increase in NA per Share of RM0.03 to our existing Shareholders and an immediate dilution in NA per Share of RM0.05 to our new shareholders.

The following table illustrates such dilution on a per Share basis:

	RM
IPO Price	0.23
Proforma NA per Share as at 30 June 2010	0.15
NA per Share after our IPO	0.18
Increase in NA per Share to existing shareholders	0.03
Dilution in NA per Share to new shareholders	0.05
Dilution in NA per Share to new shareholders as a percentage to the IPO Price	21.74%

4. PARTICULARS OF OUR IPO (Cont'd)

The following table summarises the total number of Shares received by our substantial shareholders from the Acquisition and the cost per Share to them and to the new shareholders who subscribe to our IPO Shares pursuant to our IPO:

Substantial shareholders	Number of Shares received pursuant to the Acquisition	Total consideration (RM)	Cost per Share (RM)
WHSB ⁽¹⁾	104,000,000	10,400,000	0.10
MASB ⁽²⁾	9,100,000	910,000	0.10
TJBSB ⁽²⁾	9,100,000	910,000	0.10
BTV ⁽²⁾	7,800,000	780,000	0.10

	Number of IPO Shares	Total consideration (RM)	Cost per Share (RM)
New shareholders	98,000,000	22,540,000	0.23

Notes.

(1) The shareholders of WHSB are our Directors namely, Dato' Wong Shee Kai and Teh Sew Wan.

(2) Ceased to be substantial shareholders after our IPO.

Save for the Shares received by our substantial shareholders from the Acquisition, there is no material acquisition of any existing Shares that involved cash in our Company by our Directors, Promoters and substantial shareholders or person connected to them, or in which they have the right to acquire, during the past three (3) years prior to the date of this Prospectus.

4.10 Use of proceeds

The expected total gross proceeds from the Public Issue are RM22.54 million. We intend to utilise the gross proceeds in the following manner:

	Notes	RM'000	Percentage of gross proceeds (%)	Estimated timeframe for utilisation upon Listing
Capital expenditure	1	16,000	70.98	Within 12 months
Working capital	2	5,000	22.18	Within 12 months
Defray estimated listing expenses	3	1,540	6.84	Within 2 weeks
Total gross proceeds		22,540	100.00	

The aforesaid proceeds which are not utilised prior to their due dates shall be kept in interest bearing accounts with licensed financial institutions.

4. PARTICULARS OF OUR IPO (Cont'd)*Notes:***1. Capital expenditure**

In line with the proposed roll out of DTTB in the near future, we have budgeted approximately RM16.00 million from our IPO proceeds for the purchase of equipments, network facilities and integration of network system over the next twelve (12) months as tabulated below:

<i>Description of capital expenditure</i>	<i>Estimated amount RM'000</i>
(i) <i>Transmission equipments for seven (7) transmission towers</i>	<i>10,000</i>
(ii) <i>Network equipments and facilities for seven (7) transmission towers</i>	<i>3,000</i>
(iii) <i>Integration of network system with seven (7) transmission towers</i>	<i>3,000</i>
<i>Total</i>	<i>16,000</i>

We anticipate to locate the transmission towers at two (2) locations in the Kuala Lumpur city area and one (1) location each in Damansara, Putrajaya, Cyberjaya, Klang and Shah Alam.

The equipments and facilities for the transmission towers include antenna system, feeder cable, air cooled power amplifiers, power units, distribution units liquid, cooling system, switch, circuit breaker and servers.

In the event the above estimated amount is insufficient, we will utilise our internally generated funds or bank borrowings to cover for any shortfall for the above capital expenditure.

2. Working capital

Approximately RM5.00 million from our IPO proceeds will be set aside to finance our Group's day-to-day operations which include payment to creditors and operating expenses as detailed below:

<i>Description of working capital</i>	<i>Estimated amount RM'000</i>
(i) <i>Payment to creditors</i>	<i>2,500</i>
(ii) <i>Operating expenses</i>	<i>2,500</i>
<i>Total</i>	<i>5,000</i>

The operating expenses may include payment of employees' salaries as our Group foresees the increase in staff strength as part of the future plans.

In the event the above estimated amount is insufficient, we will utilise our internally generated funds or bank borrowings to cover for any shortfall for the above working capital.

3. Defray estimated listing expenses

Our Company will bear the entire listing expenses and fees incidental to our Listing of approximately RM1.54 million as follows:

	<i>RM'000</i>
<i>Professional fees</i>	<i>900</i>
<i>Authorities' fees</i>	<i>65</i>
<i>Issuing house's fees, underwriting commission and placement fees</i>	<i>340</i>
<i>Advertisement, printing and contingencies</i>	<i>235</i>
<i>Total</i>	<i>1,540</i>

4. PARTICULARS OF OUR IPO (Cont'd)

If the actual listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual listing expenses are lower than budgeted, the excess will be used for working capital purposes.

4.11 Financial impact from utilisation of proceeds

Our utilisation of proceeds from the Public Issue is expected to have a financial impact on our Group as follows:

(i) Interest savings

Had we not undertaken the Listing, we may have incurred incremental borrowing of approximately RM21.00 million for our intended capital expenditure and general working capital requirements. In such event, the notional interest savings arising from the potential additional borrowing based on the assumed interest rate of about 8% per annum amount to approximately RM1.68 million annually. Accordingly, the IPO proceeds are expected to enhance our future earnings.

(ii) Enhancement of working capital

We intend to utilise RM5 million from our IPO proceeds for our working capital requirements for day-to-day operations, which include payments to creditors and operating expenses. Our cash and cash equivalents will increase to approximately RM6.70 million after our Listing, based on the proforma cash flow statements for the 6-month period ended 30 June 2010. This will allow us to internally fund our daily operational activities without being dependent on external funding while strengthen the liquidity and cash flow position of our Group in the future.

Pending the utilisation of the proceeds from the IPO for the above-mentioned purposes, the IPO proceeds would be placed as deposits with banks or licensed financial institutions or short-term money market instruments.

4.12 Brokerage, underwriting commission and placement fee

(i) Brokerage

We will bear the brokerage fees relating to the IPO Shares, at the rate of 1% of the IPO Price in respect of successful applications, which bear the stamp of PM Securities, participating organisations of Bursa Securities, members of the Association of Stockbroking Companies in Malaysia or the Issuing House.

(ii) Underwriting commission

We will pay the Underwriters an underwriting commission of 2% of the IPO Price in respect of the 8,000,000 IPO Shares.

(iii) Placement fee

We will pay the Placement Agent a placement commission of 0.5% and 1.5% of the value of the Shares to be placed out under the private placement in relation to placees identified by our Group and the Placement Agent, respectively.

4. PARTICULARS OF OUR IPO (*Cont'd*)

4.13 Salient terms of the Underwriting Agreement

Unless stated, all capitalised terms shall bear the same meanings as prescribed in the Underwriting Agreement.

We have entered into an underwriting agreement with the Underwriters, whereby the Underwriters shall underwrite 8,000,000 IPO Shares ("Underwritten Shares"). The salient terms extracted from the Underwriting Agreement, amongst others, are set out below:

"2.2 Conditions precedent

- (a) *The obligations of the Underwriters under this underwriting agreement are in all respects conditional upon:*
 - (1) *the approval and registration of the Prospectus with the SC and lodgement of the Prospectus and the necessary documents with the Companies Commission of Malaysia in accordance with the requirement under the CMA before the date of issue of the Prospectus;*
 - (2) *the IPO and the Listing not being prohibited by any statute, order, rule, regulation, directive or guidelines (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities) and all necessary approvals and consents mentioned in the Prospectus, required in relation to the IPO and the Listing including but not limited to governmental approvals and all conditions mentioned in the respective approvals having been obtained and are in full force and effect and the respective approvals have not been withdrawn, revoked, suspended or terminated on or prior to the closing date;*
 - (3) *this underwriting agreement having been duly executed by all parties and stamped;*
 - (4) *there not being, in the opinion of the Underwriters, on or prior to the closing date, any adverse and material change or development reasonably and likely to involve a prospective adverse and material change in the condition (financial, business, operations or otherwise) of the Company or any of its subsidiaries from that set out in the Prospectus which is material in the context of the IPO or any occurrence of any event or discovery of any fact or circumstances rendering untrue or incorrect or not complied with to an extent which is material, any of the warranties and representations in clause 3 (the Company's undertaking) as though given or made on such date. The Underwriters will be entitled to receive a written confirmation to the effect from the Company in such form and substance satisfactory to the Underwriters;*
 - (5) *there being no material variation in the Prospectus made without the consent of the Underwriters with regard to the following matters:*
 - (a) *The authorised and issued share capital of the Company (other than any change to the issued and paid-up share capital of the Company arising from the IPO).*
 - (b) *The number of Issue Shares comprised in the Public Issue and the price thereof.*
 - (c) *The composition of the Directors and key management of the Company.*

4. PARTICULARS OF OUR IPO (Cont'd)

- (d) *Involvement as a party to any litigation, arbitration or any other legal proceedings of a material nature pending, threatened or otherwise in Malaysia or elsewhere which is likely to materially and adversely affect the application for the Underwritten Shares or any proceedings which might materially and adversely affect the position or business of the Company and the Group.*
- (e) *Information/statement relating to the financial results and condition, contingent liabilities and capital commitments affecting the Company and the Group.*
- (f) *The nature of the business and the principal activities of the Company or the Group.*
- (g) *Information/statement as to the material contracts entered into by the Group which has a material impact (financial, business or operation) of the Group.*
- (h) *Information/statement affecting the Company and the Group relating to the NTA or NA per Share, the gearing ratio of the Company and the utilisation of proceed arising from the IPO.*
- (i) *Additional risk factors which may affect the Company and the Group.*
- (6) *the Underwriters having been satisfied that the Company has complied with and that the IPO is in compliance with the policies, guidelines and requirements of Bursa Securities and/or the SC and all revisions, amendments, and/or supplements thereto;*
- (7) *the IPO, the Prospectus and the underwriting of the Underwritten Shares by the Underwriters have been approved by the Board of Directors of the Company and a copy of the resolution duly certified by a director or secretary of the Company are delivered to the Underwriters;*
- (8) *the Prospectus having been issued within two (2) months from the date of this underwriting agreement or within such extended period as may be consented by the Company and the Underwriters;*
- (9) *the IPO has been approved by the shareholders of the Company at an extraordinary general meeting;*
- (10) *there not having occurred on or prior to the closing date, any event rendering untrue, inaccurate or incorrect any of the representations, warranties and undertakings of the Company as contained in clause 3 (the Company's undertaking) of the underwriting agreement;*
- (11) *there not having occurred on or prior to the closing date any breach of and/or failure to perform any of the undertakings by the Company contained in clause 3 (the Company's undertaking) of the underwriting agreement;*
- (12) *the Underwriters having been satisfied that arrangements have been made by the Company to ensure payment of the expenses referred to in this underwriting agreement;*
- (13) *as at the closing date, the Underwriters being reasonably satisfied that the Company can meet the public shareholding spread requirements under the ACE Market Listing Requirements of Bursa Securities; and*

4. PARTICULARS OF OUR IPO (Cont'd)

- (14) the delivery to the Underwriters on the closing date of such reports or confirmations dated the closing date from the Board of the Company as the Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of this Agreement that will adversely affect the performance or financial position of the Company.
- (b) If on or before the closing date any of the conditions described in clause 2.2(a) are not satisfied, then the Underwriters shall be entitled to terminate this underwriting agreement by notice in writing to the Company in which event the provisions of clause 8.2 will apply.

8. Termination

8.1 Termination

Unless otherwise provided for in this underwriting agreement, if at any time on or prior to the listing date:

- (a) the Underwriters has notice of any breach of the undertakings or obligations in this underwriting agreement by the Company which is incapable of being remedied;
- (b) any change rendering any of the warranties or representations in clause 3.1 (representations, warranties and undertakings) inaccurate in a material respect, which is incapable of being remedied;
- (c) the Underwriters gives notice to the Company requiring it to remedy any breach capable of remedy and the Company failed, within seven (7) Market Days thereof, to remedy such breach;
- (d) there is withholding of information of a material nature from the Underwriters which is required to be disclosed pursuant to this agreement;
- (e) any of the condition precedent in clause 2.2 of this agreement is not fulfilled or not waived by the Underwriters on the closing date;
- (f) there have in the opinion of the Underwriters occurred, or happened any material and adverse change in the business, financial condition or operations of the Company and the Group;
- (g) the FTSE Bursa Malaysia KLCI Index ("Index") is, at the close of normal trading on Bursa Securities, on any Market Day:
 - (i) on or after the date of this underwriting agreement; and
 - (ii) prior to the Closing Date,

lower than 1,200 of the level of the Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of this underwriting agreement and remains at or below that level for at least three (3) Market Days or any other adverse change in the market conditions which the parties mutually agree to be sufficiently material and adverse to render it to be a terminating event, it shall be deemed a material adverse change in the stock market condition

unless the compliance thereof is waived or modified at the Underwriter's absolute discretion, the Underwriters will be entitled to terminate this underwriting agreement by notice to the Company.

4. PARTICULARS OF OUR IPO (Cont'd)

8.2 Consequences of termination

On delivery of the notice under clause 8.1, this underwriting agreement will terminate and thereafter each party's rights and obligations will cease and none of the parties will have any claim against each other, except for the liabilities of the Company under clauses 7.2 (payment), 7.3 (interest), 8.3 (indemnity) and 10.1 (costs and expenses).

9. Force majeure

9.1 Force majeure

It will be an event of force majeure if in the reasonable opinion of the Underwriters that:

- (a) any change or any development involving a change in national or international monetary, financial, (including stock market conditions and interest rates) political or economic conditions or exchange control or currency exchange rates as would in the reasonable opinion of the Underwriters prejudice materially the success of the IPO and their distribution or sale (whether in the primary or in respect of dealings on the secondary market);*
- (b) any acts of government, acts of war, or acts of God which has or likely to have the effect of making any material part of this underwriting agreement incapable of performance with its terms or which prevents the processing of application, crediting of accounts and payments pursuant to the IPO or pursuant to the underwriting hereof;*
- (c) any development, occurrence or any change in or any introduction of any legislation, regulation, policy, directive, guideline, ruling or any request or interpretation by the SC, any other regulatory authorities or any governmental bodies, which will materially and adversely affect the Company, the IPO, the Listing and the business or prospects of the Company or which is likely to have the effect of making any material part of this underwriting agreement incapable of performance in accordance with its terms;*
- (d) any Government requisition which materially and adversely affects or will materially and adversely affect the business and financial position of the Company and the Group; or*
- (e) the imposition of any moratorium, suspension or material restriction on trading in securities generally in Bursa Securities due to exceptional financial circumstances or otherwise.*

9.2 Consequence of force majeure

- (a) In the event of a force majeure under clause 9.1, the Underwriters or the Company may give notice to the other party to commence negotiations and the parties shall negotiate for a period not exceeding thirty (30) days after the date of such notice, with a view to agreeing to:*
 - (1) defer the IPO to a later date acceptable to all parties;*
 - (2) amend the terms of this underwriting agreement to the satisfaction of all parties; or*
 - (3) enter into a new underwriting agreement on terms acceptable to all parties,*

or any combination of the above. If the parties are not able to come to an agreement as above, the Underwriters may at any time from the date of this underwriting agreement up to two (2) Market Days prior to the closing date:

4. PARTICULARS OF OUR IPO (Cont'd)

- (4) terminate this underwriting agreement by notice to the Company; or*
- (5) request that the closing date be extended to such reasonable date as the Underwriters may decide in its absolute discretion.*
- (b) Upon delivery of the notice under clause 9.2(a)(4), this underwriting agreement will terminate and thereafter each party's rights and obligations will cease and none of the parties will have any claim against each other except that the Company will remain liable in respect of its obligation under clauses 8.3 (indemnity) and 10 (fees, costs and expenses).*
- (c) Upon delivery of a request under clause 9.2(a)(5), the Company will procure that the closing date be extended as requested.*
- (d) The delivery of a request under clause 9.2(a)(5) will not preclude the giving of further request under clause 9.2(a)(5) or the giving of a notice under 9.2(a)(4).*

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5. RISK FACTORS

WE ARE EXPOSED TO A NUMBER OF POSSIBLE RISKS THAT MAY ARISE FROM ECONOMIC, BUSINESS, MARKET AND FINANCIAL FACTORS AND DEVELOPMENTS, WHICH MAY HAVE AN ADVERSE IMPACT ON OUR FUTURE PERFORMANCE. YOU SHOULD CAREFULLY CONSIDER THE RISKS AND INVESTMENT CONSIDERATIONS SET OUT BELOW ALONG WITH THE OTHER MATTERS IN THIS PROSPECTUS BEFORE YOU MAKE YOUR INVESTMENT DECISION.

THE RISKS AND INVESTMENT CONSIDERATIONS SET OUT BELOW ARE NOT AN EXHAUSTIVE LIST OF THE CHALLENGES THAT WE CURRENTLY FACE OR THAT MAY DEVELOP IN THE FUTURE. ADDITIONAL RISKS, WHETHER KNOWN OR UNKNOWN, MAY HAVE A MATERIAL ADVERSE EFFECT ON THE FINANCIAL PERFORMANCE OF OUR GROUP AND/OR OUR SHARE PRICE.

5.1 Risks relating to our business and industry

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

Our continued success will depend a significant extent upon the abilities and continued contributions of our key Directors, senior management and key technical personnel namely, Datuk Wira Syed Ali Bin Tan Sri Syed Abbas Alhabshee, Dato' Wong Shee Kai, Sabaruddin Bin Ahmad Sabri, Por Yew Guan, Liong Wei Lin, Lee Boon Fatt and Kan Wai Tung. The loss of any number of key Directors or key members of our Group's senior management and technical personnel could adversely affect our Group's continued ability to compete and perform. Furthermore, our planned expansion could place a significant strain on our key technical personnel, the services and support operations, the sales and administrative personnel and other resources. We are grooming junior members of our management team to take over from the senior management to ensure a smooth transition. They will be provided with the necessary experience and exposure in the management team should changes occur in order to maintain our ability to compete.

It is our practice to retain the services of our key Directors, senior management and technical personnel wherever possible and to also attract and retain experienced personnel by providing a conducive working environment with emphasis on positive working culture and a reward system.

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

Our ability to generate revenue from advertising sales depends largely upon our ability to air advertisements on our Transit-TV Network System on mass transportation systems in the cities. This, in turn, requires that we develop and maintain business relationships with advertisers and mass transportation services. As of LPD, we provided infotainment programs, advertisements, community-driven messages and public service bulletins through our Transit-TV Network System on a total of 1,450 buses, with 3,293 LCD screens in Malaysia. If we fail to maintain relationships with our advertisers and they find advertising on our network unattractive and may not purchase advertising time from us, this would cause our revenue to decline and our business and prospects to deteriorate.

5. RISK FACTORS (Cont'd)

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

We have always been maintaining a good working relationship with the advertisers and advertising agencies by responding effectively and strategically to satisfy our customers' needs and demand. Meanwhile, we are also actively and constantly engaged in upgrading our creative department to provide quality and innovative end-to-end solutions from conceptualisation to broadcasting of marketing campaigns.

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

Our Transit-TV Network System on the RapidKL Buses, Causeway Link Buses, Plusliner, Nice and Nice++ are secured by our exclusive agreements with the respective companies that are medium-term in nature. However, we cannot assure you that we can maintain these relationships with the bus companies on satisfactory terms, or at all, or that the bus companies will not terminate these relationships before their expiration. If we fail to maintain these relationships, advertisers may find advertising on our network unattractive and may not purchase advertising time from us, which would cause our revenue to decline and our business and prospects to deteriorate.

We have always been maintaining a good working relationship with the bus companies. Currently, our Group is in the midst of developing value added services for RapidKL Buses to reward frequent commuters through the contribution of advertisers such as vouchers, to encourage the usage of public transport. The promotion of public transport usage will benefit the bus companies without having them to incur additional cost. All vouchers are redeemable at our kiosk set up in the RapidKL Buses major terminals.

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

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

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

5. RISK FACTORS (Cont'd)

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

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

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

We have always been maintaining a good working relationship with the advertisers and advertising agencies by responding effectively and strategically to satisfy our customers' needs and demand. Meanwhile, we are also actively and constantly engaged in upgrading our creative department to provide quality and innovative end-to-end solutions from conceptualisation to broadcasting of marketing campaigns.

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

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

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

In view of the above, we have been providing quality and value added service by increasing our customers' publicity via a few additional channels such as via our homepage and social media network, apart from our Transit-TV Network System. This in turn will provide a more competitive package to our customers compared to other DOOH players.

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5. RISK FACTORS (*Cont'd*)

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

We provide a one-stop solution for advertisers from conceptualisation to broadcasting of market campaigns, which includes assisting our customers in producing their advertisements such as basic animation, filming and video shooting. In addition, we engage external production houses from time to time to provide technical assistance to our creative department to meet our customers' requirements. The external production houses provide us with ideas, proposals and their expertise in producing complex productions with additional technical effects.

We have not entered into any agreements with the external production houses. However, we have developed good working relationships with several production houses such as Pirana Graphics Sdn Bhd, Zesqa Media and Macro Media Tracking Services over the years in order to reduce our reliance on any one particular external production house. This is evidenced by the increase in the number of external production houses and the decrease in the contribution of the first external production house which we engaged, namely Pirana Graphics Sdn Bhd, from 100% in 2007 to 22.56% for the 6-month period ended 30 June 2010 based on our cost of sales.

Currently, we have six (6) staff in our creative department which is headed by Lee Boon Fatt, our Operations Manager. In addition, we are training our staff in the creative department to be equipped with the necessary skills to handle technical productions in order to reduce our reliance on external production houses.

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

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

We have sufficient and quality staff in our creative and technical department to ensure and to maintain high quality of our contents and element of our network, such as the audio feature. In addition, we have been constantly upgrading our staff knowledge to ensure that they are able to perform effectively and efficiently on their job.

In addition, our technical team carries out maintenance work on our network in all the buses on a daily basis to ensure the quality of the deliverable of our network.

5. RISK FACTORS (Cont'd)

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

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

We have our technical team to carry out the maintenance work on our network in all the buses on a daily basis to ensure our system is functioning properly. In addition, we have been constantly upgrading our technical staff knowledge to ensure that they are able to perform effectively and efficiently on their job.

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

We have obtained certain permits and licences from various governmental authorities in Malaysia. Details of our permits, approvals and business licenses are set out in Section 11.3 of this Prospectus. Some of these permits, approvals and business licenses are subject to the fulfilment of certain conditions imposed by the relevant authorities or bodies, and the standard of compliance required in relation thereto may differ from time to time subject to changes.

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

Thus far, we have been in compliance with the terms and conditions of the permits, approvals and business licenses and will assure continued compliance in the future.

(xi) We are exposed to operational risks

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

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

5. RISK FACTORS (Cont'd)

(xii) We may face increasing competition in the future

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

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

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

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

Our Group's potential expansion may strain the Group's management, financial, operational and other resources. In order to achieve our growth mission plan as set out in Section 7.15.1 of this Prospectus, our management would need to adopt the sales and business development plan. However, we cannot assure that our management would be successful in implementing the plan or that the plan would not give rise to other problems.

Our Group's proposed future plan will be dependent upon, among others, our ability to enter into strategic marketing or other arrangements on a timely basis and on favourable terms, hire and retain skilled management, financial, technical and marketing personnel, successfully manage growth which includes monitoring of operations and controlling of costs and obtaining adequate financing when needed. However, we cannot assure that our Group will be able to successfully implement our business plans or that unanticipated expenses, problems or technical difficulties will not occur which would result in material delays in the implementation of or deviation from the original plans.

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

Our wholly-owned subsidiary, AMSB was accorded with MSC Malaysian Status on 10 October 2007 by MDeC. Presently, all MSC Malaysia Status companies are granted financial and non-financial incentives. MDeC is the body responsible for monitoring all MSC Malaysia Status designated companies. We cannot assure that we will continue to retain our MSC Malaysia Status or that we will continue to enjoy the MSC Malaysia incentives granted to all MSC Malaysia Status companies, all of which could materially affect our business, operating results and financial condition.

MDeC has the right to withdraw any company's MSC Malaysia Status at any time. Although we believe that AMSB will continue to be able to fulfil the conditions for MSC Malaysia Status and to ensure that it remains in the same line of business, there can be no assurance that we will continue to enjoy or not experience delays in enjoying the MSC Malaysia Status incentives outlined above, all of which could materially and adversely affect the Group's business, operating results and financial condition.

5. RISK FACTORS (Cont'd)

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

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

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

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

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

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

Our Transit-TV Network System delivers compelling contents such as entertainment, sports, technology, documentary and community messages, are currently operated using the pre-record system.

Moving forward, we will upgrade our current pre-recorded system to DTTB to deliver substantial real-time value to the targeted mobile audience. With the live broadcast ability, we will be able to deliver real-time advertising together with the real-time contents provided by the local TV stations. This, in turn, would require us to develop and maintain good business relationships with local TV stations through which we will obtain real-time contents for our Transit-TV Networks System. We cannot assure that we will be able to enter into collaboration with any existing TV stations in Malaysia to roll out our DTTB. If we fail to source for any TV stations, we will not be able to combine our advertising along with real-time contents such as news, stock quote, weather and traffic update and sport highlights. Subsequently, our advertisers may find advertising on our network unattractive and may not purchase advertising time from us, which may have a negative impact on our cash flow and revenue.

In the event that we are unable to enter into collaboration with any TV, radio and news stations, we will depend on our own live broadcast. We are able to do so as we have obtained the CASP Individual Licence from MCMC to roll out subscription broadcasting, terrestrial radio broadcasting and non-subscription based TV broadcasting.

5. RISK FACTORS *(Cont'd)*

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

We plan to invest RM16.00 million from the proceeds raised from the IPO to roll out our initial stage of DTTB network infrastructure such as purchase of transmission equipment for seven (7) transmission towers, network equipment and facilities and integration of network system in Klang Valley, to deliver substantial real-time value for our advertising customers to the targeted mobile audience.

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

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

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

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

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

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

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

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

5. RISK FACTORS (*Cont'd*)

Amongst other sections in Part X, Chapter 1 of the CMA which regulate the installation of network facilities, Section 215 of the CMA provides that:

- "(1) *A network facilities provider may, for purposes connected with the provision of network services, carry out the installation of network facilities if:*
- (a) the provider is authorised to do so by a network facilities installation permit issued by the commission under section 226;*
 - (b) the network facilities are low-impact network facilities;*
 - (c) the network facilities are temporary network facilities for use by, or on behalf of, the Ministry of Defence for defence purposes; or*
 - (d) the installation is carried out for the sole purpose of connecting a building or structure, or a line that forms part of a network facility.*
- (2) *The installation of the network facilities authorised by this section may require the approval of the State Authority, local authority, or other relevant authority, if necessary.*
- (3) *If subsection (1) authorises a network facilities provider to carry out a particular activity, the provider may, for purposes in connection with the carrying out of that activity:*
- (a) enter on, and occupy, any land; and*
 - (b) on, over or under the land, do anything necessary or desirable for those purposes, including:*
 - (i) constructing, erecting and placing any post or network facility;*
 - (ii) felling and lopping trees and clearing and removing other vegetation and undergrowth;*
 - (iii) making cuttings and excavations;*
 - (iv) restoring the surface of the land and, for that purpose, removing and disposing of soil, vegetation and other material;*
 - (v) erecting temporary workshops and sheds and other temporary buildings; and*
 - (vi) levelling the surface of the land and making roads.*
- (4) *For the purposes of subsection (1), the Minister for the time being charged with the responsibility for communications and multimedia may, on the recommendation of MCMC, determine that specified network facilities are low-impact network facilities."*

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

5. RISK FACTORS *(Cont'd)*

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

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

Nera Infocom (M) Sdn Bhd is the local representative of Nera Telecommunications Ltd and is a telecom and ICT solutions provider for microwave, satellite, wireless broadband access, ICT networking, retail payment systems, cabling and digital video broadcasting, while Plisch Broadcast Asia Pacific Pte Ltd is the Asia Pacific representative of Hans H. Plisch GmbH & Co. KG, a Germany manufacturer of analogue and digital transmitter.

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

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

(xxi) We have a limited operating history and track records

We commenced our business in October 2007. As such, we have a limited operating history. Our past financial data may not provide a meaningful basis upon which investors may evaluate us in respect of our future prospects and performance. Although our Group's profitability has been on an upward trend, there is no assurance that we can sustain profitability or avoid losses in the future.

However, we have maintained a close relationship with all the public transport providers and advertisers whom our Group is operating with to ensure continuous demand for our services.

5.2 Risks relating to the business environment

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

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

Much of the above changes are beyond our control. Whilst we practice prudent financial management and efficient operating procedures, there can be no assurance that any adverse economic, political and regulatory developments will not materially affect the performance of our Group.

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

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

5. RISK FACTORS *(Cont'd)*

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

5.3 Financial risks

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

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

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

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

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

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

Nevertheless, our Directors believe that, upon our Listing on the ACE Market, we would have the option of tapping the debt capital market or further raising equity capital, if required. As such, there would be the availability of further funding options upon our successful Listing on the ACE Market to meet our requirements. However, it is probable that raising additional funds via equity issues will result in a substantial dilution and reduction in returns, if any, to investors.

5.4 Risks relating to our Listing and investment in our IPO Shares

(i) Potential delay or failure of our Listing

Our Listing may potentially be delayed or aborted in the event of the following:

- (a) the Underwriters exercising its rights pursuant to the Underwriting Agreement to discharge itself from its stated obligations;

5. RISK FACTORS (Cont'd)

- (b) the placees identified under the private placement fail to pay for the subscription of our IPO Shares allocated to them, notwithstanding that they have furnished their irrevocable undertaking letters to subscribe for such IPO Shares;
- (c) we are unable to meet the public spread requirements of at least 25% of the enlarged issued and paid-up share capital of our Company being held by a minimum of 200 public shareholders holding not less than 100 Shares each at the point of Listing; and
- (d) any force majeure event(s), which are beyond our control before our Listing.

In such an event, subject to restrictions set out in Section 5.4 (ii) below, we will return in full without interest, all monies paid in respect of any applications accepted within fourteen (14) market days from the date of our Listing is aborted.

Nevertheless, our Directors will endeavour to ensure compliance with the various requirements for our successful Listing.

(ii) Delay between admission and trading of our IPO Shares

Delay in the admission and the commencement of trading in shares on Bursa Securities have occurred in the past. In respect of the IPO Shares, following the allotment and issuance of the same to investors, the return of monies to such investors may be effected by way of either a repurchase by us of those shares at IPO Price, or by way of a reduction of our share capital.

Further, such capital reduction may not be sanctioned by the High Court if it does not have reasonable grounds in believing that we are, or after the reduction would be, able to settle our liabilities as they become due.

There can be no assurance that monies can be recovered within a short period of time. If Bursa Securities does not admit our Shares for Listing, our Shares will be illiquid and it may not be possible to trade our Shares. This may also have a material adverse effect on the value of our Shares.

(iii) No prior market for our Shares

Prior to our IPO, there has been no market for our Shares. Accordingly, there can be no assurance that an active market for our Shares will develop upon our Listing or, if developed, that such market will be sustained.

We, together with our Principal Adviser and Underwriters, have determined and agreed to the IPO Price, after taking into consideration several factors including, but are not limited to, our Group's financial performance, our Group's future plans and prospects, the prospects of the industry in which our Group operates and the prevailing market conditions. The prices, at which our Shares will trade on Bursa Securities at any point in time after our Listing, may vary significantly from the IPO Price.

(iv) Volatility in our Share price and trading volume

Shares of other companies listed on Bursa Securities have experienced considerable price volatility in the past. It is possible that our Shares will be subjected to price volatility, which may have no direct correlation with our Company's NA value, financial results or performance. Price volatility may also affect the ability of our shareholders to sell and the price at which our Shares can be sold.

5. RISK FACTORS (Cont'd)

The market price of our Shares may fluctuate as a result of variations in the liquidity of the market for our Shares, differences between our actual financial operating results and those expected by investors and analysts, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations. The market price of our Shares is also susceptible to certain new developments within the media industry, acquisition or strategic alliance by our competitors or us or gain or loss of our major customers or projects.

On the other hand, the performance of Bursa Securities, which affects the volatility of our Share price, is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiments are also largely driven by internal factors such as the economic and political conditions of the country as well as the growth potential of the various economic sectors. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risk to the market price of our Shares, which could potentially result in substantial losses for investors in acquiring our Shares.

(v) Our Promoters will retain control over our Group upon Listing

Following the Public Issue, our Company will be controlled by our Promoters which will control 45.61% of the enlarged issued and paid-up share capital of our Company. As a result, our Promoters will be able to effectively control the outcome of certain matters requiring the vote of our shareholders including the constitution of our Board and thus, the direction and future operations of our Group, decisions regarding acquisitions and other business opportunities, the declaration of dividends and the issuance of additional shares and other securities, unless they are required to abstain from voting by law and/or the relevant authorities.

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

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6. INFORMATION ON OUR GROUP

6.1 History and business

We were incorporated in Malaysia as a private limited company under the Act on 9 April 2008 under the name of Gerak Bayan Sdn Bhd and changed to our current name on 19 January 2010. We subsequently converted to a public limited company on 23 April 2010 as an investment holding company to facilitate our Listing. As part of our Listing, we had on 3 May 2010 entered into a SSA with WHSB, MASB, TJBSB and BTV to acquire AMSB's entire issued and paid-up share capital comprising 100,000,000 ordinary shares of RM0.10 each for a total purchase consideration of RM12,999,998, which was satisfied by the issuance of 129,999,980 new Shares in our Company. The purchase consideration was arrived at after taking into consideration the audited consolidated NTA of AMSB as at 31 December 2009 of RM7,968,541 and the capitalisation of the amount due to a director of AMSB, namely Dato' Wong Shee Kai, of RM5,000,000 for the advance given to AMSB to roll out the Transit-TV Network System. The capitalisation was completed on 1 April 2010.

The Acquisition was to facilitate our Listing and was completed on 3 May 2010.

Please refer to Section 10.1.2 for the background information of WHSB, MASB, TJBSB and BTV.

AMSB is a MSC Malaysia Status company and it commenced business operations in October 2007 to operate the Transit-TV Network System via our flagship channel that uses LCD-TV screens to deliver compelling information and entertainment programs, advertisements, community-driven messages and public bulletins in public transport, which include RapidKL Buses, Causeway Link Buses, Plusliner, Nice and Nice++.

We were recognised as the biggest Transit-TV Network (Bus) in Malaysia as awarded by the Malaysian Book of Records in 2008 to deliver contents and advertisements on public transport in Malaysia based on the number of LCD-TV installed from September 2007 to March 2008. As at LPD, we have installed 3,293 LCD-TV on 1,450 buses. Our Transit-TV Network System delivers international contents such as music videos from Sony Music Entertainment (M) Sdn Bhd and Warner Music Malaysia Sdn Bhd and in-house productions that focus and target to a young demographic audience travelling on intra-city buses. In addition, our creative department provides a 'one-stop centre' to fulfil our customers' advertising and marketing needs which include services such as conceptualisation, design and pre and post production. On the other hand, our Transit-TV Network System has similarities to other OOH advertising networks, as we are also able to reach out to audience in public venue.

Over the past two (2) years, we received numerous recognitions such as Best Start-up Company, SME Raising Star Award, SME 100 Award and the theBrandLaureate – SME Chapter Award, whilst Dato' Wong Shee Kai was recognised as Junior Chamber International Creative Young Entrepreneur, Excellence Leadership under the 8th Asia Pacific International Entrepreneur Excellence Award and the Most Promising Entrepreneur Award by Asia Pacific Entrepreneurship Awards.

Currently, the contents of our Transit-TV Network System are operated using the pre-recorded system. Moving forward, we will upgrade our current pre-recorded system to DTTB to deliver substantial real-time value to the targeted mobile audience. With the live broadcast ability, we can deliver real-time advertising mixed with the real-time contents provided by the local TV stations.

Our Directors believe that we are one of the leading DOOH Transit-TV Network System providers in Malaysia as we were recognised as the biggest Transit-TV Network (Bus) in Malaysia as awarded by the Malaysian Book of Records in 2008, and will be the first to deliver substantial real-time value to the targeted mobile audience upon commercialisation of our DTTB.

6. INFORMATION ON OUR GROUP (Cont'd)

Our Group has achieved numerous milestones since our inception and some of the major milestones are listed below:

Year	Milestones/Achievements
2007	<ul style="list-style-type: none"> • Establishment of AMSB • Awarded concession to operate Transit-TV Network System in 1,050 RapidKL Buses • Awarded as MSC Malaysia Status by MDeC
2008	<ul style="list-style-type: none"> • Complete installation of Transit-TV System in 1,050 RapidKL Buses • Official launch of AMTV KL • Awarded concession to operate Transit-TV Network System in 250 Causeway Link Buses • Awarded as "Best Start-up Company" by MSC Malaysia at the Asia Pacific ICT Awards • Company certified as a national record holder for the "Biggest Transit-TV Network (Bus)" with 3,175 units of LCD screens installed in 1,391 stage and expresses buses (September 2007 – March 2008) by The Malaysian Book of Records • Awarded SME Rising Star Award 2008 by SMI Association of Malaysia • Acquisition of TESB which operates LCD-TV screens in 200 luxury coaches of Plusliner, Nice and Nice++ • Complete installation of Transit-TV Network System in 250 Causeway Link Buses
2009	<ul style="list-style-type: none"> • Official launch of AMTV JB • Certified as a recipient of the SME 100 Award 2009 organised by SME Magazine • Launching of joint media collaboration with Star Publications (M) Bhd on cross-promoting their respective media products on each other's media platform
2010	<ul style="list-style-type: none"> • Awarded the winner of "theBrandLaureate – SME Chapter Award" • AMSB obtained CASP Individual License from MCMC to roll out the subscription broadcasting, terrestrial radio broadcasting and non-subscription based TV broadcasting • AMSB obtained NSP Individual License and NFP Individual License from MCMC to provide and own network services and facilities • AMSB obtained permission from MCMC to provide broadcasting services through three (3) digital multimedia services' channels within frequency bands of 1,452 megahertz to 1,492 megahertz in Peninsular Malaysia

6.2 Share capital

Our authorised share capital is currently RM50,000,000 comprising 500,000,000 Shares, of which RM13,000,000 comprising 130,000,000 Shares have been issued and fully paid-up. The changes in our issued and paid-up share capital since incorporation are as follows:

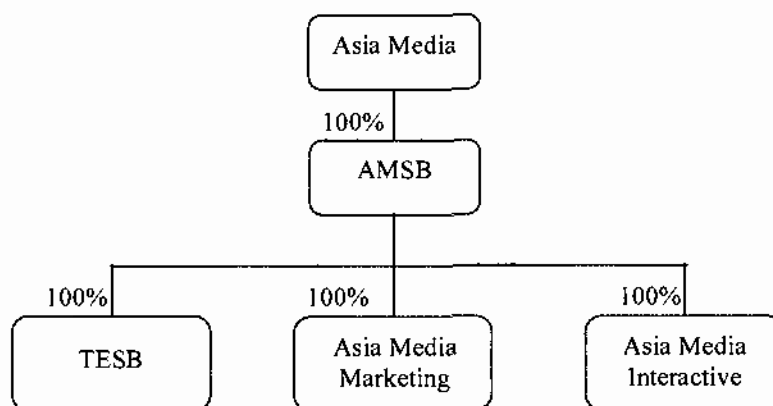
6. INFORMATION ON OUR GROUP (Cont'd)

Date of allotment	No. of shares allotted	Par value (RM)	Consideration	Cumulative issued and paid-up share capital (RM)
09.04.2008	2	1.00	Cash	2
30.04.2010	20	0.10	Sub-division of shares	2
03.05.2010	129,999,980	0.10	Acquisition of AMSB	13,000,000

As at LPD, our Company does not have any outstanding warrants, options, convertible securities and uncalled capital. Upon completion of our IPO, our issued and paid-up share capital will subsequently increase to RM22,800,000 comprising 228,000,000 Shares as a result of a Public Issue of 98,000,000 IPO Shares.

6.3 Information on our subsidiary companies

The corporate structure of our Group is set out below:



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

Company	Registration number	Principal activities
AMSB	728838-H	Multimedia advertising services, media communications, commercialisation of narrowcasting network solutions (i.e. display of contents on a digital signage network) and dynamic and automation contents (i.e. a moving and automatic way of reloading contents) and provision of integration, maintenance and support services relating to the above products
TESB	533790-M	Content sales and marketing of electronic audio visual media
Asia Media Marketing	830634-V	Dormant ⁽¹⁾
Asia Media interactive	526199-V	Dormant ⁽²⁾

Notes:

(1) Asia Media Marketing is expected to commence business operations upon commercialisation of our DTTB in the first half of 2011.

6. INFORMATION ON OUR GROUP (Cont'd)

- (2) *Asia Media Interactive is expected to commence business operations upon commercialisation of our mobile interactive services in the first half of 2011.*

6.3.1 AMSB**(i) History and business**

AMSB was incorporated under the Act on 3 April 2006 under the name of Super Latest Publication Sdn Bhd and changed to its current name on 23 January 2007. AMSB commenced business in October 2007. It is principally involved in multimedia advertising services, media communications, commercialisation of narrowcasting network solutions (i.e, display of contents on a digital signage network) and dynamic and automation contents (i.e, a moving and automatic way of reloading contents) and provision of integration, maintenance and support services relating to the above products.

(ii) Share capital

The present authorised share capital of AMSB is RM10,000,000 comprising 100,000,000 ordinary shares of RM0.10 each in AMSB and all of which have been issued and fully paid-up.

The changes in the issued and paid-up share capital of AMSB since its incorporation are as follows:

Date of allotment	No. of shares allotted	Par value (RM)	Consideration	Cumulative issued and paid-up share capital (RM)
03.04.2006	20	1.00	Cash	20
20.04.2007	200	0.10	Subdivision of shares	20
11.05.2007	17,999,800	0.10	Cash	1,800,000
18.05.2007	2,000,000	0.10	Cash	2,000,000
02.04.2008	30,000,000	0.10	Capitalisation of amount due to director	5,000,000
01.04.2010	50,000,000	0.10	Capitalisation of amount due to director	10,000,000

As at the LPD, AMSB does not have any outstanding warrants, options, convertible securities or uncalled capital.

(iii) Substantial shareholder

AMSB is our wholly-owned subsidiary.

6. INFORMATION ON OUR GROUP (Cont'd)**(iv) Subsidiary and associated company**

As at LPD, the subsidiaries of AMSB are as follow:

Company	Registration number	Principal activities
TESB	533790-M	Content sales and marketing of electronic audio visual media
Asia Media Marketing	830634-V	Dormant ⁽¹⁾
Asia Media Interactive	526199-V	Dormant ⁽²⁾

Notes:

- (1) Asia Media Marketing is expected to commence business operations upon commercialisation of our DTTB in the first half of 2011.
- (2) Asia Media Interactive is expected to commence business operations upon commercialisation of our mobile interactive services in the first half of 2011.

As at LPD, AMSB does not have any associated company.

6.3.2 TESB**(i) History and business**

TESB was incorporated under the Act on 4 December 2000 under the name of E-K Productions Sdn Bhd. Subsequently, the company changed its name to BTV Productions Sdn Bhd, Transit Vision Holdings Sdn Bhd and TESB on 22 October 2002, 14 October 2004 and 4 September 2008, respectively. TESB commenced business in 2003 and was initially a 70%-owned subsidiary of Triton Synergy Holdings Sdn Bhd ("Triton"). On 8 May 2008, AMSB entered into a sale and purchase agreement with Triton to acquire its 70% equity interest in TESB. Subsequently, AMSB acquired the remaining 22.48% and 7.52% of equity interest from Yue Sau Hung and Ng Weng Choong on 15 January 2009 and 9 March 2010, respectively. TESB is principally involved in the sales and marketing of electronic audio visual media.

(ii) Share capital

The present authorised share capital of TESB is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each in TESB, of which RM3,118,000 comprising 3,118,000 ordinary shares of RM1.00 have been issued and fully paid-up.

The changes in the issued and paid-up share capital of TESB since its incorporation are as follows:

Date of allotment	No. of shares allotted	Par value (RM)	Consideration	Cumulative issued and paid-up share capital (RM)
04.12.2000	3	1.00	Cash	3
18.11.2002	79,977	1.00	Cash	80,000
27.02.2003	20,000	1.00	Cash	100,000
18.05.2004	1,018,000	1.00	Cash	1,118,000
16.07.2010	2,000,000	1.00	Capitalisation of amount due to holding company	3,118,000

6. INFORMATION ON OUR GROUP (Cont'd)

As at the LPD, TESB does not have any outstanding warrants, options, convertible securities or uncalled capital.

(iii) Substantial shareholders

TESB is a wholly-owned subsidiary of AMSB.

(iv) Subsidiary and associated company

As at LPD, TESB does not have any subsidiary or associated company.

6.3.3 Asia Media Marketing**(i) History and business**

Asia Media Marketing was incorporated under the Act on 26 August 2008 under the name of Ciri Kesturi Sdn Bhd and changed to its current name on 19 January 2010. Presently, Asia Media Marketing is dormant and is expected to commence business operations upon commercialisation of our mobile interactive services in the first half of 2011.

(ii) Share capital

The present authorised share capital of Asia Media Marketing is RM100,000 comprising 100,000 ordinary shares of RM1.00 each in Asia Media Marketing. The present issued and paid-up share capital is RM2.00 comprising 2 shares of RM1.00 each in Asia Media Marketing.

The changes in the issued and paid-up share capital of Asia Media Marketing since its incorporation are as follows:

Date of subscription	No. of shares subscribed	Par value (RM)	Consideration	Cumulative issued and paid-up share capital (RM)
26.08.2008	2	1.00	Cash	2

As at the LPD, Asia Media Marketing does not have any outstanding warrants, options, convertible securities or uncalled capital.

(iii) Substantial shareholders

Asia Media Marketing is a wholly-owned subsidiary of AMSB.

(iv) Subsidiary and associated company

As at LPD, Asia Media Marketing does not have any subsidiary or associated company.

6.3.4 Asia Media Interactive**(i) History and business**

Asia Media Interactive was incorporated under the Act on 14 September 2000 under the name of Ibizasia.com Sdn Bhd and changed to its current name on 21 January 2010. Presently, Asia Media Interactive is dormant and is expected to commence business operations upon commercialisation of our mobile interactive services in the first half of 2011.

6. INFORMATION ON OUR GROUP (Cont'd)**(ii) Share capital**

The present authorised share capital of Asia Media Interactive is RM100,000 comprising 100,000 ordinary shares of RM1.00 each in Asia Media Interactive. The present issued and paid-up share capital is RM2.00 comprising 2 shares of RM1.00 each in Asia Media Interactive.

The changes in the issued and paid-up share capital of Asia Media Interactive since its incorporation are as follows:

Date of subscription	No. of shares subscribed	Par value (RM)	Consideration	Cumulative issued and paid-up share capital (RM)
14.09.2000	2	1.00	Cash	2

As at the LPD, Asia Media Interactive does not have any outstanding warrants, options, convertible securities or uncalled capital.

(iii) Substantial shareholders

Asia Media Interactive is a wholly-owned subsidiary of AMSB.

(iv) Subsidiary and associated company

As at LPD, Asia Media Interactive does not have any subsidiary or associated company.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.4 Property, plant and equipment

We do not own any landed properties. Our principal places of business are located at the following rented premises:

Tenant	Owner	Tenancy period	Postal address	Description / purpose	Built-up area (square feet)	Yearly rental RM
AMSB	Peakmax Sdn Bhd ⁽¹⁾	Two (2) years from 1 May 2010 to 30 April 2012 with an option for renewal of two (2) years	No. 35, First Floor Jalan Bandar 16 Pusat Bandar Puchong 47100 Puchong Selangor Darul Ehsan	1 st and 2 nd floors of a four (4) storey office building Headquarters - used for daily administrative, sales and marketing, finance, repair station and help desk	Approximately 4,950	19,200
AMSB	Twin Hand Sdn Bhd	From 1 June 2010 to 4 January 2011 with an option for renewal of one (1) year	No. 30A, Jalan Sagu 8 Taman Daya 81100 Johor Bahru Johor Darul Takzim	1 st floor of a two (2) storey office building Southern office - used for administrative and repair station for buses operating in or from Johor Bahru	Approximately 1,650	10,800
AMSB	Cyberview Sdn Bhd	Two (2) years from 4 June 2010 to 3 June 2012 with an option for renewal of two (2) years	Unit A-2-20 SME Technopreneur Centre Cyberjaya 2270 Jalan Usahawan 2 63000 Cyberjaya Selangor Darul Ehsan	2 nd floor of a three (3) storey office building Research, development and commercialisation of our Transit-TV Network System	Approximately 699	20,970

Note:

(1) Our Directors, Dato' Wong Shee Kai and Teh Sew Wan, are the directors and shareholders of Peakmax Sdn Bhd.

6. INFORMATION ON OUR GROUP *(Cont'd)*

The abovementioned properties rented by our Group are not subject to any regulatory requirement and environmental issues which may materially affect our Group's operations and utilisation of assets. As at LPD, our Group is not in breach of any law, rules and building regulations in relation to the use of the property

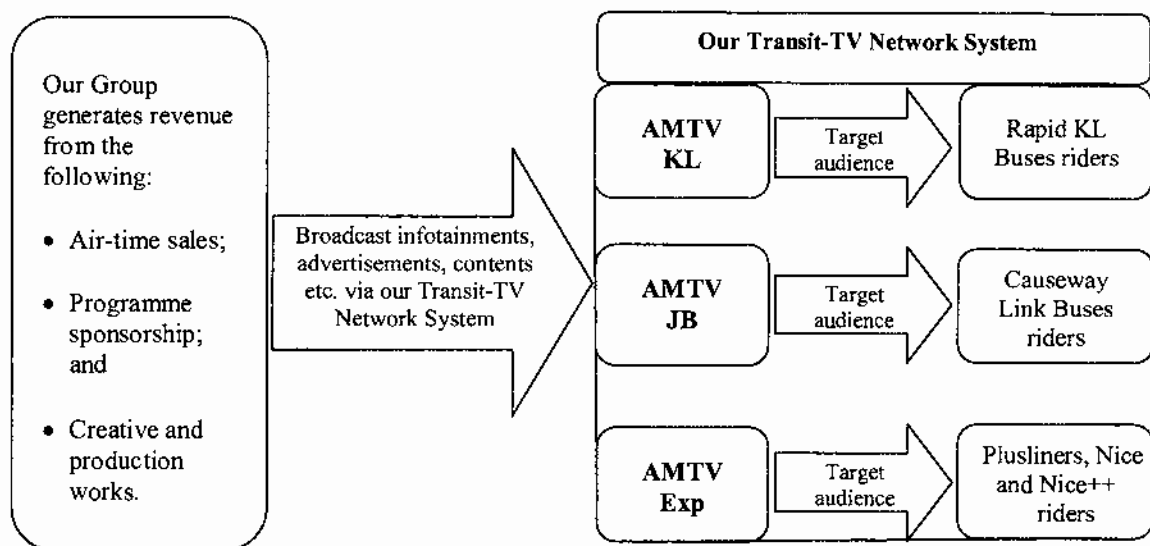
Save for the construction of our DTTB structure, our Group does not have any material plans to construct, expand or improve our facilities.

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7. BUSINESS OVERVIEW

7.1 Business model

Our business model is depicted as follow:



Our Group is principally involved in the DOOH transit media industry by providing infotainments, advertisements, contents, etc via our Transit-TV Network System, which is aimed at tapping into the riders of public transports in Malaysia. Currently, we provide contents produced by our in-house creative development team as well as contents from third parties. The third parties contents include videos provided by Speedy Video Distribution Sdn Bhd and movies from Golden Screen Cinemas Sdn Bhd.

7.2 Principal activities and services provided

7.2.1 Current services provided

Our Group currently provides the following services:

- Air-time sales;
- Programme sponsorship; and
- Creative and production works

(i) Air-time sales

Air-time sales are 'slots of time' for advertisement sold to advertisers, content providers or any parties who wish to convey their messages via our Transit-TV Network System in the public transport. The 'slots of time' are break time in between programmes on our network. In addition, we are able to cater for 'soft advertising time' whereby advertisements, contents and messages are embedded and aired at the same time with our programmes.

Our Transit-TV Network System operates eighteen (18) hours a day and seven (7) days a week. Our customers who purchased a 'slot of time' for their advertisements or 'soft advertising time' will have a chance to advertise their products and services every hour for at least nine (9) times a day and sixty three (63) times a week.

7. BUSINESS OVERVIEW (Cont'd)

(ii) Programme sponsorship

Our programme sponsorship provides an alternative option for anchor advertisers who wish to leverage on our Transit-TV Network System to gain more publicity and goodwill instead of just advertising their products and services in one of the 'slot of time'.

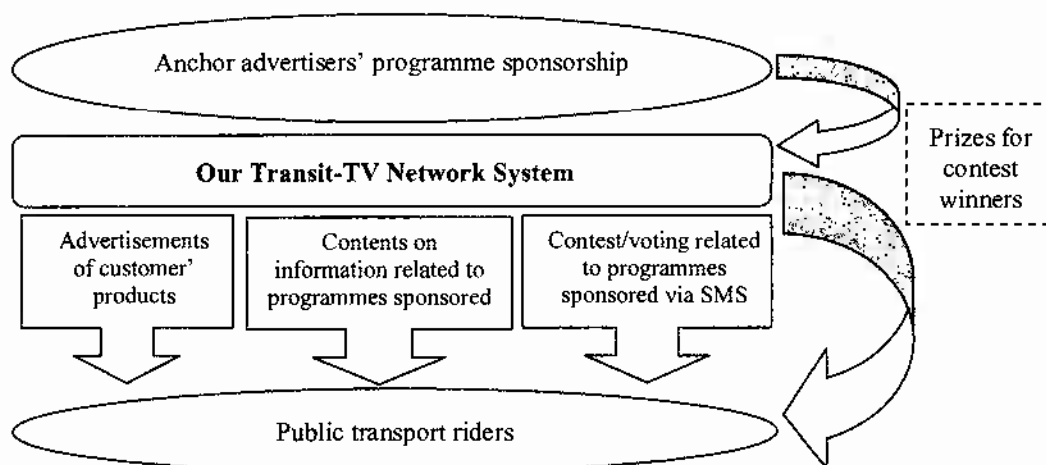
Some of the anchor advertisers that we have worked with are as follows:

Anchor Advertisers	Programme Sponsored
Nikon (Malaysia) Sdn Bhd	Animal & Plant documentary
Nestlé (Malaysia) Berhad	Maggie Cooking Show
Kementerian Wilayah Persekutuan Dan Kesejahteraan Bandar	Wilayah Day programme
Balai Seni Lukis Negara – Kementerian Kebudayaan, Kesenian dan Pelancongan Malaysia	Traditional Art of Malaysia

Our current programme sponsorship covers, among others, the following activities:

- Viewer's choice/voting;
- Prize winning contest;
- Customer feedback/survey;
- Ground events; and
- Banner advertisement.

A general overview of the ecosystem of our programme sponsorship is as follow:

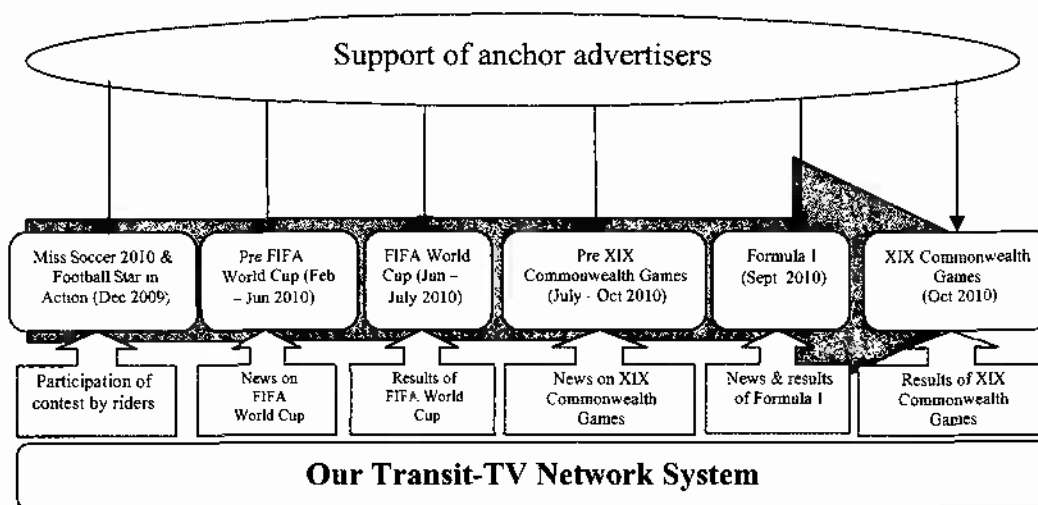


We normally provide a one-stop solution to our anchor advertisers. As part of the package, we will advertise the products of the anchor advertisers and to provide in-house or third parties contents on information related to the programmes sponsored to create awareness of the riders and contest/voting activities to attract the riders to the programmes sponsored and to enable the riders to play an active role by participating in the programmes. The anchor advertisers will also provide prizes such as vouchers or sample of their products to the winners of contest/voting.

7. BUSINESS OVERVIEW (Cont'd)

Apart from the on-going programme sponsorship on contest and survey, we have rolled out contests on 'Miss Soccer 2010' and 'Football Star in Action' in December 2009 and have worked with a few anchor advertisers such as Adidas (M) Sdn Bhd and F&N Coca-cola (M) Sdn Bhd on the FIFA World Cup 2010 which took place in South Africa in mid 2010 and on programmes in relation to the Formula 1 (in Singapore) and 19th Commonwealth Games and which took place in September and October 2010, respectively. These programmes were carried out via our Transit-TV Network System and were well received, which also served as an indicator on the success of our programme sponsorship.

The programmes on major sporting events which we have worked in 2010 are summarised as follows:



(iii) Creative and production works

Our creative department provides customers with an end-to-end solution from conceptualisation to broadcasting of marketing campaigns, which includes assisting our customers in producing their advertisements such as basic animation, filming and video shooting. Our creative department's processes cover from pre-production to post production, which include the following services:

- Filming / video shooting;
- 2-dimension & 3-dimension animation;
- advertisement editing; and
- Creative campaign

Our creative department is also responsible for embedding advertisements in between programmes and on the contents acquired from third party without modifying the original contents in order to air the contents and advertisements via our Transit-TV Network System. Our content sales are similar to the video on demand function on long haul flights.

We also engage external production houses to provide us with ideas, proposals and expertise in producing more complex productions with additional technical effects on the production of technical works required by our customers from time to time.

7. BUSINESS OVERVIEW (*Cont'd*)

7.2.2 New services to be provided

In addition to the above services, we are currently developing additional services by upgrading our current Transit-TV Network System. Details of new services to be provided in the near future are as follow:

(i) DTTB

Currently, the contents of our Transit-TV Network System are operated using the pre-recorded system. Moving forward, we will upgrade our current pre-recorded system to DTTB to deliver real-time contents and information to the targeted mobile audience. With the live broadcast ability, we can deliver real-time advertising mixed with the real-time contents provided by the local TV stations.

Our proposed DTTB will be integrated into our existing Transit-TV Network System for a single digital channel operating in MPEG-4 format while supporting SD channel. We had on 21 March 2010 obtained the CASP Individual License from MCMC to roll out the following services:

- (a) Subscription broadcasting;
- (b) Terrestrial radio broadcasting; and
- (c) Non-subscription based TV broadcasting.

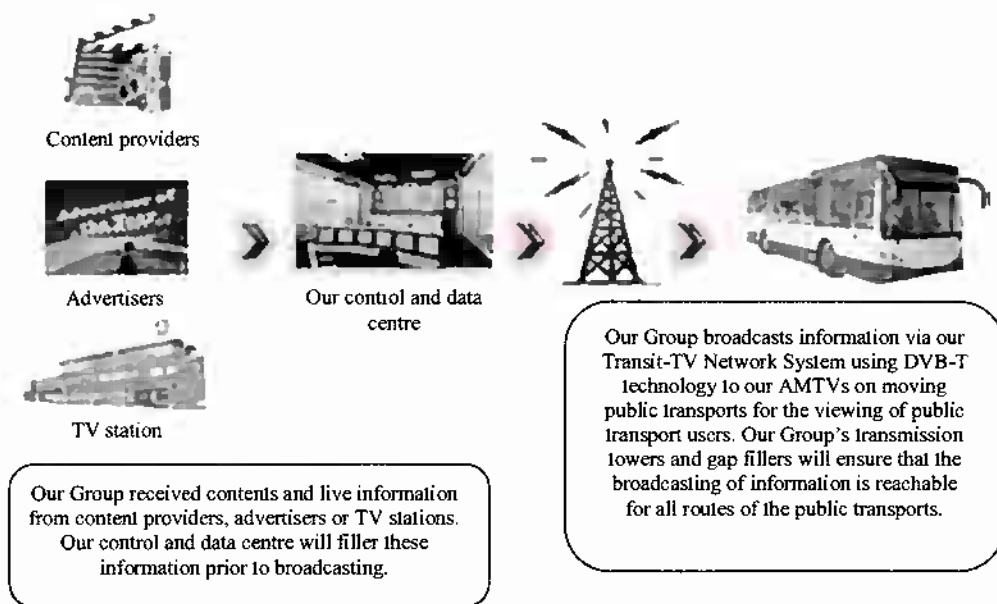
The licence is valid for a period of ten (10) years, from 21 March 2010 to 20 March 2020. In addition thereto, we are also awarded with the NSP Individual License and NFP Individual License. Please refer to Section 11.3 of the Prospectus for more information on the respective licenses.

As a CASP Individual License holder, we are given the rights to provide the above services within Malaysia. We have also obtained the approval from MCMC on 31 May 2010 to provide our broadcasting services through three (3) digital multimedia services' channels within the frequency bands of 1,452 megahertz to 1,492 megahertz in Peninsular Malaysia, which allow us to operate multiple TV, radio and data channels. Our DTTB will be rolled out initially in Klang Valley upon completion of the construction of transmitter, transmission towers and gap fillers, which is expected to be in the first half of 2011.

As an initial stage, we will utilise most of the proceeds to be raised from the IPO to purchase transmission equipments, network facilities and integration of network system in Klang Valley for the deployment of DVB-T or DVB-T2 type of technology on the abovementioned frequency band for our DTTB. The diagram below illustrates a general model of a DVB-T system:

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7. BUSINESS OVERVIEW (Cont'd)



We believe that our real-time advertising network will provide our advertising customers with a more effective method of delivering advertisements to audience drawn by up-to-date news and entertainment. This in turn will be able to mitigate the phenomenon known as advertiser fatigue faced by traditional advertising platforms, where riders begin to tune out the repeated advertisements. In addition, we will be able to deliver real-time advertising mixed with the real-time contents provided by local TV, radio and news stations which will enhance our competitive advantage significantly as compare to other DOOH and OOH advertising companies. Our DTTB will be able to deliver a wide variety of programmes provided by the local TV stations, including real-time news and stock quotes, weather and traffic updates, sports highlights and other entertainment programmes. The real time programme on our DTTB will provide unique entertainment interspersed with advertising to capture the attention of passengers during their daily commuters. Additionally, our DTTB will provide us the ability to vary the contents and advertisements throughout the day. For instance, during typical school commuting hours, our network will broadcast programmes and advertisements targeting toward youth, while during typical office commuting hours, our network will broadcast programmes and advertisements targeted toward adults.

In addition, the real-time broadcasting reduces the ongoing maintenance costs for operating our network. Unlike other OOH and DOOH advertising networks that require manual labour to update the contents on a regular basis, our DTTB will link up with the LCD-TV screens installed on public transports and will receive content over the airwave through real-time transmissions of the programming.

(ii) Mobile interactive

We plan to roll out our mobile interactive as part of the platform for advertising, which is mostly via SMS advertising, multimedia messaging advertising, advertising within mobile games and mobile videos. In addition, advertisers are able to advertise their products and services when the mobile users download mobile content, mobile web page or when the mobile user interacts with a telephone-based service such as movie ticketing or directory assistance, whereby a full screen of advertisements will appear when any of the above services was requested.

7. BUSINESS OVERVIEW (Cont'd)

We believe that this unobtrusive two-way communications as opposed to one-way immobile media like radios, newspapers and TV is able to attract more attention and hence will benefit our customers in term of the effectiveness of advertising with us.

In addition, with the rolling out of our DTTB, we will be able to create a new territory for media industry and advertisers, who are eager to measure up market response immediately. The possibility of fast delivery of messages and ubiquity of technology (which does not require any additional functionality from the mobile phone as all mobile phones available today are capable of receiving SMS), make it ideal for time and location sensitive advertising, such as customer loyalty offers at shopping centres and SMS promotions of events. To leverage this strength of SMS advertising, timely and reliable delivery of messages is paramount.

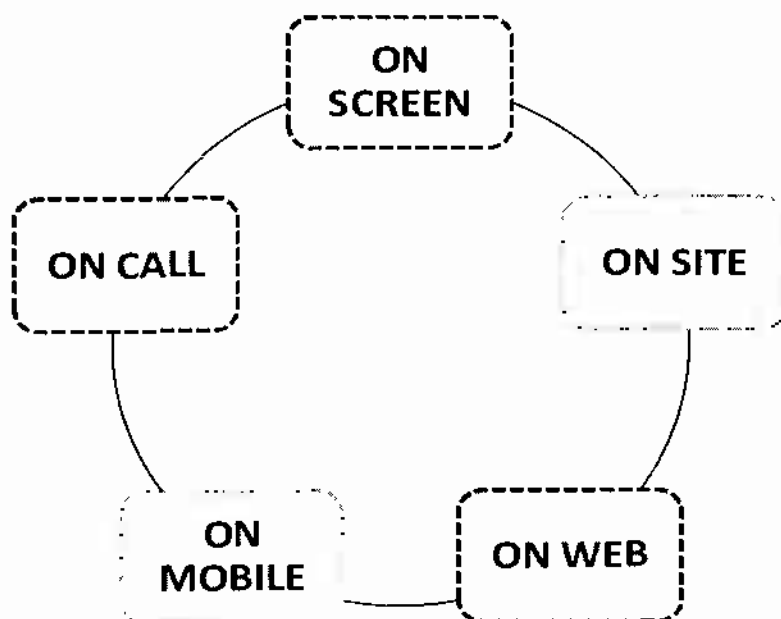
Meanwhile, we envisage that the rolling out of our DTTB and mobile interactive will be able to enhance our existing programme sponsorships as we will be able to provide additional services such as downloading ringtone, mobile games and subscription to contents apart from the basic contests and voting activities at a larger scale.

7.3 Principal markets

The revenue contributions since the commencement of our Group are entirely from the local market.

7.4 Distribution and marketing strategy

For our Group to achieve a better growth while remain competitive in the DOOH transit media industry, we have taken an advantage of the integrated media communication environment to provide better value added services to our advertising customers by increasing their publicity while keeping in touch constantly with the public transport riders at the same time via five (5) different distribution channels. Our role as a bridge between our advertising customers and the riders has bridged the gap between the parties to ensure the effectiveness of advertising on our network. Our marketing strategy, namely 'Transit 5' is further illustrated as follow:



Note:



To be rolled out.

7. BUSINESS OVERVIEW (Cont'd)

Currently we have rolled out our “on screen”, “on web” and “on call” which we have received good responds from our customers and riders. Meanwhile, we are in the midst of rolling out “on site” and “on mobile”. Further details for each of the strategies are further explained below:

(i) On screen

As a DOOH transit media provider, our core business is dependent on our Transit-TV Network System to display infotainment programmes, advertisements, community-driven messages etc via LCD-TV screens installed on buses. As at LPD, we have installed 3,293 LCD-TV on 1,450 buses.

We have taken the advantage and opportunity of the “waiting” and “travelling” time of public transport’s riders to capture their attention and convey the message of our customers to them via our Transit-TV Network System. We believe that our transit-TV Network System delivers substantial value to our advertising customers by reaching to the targeted mobile audience in an enclosed environment conducive to capturing their attention. We also believe that the combination of advertisements, contents and other programmes displayed on our Transit-TV Network System make the audience more receptive to the advertisements on our network and ultimately help make the advertisements more effective for our advertising customers.

(ii) On web

We recognised that the Internet remained as a growing advertising medium and sought to incorporate our DOOH advertising network with web advertising.

The online media has enabled us to reach out to public transport’s riders beyond their normal travelling hours. Information such as advertisements, promotions, rewards and news can be effectively communicated to riders as well as Internet users via our homepage and social media network such as Facebook, Twitter and YouTube channel.

Our “on web” enabled our customers to ride on our homepage and social media networks to increase their publicity without much hassle of creating a new online campaign to cater for the public transport riders’ community.

(iii) On call

We have set up a customer care line to handle any enquiries, comments, feedback and complaint from riders or anyone else regarding our products and services provided via all our media channels. Currently, our customer care line has a team of four (4) full-time staff available from 8.30 a.m. to 6.00 p.m. from Monday to Friday, excluding public holidays. Our customer care service plays a vital role in improving the quality of our contents and advertisements while meeting the riders’ expectation and satisfaction on our Transit-TV Network System.

Our customer care line is also one of our centre points between our advertising customers and the riders have bridged the gap between the parties to ensure the effectiveness of advertising on our network.

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7. BUSINESS OVERVIEW (*Cont'd*)

(iv) On site

We are in the midst of developing a new programme with RapidKL Bus to assist the promotion of public transport while increasing the publicity of our advertising customers at the same time via our “on site” strategy. This programme will reward and encourage frequent public transport users through the contribution of advertisers such as vouchers and sample products. We believe that this programme will benefit the public transport companies by increasing the number of riders without having them to incur additional cost. Meanwhile, the exposure of our advertising customers will not only confine to LCD-TV screens and Internet. We believe that our “on site” programme will increase the effectiveness of our customers to advertise with us without incurring additional cost.

We will be setting up “1 transit” kiosks at the major stations of RapidKL Bus to carry out our “on site” programme. Frequent travellers will be able to redeem their rewards at our 1 transit kiosk. In addition, our 1 transit kiosks will also be able to carry out survey and feedback on behalf of our customers should the needs arise.

(v) On mobile

We are currently working with strategic mobile technology solution providers such as Globaltium Sdn Bhd and Just Mobile Sdn Bhd to jointly develop a mobile WAP portal to act as a mobile platform for public transport riders to receive relevant news and information while they are on the move. The mobile technology solution providers can also have their mobile contents or applications to be downloaded by public transports riders via a GPRS enabled phone any time at any place.

Globaltium Sdn Bhd is specialising in web and mobile portal development and security audit services for telecommunications operators and media organisations whereas Just Mobile Sdn Bhd is specialising in providing mobile contents to mobile communities.

Currently our contest/voting activities sponsored by our anchor advertisers are not live and participants are only able to get the results after a few days. With our collaboration with mobile technology provider and telecommunication companies coupled with the rolling out of our DTTB, the participants will be able to get the results on the spot or within few minutes.

We envisaged rolling out this strategy concurrently with our DTTB.

7.5 Competitive strengths and advantages

Our business is supported by the following competitive strengths and advantages that will provide the platform for business sustainability:

(i) Early market presence

We are one of the first companies to establish a large-scale of DOOH advertising network in the public transport system in the major cities of Malaysia, such as Klang Valley and Johor Bahru. By recognising this market opportunity and entering into this sector early, we have secured medium-term exclusive contracts with the major bus companies. As a result we control a substantial portion of the market for advertising on DOOH media.

(ii) Large scale that attracts advertising customers

We believe that we operate the largest DOOH advertising network covering major public transport in Malaysia based on the number of LCD-TV installed in buses. We believe that our broad geographic coverage and our strong presence in major cities make us attractive to advertisers who wish to reach diverse consumer market across Malaysia.

7. BUSINESS OVERVIEW *(Cont'd)*

(iii) Exclusive agreements with certain bus companies

Our Transit-TV Network System on the RapidKL Buses, Causeway Link Buses, Plusliner, Nice and Nice++ are secured by our exclusive agreements with the respective companies that are medium-term in nature. We believe that the broad coverage of our network in the major cities and our exclusive agreements with the bus companies create higher barriers to entry for potential competitors compared to other OOH advertising business model.

(iv) Effective advertising solutions with contents

Our Transit-TV Network System provides an effective method for our advertising customers to reach out to a large moving audience. We believe that our network delivers substantial value to our advertising customers by reaching the targeted audience during a period of time when they remain in an enclosed environment with a few form of entertainment to compete for their attention. We believe that our combination of providing advertising with entertaining contents rather than merely advertising differentiate us from other OOH advertisers in Malaysia which usually provide advertising services in the form of print format.

With the availability of our in-house contents, we are able to provide unique contents and programmes to the riders. The programming on our network includes news and entertainment shows to capture the attention of riders of public transport on a daily basis. In addition, our ability to include programmes on our network allows us to derive additional advertising revenue from sales of advertising embedded in the programmes and sponsorship of the programmes. Hence, we believe that our medium for advertising yields more effective results than other OOH advertising media and offer significant value for our advertising customers.

As a result, our network has attracted a large number of multimedia national corporations to purchase either advertising time or programme sponsorship from us.

(v) Bridge between advertisers and riders

We have taken a role as a bridge between our customers and the bus riders by taking the advantage of the integrated media communication environment, instead of just being an advertising medium. With the availability of this service, we are able to provide better value added services to our customers by increasing their publicity while keeping in touch constantly with the public transport riders at the same time. Our role as a centre point between our customers and the riders has bridged the gap between the parties to ensure the effectiveness of advertising on our network, without incurring any additional cost to the advertisers.

(vi) Strong management and sales teams

We have an experienced management team, in particular Dato' Wong Shee Kai, who has contributed significantly to the growth and development of our Group and has successfully led our Group to become an established and reputable player in the DOOH transit media industry in Malaysia. Our Group has achieved numerous awards and recognition under the leadership of Dato' Wong Shee Kai. Meanwhile, our Director, Sabaruddin Ahmad Bin Sabri, has been at the forefront of the media industry for over two (2) decades and offers a wealth of experience and business acumen. Our management team has led the rapid growth of our Group and successfully established our Transit-TV Network System in a short span of time. We believe that the strength and experience of our management team have enabled us to rapidly expand our advertising network, enhance our reputation in the industry and build a strong customer base.

7. BUSINESS OVERVIEW (*Cont'd*)

(vii) **The only DOOH transit media player in Malaysia with full fledged CASP Individual License, NFP Individual License, NSP Individual License and ASP Class License**

We believe that we are the only DOOH transit media player in Malaysia with a full-fledged CASP Individual License, NFP Individual License, NSP Individual License and ASP Class License.

To be a qualified full fledged CASP Individual License holder, an applicant has to submit a business proposal to the MCMC for its deliberation and approval. Our competitors, namely YTL Info Screen Sdn Bhd and Simfoni Maya Sdn Bhd, are not in the Register of Individual Licenses for CASP Individual License, NSP Individual License and NFP Individual License as at 26 November 2010, which are downloadable from the MCMC's website.

As a full fledged CASP Individual License holder, we are able to operate a nationwide 24-hour free-to-air broadcasting, subscription broadcasting and terrestrial radio broadcasting, which differentiate us from YTL Info Screen Sdn Bhd and Simfoni Maya Sdn Bhd. In addition, we are one of the few companies in the nation that is permitted to operate broadcasting services and facilities in Malaysia. Currently, there are only two (2) free-to-air broadcasting licence holders, namely Media Prima Berhad and Malaysian state-owned public broadcaster 'Radio Televisyen Malaysia ("RTM")' and two (2) subscription broadcasting licence holders namely, Astro All Asia Networks PLC and DE Multimedia Sdn Bhd which had launched their pay TV stations.

The NFP Individual License gives us the rights to provide, construct and maintain telecommunications infrastructure such as earth stations, fixed links and cables, radio communications transmitters, satellite hubs and links, tower, poles, ducts and pits in conjunction with other network facilities.

Meanwhile, the NSP Individual License allows us to provide nationwide broadcasting and data services to all public transport and moving vehicles, which include buses, trains, taxis and private vehicles. The services and coverage further extends to any mobile portable devices and cellular mobile services.

Coupled with our existing ASP Class License, we are able to deliver any functionality and applications to end users, such as voice communications, broadcasting services, access to the Internet, etc. Hence, we strongly believe that we are able to capture bigger market share in the DOOH transit media industry while providing values added services to our advertising customers.

7.6 Technology used

Our Group uses the following technologies in developing our Transit-TV Network System:

Production Equipment

- Application servers
- Web server
- Database server

Development Equipment

- Application server
- Web server
- Developer notebooks
- Developer personal computers

Network Equipment

- Switches
- Router
- Firewall

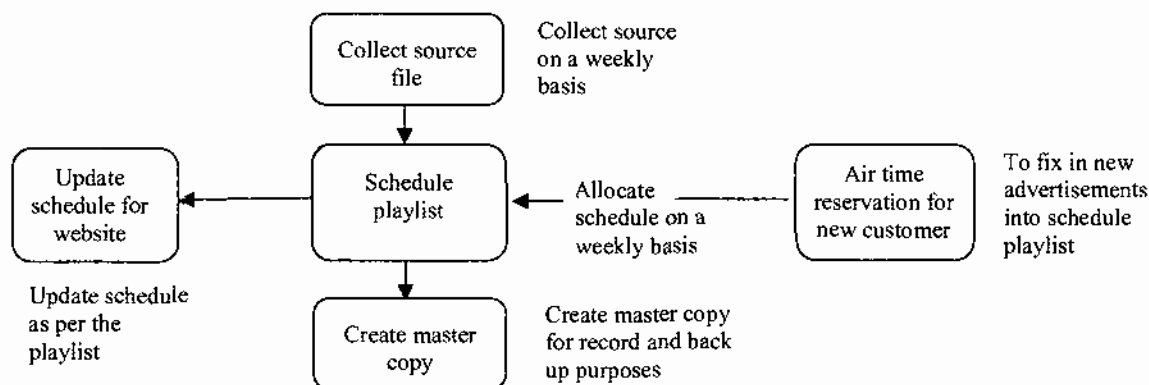
7. BUSINESS OVERVIEW (Cont'd)

7.7 Products development process

The general process flow for the airing of our advertisements and development of contents is as depicted below:

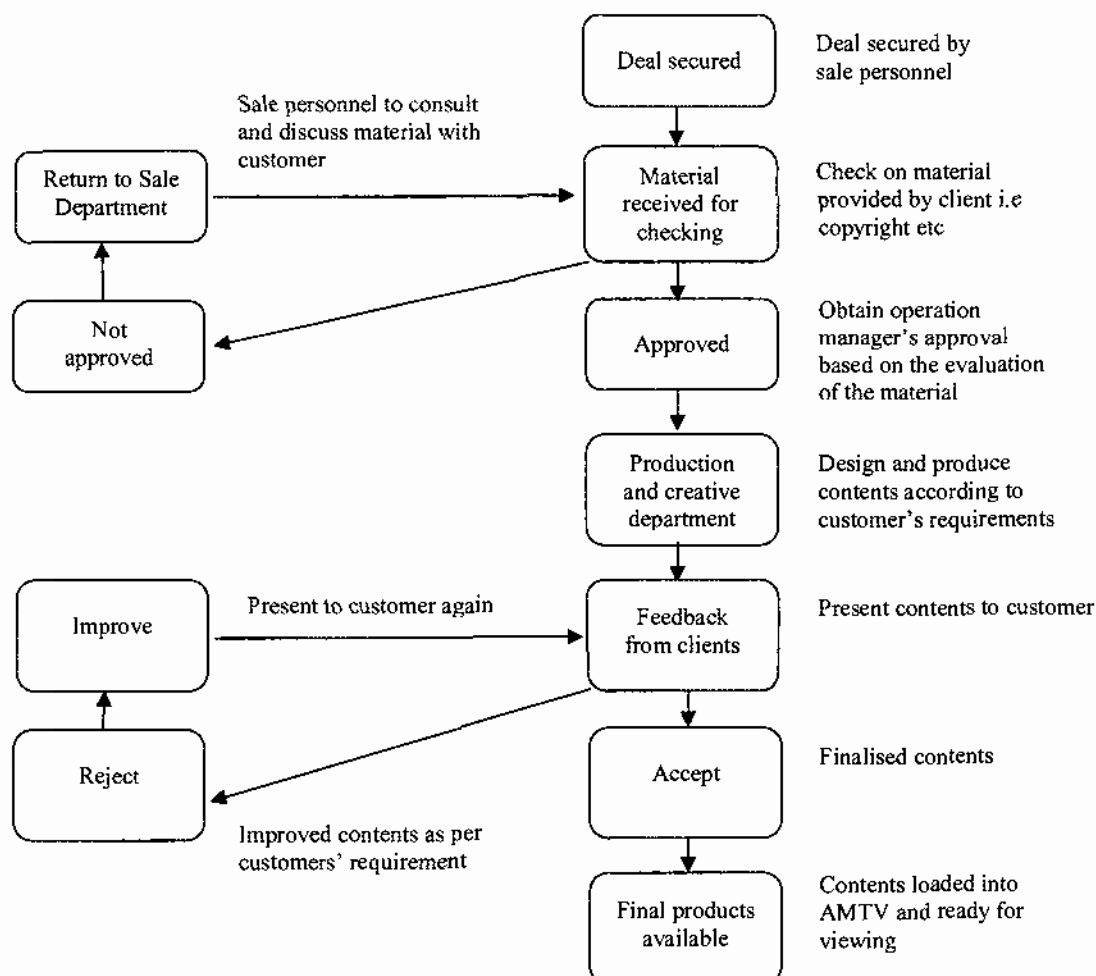
(i) Advertisements airing process

Our advertisements airing process is as follow:



(ii) Contents development process

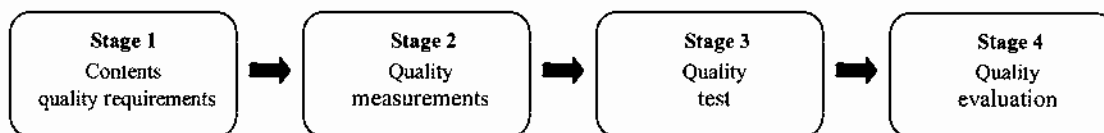
Our content development process is as follow:



7. BUSINESS OVERVIEW (Cont'd)

7.8 Quality control procedures

Our Group places significant emphasis on product quality and adheres to stringent quality standards. Our Group's quality control involves taking the appropriate action to keep service levels within the targeted levels. The illustration of the process is set out below:



Stage I : Contents quality requirements

Our Group has established a software quality policy and guidelines to be strictly followed for every content development project.

Stage 2 : Quality measurement

The measurement criteria of quality for each individual content will be determined based on the established quality policy. These measurements would outline the quality expectations for the contents to be developed.

The quality measurement for contents can be continually monitored by trending the following inputs:

- Deficiencies on design found during development;
- Development variances discovered during a following development effort versus those found during the in-process inspection process.;
- Failure of a system to function due to a design discrepancy disclosed in a system acceptance test versus failures discovered by analysis or review;
- Ease of measurability of an acceptance criteria during a verification activity; and
- The customers' level of satisfaction that the evolving projects end products will meet their requirements.

Stage 3 : Quality test

The contents component will be tested based on the quality measurements in any of the following combination:

- Verification by Review;
- Verification by Analysis;
- Verification by Inspection;
- Verification by Testing; and
- Use of computer programs.

Stage 4 : Quality evaluation

Based on the quality test conducted, the contents will be evaluated to obtain feedback on the quality of the outcome and system. This process will be repeated until the outcome and system meets the quality measurement.

7. BUSINESS OVERVIEW (Cont'd)**7.9 R&D**

R&D efforts are focused on improving our products and services to assist in creating and sustaining our Group's competitiveness.

Our Group's R&D activities focus on the following:

- Development of new services and integrated network system solutions;
- Enhancement of existing services and network system; and
- Continuous development of value-added tools and network system

Our R&D direction is guided by the following strategic objectives:

- Continuing development of relevant service and network system enhancement to increase barrier of entry;
- Continue to establish more customers references and recognition as a one-stop DOOH transit media provider; and
- Leverage on market trends, customer demands and emerging technologies to remain competitive.

We have incurred the following cost for our R&D activities since our incorporation:

	<-----Audited----->			
	3-month FPE 2007	FYE 2008	FYE 2009	6-month period ended 30 June 2010
	(RM)	(RM)	(RM)	(RM)
R&D expenditure	57,281	84,535	92,232	59,667
Revenue	3,501,620	6,533,187	13,150,080	9,995,819
% of revenue	1.64	1.29	0.70	0.60


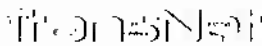
The amounts of R&D expenses are mainly for the design, testing and integration of our network system prior to the rolling out of our Transit-TV Network System. We have accomplished significant R&D achievements with the rolling out of our Transit-TV Network System and modification of hardware such as players, speakers, and LCD-TV to cater for voltage fluctuation and to withstand different temperature. Presently, we are undertaking R&D for our DTTB, which is expected to roll out in 2011.

Our R&D department is headed by Lee Boon Fatt, our Operations Manager.

7.10 Trademark

We have taken steps to protect our trademarks and brand names in Malaysia by submitting applications to register the same with Intellectual Property Corporation Malaysia. Save as disclosed below, we do not have any material patents, trade marks, technical assistance agreements, franchises and other intellectual property rights.

7. BUSINESS OVERVIEW (Cont'd)

Trademark	Application Date (status)	Class	Place of registration
	20 April 2007 (Submitted for final registration on 29 April 2010 and pending issuance of certificate)	35*	Malaysia
	27 December 2007 (Application for the trademark was rejected on 19 September 2008. An appeal was submitted on 16 October 2008 and pending decision)	35*	Malaysia

Note:

- * Advertising; Advertising agencies; Advertising agencies services; Advertising for motion picture films; Advertising material (Dissemination of); Advertising material (updating of); Advertising matter (Dissemination of); Advertising matter (Production of); Advertising services by means of television screen based text; Advertising services provided by television; Advertising space (Rental of); Audio-visual displays for advertising purposes (Preparation or presentation of); Leasing of advertising billboards; Leasing of advertising hoardings; Leasing of advertising space on pamphlets; Leasing of advertising space on railways properties; Leasing of advertising space on trains; Outdoor advertising; Outdoor advertising services; Production of advertising material; Production of sound recording for advertising purposes; Production of video recordings for advertising purposes; Production of visual advertising matter; Promotion (advertising) of business; Promotional advertising services; Provision of advertising space; Rental of advertising space; Rental of advertising time on communication media; Response advertising; and Video recordings for advertising purposes (Production of).

As at the LPD, the application for “Transnet” trademark application is still pending.

7.11 Interruptions to business

Our Group has not experienced any material disruption in operations that had a significant effect on our operations/revenue for the past twelve (12) months prior to the date of this Prospectus.

7.12 Seasonality

We do not experience any material seasonality in our business, as our business operations are relatively stable throughout the year, with the exception of a minor slowdown in business activity at the beginning of each calendar year.

7.13 Major customers

Our Group enjoys a close business relationship with our customers. Since our incorporation, we place a significant emphasis on developing and maintaining customer satisfaction, goodwill and rapport. Many of our customers are repeat customers since our commencement of business.

Over the years, we have been making efforts to widen our customer base in order to lower our dependency on certain customers. For the FYE 2009 and 6-month period ended 30 June 2010, none of our customers have individually contributed to more than ten percent (10%) of our revenue. Nonetheless, our customers who had contributed ten percent (10%) or more to our Group’s revenue for the 3-month FPE 2007 and FYE 2008 are as follows:

7. BUSINESS OVERVIEW (Cont'd)**(i) 3-month FPE 2007**

Customers	Services provided	Length of relationship (Years)	Level of revenue	
			3-month FPE 2007	
			RM	%
OMD (M) Sdn Bhd	Air time sales, programme sponsorship, creative and production work	< 1	1,300,000	43.33
WPP Marketing Communication (M) Sdn Bhd	Air time sales, programme sponsorship, creative and production work	< 1	1,700,000	56.67

(ii) FYE 2008

Customers	Services provided	Length of relationship (Years)	Level of revenue	
			FYE 2008	
			RM	%
OMD (M) Sdn Bhd	Air time sales, programme sponsorship, creative and production work	2	1,850,872	28.33
WPP Marketing Communication (M) Sdn Bhd	Air time sales, programme sponsorship, creative and production work	2	1,663,182	25.46

As part of the nature of the advertising industry, we normally work closely with many advertising agencies rather than just directly with our advertising customers. As such, the composition of our major customers varies from year to year. This is largely due to the nature of the overall advertising industry as media agencies obtain varying advertisers accounts every year and advertisers budgets generally depend on new product launches, re-branding exercise and other marketing activities, resulting in advertising budgets of differing sizes every year. Advertising budgets are also influenced by the promotion of world events such as World Cup and Olympic.

Our Group has developed a strong relationship with most of our customers since we commenced business. Our Directors are of the opinion that this continuing business relationship will provide the basis for reliance and continuous support from them.

As at LPD, our Group has a wide customer base of approximately thirty (30) media agencies and advertisers. As such, our Directors believe the risk of over-dependence on any one customer is minimal.

7.14 Major suppliers

Our Group provides a one-stop solution for advertisers including end-to-end solutions from conceptualisation to broadcasting of market campaigns. As such, we would engage production houses from time to time to work with our creative department to meet our customers' requirements.

The production houses that had contributed ten percent (10%) or more to our Group's purchases for the 3-month FPE 2007, FYE 2008, FYE 2009 and 6-month period ended 30 June 2010 are as follows:

7. BUSINESS OVERVIEW (Cont'd)**(i) 3-month FPE 2007**

Supplier	Services provided	Length of relationship (Years)	Level of purchases	
			3-month FPE 2007	
			RM	%
Pirana Graphics Sdn Bhd	Ideas, film shooting, digital animation, pre and post production editing and special effect	< 1	1,660,000	100

(ii) FYE 2008

Supplier	Services provided	Length of relationship (Years)	Level of purchases	
			FYE 2008	
			RM	%
Pirana Graphics Sdn Bhd	Ideas, film shooting, digital animation, pre and post production editing and special effect	2	1,582,270	60.99
Zesqa Media	Sound mastering and post production of digital animation	1	796,000	30.69

(iii) FYE 2009

Supplier	Services provided	Length of relationship (Years)	Level of purchases	
			FYE 2009	
			RM	%
Pirana Graphics Sdn Bhd	Ideas, film shooting, digital animation, pre and post production editing and special effect	3	2,960,000	47.88
Macro Media Tracking Services	Photography and filming shooting	1	1,420,000	22.97
Zesqa Media	Audio production and mastering	2	620,000	10.03

(iv) 6-month period ended 30 June 2010

Supplier	Services provided	Length of relationship (Years)	Level of purchases	
			6-month period ended 30 June 2010	
			RM	%
Macro Media Tracking Services	Photography and filming shooting	> 1	1,500,000	30.76
Zesqa Media	Audio production and mastering	> 2	1,230,000	25.23
Pirana Graphics Sdn Bhd	Ideas, film shooting, digital animation, pre and post production editing and special effect	> 3	1,100,000	22.56

7. BUSINESS OVERVIEW (Cont'd)

Over the years, our Group has developed good working relationships with more production houses to reduce our reliance on limited suppliers. This is evident by the increase in number of suppliers and decrease in the contribution of the initial supplier namely, Pirana Graphics Sdn Bhd from 100% in FYE 2007 to 22.56% in the 6-month period ended 30 June 2010.

In addition, we are training our staff in creative department to be equipped with the necessary skills to handle high end technical productions in order to reduce our reliance on external production houses. As such, our Directors believe the risk of over-dependence on any one supplier is minimal.

7.15 Future plans, strategies and prospects

7.15.1 Future plans and strategies

We aim to strengthen our position as the largest DOOH transit media provider and become a comprehensive provider of DOOH advertising service in Malaysia. In order to achieve the above, we plan to carry out the following plans and strategies in the future to strengthen our position.

(i) Expand coverage

We intend to expand the coverage and penetration of our Transit-TV Network System in order to create barriers to expansion and entry for current and prospective competitors.

In addition to the current tie up with RapidKL Buses, Causeway Link, Plusliners, Nice and Nice++, we intend to increase our coverage to other public transport such as KL Monorail, LRT and KTMB Komuter. With the penetration into these additional public transports, we will be able to reach out to more public transport users, hence increase the exposure and publicity of our customers.

We also plan to operate stationary advertising platform in major bus and train stations, which is in addition to the LCD-TV screens in buses and trains. We intend to install two (2) sets of ceiling mount consists of six (6) LCD-TVs per station and two (2) sets of walkway stand consists of eight (8) vertical LCD-TVs in each station.

Currently, we are still in the midst of negotiation with KL Monorail, LRT and KTMB Komuter and we believe that we will have a good chance to commercialise our Transit-TV Network System with these train companies in the future. As most of the proceeds to be raised from the IPO will be utilised for the DTTB, the capital expenditure requirements to expand our Transit-TV Network System coverage as mentioned above shall be from our internally generated funds.

(ii) Maximised average revenue per hour

We track our performance by measuring the average revenue per hour for our Transit-TV Network System. The average revenue per hour is measured by dividing the total revenue from air time and programme sponsorship sale with the number of week, followed by seven (7) days a week and eighteen (18) hours a day, which are our daily operating hours.

We intend to increase our efforts to offer more programmes that embed advertising, such as strategic products or infomercials. In addition, we may receive revenue from selling sponsorships for each of the programmes on our network. We believe these additional advertising opportunities will increase our average revenue per hour by expanding our advertising beyond the traditional time between programmes.

7. BUSINESS OVERVIEW (Cont'd)

In addition, we will continue to provide higher quality contents and programmes that will promote the general welfare of society. We believe that by improving the appeal of the programmes on our network, our advertisements will be more effective and this will help to increase our average revenue per hour.

(iii) Overseas expansion

Our Group's current revenue is solely derived from the local market. Moving forward, we plan to increase our revenue via the increase in geographical coverage by expanding regionally such as expansion to Indonesia within two (2) years. We are confident that we will be able to replicate our business model in the regional markets given our vast experience and proven track records in Malaysia.

The Indonesian media industry grew by an average year-on-year growth rate of approximately 24.70% with a CAGR of about 23.30% from 2005 to 2009. Indonesia has a large population and a high percentage of the population uses public transportation. With the large number of public transportation users, Indonesia shows a great potential for the growth of DOOH transit media industry due to the high number of potential viewers who form a potential captive audience in the numerous transit vehicles in Indonesia. *(Source: IMR Report)*

We believe that with a wider geographical coverage, our services will be more attractive to our existing and potential customers whom have presence in the regional markets. Currently, we are in the midst of preliminary discussion with the public transport providers in Indonesia for our expansion into the country. We may join venture with the foreign public transport providers for our overseas expansion and the proceeds to be raised from the IPO will not be used for this purpose.

(iv) Improved our DTTB technology and techniques to extend more services to more devices

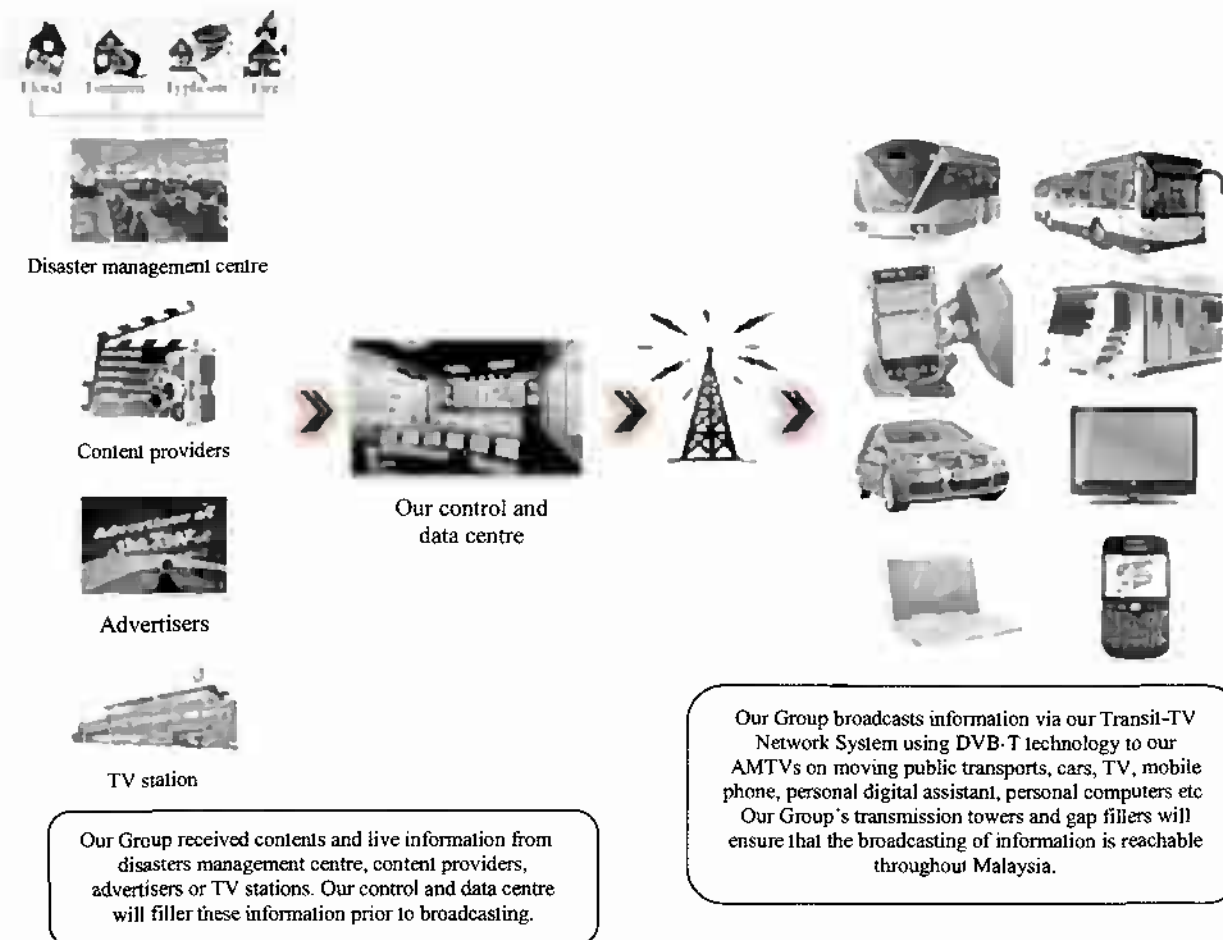
As highlighted in Section 7.2.2(i) of the new services to be provided, we plan to utilise most of the proceeds to be raised from the IPO for the purchase of transmission equipments, network facilities and integration of network system in Klang Valley to roll out our initial stage of DTTB in the first half of 2011 to deliver a wide variety of live programmes provided by the local TV stations.

Moving forward, we plan to improve our DTTB technology to include more live information such as disasters warning. The improved broadcasting capability of our network will allow us to utilise our network to disseminate public-interest messages and programmes that promote the general welfare of society and other urgent messages during emergency situation such as flood, tsunami and land slide.

We are also planning to improve our capability to broadcast information and entertainment to more devices apart from public transport such as mobile phone, personal computers and personal digital assistant.

Our future plan to extend more services to more devices can be summarised as follow:

7. BUSINESS OVERVIEW (Cont'd)



7.15.2 Prospects of our Group

The DOOH transit industry is expected to grow from about RM15.5 million in 2009 to an estimated RM62.5 million in 2014. The DOOH industry experienced healthy growth rates from 2007 to 2009, largely because the industry is still in its nascent stage and is still growing from a small Adex base contribution at the beginning of this period. This contributed to high year-on-year growth rates from 2007 to 2009. However as the industry develops, the year-on-year growth rates from 2010 to 2014 are expected to stabilise to an average of approximately 30%.

As the world continues to evolve towards the digital age, Malaysia is increasingly recording a higher use of DOOH media. Besides traditional billboards, posters and wraps, Malaysia is expected to have more digital signage such as the LED billboards and LCD advertising screens in the future.

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

7. BUSINESS OVERVIEW (Cont'd)

The estimated CAGR for the DOOH transit media industry in Malaysia is about 30.5% for the period of 2010 to 2014. The growth of DOOH transit media industry is facilitated by the price erosion of digital screens with the average price of digital screen expected to decrease by a CAGR of approximately -2.6% over the period from 2007 to 2014. Additionally, with the Government aggressively promoting the upgrade of the public transport service in the country, this is expected to further boost the growth of DOOH transit media industry with the expected increase in public transport riderships. Combined, these provide us with significant opportunities for growth and expansion.

Our Group held approximately 6.6% market share in the OOH media industry in Malaysia in 2009 based on revenue, while all other players combined accounted for the remaining 93.4%. This segment includes all OOH print and digital media. Asia Media's market share in the OOH media industry has grown from approximately 2.1% in 2007 to around 6.6% percent in 2009.

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

(Source: IMR Report)

Our Directors are of the view that the prospects of our Group are favourable. This is in light of our competitive strengths, advantages and future plans, which would enable us to sustain our business and provide business growth opportunities.

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8. OVERVIEW OF ECONOMY AND INDUSTRY

8.1 Overview of the international economic environment

The global economic recovery continued but at a moderating pace in the third quarter following waning effect from the temporary fiscal stimulus that supported growth in the first half of the year. Economic activities in the major advanced economies remained fragile, recording moderate expansion as private sector activities had yet to fully recover while the policy support had begun to fade. After registering an exceptional growth performance in the first half, most Asian economies continue to sustain a firm recovery, although the rate of expansion showed signs of moderation due to weaker external demand and dissipating low base effect. Compared to the second quarter, conditions in the international financial markets improved, particularly after the release of the results of the stress test on the European banks in July. However, the euro area peripheral economies continued to face higher financing cost. In addition, the divergence in growth prospects between the advanced economies and emerging economies resulted in large and volatile capital inflows into the emerging economies, exerting upward pressure on asset prices and exchange rates. While authorities in the advanced economies have undertaken further quantitative easing to stimulate the economy, the authorities in the Asian region have adopted wide-ranging measures to mitigate the impact of capital flows on their economies.

(Source: Quarterly Bulletin, Third Quarter 2010, Developments in the Third Quarter of 2010, International Economic Environment, Bank Negara Malaysia)

8.2 Overview of the Malaysian economy

The Malaysian economy registered a growth of 5.3% in the third quarter of 2010, driven by domestic demand amid slowing external demand. The expansion in domestic demand was supported by private sector spending. The slowdown in the global economy has led to the moderation in external demand. On the supply side, all major economic sectors, except mining, continued to expand during the quarter, but at a more moderate pace.

Domestic demand expanded by 5% in the third quarter (2nd quarter ("2Q") 10: 9%) led by a sustained expansion in both private consumption and capital spending. Private consumption recorded a growth of 7.1% (2Q 10: 7.9%) supported by favourable labour market conditions and positive consumer confidence. Public consumption declined by 10.2% (2Q 10: 6.9%) as a result of lower government spending on supplies and services. Gross fixed capital formation expansion by 9.8% (2Q 10: 12.9%) driven by capital expenditure from the private sector. Private sector capital spending was supported by the expansion in domestic production amidst high levels of capacity utilisation and positive business sentiments.

On the supply side, major economic sectors, except mining, expanded further but at a more moderate pace. Growth in the manufacturing sector moderated to 7.5% (2Q 10:16.0%), reflecting mainly the slower growth in external demand. The services sector remained resilient, growing at 5.4% (2Q 10: 7.3%), benefiting from favourable domestic demand conditions. The construction sector expanded by 2.8% (2Q 10: 4.1%), supported by growth in the non-residential and civil engineering sub-sectors. Growth in the agriculture sector increased to 2.7% (2Q 10:2.4%), following higher production of crude palm oil and rubber. However, the mining sector recorded a contraction of 1.0% (2Q 10: 1.1%), as the lower production of natural gas.

The headline inflation rate, measured by the change in the Consumer Price Index, increased to 1.9% on an annual basis in the third quarter (2Q 10: 1.6%). The increase in consumer prices was attributable mainly to the rise of food and non-alcoholic beverages (third quarter 2010: 2.9%, 2Q 10: 2.4%).

8. OVERVIEW OF ECONOMY AND INDUSTRY (Cont'd)

In the external sector, the trade surplus narrowed further to RM22.3 billion (2Q10: RM23.4 million) in the third quarter. Both gross exports and imports increased at a more moderate pace of 10.4% and 16.5% respectively (2Q 10: 21.7% and 30.3% respectively), in line with the weaker external environment. The slower growth in gross export was due mainly to the lower exports of manufactured products, reflecting the softening global demand for electronic and electrical products, particularly semiconductors. The moderation in gross imports was reflected in the intermediate imports, which increased at a slower pace, in tandem with the moderation in manufactured exports. Capital imports expanded strongly, supported by continued public and business investment spending, while consumption imports expanded at a modest pace. The imports of primary food and beverage as well as motor vehicles, however, remained strong, reflecting positive consumer sentiments.

On the cash basis, gross inflows of foreign direct investment ("FDI") (excluding retained earnings) were higher at RM8.9 billion in the third quarter, reflecting mainly larger inflows of equity capital and the drawdown of inter-company loans. After adjusting for gross outflows due to repayment of intercompany loans, net FDI more than doubled to RM5.0 billion (2Q 10: +RM2.4 billion).

The international reserve of Bank Negara Malaysia amounted to RM310.8 billion (equivalent to USD100.7 billion) as at 30 September 2010. This level of reserve has taken into account the quarterly adjustment for foreign exchange revaluation loss, following the strengthening of the RM against most major currencies during the quarter. As at 15 November 2010, the reserve position amounted to RM326.5 billion (equivalent to USD105.8 billion), sufficient to finance 8.8 months of retained imports and is 4.0 times the short-term external debt.

The Overnight Policy Rate ("OPR") was raised by 25 basis points in July 2010, bringing the cumulative OPR adjustments for the year-to-date to 75 basis points. The OPR was raised to normalise monetary conditions, in line with the improved economic outlook. In September and November, the OPR was left unchanged at 2.75% at the prevailing level of the OPR, monetary policy remains accommodative and the overall level of interest rates is appropriate and consistent with assessments of the growth and inflation prospects.

Following the increase in OPR on 8 July 2010, the average overnight interbank rate traded higher and interbank rate of other maturities also increased accordingly. In terms of the commercial banks' lending rates, both the average base lending rate and the average lending rate adjusted upwards. The average fixed deposit rates rose in tandem.

(Source: Quarterly Bulletin, Third Quarter 2010, Developments in the Malaysian Economy, Bank Negara Malaysia)

8.3 Overview of the advertising industry

The Adex in Malaysia recorded a steady growth over the last two decades, rising from about RM0.5 billion in 1988 to approximately RM6.6 billion in 2009, with a CAGR of about 13.1% between 1988 and 2009. There were several dips in the growth of Adex due to various economic disruptions including the Asian economic downturn (1997-1998), the dot-com burst (2000), and the recent global economic crisis. Despite these events, Adex in Malaysia has shown to be fairly resilient.

Malaysia's total Adex spent rose by around 21.7% from approximately RM2.4 million in the first half of 2007 to about RM2.9 million in the first half of 2008. This is mainly attributed to the increase in the number of new products and service launch campaigns and events from several events in that year including the Malaysian general election, the Euro 2008 football championship and the 2008 Beijing Olympics. While the recent economy downturn has had some effect on Adex, the estimated growth rate in 2009 in Malaysia remained relatively healthy at about 6.5%.

8. OVERVIEW OF ECONOMY AND INDUSTRY (*Cont'd*)

When examining the Adex spent on different mediums, Adex growth rates for TV, radio, and point-of-sale are the strongest in Malaysia, with CAGRs of 16.5%, 19.1%, and 21.7% respectively between 2006 and 2009. The outdoor medium has also grown, with a CAGR of about 10.1% between 2006 and 2009. The average Adex growth rates for newspaper and magazines from 2006 to 2009 are relatively low compared to other media, with a CAGR of about 5.2% and -3.6% respectively. These data show that most media Adex in Malaysia have enjoyed double-digit growth rates and bode well for future growth rates in the industry.

Traditional advertising media like newspapers and TV still occupy a large portion of the total Adex for the media industry in Malaysia, even though newer mediums such as Internet advertising are becoming more generally accepted. In 2009, newspaper advertising contributed 51.5% while TV advertising contributed 37% to the total Adex, leaving only 11.5% to Adex from other media. Of the remaining 11.5%, 5.5% is for radio advertising, 3.0% for OOH advertising, 2.1% for magazine advertising, 0.6% for internet advertising and 0.3% for cinema.

(Source: IMR Report)

8.4 Overview of the OOH media industry in Malaysia

OOH media reaches its viewers outside of their homes, both in indoor and outdoor public areas, via two general forms: print and digital. Examples of OOH media are billboards, floor graphics, digital LCD screens and transit wraps. Media industry players sell airtime to advertisers, and Adex is the amount of money spent by advertisers on advertisements. Adex is the primary source of income for media players in this industry. Thus, Adex is used as a measure of the size of the media industry.

The OOH media industry in Malaysia recorded a CAGR of 12.1% between 2005 and 2009. The industry grew⁽¹⁾ from approximately RM125.6 million in 2005 to about RM198 million in 2009. Despite the global financial crisis in 2008, OOH Adex in Malaysia recovered quickly in 2009, recording a growth rate of approximately 16.7% between 2008 and 2009. Advertisers suffered from low advertising budgets especially during the latter half of 2008 but with positive improvements in the economy in 2009, advertisers increased their advertising spending again in 2009 in anticipation of further recovery in 2010.

Note:

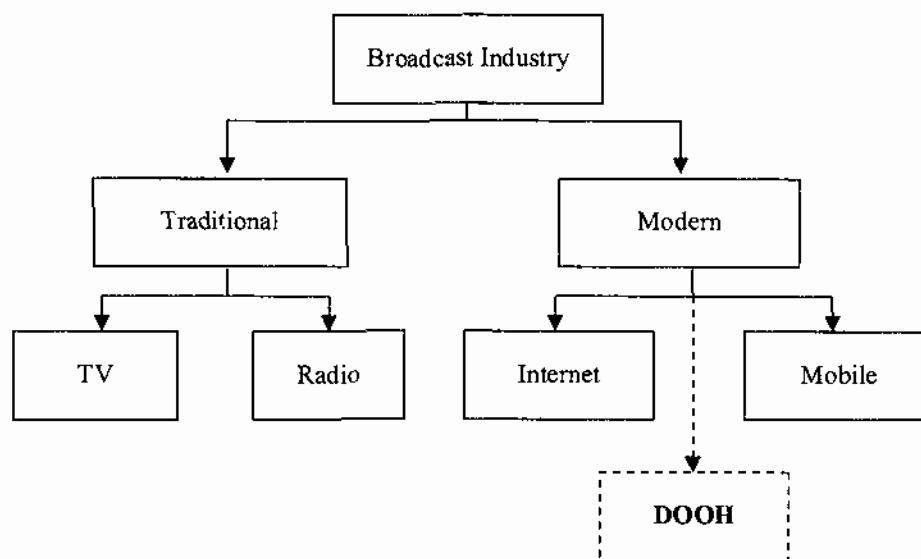
(1) The growth rate refers to the growth rate of Adex

(Source: IMR Report)

8.5 Overview of the DOOH transit media industry in Malaysia

DOOH broadcasting is one of the modern broadcast media, where content is broadcast to digital screens in public areas, including transit vehicles. The advancement of technology makes broadcasting through digital screens in all indoor and outdoor public places a reality. DOOH media is currently being adopted in shopping malls, office buildings, restaurants, transit vehicles and transit stations in major cities in Malaysia.

8. OVERVIEW OF ECONOMY AND INDUSTRY (Cont'd)



Globally, some DOOH broadcasters broadcast only advertisements while others broadcast both programs and advertisements. DOOH that only focuses on advertisement are typically located at places where people are stationary for only a limited time, for example in lift lobbies and supermarket aisles. The main source of revenue for DOOH broadcasting is through the sales of advertisement airtime.

DOOH broadcast in transit vehicles and transit stations are able to show programs and advertisements on the screens installed in the transit vehicles or at the transit stations while traveling because of the waiting and riding times involved in these locations. For example, in the People's Republic of China, Vision China Media, an OOH digital transit media provider, broadcasts content and advertisement provided by its TV partner stations.

DOOH broadcasting allows a media owner to transmit content from a central location. Broadcasting centrally is important in the DOOH transit media segment because it eliminates the need to install playback devices in all transit vehicles, as well as the daily procedure to manually start-up these devices, all of which are costly and time-consuming exercises due to the manpower involved in these activities.

Some DOOH transit media owners pre-record their content and play it through media playing equipment installed in transit vehicles while some DOOH transit media owners use the internet to broadcast live content on its screen. Transit media owner is the term used to refer to owner of DOOH transit media. Specifically, transit media owners own the digital equipment used in transmitting both content and advertisement to an audience. They also manage the content displayed on the digital screens and are involved in selling advertising slots for airtime available on their digital screens.

For example, Bus-Online Media Holdings Ltd, a transit screen media service provider in People's Republic of China, uses the internet to transmit its content to receiving terminals installed on transit vehicles in the People's Republic of China. In Malaysia, most DOOH transit media owners pre-record their content in a compact disc or thumb drive and this content will be downloaded to media players installed in each transit vehicle.

DOOH advertising has several key advantages including a captive audience, high recall rates due to daily repeats to the same audience, being close to a point of purchase location, and a minimal need for new creative production because advertisers can reuse existing TV commercials on transit digital screens.

8. OVERVIEW OF ECONOMY AND INDUSTRY (*Cont'd*)

DOOH transit media can be considered to be at the infant stage in its industry lifecycle, with most DOOH transit media players in Malaysia being less than five (5) years old. Prior to 2007, most industry players were in their start-up phases and there were two (2) players in the DOOH transit media industry. These two (2) players collaborated with two (2) public transports to provide DOOH transit media, namely in KTMB Intercity and express rail link to the Kuala Lumpur International Airport. Simfoni Maya Sdn Bhd collaborated with KTMB Intercity to provide DOOH transit media while YTL Info Screen Sdn Bhd collaborated with express rail link to the Kuala Lumpur International Airport to provide DOOH transit media.

Adex in DOOH transit media began to pick up only in 2007 when the industry recorded revenues of approximately RM4.2 million. With more DOOH transit media digital signage sites becoming available, such as the RapidKL Buses, the DOOH transit media recorded growths to an estimated RM15.5 million in 2009, with strong growth rate recorded between 2007 and 2008 (i.e., 128.6%), and also between 2008 and 2009 (i.e., 61.5%), with a CAGR of 92.1% from 2007 to 2009, despite the global economic downturn in 2008.

It should be noted that while the DOOH transit media industry growth rates range between an estimated 60% to nearly 130%, the OOH growth rates have been much lower, ranging from only about 2% to about 17%.

Over the years, the Adex contribution of the DOOH transit media industry to the OOH industry has grown. In 2005, DOOH transit media industry was estimated to make up 1.4% of the OOH media industry. In 2008, DOOH transit media industry was estimated to increase its contribution to OOH media industry by four (4) times to about 5.4%. By 2009, DOOH transit media Adex contribution was estimated at approximately 7.8% of the OOH industry in Malaysia. This trend shows that the DOOH transit media industry is a growing industry and is increasingly gaining traction and recognition as an effective advertising medium.

(Source: IMR Report)

8.6 Outlook for OOH media industry and DOOH transit media industry in Malaysia

The OOH media industry is expected to grow from about RM217.1 million in 2010 to an estimated RM331.9 million in 2014. The gradual recovery from the global economy crisis in 2009 resulted in a relatively high Adex growth rate between 2008 and 2009 but the Adex growth rate for the industry is expected to return to more typical growth rates with a CAGR of about 11.2% from 2010 to 2014.

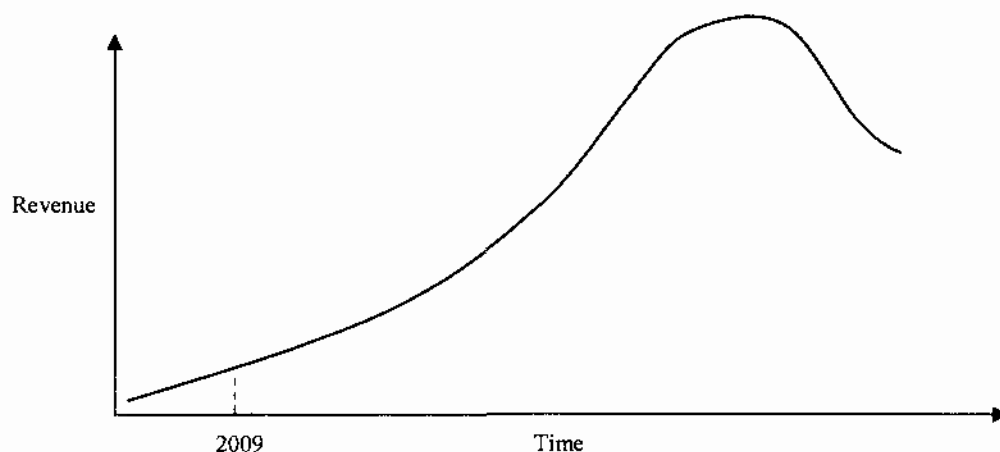
The DOOH transit media industry is expected to grow from about RM15.5 million in 2009 to an estimated RM62.5 million in 2014. The DOOH experienced healthy growth rates from 2007 to 2009, largely because the industry is still in its nascent stage and is still growing from a small Adex base contribution at the beginning of this period. This contributed to high year-on-year growth rates from 2007 to 2009. However as the industry develops, the year-on-year growth rates from 2010 to 2014 are expected to stabilize to an average of approximately 30%.

(Source: IMR Report)

8.7 Life cycle of DOOH transit media industry in Malaysia

The DOOH transit media industry in Malaysia is still a nascent industry. In view of this, the industry is expected to continue showing high growth rates with increasing market demands for DOOH advertising services. While current players in the industry are experiencing high growth rates, it is unlikely that new entrants will enter the industry in the near future because the use of DOOH transit media is still relatively low compared to other media channels.

8. OVERVIEW OF ECONOMY AND INDUSTRY (Cont'd)



	Introduction	Growth	Maturity	Decline
Users/buyers	Few - Trial of early adopters	Growth adopters - trial of products / services	Growing selectively of purchase	Saturation of users Drop-off in usage
Competitive conditions	<ul style="list-style-type: none"> Few 	<ul style="list-style-type: none"> Entry of competitors Fight for market share Undifferentiated products / services 	<ul style="list-style-type: none"> Likely price cutting for volume gain Shake-out of weakest competitors 	<ul style="list-style-type: none"> Fight to maintain market share Difficulties in gaining/taking market share Emphasis on efficiency/low cost Exit of some competitors

The different stages of the industry lifecycle are characterised by users of that product or service and competitive conditions at each stage:

- **Introduction stage**

At this stage, the technology is still being introduced to the market and end-users, and since the technology is still new, it has very few users still.

- **Growth stage**

Users in this growth stage have become more familiar with the technology and the technology has become more popular so that users are typically more involved in testing out various products or service offering this technology. Many users adopt a trial and error method when making their purchase decisions, and are generally not price sensitive. To continue growing this market, product or service education is conducted amongst buyers (i.e., advertising agency) and users (i.e., advertiser) to help them understand the functions and benefits of these products and services.

- **Maturity stage**

Users at this stage have become highly familiar with the product or service and are able to differentiate between different products or services, and to be more selective about which purchases to make. Many product suppliers (i.e., DOOH transit media providers) participate in the market at this stage and are able to offer a larger number of product or service choices in this space. With more competitors participating in the industry, competition also increases. As a result, market players become more likely to use marketing strategies such as price cutting to make their products or services more attractive to end-users and to improve company sales.

8. OVERVIEW OF ECONOMY AND INDUSTRY (Cont'd)

Due to the large number of product or service choice from multiple product suppliers in this space, end-users become more price sensitive and more selective about which product or service to choose.

- **Decline stage**

At this stage, the product or service would have been established for a substantially long period and end-users have become highly familiar with it so much so that the use of this product has become common. Due to the number of multiple suppliers of the product or service, users have a high degree of choice about which product to purchase.

Being at the end of the lifecycle, this product or service would be in the process of being substituted by new products or services, and the industry begins to contract.

The competitive conditions for the various stages of the industry lifecycle are as follows:

- **Introduction**

At this stage, there are generally few competitors participating in the industry and all are relatively new entrants into the market.

- **Growth stage**

At this stage, competitors compete against each other to gain as much of the industry market share to establish presence. As the product or service features are rapidly being developed and evolving, different products or services from competitors may not yet be matured and are not significantly different from one another.

- **Maturity stage**

At this stage, competitors actively seek innovative ideas to differentiate themselves from another player's product or service offering in order to maintain and improve their market share.

- **Decline stage**

At this stage, since the product or service have become commonplace and will most likely be substituted by newer products or services, competition intensity is at its peak and the weaker competitors may be forced to leave the industry.

(Source: IMR Report)

8.8 Market drivers

Industry drivers are factors that encourage positive growth of the DOOH transit media industry. They are of significant importance to industry participants and have a different degree of impact on the industry.

Ranking	Drivers	2010 to 2012	2013 to 2015
1	Price erosion of digital screens	High	High
2	Initiation from Government Transformation Programme ("GTP") and tenth (10 th) Malaysia Plan to improve public transportation	High	High
3	Increasing acceptance of audio and visual screens as advertising media in transit	High	High

8. OVERVIEW OF ECONOMY AND INDUSTRY (Cont'd)

(i) Price erosion of digital screens

The number of global shipments and revenue of digital signage displays (i.e., LCD, LED, and plasma screens) grew at a CAGR of about 17.5% and 13.5% respectively from 2005 to 2009. This lower growth rate of revenues relative to the growth rate of unit shipments indicates an average price reduction of digital screens over the years.

The average price of a digital screen in 2007 was approximately USD1,946.2 (RM6,850.6) per unit. In 2009 the price had reduced by 5.6% to USD1,837.4 (RM6,467.6) per unit. By 2014, the average price of a digital screen is expected to further reduce by about 16.6% from its 2007 price to about USD1,623.3 (RM5,714.0). The average price of digital screens is derived based on two general factors, namely the type of screen (e.g., LCD or plasma screens) being used and the size of the screen. In general, LCD screens are those between 32 - 46 inches while plasma displays are those between 42 - 65 inches.

The average price of a digital screen is expected to show a negative CAGR of approximately - 2.6% over the period from 2007 to 2014. As Asia Pacific is a very price sensitive region, the price of digital screen in this region is expected to witness a relatively greater price erosion compared to other regions like North America. In general, this trend favours the growth of DOOH media industry as media equipment becomes more affordable and allows industry players to install more digital screens at more locations.

(ii) Initiation from GTP and ten (10th) Malaysia Plan to improve public transportation

The GTP to improve public transportation in the country begins its transformation in the Klang Valley, before it is further deployed to other parts of the country. The Klang Valley is the first point of development focus as it has the largest population base in the country and a key tourism destination. This consequently has resulted in the highest number of public transport facilities, networks and vehicles serving the Klang Valley area relative to other parts of the country. The GTP upgrades are estimated to cost a total of about RM35 billion.

According to the Ministry of Transport in 2008, the GTP aims to increase the number of public transport users from 10% of the population to 25% by end of 2012. It is reported that the current ridership during morning peak hours (7 a.m. to 9 a.m.) in the Klang Valley is approximately 240,000⁽¹⁾ and the Government targets to increase daily ridership by 150% to about 600,000 by 2012. Bus ridership is expected to contribute about 43% to the growth of public transport ridership from 2008 to 2012. KTMB Intercity and RapidKL LRT are forecast to contribute 26% each to the targeted growth of ridership in 2012. The remaining 8% is expected to be contributed by growth from monorail train ridership.

The Malaysian Government plans to increase the capacity of KTMB Intercity, RapidKL Buses LRT, KL monorail and buses, to improve bus operator service standards, to improve the quality of bus stops and transit stations, and to improve the integration of one transit station to another. According to the GTP Roadmap, about 25% to 30% of travel time using public transport is currently spent queuing or waiting for others to pay for their fare. The introduction of an integrated smart ticketing system, the 1 ticket and the 1 seamless journey across all public transport modes and operators, is expected to reduce travel time by reducing waiting and queuing times. The GTP also details a plan to restructure the regulatory system for public transport in Klang Valley by introducing the Land Public Transport Authority.

According to the GTP Roadmap, upgrades by 2010 in the Klang Valley are expected to include the introduction of 200 new buses, 4 new bus expressway transit corridors, 800 upgraded bus stops, 26 new four-car trains for the Kelana Jaya LRT line, a new integrated transport terminal in Bandar Tasik Selatan, 4,000 new parking spaces at rail stations, and cashless systems and discounted fares for cashless tickets for all public transport operators.

8. OVERVIEW OF ECONOMY AND INDUSTRY (*Cont'd*)

On top of that, under the newly launched ten (10th) Malaysia Plan, it was also stated that the Malaysian Government intends to continue improving the public transportation and target to increase the percentage of public transport users in Kuala Lumpur from 12% in 2009 to 30% in 2015 through further enforcement of GTP initiatives and implementation of high-capacity mass rapid transit system in Kuala Lumpur.

Note:

(1) *Estimate daily passenger during the morning peak period (7am to 9am) – Source: GTP Roadmap*

(iii) Increasing acceptance of audio visual screens as advertising media in transit

The TV is no doubt one of the most popular household entertainment media in Malaysia with its motion pictures and audible sounds that can effectively capture viewers' attention. Correspondingly, the TV is also a popular advertising media in Malaysia that is used to reach out to Malaysian household throughout the country.

Traditional TV advertising has proven that screen advertising is effective at audience captive. This same concept is applied in transit vehicles by DOOH transit media players. DOOH transit media players brings the TV out from home into the transit vehicles, so that viewers can watch programs and advertisements on these digital screens while travelling from one place to another, and so advertisers will effectively be able to cast a wider net to reach consumers both at home, as well as out of the home in public transportation systems.

(Source: IMR Report)

8.9 Critical success factors

(i) Reliable products and services

The DOOH transit media industry in Malaysia is an emerging market, with many advertisers and media or advertising agencies still taking a "look-and-see" attitude. The general perception that holds advertisers away from DOOH transit media is that advertisers find it difficult to justify the return on investment using this media. DOOH transit media industry players find that it is important to both educate the public about the benefits and advantages of DOOH transit media as well as keeping their systems and equipment well maintained so that advertisers and agencies can see that this media is reliable at reaching its audience.

Other than providing the advertising system, DOOH transit media owners must have expert content creative personnel that can assist customers in content development, ensure that the content shown on their digital signages creates maximum impact to the viewers and endures in viewers' memories, and is targeted towards the correct audience. For example, typical lengthy TV commercials may not be effective for transit advertising compared to the shorter and more interactive contents which suits the young adult demographics of the public transport users in Malaysia.

During this early stage of market development, pioneering industry players will find it critical to build themselves as reliable service providers that can showcase advertisements and content at good digital signage sites at a high media broadcast quality, provide a reputable level of service and after-sales services, and ensure terminal maintenance. An industry player able to successfully provide for all and more of the above expectations from advertisers will be able to stand out above other industry players and to build its brand image and increase its appeal to advertisers and advertising agencies.

8. OVERVIEW OF ECONOMY AND INDUSTRY (*Cont'd*)

(ii) Strategic relationship

The media industry plays an important role as a mass communication tool that may directly or indirectly impact its audiences. The Government has strict requirements for all media owners and it is vital for all media owners to comply with the laws and regulations of the media industry in Malaysia. All media owners including DOOH transit media owners must build good relationship and gain the confidence of the Government and its related authorities (e.g., Malaysia Censorship Board, MCMC, etc.) to enable industry players to obtain the necessary licenses, approvals, and funding from the Government for network expansion.

Developing strategic alliances with other content providers and advertising agencies also helps industry players secure better quality content and improve content development. Having strategic long-term relationships with public transport providers, advertising agencies and advertisers are also essential to secure the position and source of revenue for industry players. DOOH transit media may be promoted to greater popularity through strategic relationships with a combination of receptive advertisers and agencies, content developers, public transport providers, and authorities.

(iii) Content development and configuration

Program is a cost consuming item for a DOOH transit media owner. Media owners must ensure that the content and advertisement are shown effectively whereby the audience can see and hear the content and advertisement clearly and maintain the audience's attention on the screen. Hence, DOOH transit media owners must know how to use the programs effectively to maximize viewership by adopting the right looping rate, sound control and the display of still or motion videos, thereby ensuring that the advertiser are reaching their targeted audience.

It is also important to understand how to develop interesting programs that suit the demographic of viewers and procure the right content for this audience. For example, DOOH transit media may play an important role in the tourism industry whereby media owners can potentially collaborate with the local Government to provide localised information such as tourism events for the area, including listings on local tourist attractions such as museums, exhibitions and parks. Other audience targeted content and configuration development would also need to be developed to suit the needs of other riders in the transit vehicle as well.

(Source: IMR Report)

8.10 Barriers to entry

(i) High upfront capital investment

Setting up as a DOOH service provider requires a large amount of initial capital to purchase the digital equipment needed for transmitting content and advertising such as digital screens, media players and speakers, to retain a content development team to ensure the appropriate content is shown in the digital screens, and to maintain a technical team to install, maintain and service the equipment in the transit vehicles. Although the price of digital screens and media players is reducing, a large amount of capital is still needed for the wide-scale deployment of the screens, and to support the content development and technical teams.

(ii) Access to limited number of transit providers and exclusive agreements

It is difficult to enter a market where more established industry players have already captured a significant user base. There are not many transit providers in Malaysia, and one major public transport operator, RapidKL, which owns the largest bus network in Kuala Lumpur, has signed an agreement with Asia Media to be its DOOH transit media provider in all Rapid KL Buses.

8. OVERVIEW OF ECONOMY AND INDUSTRY (Cont'd)

Other major public transport operators are Syarikat Prasarana Negara Berhad (Prasarana), who also owns the LRT (Kelana Jaya Line and Ampang line) and KTM Berhad, who operates the KTMB Intercity and KTMB Komuter. Simfoni Maya Sdn Bhd is currently the exclusive DOOH transit media provider for KTM Berhad's KTMB Intercity. As for intercity express buses, DOOH transit media services are currently only limited to high-end express buses such as Aeroline, Airebus, Suasana Edaran, Transtar Travel, Plusliner, Odyssey and Nice++, with DOOH transit services being provided by a number of different industry players.

Exclusive agreements with the transit operators make it difficult for new players to enter the market and take over contracts with transit operators from other industry players. Transit providers may prefer to renew its collaboration with existing media providers if they have built a trustful relationship with those industry players. Operationally, it is also difficult to frequently change media service providers as different operators own and use different forms of equipment and technology, and a change in operator would entail a massive and lengthy redeployment of systems and equipment.

(Source: IMR Report)

8.11 Industry players and competitors

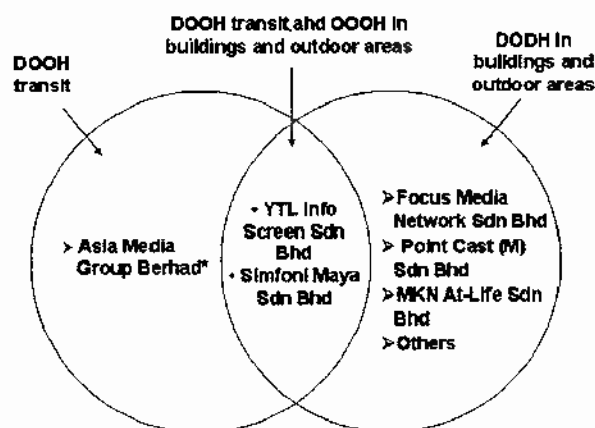
The industry landscape within the OOH media industry consists of all industry participants who own print or digital media platforms within the OOH media industry value chain. Competitors are defined as media owners in the industry, and exclude players who provide only services such as content development, copywriting and graphic design.

In the OOH print media industry, example of industry players are Bigtree Outdoor Sdn Bhd, Kurnia Outdoor Sdn Bhd, Ganad Media Sdn Bhd and Spectrum Outdoor Marketing Sdn Bhd. These players provide billboard advertising. Other players are smaller and the landscape is fairly fragmented. These players typically provide OOH print media for light boxes, building graphics, advertisement panel and banners.

At present, within the DOOH media industry, it is estimated that there are approximately 20 industry players. Examples of major players include but not limited to AMSB, Dana Inteltek Sdn Bhd, Focus Media Network Sdn Bhd, Ganad Media Sdn Bhd, MKN At-life Sdn Bhd, Hi-Q Malaysia Sdn Bhd (PowerScreen), Point Cast (M) Sdn Bhd, Simfoni Maya Sdn Bhd and YTL Info Screen Sdn Bhd.

Within the DOOH media industry, AMSB, YTL Info Screen Sdn Bhd and Simfoni Maya Sdn Bhd are three major players in the industry offering DOOH transit media services. YTL Info Screen Sdn Bhd and Simfoni Maya Sdn Bhd also install their digital screens in buildings and in indoor areas, competing with other players that provide DOOH advertising services in retail stores and office buildings.

The competitive landscape of the DOOH media industry in Malaysia is summarised as follow:



8. OVERVIEW OF ECONOMY AND INDUSTRY (Cont'd)

Notes:

Companies reflected above are provided as examples of industry players and it do not show a comprehensive list of all the companies in the industry.

** Inclusive our subsidiary companies.*

(Source: IMR Report)

8.12 Market share analysis

Our Group held approximately 6.6% market share in the OOH media industry in Malaysia in 2009 based on revenue, while all other players⁽¹⁾ combined accounted for the remaining 93.4%. This segment includes all OOH print and digital media. Our Group's market share in the OOH media industry has grown from approximately 2.1% in 2007 to around 6.6% percent in 2009.

In the DOOH transit media industry, we are one of three (3) major players in this industry, along with Simfoni Maya Sdn Bhd and YTL Info Screen Sdn Bhd. There could possibly be other smaller competitors in the industry, but these three players are the most notable ones, providing digital media services to the three key public transportation channels with installed digital media screens, namely RapidKL Busses, KTMB Intercity and express rail link to Kuala Lumpur International Airport.

In 2009, our Group's market share, among the three (3) major industry players in the DOOH transit media industry, was recorded at approximately 84.5%, while the other two major players accounted for the remaining 15.5%. Simfoni Maya Sdn Bhd and YTL Info Screen Sdn Bhd are involved in DOOH media at indoor areas in addition to DOOH transit media, while our Group is involved only in DOOH transit media. The combined revenue of these two (2) companies (i.e. Simfoni Maya Sdn Bhd and YTL Info Screen Sdn Bhd) in DOOH transit media was estimated based on primary and secondary research using publicly available audited revenue as a basis (i.e. audited financial statements from Companies Commission of Malaysia). The market share computation was therefore based on the DOOH transit media revenue of our Group and the estimated revenue of DOOH transit media of these two (2) other major industry players.

Note:

(1) Other players refer to all other industry players within the OOH media industry, excluding our Group. The industry players in OOH media include the owners of OOH print media and DOOH media. OOH print media owners include but are not limited to Bigtree Outdoor Sdn Bhd, Kurnia Outdoor Sdn Bhd, Ganad Media Sdn Bhd and Spectrum Outdoor Marketing Sdn Bhd, while DOOH media owners include but are not limited to Dana Intelek Sdn Bhd, Focus Media Network Sdn Bhd, Ganad Media Sdn Bhd, MKN At-life Sdn Bhd, Hi-Q Malaysia Sdn Bhd (PowerScreen), Point Cast (M) Sdn Bhd, Simfoni Maya Sdn Bhd and YTL Info Screen Sdn Bhd.

(Source: IMR Report)

8.13 Substitute products and services

As the world continues to evolve towards the digital age, Malaysia is increasingly recording a higher use of DOOH media. Besides traditional billboards, posters and wraps, Malaysia is expected to have more digital signages such as the LED billboard and LCD advertising screens in the future.

8. OVERVIEW OF ECONOMY AND INDUSTRY (*Cont'd*)

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

(Source: IMR Report)

8.14 Vulnerability to imports

The DOOH transit media industry is not reliant on imports. The physical equipment in DOOH transit media are screens, media players and computers. These hardware are easily available locally through local distributors. The programs and advertisements displayed on the screens can also generally be produced locally, with international programs such as sports and news programs being readily available through local content distributors.

DOOH transit media advertising is not vulnerable to imports because advertisers based in Malaysia can be served by local service providers and are able to provide localized services that cater to the local advertising trend.

(Source: IMR Report)

8.15 Relevant laws and regulations governing the industry

The MCMC governs the regulatory tool for the communications and multimedia industry. With respect to the media industry in general, a key act of law that is of concern is the Communications and Multimedia Act 1998 ("CMA 98"). The CMA 98 seeks to provide a generic set of regulatory provisions based on generic definitions of market and service activities. The Malaysian Communications and Multimedia Content Code were introduced in compliance to the CMA 98 and formulate guidelines and requirements for content programs which comprise the following parts:

- Guidelines on content;
- Specific advertisement code;
- Specific broadcasting guidelines;
- Specific online guidelines;
- Specific audiotext hosting service guidelines;
- Specific limited content guidelines;
- Consumer protection;
- Public education; and
- Code administration

It is compulsory to ensure all films (including all programs and advertisement) produced, owned, broadcasted, published, distributed, rented or sold in Malaysia are screened, filtered and approved according to Film Censorship Act 2002 by the Film Censorship Board of Malaysia which is also known as Lembaga Penapisan Filem ("LPF"). LPF is regulated by the Ministry of Home Affairs, Malaysia. LPF is strictly against nudity, sex, profanity, violence and sensitive religious themes in films.

8. OVERVIEW OF ECONOMY AND INDUSTRY (*Cont'd*)

The Malaysian media industry is also monitored by a self-regulatory system set up by industry players themselves. Self-regulatory systems help to protect the consumers' interest and ensure fair play among the competitors in the media industry in Malaysia. The Advertising Standards Authority ("ASA"), established in 1977 is an independent body responsible to ensure the execution of a self-regulatory system that is in accordance to the public interest. ASA's activities include investigating complaints in the media, identifying and resolving problems in the industry and acts as a channel for communications to those who have an interest in advertising standards. All practitioners of advertising are also required to abide the Malaysian Code of Advertising Practice ("Code"). The Code contains general guidelines relevant to all advertisements as well as rules for specific sectors such as medicinal and related products and advertisements containing health claims, and products for children and young people. The Code requires advertisers to ensure that all their advertisements are legally compliant with Malaysian laws, although ASA is not a law enforcement body.

(Source: IMR Report)

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9. EXECUTIVE SUMMARY OF THE IMR REPORT

F R O S T & S U L L I V A N

**Independent Market Research on
Digital Out-of-home Transit Media Industry in Malaysia**

EXECUTIVE SUMMARY

F R O S T & S U L L I V A N G R O W T H C O N S U L T I N G

9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

F R O S T & S U L L I V A N

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December 2010 Frost & Sullivan

The market research process for this study has been undertaken through secondary or desktop research, as well as detailed primary research, which involves discussing the status of the industry with leading industry participants and industry experts. The research methodology used is the *Expert Opinion Consensus Methodology*. Quantitative market information could be sourced from interviews by way of primary research and therefore, the information is subject to fluctuations due to possible changes in the business and industry climate.

This market research was completed in December 2010.

This report is prepared for inclusion in the Prospectus of Asia Media Group Berhad for submission to the Securities Commission Malaysia and other relevant parties.

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Frost & Sullivan has prepared this report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the report. We believe that this report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive. Our research has been conducted with an "overall industry" perspective and may not necessarily reflect the performance of individual companies in the industry. Frost & Sullivan shall not be held responsible for the decisions and/or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in this report or otherwise.

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Authorised Signatory,


Dennis Tan
Director

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9. EXECUTIVE SUMMARY OF THE IMR REPORT (*Cont'd*)

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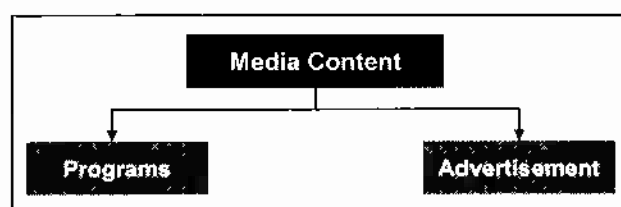
1. Definition and Segmentation

An Introduction to the Media Industry

The media industry is an industry where information and messages to a mass audience is transmitted publicly through different types of communication media such as print, radio, and television. The media industry is one of the most important mass communication tools that for content owners use to carry messages in advertisements or programs that can reach and influence its audience. Content owners may be manufacturers intending to advertise and sell their products, government health authorities broadcasting a health campaign, and movie producers who want to generate entertainment revenues from an audience.

Generally, the media industry carries two types of content: programs and advertisements. Programs occupy a large portion of media content. Examples of programs include but are not limited to news broadcasts, entertainment programs (e.g., movies, music video and games), sports telecasts and educational programs. Examples of advertisements include product and brand promotions and marketing events that increase awareness of different products to the public.

Type of Media Content



(Source: Extracted from the Independent Market Research Report, Frost & Sullivan)

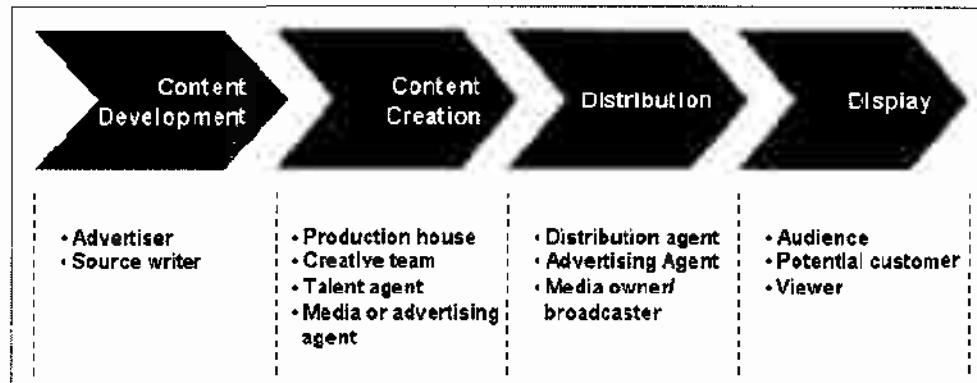
Programs and advertisements are both created through a similar media content development process: content development, content creation, distribution and display.

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Media Content Development



(Source: Extracted from the Independent Market Research Report, Frost & Sullivan)

The first stage is normally initiated by the content owner, such as the advertiser or program owner who wants to increase awareness of a product or show to an audience. Content owners include the advertiser (typically the product owner), source writer, and program film directors. This stage normally takes a relatively long preparation time relative to the entire media content development process, to incubate the product or content that would be highlighted in the advertisement or program. The details of the desired content will be discussed and finalised with the assistance from various parties such as script editors, talent agents and media or advertising agents. Media planning and purchasing also takes place in this stage. Once all the details are finalised, the content owner will engage content creators to translate the raw idea to a visible or audible format that can be shown as a program or advertisement through different media channels.

The next stage calls for participation from content creators in the media content development stage, which includes program production houses, advertising creative teams, casts and writers. Once content creation at this stage is complete and all the necessary licenses related to broadcasting have been obtained, then the content is ready to be distributed. Content may be distributed to media owners (e.g., ASTRO All Asia Networks plc, Star Publication (M) Bhd and Asia Media Group Berhad ("Asia Media")) directly by content owners or through an advertising agent.

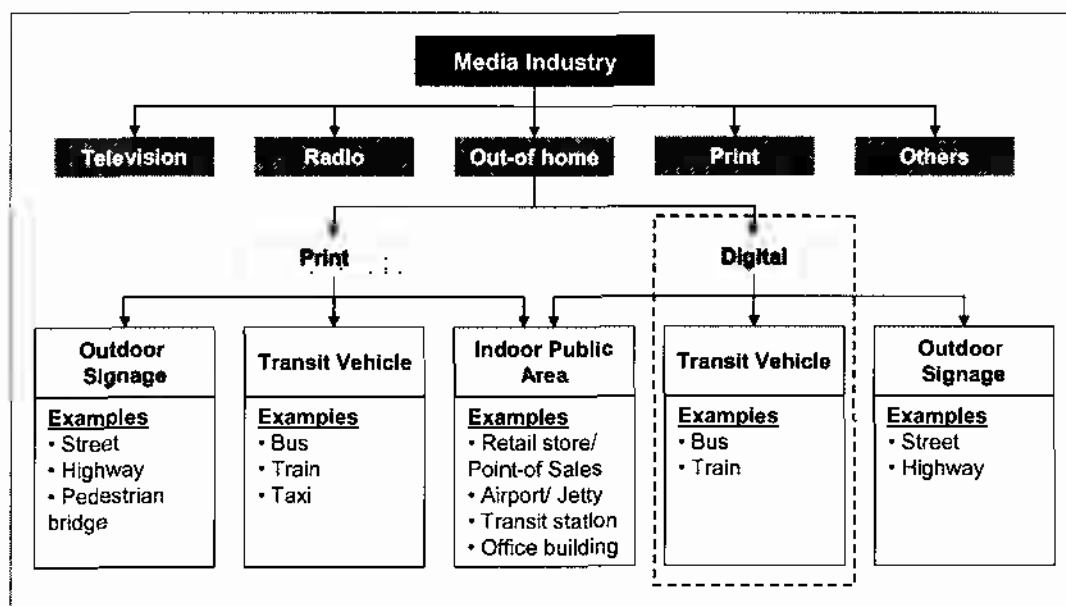
The content is displayed through many forms of media such as the television, radio, out-of-home ("OOH") media, prints and others. Television ("TV") includes free-to-air ("FTA") TV and pay TV. Examples of FTA TV in Malaysia are RTM1, RTM2, TV3, NTV7, 8TV and TV9 while an example of pay TV is ASTRO. Radio is one of the oldest modern forms of mass communication in the media industry, transmitted for in audio form to the public. The print media consists of magazines, newspapers, brochures,

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newsletters and posters. OOH media transmits content to viewers outside of their homes, both at indoor and outdoor public areas. OOH media will be further explained below. Other forms of media include the internet, mobile and cinema.

Segmentation of the Media Industry



(Source: Extracted from the Independent Market Research Report, Frost & Sullivan)

Digital Out-of-home Transit Media Industry in Malaysia

OOH media transmits content to viewers outside of their homes and reaches out to audiences at indoor and outdoor public spaces. OOH media can be presented in two forms: print and digital. The print OOH media is defined as anything content that is printed for display in a public space, for example a billboard, light box, floor or pillar or wall or stair graphics, vertical or horizontal panel, and banners. Prints are placed in highly visible public locations that are easily spotted by an audience. These locations include streets, highways, pedestrian bridges and in transit vehicles (i.e., buses, trains and taxis).

Digital OOH ("DOOH") media refers to all digital signages that are displayed in public areas including LCD screens, plasma screens and LCD or LED billboards. Outdoor digital signages may be located on streets and transit vehicles such as buses (i.e., Rapid KL buses, Plus Liner buses, Causeway Link buses and Skybus), trains (i.e., KTMB Intercity, KLIA Express and KLIA Transit – KLIA Express and KLIA Transit is collectively known as "KLIA ERL") and taxis, as well as in buildings such as retail stores, transportation stations such as airports, and in office buildings.

9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

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The focus of this report is the DOOH media for transit vehicles in Malaysia, defined as the DOOH transit media industry, limited to buses and trains as DOOH transit media is mostly present in buses and trains in Malaysia. The report does not include other forms of public transportation such as taxis, airplanes and ferries due to the following:

- DOOH transit media in taxis is relatively new in the market. Its participation in the industry is in the early stages and the number of screens installed in taxis nationwide is significantly lower compared to DOOH transit media in buses and trains. Thus the revenue contribution from DOOH transit media in taxis is believed to be minimal relative to the total DOOH transit media industry revenues.
- Digital media screens in airplanes are owned and managed by the airlines with content aimed largely at providing movie and entertainment options to passengers instead of advertisement content.
- To the best of our knowledge, there are no industry players at present actively providing similar media services on public ferries.

DOOH transit media industry is represented by the dotted box in the diagram above.

9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

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2. Industry Size and Market Growth**Industry Size**

OOH media reaches its viewers outside of their homes, both in indoor and outdoor public areas, via two general forms: print and digital. Examples of OOH media are billboards, floor graphics, digital LCD screens and transit wraps. Media industry players sell airtime to advertisers, and adex is the amount of money spent by advertisers on advertisements. Adex is the primary source of income for media players in this industry. Thus, adex is used as a measure of the size of the media industry.

The OOH media industry in Malaysia recorded a CAGR of 12.1 percent between 2005 and 2009. The industry grew¹ from approximately RM125.6 million in 2005 to about RM198 million in 2009. Despite the global financial crisis in 2008, OOH adex in Malaysia recovered quickly in 2009, recording a growth rate of approximately 16.7 percent between 2008 and 2009. Advertisers suffered from low advertising budgets especially during the latter half of 2008 but with positive improvements in the economy in 2009, advertisers increased their advertising spending again in 2009 in anticipation of further recovery in 2010.

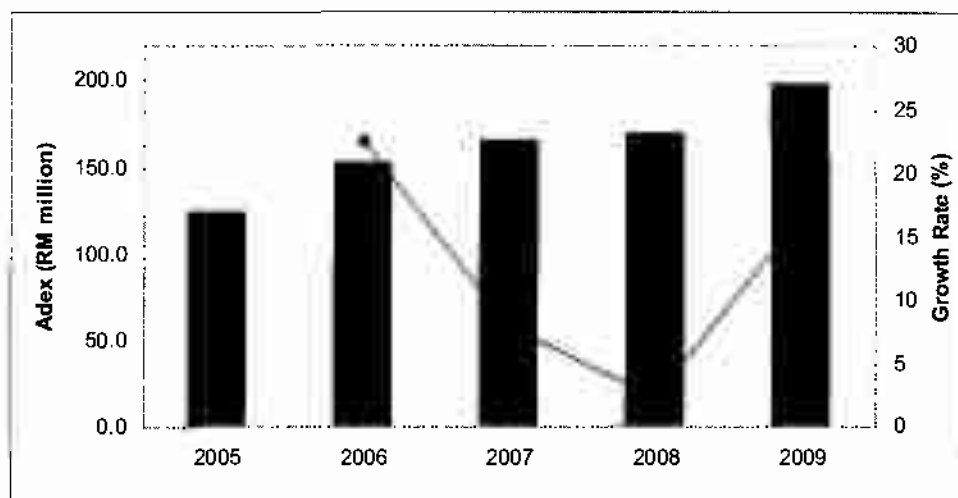
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¹ The growth rate refers to the growth rate of adex.

9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

F R O S T & S U L L I V A N

Estimated Historical Adex for OOH Media (Malaysia), 2005-2009



(Source: Extracted from the Independent Market Research Report, Frost & Sullivan)

Within OOH media in Malaysia, the DOOH media in Malaysia is an industry in its nascent stage of development compared to the established print OOH media industry. DOOH media refers to all digital signages such as LCD screens, plasma screens and LCD or LED billboards that display advertising and program content in public areas.

An uprising sub-segment within the DOOH media is the DOOH on transit vehicles ("DOOH transit media industry"). DOOH transit media comprises digital displays (i.e., LCD screen) located in public transportation systems, specifically on buses and trains. The DOOH media industry (comprising DOOH transit media, DOOH outdoor signages and DOOH in indoor areas) is estimated at RM40 million to RM45 million in 2009.

DOOH transit media can be considered to be at the infant stage in its industry lifecycle, with most DOOH transit media players in Malaysia being less than five years old. Prior to 2007, most industry players were in their start-up phases and there were 2 players in the DOOH transit media industry. These two players collaborated with 2 public transport providers to provide DOOH transit media, namely in KTMB Intercity and KLIA ERL. Simfoni Maya Sdn Bhd collaborated with KTMB Intercity to provide DOOH transit media while YTL Info Screen Sdn Bhd collaborated with KLIA ERL to provide DOOH transit media.

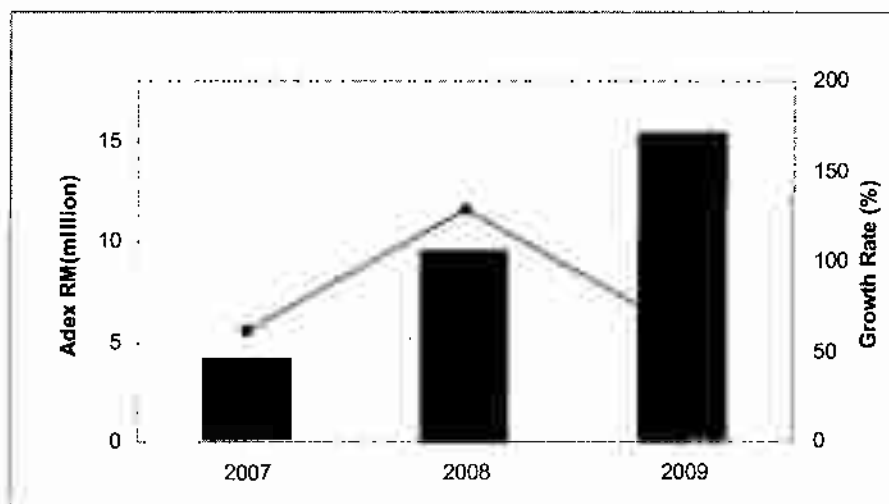
Adex in DOOH transit media began to pick up only in 2007 when the industry recorded revenues of approximately RM4.2 million. With more DOOH transit media digital signage sites becoming available, such as the RapidKL buses, the DOOH transit media recorded growths to an estimated RM15.5 million in 2009, with strong growth rate recorded between 2007 and 2008 (i.e., 128.6 percent), and also between 2008

9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

F R O S T & S U L L I V A N

and 2009 (i.e., 61.5 percent), with a CAGR of 92.1 percent from 2007 to 2009, despite the global economic downturn in 2008.

Estimated Historical Adex for DOOH Transit Media (Malaysia), 2007-2009



(Source: Extracted from the Independent Market Research Report, Frost & Sullivan)

It should be noted that while the DOOH transit media industry growth rates range between an estimated 60 percent to nearly 130 percent, the OOH growth rates have been much lower, ranging from only about 2 percent to about 17 percent.

Over the years, the adex contribution of the DOOH transit media industry to the OOH industry has grown. DOOH transit media industry is a subsection of the overall OOH media industry. In 2005, DOOH transit media industry was estimated to make up 1.4 percent of the OOH industry. In 2008, DOOH transit media industry was estimated to increase its contribution to OOH media industry by 4 times to about 5.4 percent. By 2009, DOOH transit media adex contribution was estimated at approximately 7.8 percent of the OOH industry in Malaysia.

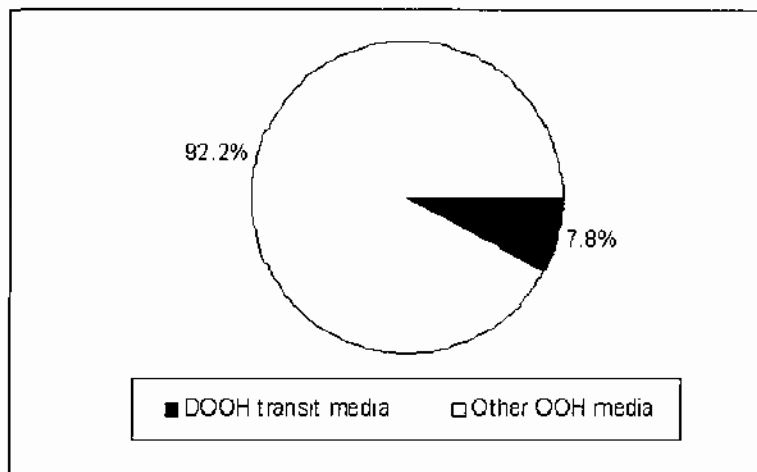
This trend shows that the DOOH transit media industry is a growing industry and is increasingly gaining traction and recognition as an effective advertising medium. DOOH transit media owners such as Asia Media, Simfoni Maya Sdn Bhd and YTL Info Screen Sdn Bhd are involved in DOOH transit media industry.

The pie chart below provides an illustration of the proportion of the DOOH transit media in relation to the overall OOH media in 2009.

9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

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DOOH Transit Media in OOH Media (Malaysia), 2009



*Other OOH media includes print OOH, DOOH outdoor signages and DOOH in indoor areas

(Source: Extracted from the Independent Market Research Report, Frost & Sullivan)

Market Growth

The OOH media industry is expected to grow from about RM217.1 million in 2010 to an estimated RM331.9 million in 2014. The gradual recovery from the global economy crisis in 2009 resulted in a relatively high adex growth rate between 2008 and 2009 but the adex growth rate for the industry is expected to return to more typical growth rates with a CAGR of about 11.2 percent from 2010 to 2014.

Industry Forecast for the Out-of-home Media Industry (Malaysia), 2010-2014

Year	Adex (RM million)	Growth Rate (%)
2010	217.1	9.6
2011	238.3	9.8
2012	265.5	11.4
2013	296.3	11.6
2014	331.9	12.0
CAGR 2010-2014		11.2%

Note: All figures are rounded; the base year is 2009

(Source: Extracted from the Independent Market Research Report, Frost & Sullivan)

The DOOH media transit industry is expected to grow from about RM15.5 million in 2009 to an estimated RM62.5million in 2014. The DOOH experienced healthy growth

9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

F R O S T & S U L L I V A N

rates from 2007 to 2009, largely because the industry is still in its nascent stage and is still growing from a small adex base contribution at the beginning of this period. This contributed to high year-on-year growth rates from 2007 to 2009. However as the industry develops, the year-on-year growth rates from 2010 to 2014 are expected to stabilize to an average of approximately 30 percent.

Industry Forecast for the Digital Out-of-home Transit Media Industry (Malaysia), 2010-2014

Year	Adex (RM million)	Growth Rate (%)
2010	21.6	39.3
2011	29.1	34.7
2012	38.8	33.5
2013	49.8	28.2
2014	62.5	25.6
CAGR 2010-2014		30.5%

Note: All figures are rounded; the base year is 2009

(Source: Extracted from the Independent Market Research Report, Frost & Sullivan)

3. Demand Condition

Industry Drivers

Industry drivers are factors that encourage positive growth of the DOOH transit media industry. They are of significant importance to industry participants and have a different degree of impact on the industry.

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9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

F R O S T & S U L L I V A N

Digital Out-of-home Transit Media Industry: Drivers Ranked in Order of Impact (Malaysia), 2009-2015

Rank	Driver	2010 to 2012	2013 to 2015
1	Price erosion of digital screens	High	High
2	Initiation from Government Transformation Programme (GTP) and 10th Malaysia Plan to improve public transportation	High	High
3	Increasing acceptance of audio and visual screens as advertising media in transit	High	High

(Source: Extracted from the Independent Market Research Report, Frost & Sullivan)

Industry Restraints

Restraints have a direct negative impact on industry growth. The restraining factors are often beyond the control of individual companies, if not the entire industry. These are the restraints that are expected to have an impact on DOOH transit media industry.

Table 3-6: Digital Out-of-home Transit Media Industry: Restraints Ranked in Order of Impact (Malaysia), 2009-2015

Rank	Restraint	2010 to 2012	2013 to 2015
1	Limited viewer demographics	High	Medium
2	Competition with other media channels	High	Medium

(Source: Extracted from the Independent Market Research Report, Frost & Sullivan)

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9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

F R O S T & S U L L I V A N

4. Key Industry Players

The industry landscape within the OOH media industry consists of all industry participants who own print or digital media platforms within the OOH media industry value chain. Competitors are defined as media owners in the industry and excludes players who provide only services such as content development, copywriting and graphic design.

In the OOH print media industry, examples of industry players are Bigtree Outdoor Sdn Bhd, Kurnia Outdoor Sdn Bhd, Ganad Media Sdn Bhd and Spectrum Outdoor Marketing Sdn Bhd. These players provide billboard advertising. Other players are smaller and the landscape is fairly fragmented. These players typically provide OOH print media for light boxes, building graphics, advertisement panel and banners.

At present, within the DOOH media industry, it is estimated that there are approximately 20 industry players. Examples of major players include but are not limited to Asia Media Group Berhad, Dana Intelek Sdn Bhd, Focus Media Network Sdn Bhd, Ganad Media Sdn Bhd, MKN At-life Sdn Bhd, Hi-O Malaysia Sdn Bhd (PowerScreen), Point Cast (M) Sdn Bhd, Simfoni Maya Sdn. Bhd and YTL Info Screen Sdn Bhd.

Within the DOOH media industry, Asia Media Group Berhad, YTL Info Screen Sdn Bhd and Simfoni Maya Sdn Bhd are three major players in the industry offering DOOH transit media services. These players are also known as DOOH transit media owners. DOOH transit media owner is the term used to refer to owners of DOOH transit media. Specifically, transit media owners own the digital equipment used in transmitting both content and advertisement to an audience. They also manage the content displayed on the digital screens and are involved in selling advertising slots for airtime available on their digital screens.

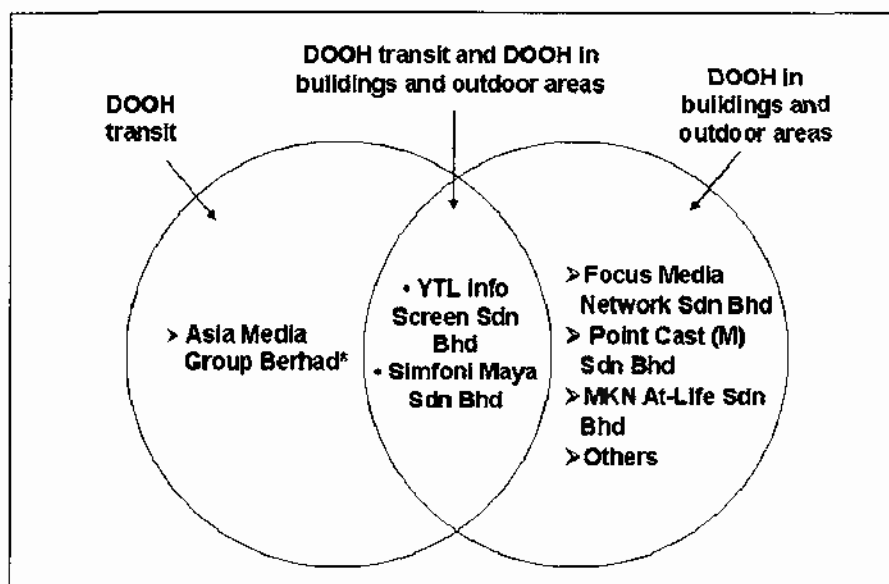
YTL Info Screen Sdn Bhd and Simfoni Maya Sdn Bhd also install their digital screens in buildings and in indoor areas, competing with other players that provide DOOH advertising services in retail stores and office buildings.

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9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

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Competitive Landscape of the Digital Out-of-home Media Industry in Malaysia



*Includes its subsidiary companies: Asia Media Sdn Bhd, Transnet Express Sdn Bhd, Asia Media Marketing Sdn Bhd and Asia Media Interactive Sdn Bhd

Note: Company names reflected in the 'Competitive Landscape' are examples of major industry players and is not an exhaustive list of companies in the industry.

(Source: Extracted from the Independent Market Research Report, Frost & Sullivan)

9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

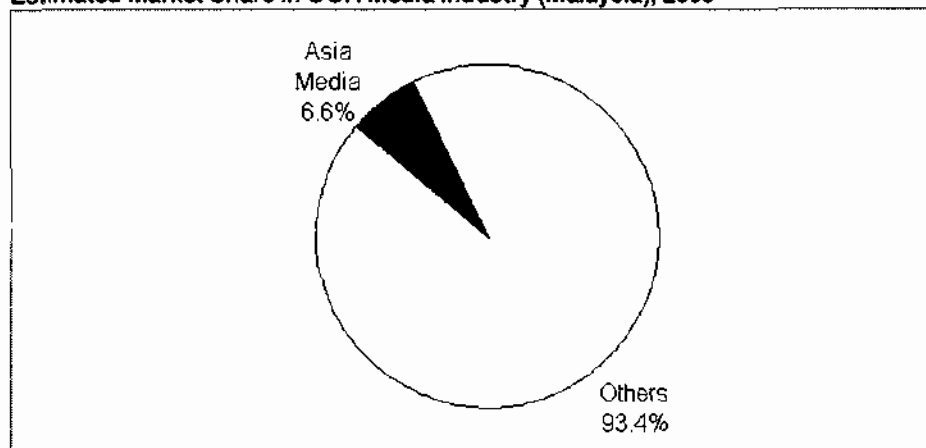
F R O S T & S U L L I V A N

5. Market Share Analysis

Asia Media held approximately 6.6 percent market share in the OOH media industry in Malaysia in 2009 based on revenue, while all other players combined accounted for the remaining 93.4 percent. This segment includes all OOH print and digital media.

Asia Media's market share in the OOH media industry has grown from approximately 2.1 percent in 2007 to around 6.6 percent in 2009.

Estimated Market Share in OOH Media Industry (Malaysia), 2009



"Others" refers to all other industry players within the OOH media industry, excluding AMGB. The industry players in OOH media include the owners of OOH print media and DOOH media. OOH print media owners include but are not limited to Bigtree Outdoor Sdn Bhd, Kurnia Outdoor Sdn Bhd, Ganad Media Sdn Bhd and Spectrum Outdoor Marketing Sdn Bhd, while DOOH media owners include but are not limited to Dana Intelek Sdn Bhd, Focus Media Network Sdn Bhd, Ganad Media Sdn Bhd, MKN At-life Sdn Bhd, Hi-Q Malaysia Sdn Bhd (PowerScreen), Point Cast (M) Sdn Bhd, Simfoni Maya Sdn. Bhd and YTL Info Screen Sdn Bhd.

(Source: Extracted from the Independent Market Research Report, Frost & Sullivan)

In the DOOH transit media industry, Asia Media is one of three major players in this industry, along with Simfoni Maya Sdn Bhd and YTL Info Screen Sdn Bhd. There could possibly be other smaller competitors in the industry, but these three players are the most notable ones, providing digital media services to the three key public transportation channels with installed digital media screens, namely RapidKL, KTMB Intercity and KLIA ERL.

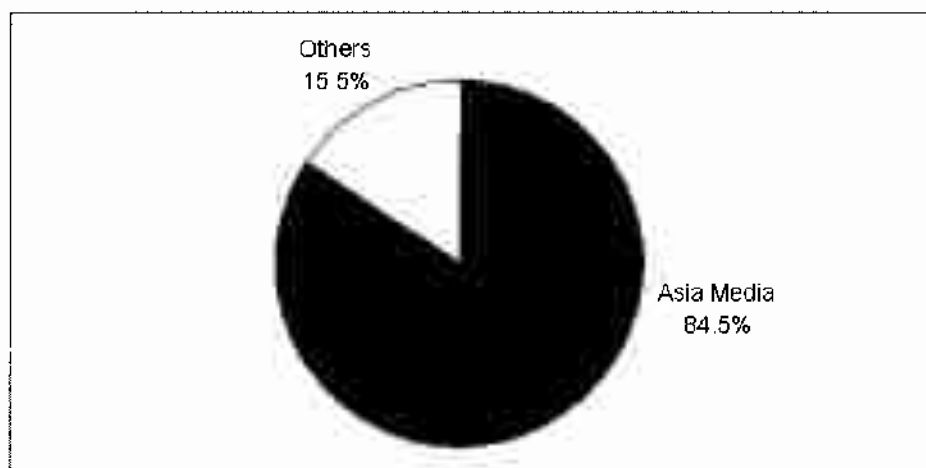
In 2009, Asia Media's market share, among the three major industry players in the DOOH transit media industry, was recorded at approximately 84.5 percent, while the other two

9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

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major players accounted for the remaining 15.5 percent. Simfoni Maya Sdn Bhd and YTL Info Screen Sdn Bhd are involved in DOOH media at indoor areas in addition to DOOH transit media, while AMBG is involved only in DOOH transit media. The combined revenues of these two companies (i.e. Simfoni Maya Sdn Bhd and YTL Info Screen Sdn Bhd) in DOOH transit media was estimated based on primary and secondary research using publicly available audited revenues as a basis (i.e. audited financial statements from Companies Commission of Malaysia). The market share computation was therefore based on the DOOH transit media revenue of AMBG and the estimated revenue of DOOH transit media of these two other major industry players.

Estimated Market Share in DOOH Transit Media Industry (Malaysia), 2009



(Source: Extracted from the Independent Market Research Report, Frost & Sullivan)

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6. Industry Life Cycle

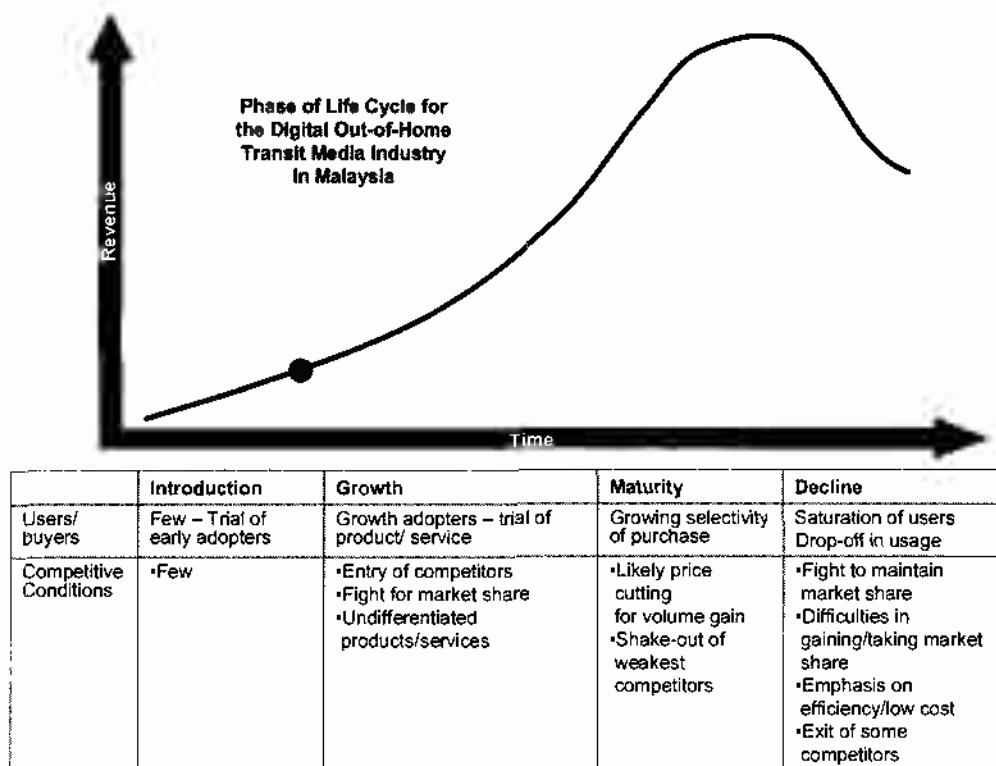
The DOOH transit media industry in Malaysia is still a nascent industry. In view of this, the industry is expected to continue showing high growth rates with increasing market demands for DOOH advertising services. While current players in the industry are experiencing high growth rates, it is unlikely that new entrants will enter the industry in the near future because the use of DOOH transit media is still relatively low compared to other media channels.

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9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

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Digital Out-of-home Transit Media Industry Life Cycle (Malaysia), 2009



(Source: Extracted from the Independent Market Research Report, Frost & Sullivan)

The different stages of the industry lifecycle are characterized by users of that product or service and competitive conditions at each stage:

- Introduction stage

At this stage, the technology is still being introduced to the market and end-users, and since the technology is still new, it has very few users still.

- Growth stage

Users in this growth stage have become more familiar with the technology and the technology has become more popular so that users are typically more involved in testing out various products or service offering this technology. Many users adopt a trial and error method when making their purchase decisions, and are generally not price sensitive. To continue growing this market, product or service education is conducted amongst buyers (i.e., advertising agency) and users (i.e., advertiser) to help them understand the functions and benefits of these products and services.

9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

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- **Maturity stage**

Users at this stage have become highly familiar with the product or service and are able to differentiate between different products or services, and to be more selective about which purchases to make. Many product suppliers (i.e., DOOH transit media providers) participate in the market at this stage and are able to offer a larger number of product or service choices in this space. With more competitors participating in the industry, competition also increases. As a result, market players become more likely to use marketing strategies such as price cutting to make their products or services more attractive to end-users and to improve company sales.

Due to the large number of product or service choice from multiple product suppliers in this space, users become more price sensitive and more selective about which product or service to choose.

- **Decline stage**

At this stage, the product or service would have been established for a substantially long period and end-users have become highly familiar with it so much so that the use of this product has become common. Due to the number of multiple suppliers of the product or service, users have a high degree of choice about which product to purchase.

Being at the end of the lifecycle, this product or service would be in the process of being substituted by new products or services, and the industry begins to contract.

The competitive conditions for the various stages of the industry lifecycle are as follows:

- **Introduction**

At this stage, there are generally few competitors participating in the industry and all are relatively new entrants into the market.

- **Growth stage**

At this stage, competitors compete against each other to gain as much of the industry market share to establish presence. As the product or service features are rapidly being developed and evolving, different products or services from competitors may not yet be matured and are not significantly different from one another.

- **Maturity stage**

At this stage, competitors actively seek innovative ideas to differentiate themselves from another player's product or service offering in order to maintain and improve their market share.

9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

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- Decline stage

At this stage, since the product or service have become commonplace and will most likely be substituted by newer products or services, competition intensity is at its peak and the weaker competitors may be forced to leave the industry.

7. Critical Success Factors

Reliable Products and Services

The DOOH transit media industry in Malaysia is an emerging market, with many advertisers and media or advertising agencies still taking a "look-and-see" attitude. The general perception that holds advertisers away from DOOH transit media is that advertisers find it difficult to justify the return on investment ("ROI") of their investment using this media. DOOH transit media industry players find that it is important to both educate the public about the benefits and advantages of DOOH transit media as well as keeping their systems and equipment well maintained so that advertisers and agencies can see that this media is reliable at reaching its audience.

Other than providing the advertising system, DOOH transit media owners must have expert content creative personnel that can assist clients in content development, ensure that the content shown on their digital signages creates maximum impact to the viewers and endures in viewers' memories, and is targeted towards the correct audience. For example, typical lengthy TV commercials may not be effective for transit advertising compared to the shorter and more interactive contents which suit the young adult demographics of the public transport users in Malaysia.

During this early stage of market development, pioneering industry players will find it critical to build themselves as reliable service providers that can showcase advertisements and contents at good digital signage sites at a high media broadcast quality, provide a reputable level of service and after-sales services, and ensure terminal maintenance. An industry players able to successfully provide for all and more of the above expectations from advertisers will be able to stand out above other industry players and to build its brand image and increase its appeal to advertisers and advertising agencies.

Strategic Relationship

The media industry plays an important role as a mass communication tool that may directly or indirectly impact its audiences. The Government has strict requirements for

9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

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all media owners and it is vital for all media owners to comply to the laws and regulations of the media industry in Malaysia. All media owners including DOOH transit media owners must build good relationship and gain the confidence of the Government and its related authorities (e.g., Malaysia Censorship Board, Malaysian Communications and Multimedia Commission, etc.) to enable industry players to obtain all necessary licenses, approvals, and funding from the Government for network expansion.

Developing strategic alliances with other content providers and advertising agencies also helps industry players secure better quality content, improve content development. Having strategic long-term relationships with public transport providers, advertising agencies and advertisers are also essential to secure the position and source of revenue for industry players. DOOH transit media may be promoted to greater popularity through strategic relationships with a combination of receptive advertisers and agencies, content developers, public transport providers, and authorities.

Content Development and Configuration

Program is a cost consuming item for a DOOH transit media owner. Media owners must ensure that the content and advertisement are shown effectively whereby the audience can see and hear the content and advertisement clearly and maintain the audience's attention on the screen. Hence, DOOH transit media owners must know how to use the programs effectively to maximize viewership by adopting the right looping rate, sound control and the display of still or motion videos, thereby ensuring that the advertiser are reaching their targeted audience.

It is also important to understand how to develop interesting programs that suit the demographic of viewers and procure the right content for this audience. For example, DOOH transit media may play an important role in the tourism industry whereby media owners can potentially collaborate with the local Government to provide localised information such as tourism events for the area, including listings on local tourist attractions such as museums, exhibitions and parks. Other audience targeted content and configuration development would also need to be developed to suit the needs of other riders in the transit vehicle as well.

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8. Industry Barriers to Entry

High Upfront Capital Investment

Setting up as a DOOH service provider requires a large amount of initial capital to purchase the digital equipment needed for transmitting contents and advertisements such as digital screens, media players and speakers, to retain a content development team to ensure the appropriate content is shown in the digital screens, and to maintain a technical team to install, maintain and service the equipment in the transit vehicles. Although the price of digital screens and media players is reducing, a large amount of capital is still needed for the wide-scale deployment of the screens, and to support the content development and technical teams.

Access to Limited Number of Transit Providers and Exclusive Agreements

It is difficult to enter a market where more established industry players have already captured a significant user base. There are not many transit providers in Malaysia, and one major public transport operator, Rangkaian Pengangkutan Integrasi Deras Sdn Bhd (Rapid KL), which owns the largest bus network in Kuala Lumpur, has signed an agreement with Asia Media to be its DOOH transit media provider in all Rapid KL buses.

Other major public transport operators are Syarikat Prasarana Negara Berhad (Prasarana), who also owns the LRT (Kelana Jaya Line and Ampang line) and KTM Berhad, who operates the KTMB Intercity and KTMB Komuter. Simfoni Maya Sdn Bhd is currently the exclusive DOOH transit media provider for KTM Berhad's KTMB Intercity. As for intercity express buses, DOOH transit media services are currently only limited to high-end express buses such as Aeroline, Airebus, Suasana Edaran, Transtar Travel, Plusliner, Odyssey and Nice++, with DOOH transit services being provided by a number of different industry players.

Exclusive agreements with the transit operators make it difficult for new players to enter the market and take over contracts with transit operators from other industry players. Transit providers may prefer to renew its collaboration with existing media providers if they have built a trustful relationship with those industry players. Operationally, it is also difficult to frequently change media service providers as different operators own and use different forms of equipment and technology, and a change in operator would entail a massive and lengthy redeployment of systems and equipment.

9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

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9. Industry Risks and Challenges*Viewership Dependent on Improvements in Public Transportation*

DOOH transit media has a relatively limited viewer demographic compared to other traditional forms of media such as print and TV, with only approximately 10 percent of the population in Klang Valley using public transport compared to higher population percentages in Thailand, Singapore and Hong Kong. This trend it is likely to remain in Malaysia as many Malaysian have turned away from public transportation due to its poor network coverage, poor service, and poor transit vehicle conditions. While the GTP hopes to double public transportation ridership, this is still a far smaller percentage of the population compared to other regional neighbours for example in Hong Kong where almost half of its population uses public transportation systems.

Manpower Commitment for Equipment Maintenance

In DOOH transit industry, it is critical to have a team of dedicated technicians to install and maintain the DOOH equipment (i.e., screens, media players and speakers) and systems. Scheduled services and maintenance may not be sufficient to ensure all equipment placed in buses and trains are operating at peak performance at all times. The media owner's technician may not be able to fix the faulty equipment immediately because they may not be available at all transit terminals and workshops at all times. Avoiding malfunctioning equipment is a significant challenge faced by all DOOH transit media industry players.

Another challenge for industry players is the reluctance of some transit companies to allow buses with faulty equipment into the workshop to avoid reducing the number of operating transit vehicle on the road which may affect the profit of the company. Since transit vehicle owners and operators are not liable for the damage of the media equipment, they might not fully cooperate with the DOOH transit media industry players to maintain the DOOH equipment well.

Vandalism and Theft

Vandalism is a common occurrence in public spaces in many countries including Malaysia. With regard to vandalism of DOOH equipment, screens and related DOOH equipment installed in transit vehicles are exposed to the risk of being vandalised. The screens may be scratched, connecting wires cut, and equipment casings graffitied. Apart from vandalism, DOOH equipment such as media players may also be stolen.

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Such vandalism and theft may be committed by members of the public and even unethical employees.

It is challenging to eliminate the risk of vandalism and theft of DOOH transit media equipment as such acts are often carried out covertly currently. With very few transit vehicles in Malaysia being monitored via close-circuit television ("CCTV") and with vandalism and theft of such equipment not being monitored closely, this risk is not expected to reduce in the near future and puts the operational cost for DOOH transit media owners higher than expected as vandalised or stolen digital screens and other equipment would have to be replaced and repaired frequently on transit vehicles.

10. Relevant Laws and Regulations

The Malaysian Communications and Multimedia Commission (MCMC) governs the regulatory tool for the communications and multimedia industry. With respect to the media industry in general, a key act of law that is of concern is the Communications and Multimedia Act 1998 ("CMA 98"). CMA 98 seeks to provide a generic set of regulatory provisions based on generic definitions of market and service activities. The Malaysian Communications and Multimedia Content Code was introduced in compliance to CMA 98 and formulates guidelines and requirements for content programs which comprises the following parts:

- Guidelines on content,
- Specific advertisement code,
- Specific broadcasting guidelines,
- Specific online guidelines,
- Specific audiotext hosting service guidelines,
- Specific limited content guidelines,
- Consumer protection,
- Public education, and
- Code administration

It is compulsory to ensure all films (including all programs and advertisement) produced, owned, broadcasted, published, distributed, rented or sold in Malaysia are screened, filtered and approved according to Film Censorship Act 2002 by the Film Censorship Board of Malaysia which is also known as Lembaga Penapisan Filem ("LPF"). LPF is regulated by

9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

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the Ministry of Home Affairs, Malaysia. LPF is strictly against nudity, sex, profanity, violence and sensitive religious themes in films.

The Malaysian media industry is also monitored by a self-regulatory system set up by industry players themselves. Self-regulatory systems help to protect the consumers' interest and ensure fair play among the competitors in the media industry in Malaysia. The Advertising Standards Authority ("ASA"), established in 1977 is an independent body responsible to ensure the execution of a self-regulatory system that is in accordance to the public interest. ASA's activities include investigating complaints in the media, identifying and resolving problems in the industry and acts as a channel for communications to those who have an interest in advertising standards. All practitioners of advertising are also required to abide the Malaysian Code of Advertising Practice ("Code"). The Code contains general guidelines relevant to all advertisements as well as rules for specific sectors such as medicinal and related products and advertisements containing health claims, and products for children and young people. The Code requires advertisers to ensure that all their advertisements are legally compliant with Malaysian laws, although ASA is not a law enforcement body.

11. Reliance and Vulnerability to Imports

The DOOH transit media industry is not reliant on imports. The physical equipment in DOOH transit media are screens, media players and computers. DOOH transit media hardware is easily available locally through local distributors. The programs and advertisements displayed on the screens can also generally be produced locally, with international programs such as sports and news programs being readily available through local content distributors.

DOOH transit media advertising is not vulnerable to imports because advertisers based in Malaysia can be served by local service providers and are able to provide localized services that cater to the local advertising trend.

12. Product Substitution

As the world continues to evolve towards the digital age, Malaysia is increasingly recording a higher use of DOOH media. Besides traditional billboards, posters and wraps, Malaysia is expected to have more digital signages such as the LED billboards and LCD advertising screens in the future.

9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

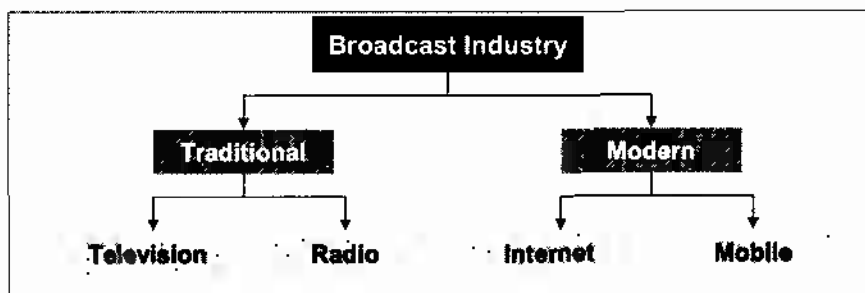
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Traditional media for advertising such as TV and newspapers remain as popular advertising media in Malaysia. With regards to transit advertising, prints such as the vehicle wrap, lightbox and in-vehicle panel also remain popular with a relatively longer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

13. Broadcast Industry in Malaysia

To broadcast is to transmit contents such as programs and advertisement from a broadcasting station. Frost & Sullivan defines that in Malaysia, the traditional broadcasting media consists of television and radio while the internet, mobile and digital out-of-home ("DOOH") are the generally known as modern broadcasting media.

Type of Broadcast Media in Malaysia



(Source: Extracted from the Independent Market Research Report, Frost & Sullivan)

Traditional Media

i) Television

Traditional television broadcasting in Malaysia comprises free-to-air ("FTA") TV operators, namely Media Prima Berhad ("Media Prima") and Radio Televisyen Malaysia ("RTM"); and pay-tv service provider, ASTRO All Asia Networks Plc ("ASTRO").

Overall, the television broadcast media industry in Malaysia, comprising both FTA and pay-TV services, showed steady growth from approximately RM 2.8 billion in 2005 to about RM 5.1 billion in 2009, with a CAGR of around 16.2 percent.

9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

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Globally, the broadcasting industry is moving from analog TV towards digital TV. By the end of 2009, about 10 countries (i.e., Luxembourg, Netherlands, Finland, Sweden, Norway, Switzerland, Belgium, Germany, United States, and Denmark) had successfully switched from analog terrestrial broadcasting to digital terrestrial broadcasting. In Asia, Japan plans to switch over to digital TV in 2011 while China targets to switch in 2015. Malaysia plans to have its national digital rollout in 2012, followed by nationwide analog switch over by 2015.

Malaysia used to require TV licences for each TV owned but this was abolished in 2000. The FTA-TV broadcasters in Malaysia currently generate their revenue solely from advertisement services while Pay TV owners, such as ASTRO, yield profits from advertisement services and collection of subscription fees from its subscribers.

ii) Radio

In Malaysia, there is only one government-owned radio station, RTM, which owns and operates Ai FM, Klasik Nasional FM, Musik FM, TraXX FM, Minnal FM Asyik TM and many other state radio channels such as Perak FM and Kelantan FM.

Other private or commercial radio broadcast owners are AMP Radio Network (i.e., Hitz FM, Mix FM, Lite FM, Xfresh FM, Sinar FM, THR FM, ERA FM and My FM), Media Prima Berhad (i.e., Fly FM, Hot FM and One FM), BFM Media (i.e., BFM), and Star Publication (M) Berhad (i.e., Red FM, 988 FM and Suria FM).

Radio broadcasting is not limited to broadcasting through a physical radio but may also reach audiences via the internet and mobile phones. Many radio channels set up their own websites to provide online radio services, podcast, program schedules, event and activities, and contests. Radio websites also provide an interactive platform between the radio DJ and listeners.

Just like TV broadcasters in Malaysia, radio broadcasters generate their revenues solely from advertisement services.

Modern Media
i) Internet

The internet is becoming a more integrated part of everyday life in Malaysia, and is changing the way consumers behave and interact to gather information about products and to purchase them. It has emerged as one of the most exciting forms of broadcast for media players throughout the world where local content may potentially reach around the world to a global internet audience. The use of the internet is also being accepted in Malaysia as well, and is expected to continue to rise with a greater deployment and usage of broadband

9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

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internet. This is demonstrated by the broadband internet penetration rate in Malaysia that rose over five-fold from 527,000 subscribers in 2005 to almost 2.6 million subscribers in 2009.

ii) Mobile

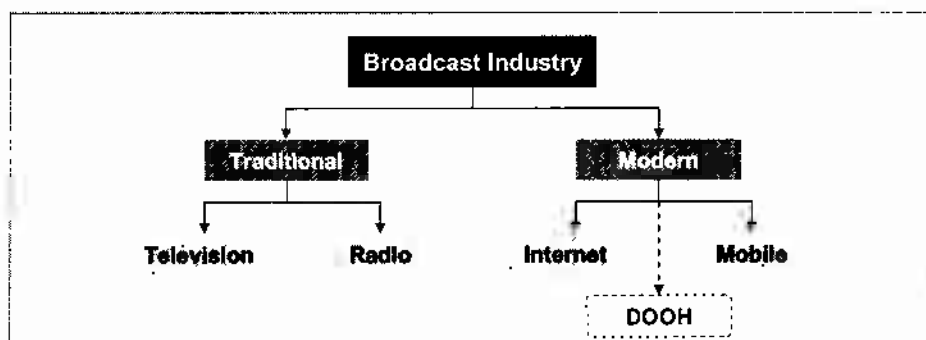
Mobile broadcasting allows users to watch TV content from their mobile phone via 3G or GPRS network. In Malaysia, mobile TV services or video streaming services that are provided through telecommunication companies such as Maxis Communications Bhd, DiGi Telecommunications Sdn Bhd and Celcom (M) Berhad. The mobile broadcasting industry in Malaysia grows in tandem with the development and improvement of telecommunication technology such as GPRS and 3G.

The number of mobile users in Malaysia has been growing steadily over the years, registering a CAGR of approximately 16.8 percent over the period 2004 to 2008. Malaysia also recorded a mobile penetration rate of about 97.8 percent in 2008 compared to approximately 57.1 percent in 2004. As the mobile broadcast industry in Malaysia is still new, the industry has a large untapped market indicating a significant growth opportunity for the mobile broadcast industry in Malaysia.

Opportunities in DOOH Broadcasting

Digital out-of-home (DOOH) broadcasting is another modern broadcast media, where content is broadcast to digital screens in public areas, including transit vehicles. The advancement of technology makes broadcasting through digital screens in all indoor and outdoor public places a reality. DOOH media is currently being adopted in shopping malls, office buildings, restaurants, transit vehicles and transit stations in major cities in Malaysia.

DOOH Broadcasting Media in the Malaysian Broadcast Industry



(Source: Extracted from the Independent Market Research Report, Frost & Sullivan)

9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

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Globally, some DOOH broadcasters broadcast only advertisements while others broadcast both programs and advertisements. DOOH that only focuses on advertisement are typically located at places where people are stationary for only a limited time, for example in lift lobbies and supermarket aisles. The main source of revenue for DOOH broadcasting is through the sales of advertisement airtime. DOOH broadcast in transit vehicles and transit stations are able to show programs and advertisements into the screens installed in the transit vehicles or at the transit stations while traveling because of the waiting and riding times involved in these locations. For example, in the PRC, Vision China Media, an out-of-home digital transit media provider, broadcasts content and advertisement provided by its TV partner stations, while in Malaysia, Asia Media has also recently obtained all the necessary licenses and assignment to provide DOOH broadcasting services through transmission towers.

DOOH broadcasting allows a media owner to transmit content from a central location. Broadcasting centrally is important in the DOOH transit media segment because it eliminates the need to install playback devices in all transit vehicles, as well as the daily procedure to manually start-up these devices, all of which are costly and time-consuming exercises due to the manpower involved in these activities. Some DOOH transit media owners pre-record their content and play it through media playing equipment installed in transit vehicles while some DOOH transit media owners use the internet to broadcast live content to its screen.

For example, Bus-Online Media Holdings Ltd, a transit screen media service provider in PRC, uses the internet to transmit its content to receiving terminals installed on transit vehicles in the PRC. In Malaysia, most DOOH transit media owners pre-record their content in a CD or thumb drive and this content will be downloaded to media players installed in each transit vehicle. It was reported that Asia Media recently obtained the necessary licences (i.e., Application Service Provider license, individual Network Facilities Provider license, individual Network Service Provider license and individual Content Application Service Provider license) allowing them to broadcast live content through transmission towers.

DOOH advertising has several key advantages including a captive audience, high recall rates due to daily repeats on the same audience, being close to a point of purchase location, and a minimal need for new creative production because advertisers can reuse existing TV commercials on transit digital screens.

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14. Media Industry in Indonesia

The media industry in Indonesia experienced rapid growth in adex in the past decade. In 1995, Indonesia adex was reported at about RP 2.6 trillion (RM884 million) increasing to approximately RP48.6 trillion (RM16.5 billion) in 2009. From 2005 to 2009, the Indonesian media industry grew by an average year-on-year growth rate of approximately 24.7 percent with a CAGR of about 23.3 percent.

The media industry in Indonesia experienced a fall of about -24.4 percent in 1998 compared to 1997 mainly due to the Asian economy downturn. Although there was another dip in the growth of adex in 2000 to 2001 due to the dot-com burst, the adex value continued to show a strong double digit growth during this period. The media industry in Indonesia continued to sustain strong growth rates which averaged at a CAGR of around 23.6 percent for the period 2002 to 2009. Despite the recent global economic crisis in 2008, Indonesia continued charting stable growth rates of approximately 18.9 percent in 2008 from about RP35,086 billion (RM11.9 billion) in 2007. This growth is largely contributed by the aggressive advertising activities during regional elections which took place in Indonesia in 2008 before the Presidential Election in 2009, which in turn also contributed to the growth of adex in 2009.

The media industry in Indonesia is a high growth industry. Over the years, the growth in accessibility to mass media in Indonesia also promoted the growth of the media industry. When more people have access to the mass media (i.e., radio, TV and newspaper), advertisers become more confident of the success of its marketing campaign through the mass media and find it easier to justify their advertisement spending on the mass media in order to reach out to potential consumers. Approximately 85.0 percent of the population in Indonesia had access to TV in 2006. This indicates that TV is a highly acceptable form of media in Indonesia and contributes to the popularity of TV advertising. Indonesians who listened to the radio and read newspapers and/or magazines each comprised only about 40.3 percent and 23.5 percent respectively of the population in 2006. With a population close to 250 million, these figures translate to a sizeable population mass, and consequently a significant target audience.

Licence, Laws and Regulations

In Indonesia, all broadcasters are required to obtain a broadcasting service license from the Indonesian Broadcasting Commission in order to provide radio or TV broadcasting services.

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The Indonesian Ministry of Communication and Information regulates the media industry in Indonesia. The Ministry is mandated to formulate and implement policies regarding the area of communication and informatics in Indonesia, which includes postal services, telecommunications, broadcasting, information technology and other multimedia services.

The media industry in Indonesia is also under the governance of the Broadcasting Act 2002 which is regulated by Indonesian Broadcasting Commission. The Act is supported by the Standard for Program Broadcasting, Journalist Code of Ethics and Broadcasting Code of Conduct.

Opportunity in DOOH Transit Media

Compared to the population of Malaysia, the Indonesian population is many times larger. The population of Jakarta itself is already approximately 8.5 million, which is about a third of the Malaysian population. In Indonesia, a high percentage of the population uses public transportation. The number of buses in Indonesia grew almost four times from about 666,280 buses in 2000 to 2,583,170 buses in 2008, with a CAGR of 18.5 percent from 2000 to 2008.

In Java alone, the number of railway passengers grew from about 159.4 million passengers in 2006 to around 203.1 million passengers in 2009, with a CAGR of approximately 8.4 percent.

With the large number of public transportation users, Indonesia shows a great potential for the growth of DOOH transit media industry due to the high number of potential viewers who form a potential captive audience in the numerous transit vehicles in Indonesia.

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9. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

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15. Future Outlook and Prospects

Asia Media is currently focused on digital screen advertising in city buses and VIP express buses. Asia Media displays its preloaded content through a media player which is installed in each vehicle. With strong growth anticipated for the DOOH transit media industry, the prospect of Asia Media is promising.

The estimated CAGR for the DOOH transit media industry in Malaysia is about 30.5 percent for the period of 2010 to 2014. The growth of DOOH transit media industry is facilitated by the price erosion of digital screens with the average price of digital screen expected to decrease by a CAGR of approximately -2.6 percent over the period from 2007 to 2014. Additionally, with the Government aggressively promoting the upgrade of the public transport service in the country, this is expected to further boost the growth of DOOH transit media industry with the expected increase in public transport riderships. Combined, these provide Asia Media with significant opportunities for growth and expansion.

Asia Media is one of the early entrants in DOOH transit media industry and has numerous networks in some of the major cities in Malaysia. The company had signed agreements with several major public transport operators in Malaysia such as Rangkaian Pengangkutan Integrasi Deras Sdn Bhd (Rapid KL buses) in Kuala Lumpur, Handalan Indah Sdn Bhd in Johor and Konsortium Transnational Berhad (Nice, Plusliner and Nice++ express buses).

Additionally, Asia Media is in the midst of planning to improve its broadcasting technology and operations. The company has Application Service Provider license, individual Network Facilities Provider license, individual Network Service Provider license and individual Content Application Service Provider license from MCMC. With these licenses, Asia Media will soon be able to broadcast live programs to its transit audience.

Additionally, in October 2009 the MCMC introduced the SRSP-520 DMS, a Standard Radio System Plan ("SRSP") entitled 'Requirements for Digital Multimedia Service ("DMS") Operating In Frequency Band 1452 MHz to 1492 MHz. This document details the government requirements that individuals or companies need to fulfil if they want to be broadcast service providers. Specifically, those who want to broadcast in this frequency band with a wireless device using a transmitter and/or receiver must obtain an Apparatus Assignment ("assignment"). The assignment may be granted by MCMC for a minimum validity period of 3 months, and a maximum validity period of 5 years.

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After the validity period has expired, a fresh application would need to be made with MCMC.

Asia Media has also successfully obtained the assignment to provide Digital Multimedia Service within Peninsular Malaysia from MCMC on 31 May 2010, with a validity period of 1 year. Through this assignment, Asia Media is granted permission to provide its broadcasting services through 3 DMS channels within the frequency band 1452 MHz to 1492 MHz. The technology will help the company to reach out to its viewers more effectively and to be more cost effective to their advertisers.

Asia Media also plans to expand its network in Malaysia to other major public transport operators such as RapidKL LRT trains, monorail and train stations and KTMB Intercity. If successfully executed, Asia Media will potentially be able to further improve its position in the industry.

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10. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

10.1 Promoters and substantial shareholders

10.1.1 Promoters and substantial shareholders' shareholding

As at the LPD, our Promoters and substantial shareholders and their respective shareholdings in our Company before and after our IPO are as follows:

Name	Designation	Nationality/ Place of incorporation	Before our IPO				After our IPO			
			Direct		Indirect		Direct		Indirect	
			No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
WHSB ⁽¹⁾	Shareholder	Malaysia	104,000	80.00	-	-	104,000	45.61	-	-
Dato' Wong Shee Kai ⁽¹⁾	Executive Director and Chief Executive Officer	Malaysian	-	-	104,000 ⁽²⁾	80.00	-	-	104,000 ⁽²⁾	45.61
Teh Sew Wan ⁽¹⁾	Non-independent Non-Executive Director	Malaysian	-	-	104,000 ⁽²⁾	80.00	-	-	104,000 ⁽²⁾	45.61
MASB ⁽³⁾	Shareholder	Malaysia	9,100	7.00	-	-	9,100	3.99	-	-
TJBSB ⁽³⁾	Shareholder	Malaysia	9,100	7.00	-	-	9,100	3.99	-	-
BTV ⁽³⁾	Shareholder	Malaysia	7,800	6.00	-	-	7,800	3.42	-	-

Notes:

(1) Promoters and substantial shareholders.

(2) Deemed interested by virtue of his/her interests in WHSB pursuant to Section 6A of the Act.

(3) Ceased to be substantial shareholders after our IPO.

Save as disclosed above, our Company is not aware of any other persons who directly or indirectly, jointly or severally, have control over our Company.

10.1.2 Background information on our Promoters and substantial shareholders

A brief background of our Promoters and substantial shareholders is set out below:

(i) WHSB

WHSB was incorporated as a private limited company under the Act on 4 April 2006. Its current authorised share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each in WHSB ("WHSB Shares"), of which RM20 comprising 20 WHSB Shares have been issued and fully paid-up. It is principally an investment holding company and is a substantial shareholder of our Company.

The directors and substantial shareholders of WHSB and their respective shareholdings in WHSB as at LPD are as follows:

Name	Designation	Direct		Indirect	
		No. of WHSB Shares	%	No. of WHSB Shares	%
Dato' Wong Shee Kai	Director	19	95.00	1 ⁽¹⁾	5.00
Teh Sew Wan	Director	1	5.00	19 ⁽²⁾	95.00

10. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Notes:

- (1) *Deemed interested by virtue of his mother's direct interests in WHSB pursuant to Section 122A of the Act.*
- (2) *Deemed interested by virtue of her son's direct interests in WHSB pursuant to Section 122A of the Act.*

(ii) Dato' Wong Shee Kai

Dato' Wong Shee Kai, aged 29, is the Executive Director and Chief Executive Officer of our Company. He is also the founder of our Group. He has contributed significantly to the growth and development of our Group and has successfully led our Group to become an established and reputable player in the DOOH transit media industry in Malaysia. Dato' Wong Shee Kai has achieved several recognitions and awards personally and has also led our Group to a string of accolades and awards. The recognitions and awards received by Dato' Wong Shee Kai include Junior Chamber International ("JCI") Creative Young Entrepreneur Award from Junior Chamber International Group in 2008; Excellence Leadership under the 8th Asia Pacific International Entrepreneur Excellence Award in 2009; the 2009 Top 10 JCI Creative Young Entrepreneur Awarded (Malaysia) from JCI in 2009; and the Most Promising Entrepreneur Award by Asia Pacific Entrepreneurship Awards in 2010. He is mainly responsible for our Group's overall strategy and development of the overall vision of our Group. He began his career with Ford Motor Company (UK) as an Account Analyst from 2002 to 2003. Subsequently, he joined Major Fibre Sdn Bhd in Malaysia as Finance Manager and his last position with the company being the General Manager in overseeing manufacturing process, sales, marketing and materials sourcing, where he observed and discovered arbitrage media advertising opportunity in Malaysia and subsequently founded our Group. Dato' Wong Shee Kai obtained his Bachelor Degree in Accounting and Finance with First Class Honours from Lancaster University, United Kingdom in 2003. He is currently responsible in leading the business direction and strategies development of our Group.

(iii) Teh Sew Wan

Teh Sew Wan, aged 60, is the Non-Independent Non-Executive Director of our Company. She is a member of our Audit and Nomination Committees. She has over 35 years of executive level experience based on the position/directorship held in several private and public companies. She has a LCCI qualification and began her career in accounting more than 40 years ago with several accounting firms and subsequently joined Long Huat Group Berhad group of companies in the mid/late 1970s and served in various capacities including finance and administration. She was also a Director of Long Huat Group Berhad until 5 June 1997. She is currently the director and shareholder of WHSB and Peakmax Sdn Bhd.

(iv) MASB

MASB was incorporated as a private limited company under the Act on 21 July 2008. MASB is an investment holding company.

10. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

The directors and substantial shareholders of MASB and their respective shareholdings in MASB as at LPD are as follows:

Name	Designation	Direct		Indirect	
		No. of MASB shares	%	No. of MASB shares	%
Rosli Bin Amin	Director	1	50.00	-	-
Hadijah Binti Bachik	Director	1	50.00	-	-

(v) TJBSB

TJBSB was incorporated as a private limited company under the Act on 24 January 2005. TJBSB is an investment holding company.

The directors and substantial shareholders of TJBSB and their respective shareholdings in TJBSB as at LPD are as follows:

Name	Designation	Direct		Indirect	
		No. of TJBSB shares	%	No. of TJBSB shares	%
Wong Chook Ping	Director	1	50.00	-	-
Tan Suon Sam	Director	1	50.00	-	-

(vi) BTV

BTV was incorporated as a private limited company under the Act on 5 February 2005. BTV is an investment holding company.

The directors and substantial shareholders of BTV and their respective shareholdings in BTV as at LPD are as follows:

Name	Designation	Direct		Indirect	
		No. of BTV shares	%	No. of BTV shares	%
Amirruddin Bin Nin	Director	1	50.00	-	-
Heryzal Binti Razali	Director	1	50.00	-	-

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10. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

10.1.3 Changes in Promoters' and substantial shareholders' shareholdings in our Company

The changes in Promoters' and substantial shareholders' shareholdings in our Company since the date of incorporation up to LPD are as follow:

Promoters / Substantial Shareholders	As at the date of incorporation			After the Acquisition			Before our IPO			After our IPO		
	No. of ordinary shares of RM1.00 each	%	No. of ordinary shares of RM1.00 each	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
Lam Suk Kham	1	50.00	-	-	-	-	-	-	-	-	-	-
Poon Wai Mei	1	50.00	-	-	-	-	-	-	-	-	-	-
WHSB ⁽¹⁾	-	-	-	-	104,000	80.00	104,000	80.00	104,000	45.61	-	-
Dato' Wong Shee Kai ⁽¹⁾	-	-	-	-	104,000 ⁽³⁾	80.00	-	-	104,000 ⁽³⁾	80.00	104,000 ⁽³⁾	45.61
Teh Sew Wan ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-
MASB ⁽²⁾	-	-	-	-	9,100	7.00	9,100	7.00	9,100	3.99	-	-
TJBSB ⁽²⁾	-	-	-	-	9,100	7.00	9,100	7.00	9,100	3.99	-	-
BTV ⁽²⁾	-	-	-	-	7,800	6.00	7,800	6.00	7,800	3.42	-	-

Notes:

(1) Promoters and substantial shareholders

(2) Ceased to be substantial shareholders after our IPO.

(3) Deemed interested by virtue of his/her interests in WHSB pursuant to Section 6A of the Act.

10. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

10.2 Board of Directors**10.2.1 Profiles**

The profiles of the following Directors of our Company are set out in Section 10.1.2 above:

- (i) Dato' Wong Shee Kai; and
- (ii) Teh Sew Wan

The profiles of other Directors of our Company are set out below:

(i) Datuk Wira Syed Ali Bin Tan Sri Syed Abbas Alhabshee

Datuk Wira Syed Ali Bin Tan Sri Abbas Alhabshee, aged 48, is the Executive Chairman of our Company. He has great knowledge and executive experience in leading private, public and government controlled organisations from a broad range of industries. Datuk Wira ventured into business in the early 1980s and currently sits on the board of several private and public corporations involved in a diverse range of businesses such as C.I. Holdings Berhad, Tanjung Offshore Berhad and UZMA Berhad. He was appointed as a member of the Malaysian Senate (Dewan Negara) on 21 April 2003 until April 2009. Datuk Wira obtained his Professional Diploma in Leadership and Management from the New Zealand Institute of Management in 2003. He is currently involved in the business and strategies development of our Group.

(ii) Sabaruddin Bin Ahmad Sabri

Sabaruddin Bin Ahmad Sabri, aged 45, is the Executive Director of our Company and is involved in the business development of our Group. He started his career at Malaysian National News Agency 'BERNAMA' covering issues on business and the economy for nine (9) years. He then served as Deputy Editor for one of Malaysia's largest circulating newspaper, Utusan Malaysia. Subsequently, he joined Bridgecon Holdings Berhad as a Public Relation Manager and Business Development Manager. Sabaruddin subsequently became a host for Radio Television Malaysia covering business issues and current affairs as well as political issues. In 2003, he was appointed as a Senior Private Secretary to the Malaysian Information Minister where he served till 2008. He is a member of the Malaysia-Indonesia Journalist Solidity Alliance, an initiative to promote bilateral ties by local media practitioners. Sabaruddin has been at the forefront of the media industry for over two (2) decades and offers a wealth of experience and business acumen.

(iii) Dato' Hussian @ Rizal Bin A. Rahman

Dato' Hussian @ Rizal Bin A. Rahman, aged 49, is the Independent Non-Executive Director of our Company. He is the Chairman of our Audit, Nomination and Remuneration Committees. He has extensive experience in the ICT industries in Malaysia. Currently, he is the Executive Director/Chief Executive Officer of MobilityOne Limited, a company listed on AIM of the London Stock Exchange, and is responsible for the development of MobilityOne Limited group of companies' overall management, particularly in setting the business directions and strategies. Dato' Hussian obtained the Postgraduate Diploma in Business Management from The Oxford Association of Management, Oxford, England ("OXIM") and was also admitted to the membership of Certified Master of Business Administration from the OXIM, a membership that recognises management competency and professional development. In addition, he was awarded the certificate of Master of the Oxford Centre for Leadership from The Oxford Centre for Leadership, United Kingdom.

10. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

(iv) Yeong Siew Lee

Yeong Siew Lee, aged 32, is the Independent Non-Executive Director of our Company. She is a member of our Audit, Nomination and Remuneration Committees. She obtained her Bachelor of Science (Honours) degree in Accounting and Finance from University of Wales College Newport, United Kingdom in 2001 and obtained her professional degree in Association of Chartered Certified Accountants, United Kingdom in 2004. She is a chartered accountant and currently a member of the Malaysian Institute of Accountants (MIA). She began her career with GHL Systems Berhad ("GHL"), a company listed on the Main Market of Bursa Securities, as an Assistant Accountant in 2003 and moved up the ranks and became the Head/Assistant General Manager of Finance in 2008 to supervise the company's local and overseas accounting teams. She left GHL in August 2009 to venture into business in the consumer industry and was working as a finance adviser for SMR HR Group Sdn Bhd.

10.2.2 Directors' shareholdings in our Company

As at the LPD, our Directors and their respective shareholdings in our Company before and after our IPO are as follows:

Name	Designation	Before our IPO				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
Datuk Wira Syed Ali Bin Tan Sri Abbas Alhabshee	Executive Chairman	-	-	-	-	-	-	-	-
Dato' Wong Shee Kai	Executive Director and Chief Executive Officer	-	-	104,000 ⁽¹⁾	80.00	-	-	104,000 ⁽¹⁾	45.61
Sabaruddin Bin Ahmad Sabri	Executive Director	-	-	-	-	-	-	-	-
Teh Sew Wan	Non-Independent Non-Executive Director	-	-	104,000 ⁽¹⁾	80.00	-	-	104,000 ⁽¹⁾	45.61
Dato' Hussian @ Rizal Bin A. Rahman	Independent Non-Executive Director	-	-	-	-	-	-	-	-
Yeong Siew Lee	Independent Non-Executive Director	-	-	-	-	-	-	-	-

Note:

(1) Deemed interested by virtue of his/her interest in WHSB pursuant to Section 6A of the Act.

10.2.3 Representative of corporate shareholders

Save for Dato' Wong Shee Kai who is the representative of WHSB, none of our other Directors represent any corporate shareholders.

10.2.4 Other principal directorships and principal business activities

The following table sets out our Directors' other principal directorships in other corporations for the past five (5) years up to the LPD and other principal business activities performed outside our Group.

10. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Name	Company	Principal activity	Position
Datuk Wira Syed Ali Bin Tan Sri Syed Abbas Alhabshee	<i>Present:</i> Composites Technology Research Malaysia Sdn Bhd ("CTRM")	Manufacturing of composite light aircraft	Director
	CTRM Aviation Sdn Bhd*	Manufacturing of aircraft components	Director
	CTRM Aero Composites Sdn Bhd*	Manufacturing of aerospace components	Director
	Unmanned Systems Technology Sdn Bhd*	Production of unmanned aircraft system	Director
	CTRM Automotive Sdn Bhd*	Investment holding	Director
	CSI-CTRM System Integration Sdn Bhd*	Aircraft system integration	Director
	Rimaco Properties Sdn Bhd	Investment holding	Director and shareholder
	Yayasan Pendidikan Cheras	Education institution	Director
	YPC-IT Web Sdn Bhd	ICT training centre	Director
	Web City Sdn Bhd	ICT training centre	Director
	C.I. Holdings Berhad	Selling, bottling and distribution of beverages	Independent Non-Executive Director
	Tanjung Offshore Berhad	Provision of integrated services of upstream and downstream activities in the oil and gas industry	Independent Non-Executive Director
	UZMA Berhad	Provision of geosciences, reservoir engineering, drilling and operations services in the oil and gas industry	Independent Non-Executive Director
	<i>Past:</i> Columbia Aircraft Manufacturing Corporation	Manufacturing of aircraft	Director and shareholder

Note:

* Within the group of CTRM.

10. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Name	Company	Principal activity	Position
Dato' Wong Shee Kai	<i>Present:</i> Cybertowers Berhad	Provision of vehicle tracking services	Independent Non-Executive Director
	WHSB	Investment holding	Director and shareholder
	Peakmax Sdn Bhd	Investment holding	Director and shareholder
Sabaruddin Bin Ahmad Sabri	<i>Present:</i> Ultra Pesona (M) Sdn Bhd	Event management	Director
	Swasta Global Sdn Bhd	Trading	Director and shareholder
	DSS Bridge Asia Sdn Bhd	Training, public relations and event management	Director and shareholder
	<i>Past:</i> Informier Sdn Bhd	Training	Director and shareholder
	CRG Industri Sdn Bhd	Manufacturing of souvenirs	Director and shareholder
Teh Sew Wan	<i>Present:</i> WHSB	Investment holding	Director and shareholder
	Peakmax Sdn Bhd	Investment holding	Director and shareholder
	CNT Food Court	Provision of food and beverages	Sole proprietor

10. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

Name	Company	Principal activity	Position
Dato' Hussian @ Rizal Bin A. Rahman	<i>Present:</i> MobilityOne Limited MobilityOne Sdn Bhd Netoss Sdn Bhd LMS Technology Distributions Sdn Bhd	Investment holding e-payment related services e-payment related services System integration	Executive Director Director Director Deemed interested by virtue of his wife's substantial interest in the company
Yeong Siew Lee	<i>Present:</i> Place Enterprise	Provision of health food and beauty care products	Sole proprietor

Even though Datuk Wira Syed Ali Bin Tan Sri Syed Abbas Alhabshee is also the directors of several public and private limited companies, his involvement in other companies is mainly attending meetings and this will not preclude him from allocating his time in our Group. In addition, his involvement in the companies is not expected to have any material effect on his contribution to our Group.

The involvement in other business activities outside our Company held by our Directors does not give rise to a conflict of interest situation with our businesses.

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10. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

10.2.5 Directors' remuneration, fees and material benefits-in-kind

The remuneration, fees and material benefits-in-kind (including any contingent or deferred compensation accrued for the year) paid or payable to our Directors for their services to our Group are as follows:

Directors	Remuneration, fees and material benefits-in-kind band (RM'000)		
	FYE 2008 (Actual)	FYE 2009 (Actual)	FYE 2010 (Proposed)
Datuk Wira Syed Ali Bin Tan Sri Syed Abbas Alhabshee	Nil	50-100	100-150
Dato' Wong Shee Kai	150-200	150-200	150-200
Sabaruddin Bin Ahmad Sabri	Nil	Nil	1-50
Teh Sew Wan	Nil	Nil	1-50
Dato' Hussian @ Rizal Bin A. Rahman	Nil	Nil	1-50
Yeong Siew Lee	Nil	Nil	1-50

The remuneration of our Directors, which includes salaries, bonuses, fees and allowances as well as other benefits, must be considered and recommended by our Remuneration Committee and subsequently, be approved by our Board. Any change in Directors' fees, as set out in our Company's Articles of Association, must be approved by our shareholders pursuant to a resolution in a general meeting where notice of any proposed increase shall be given. Please refer to Section 16.2 of this Prospectus for further details on our Articles of Association.

10.2.6 Board practices

(i) Directors' term in office

As at the LPD, the details of the date of expiration of the current term of office for each of our Directors and the period for which our Directors has served in that office are as follows:

Director	Date of appointment	Date of expiration of the current term of office	No. of years in office
Datuk Wira Syed Ali Bin Tan Sri Syed Abbas Alhabshee	5 May 2010	**	< 1 year
Dato' Wong Shee Kai	6 October 2009	*	> 1 year
Sabaruddin Bin Ahmad Sabri	5 May 2010	**	< 1 year
Teh Sew Wan	6 October 2009	*	> 1 year
Dato' Hussian @ Rizal Bin A. Rahman	5 May 2010	**	< 1 year
Yeong Siew Lee	5 May 2010	**	< 1 year

Notes:

* These Directors were retired and reappointed at the first annual general meeting of our Company.

10. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)

*** These Directors are subject to retire at the next annual general meeting of our Company pursuant to Article 75 of our Company's Articles of Association.*

Our Company's Articles of Association provide that subsequent to our Company's first annual general meeting which was held on 9 October 2009, one-third (1/3) of our Directors for the time being, or if the number is not three (3) or a multiple of three (3) then the number nearest one-third (1/3) shall retire from office, and an election of Directors shall take place each year. Provided always that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A Director retiring at a meeting shall retain office until the close of the meeting whether adjourned or not.

The Directors to retire in every year shall be those who have longest in office since their last appointment or re-appointment, but as between person who became or were last re-appointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Any Director so appointed either to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

(ii) Audit Committee

Our Audit Committee, established on 5 May 2010, was appointed by our Board and comprises the following members:

Name	Designation
Dato' Hussian @ Rizal Bin A. Rahman	Chairman
Yeong Siew Lee	Member
Teh Sew Wan	Member

Our Audit Committee is responsible for the recommendations to our Board regarding the selection of the external auditors, reviewing the results and scope of the audit and other services provided by our Group's external auditors and reviews and evaluates our Group's internal audit and control functions. Our Audit Committee is also responsible for the assessment of financial risk and matters relating to related party transactions and conflict of interests. Our Audit Committee may obtain advice from independent parties and other professionals in the performance of its duties.

(iii) Remuneration Committee

Our Remuneration Committee, established on 5 May 2010, was appointed by our Board and comprises the following members:

Name	Designation
Dato' Hussian @ Rizal Bin A. Rahman	Chairman
Yeong Siew Lee	Member
Dato' Wong Shee Kai	Member

Our Remuneration Committee is primarily responsible for, amongst others, recommending to our Board the policy and framework for our Directors' remuneration including remuneration and terms of service of our Executive Directors in all its forms, drawing from external advice, if necessary.

10. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

The determination of remuneration of our Executive and Non-Executive Directors shall be a matter to be determined by our Board as a whole after taking into consideration our Remuneration Committee's recommendations.

(iv) Nomination Committee

Our Nomination Committee, established on 5 May 2010, was appointed by our Board and comprises the following members:

Name	Designation
Dato' Hussian @ Rizal Bin A. Rahman	Chairman
Yeong Siew Lee	Member
Teh Sew Wan	Member

Our Nomination Committee is primarily responsible for, amongst others, proposing new nominees for our Board as well as our Directors to fill the seats on board committees, and assessing our Directors on an ongoing basis.

In particular, our Board through our Nomination Committee would review on an annual basis the required mix of skills and experience and other core qualities, including core competencies, which our Non-Executive Directors should bring to our Board.

10.3 Key management and key technical personnel

10.3.1 Profiles

The profile of the following key managements and key technical personnel of our Company is set out in Section 10.1.2 and Section 10.2.1 above, respectively:

- (i) Dato' Wong Shee Kai; and
- (ii) Sabaruddin Bin Ahmad Sabri

The profiles of other key management and key technical personnel of our Company are set out below:

(i) Por Yew Guan

Por Yew Guan, aged 39, is the Business Development Director of our Group. He began his career as a project manager at O'Connor Engineering Sdn Bhd from 1995 to 1997. He subsequently formed Tenaga Poly Technology Sdn Bhd, a company providing building automation, security, pro-sound and stage lighting. He was the executive director for Tenaga Poly Technology Sdn Bhd from 1997 to 2000 and was the founder of Active 2000 Sdn Bhd, a company providing video on demand applications. He received a Diploma in Technology (Electronic Engineering) from Tunku Abdul Rahman College in 1994. He is currently responsible for our Group's overall marketing strategies.

10. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

(ii) Liong Wei Lin

Liong Wei Lin, aged 29, is the Finance and Administration Manager of our Group. He began his career with Tay and Associate in 2003 and subsequently moved to Nu Life International Sdn Bhd in 2004. Prior to joining us, he was the Finance and Operation Manager of Avo Technology Sdn Bhd from 2007 to 2009. He is a chartered accountant and a member of the Malaysian Institute of Accountants (MIA). He obtained his Chartered Institute of Management Accountants (CIMA) membership in 2006 and Certified Practising Accountant (CPA), Australia membership in 2009. He is currently responsible for our Group's overall financial accounting, audit, tax and secretarial functions.

(iii) Lee Boon Fatt

Lee Boon Fatt, aged 37, is the Operations Manager of our Group. He began his career in Singapore with Coopers & Lybrand as an Audit Assistant from 1996 to 1997. Subsequently, he joined Overseas Union Bank Limited and Isetan (S) Ltd in Singapore as an Internal Auditor from 1998 to 2000 and 2000 to 2005, respectively. He came back to Malaysia in April 2005 and joined Pusat Optik S2 as the Assistant General Manager. He left Pusat Optik S2 in March 2007 to join City Link Express (M) Sdn Bhd as a Regional Manager. Lee Boon Fatt holds a Diploma in Accounting from Thames Business School, Singapore and a Diploma in Business Studies from Institute Jati, Malaysia. Subsequently, he obtained his Bachelor Degree in Business from Upper Iowa University, United States of America in 2003 and Master of Business Administration from Charles Sturt University, Australia in 2005. He is currently responsible for our day-to-day business functions and leads a team of technicians across our Group's regional centres in headquarter and Southern office.

(iv) Kan Wai Tung

Kan Wai Tung, aged 34, is the Senior Account Manager in the Advertising Sales Department of our Group. He has over ten (10) years of experience in the media and publishing industry with his employment with GIPH Media Pte Ltd, I-Vision Media Sdn Bhd and Knowledge Media (M) Sdn Bhd from 2002 to February 2009. Prior to that, he was the Account Manager at M1 Publishing Sdn Bhd and Sales Manager at Panpac Lifestyle Magazines (M) Sdn Bhd from 1998 to February 2002. He obtained a Bachelor Degree in Administration (Honours) from Middlesex University, United Kingdom. He is currently responsible for sale and business development of our Group.

10.3.2 Key management and key technical personnel's shareholdings in our Company

The shareholdings of our key management and key technical personnel in our Company before and after our IPO are as follows:

Name	Designation	Nationality	Before our IPO				After our IPO			
			Direct		Indirect		Direct		Indirect	
			No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Por Yew Guan	Business Development Director	Malaysian	-	-	-	-	-	-	-	-
Liong Wei Lin	Finance and Administration Manager	Malaysian	-	-	-	-	-	-	-	-
Lee Boon Fatt	Operations Manager	Malaysian	-	-	-	-	-	-	-	-
Kan Wai Tung	Senior Account Manager	Malaysian	-	-	-	-	-	-	-	-

10. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (*Cont'd*)

10.3.3 Other principal directorships and principal business activities

As at LPD, save as disclosed below, none of the key management and key technical personnel's holding directorship or are involve in any principal business activities outside our Group.

Name	Company	Principal activity	Position
Por Yew Guan	<i>Present:</i> Cybertowers Berhad	Provision of vehicle tracking services	Independent Non-Executive Director
Liong Wei Lin	-	-	-
Lee Boon Fatt	<i>Present:</i> TS Asia Pacific Rubber (M) Sdn Bhd S Two Optical Centre	Import and export of rubber Provision of optical related services	Shareholder Partner
Kan Wai Tung	-	-	-

Our key management and key technical personnel are of the view that their directorship and involvement in other business activities outside our Group do not affect their contribution to our Group.

10.3.4 Management succession planning

We recognise the need to ensure continuity in our management in order to maintain our competitive edge over our competitors. We believe that the continued success of our Group depends, among other factors, on the support and dedication of our management personnel. Our Group has put in place human resource strategies, which include competitive compensation, fit-for-purpose recruitment and succession plan.

We are aware that the loss of any of our key personnel could materially and adversely affect our Group. In view thereof, our Group has made efforts to motivate and retain our staff through performance-based incentives, and to enhance their skills and competencies by providing training.

To this end, we engage our employees for continuous training to enable them to acquire and enhance relevant skills and competencies in line with our business objectives and also as part of our employees' career advancement programme. On-the-job training is another significant approach of transferring knowledge from specialists to new or junior employees. Hence, the investment in human capital increases the competency of our existing employees. In addition, these development activities serve to groom the lower and middle management staff to progressively assume the responsibilities of senior management.

Further, our Group's middle management team is constantly exposed to various aspects of our Group's business activities in order to ensure that they have a full understanding of our Group's businesses to be adequately equipped with the knowledge necessary for them to assume the senior management position.

Notwithstanding the above, our Group has also set up operation manuals to ensure the technical know-how of the entire process is fully documented. The operation manual will serve as a reference guide for new recruits.

Where necessary, we will recruit capable and professional staff as part of our management team. Please refer to Section 10.3.1 of this Prospectus on the profiles and working experience of our key management and key technical personnel.

10. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL *(Cont'd)*

10.4 Declarations from our Promoters, Directors, key management and key technical personnel

As at the LPD, none of our Promoters, Directors, key management and key technical personnel is or has been involved in any of the following events (whether in or outside Malaysia):

- (i) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) any judgment was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (v) the subject of any order, judgment or ruling of any court, government or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

10.5 Family relationships and associations

Save as disclosed below, as at the LPD, there are no family relationships and/or associations between/amongst our Promoters, substantial shareholders, Directors, key management and key technical personnel:

FIRST PARTY		RELATIONSHIP TO SECOND PARTY	SECOND PARTY	
Individual	Position		Individual	Position
Dato' Wong Shee Kai	Executive Director and Chief Executive Officer	Son	Teh Sew Wan	Non-Independent Non-Executive Director
Teh Sew Wan	Non-Independent Non-Executive Director	Mother	Dato' Wong Shee Kai	Executive Director and Chief Executive Officer

10.6 Service agreements

As at LPD, there are no existing or proposed service agreements between our Directors, key management and key technical personnel with our Group.

10.7 Other matters

No amount has been paid or benefits given within the two (2) years preceding the date of this Prospectus, nor is it intended to be so paid or given, to our Promoters, Directors and substantial shareholders except for the remuneration, fees and material benefits-in-kind paid and payable to our Directors as set out in Section 10.2.5 of this Prospectus.

10. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL (Cont'd)
10.8 Employees

The number of permanent employees of our Group as at 31 December 2007, 31 December 2008, 31 December 2009 and 30 June 2010 are as follows:

Category of employees	As at 31 December			As at 30 June 2010
	2007	2008	2009	
Executive Directors	2	2	2	2
Managerial	2	5	4	4
Sales and marketing	3	5	3	3
Technical personnel	2	2	3	4
Clerical and administrative	4	8	11	14
Total	13	22	23	27

As at the LPD, our Group employs a total workforce of 46 employees, of which 30 are permanent employees and 16 employees are on contractual basis.

(i) Permanent employees

As at the LPD, the permanent employee structure of our Group and the length of our employees' service with our Group are as follows:

Category of employees	Total employees	Length of service (years)	
		< 3 years	> 3 years
Executive Directors	2	1	1
Managerial	7	7	-
Sales and marketing	3	3	-
Technical personnel	6	6	-
Clerical and administrative	12	11	1
Total	30	28	2

(ii) Contractual employees

As at the LPD, our Group has 16 employees that are on a contractual basis and they are involved in the technical work such as installation of hardware and maintenance of our network system including checking, repairing and cleaning the hardware.

None of our employees belongs to any union nor have there been any major industrial disputes in the past.

Our Group recognises the importance of human resource as a central element of any successful organisation and aims to build an experienced, capable and dynamic team. As part of our Group's general human resource planning, members of our staff are required to attend in-house and external training programmes aimed at improving efficiency, skills and technical knowledge as well as product safety handling procedures.

For employees who are supervisors and above, external training are provided annually at various recognised training centres to develop their skills and knowledge. Such training cover courses on technical updates, current best practices, continuous improvement, people management, team-building and personal development.

11. APPROVALS AND CONDITIONS

11.1 Approvals from the relevant authorities

Our Listing is an exempt transaction under Section 213 of the CMSA and is therefore not subject to the approval of the SC.

The approval of the SC (Equity Compliance Unit) for the resultant equity structure of our Group was obtained on 30 July 2010.

The approval of Bursa Securities for our admission to the Official List of the ACE Market and the listing of and quotation of our entire issued and paid-up share capital on the ACE Market was obtained on 30 November 2010.

11.2 Conditions to the approvals and compliance thereof

The approvals from the SC (Equity Compliance Unit) and Bursa Securities were subject to, inter-alia, the following conditions:

- (i) the SC (Equity Compliance Unit)

Conditions imposed	Status of compliance
Asia Media is required to allocate 12.5% of its enlarged issued and paid-up share capital to the public Bumiputera investors recognised by Ministry of International Trade and Industry within one (1) year after achieving the profit record required for a listing on the Main Market of Bursa Securities, or five (5) years after being listed on the ACE Market of Bursa Securities, whichever is earlier; and	To be complied.
Asia Media is required to submit a proposal on how to comply with the Bumiputera equity condition imposed on the Company, within six (6) months from the triggering date for compliance.	To be complied.

- (ii) Bursa Securities

Conditions imposed	Status of compliance
Submission of the following information in respect to the moratorium on the shareholdings of Promoters to the Bursa Depository:	To be complied.
(i) Name of shareholders; (ii) Number of shares; and (iii) Date of expiry of the moratorium for each block of shares.	
Approvals from other relevant authorities have been obtained for implementation of the listing proposal;	Complied.
Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Notes 18 of the Listing Requirements;	To be complied.

11. APPROVALS AND CONDITIONS (Cont'd)

Conditions imposed	Status of compliance
<p>Furnish the Bursa Securities a copy of the schedule of distribution showing compliance to the share spread requirements based on the entire issued and paid-up share capital of AMGB on the first day of listing; and</p> <p>Any directors of the Company that have not attended the Mandatory Accreditation Programme, must do so prior to listing of the Company.</p>	<p>To be complied.</p> <p>Bursa Securities has on 3 December 2010 granted an approval for the extension of time of three (3) months from the date of our Listing to comply with this condition.</p>

11.3 Approval, major licenses and permit obtained**(i) MSC Malaysia Status**

AMSB has been accorded with the MSC Malaysia Status on 10 October 2007. The MSC Malaysia Status granted shall not be transferable in anyway whatsoever without the written consent of MDeC. In consideration of MDeC granting the MSC Malaysia Status to us, we have complied/will be complying with the following conditions:

Details of salient conditions imposed	Status of compliance
To complete business registration of the proposed entity as a locally incorporated company under the Act within one (1) month from the date of approval.	Complied. AMSB was incorporated on 3 April 2006.
To commence operation within six (6) months from the date of approval.	Complied. AMSB commenced business in October 2007.
To undertake the following activities ("MSC Malaysia Qualifying Activities") specified in the Company's Business Plan within six (6) months:	Complied and commercialised AMTV Transit Network System.
<p>(i) Research, development and commercialisation of:</p> <ul style="list-style-type: none"> • Narrowcasting network Solutions; and • Dynamic and Automation Contents <p>(ii) Provision of integration, maintenance and support services relating to the above products.</p>	

11. APPROVALS AND CONDITIONS (Cont'd)

Details of salient conditions imposed	Status of compliance
Any changes proposed to the above MSC Malaysia Qualifying Activities as detailed in the business plan must receive the prior written consent of MDeC.	As at the LPD, there are no changes to the MSC Malaysia Qualifying Activities as detailed in our business plan submitted to MDeC. We will ensure prior written consent of MDeC is obtained if there is any changes to the MSC Malaysia Qualifying Activities as detailed in our business plan submitted to MDeC.
To locate the implementation and operation of the MSC Malaysia Qualifying Activities in a designated zone in Cybercity with minimum office space of 3,000 sq ft, within six (6) months from the date of the approval.	We have on 30 April 2010 received the approval from MDeC to locate the implementation and operation of the MSC Malaysia Qualifying Activities in a designated zone in Cybercity with an office space of less than 3,000 sq ft. As at the LPD, we have located the implementation and operation of the MSC Malaysia Qualifying Activities in a designated zone in Cybercity.
To seek MDeC's prior written approval in the event of any changes in the location or address of the Company.	We will seek MDeC's prior written approval in the event of any changes in our location or address.
To ensure that all times at least 15% of the total number of employees (excluding support staff) shall be "knowledge workers**".	Complied. As at the LPD, approximately 26.7% of our employees (excluding support staff) are "knowledge workers". We will also ensure continuous compliance with this condition.
To ensure that knowledge workers shall be employed solely for undertaking the MSC Malaysia Qualifying Activities.	Complied. All our knowledge workers are employed solely for undertaking the MSC Qualifying Activities and we will ensure continuous compliance with this condition.
To note that the employment of foreign knowledge workers (if any) shall be the sole responsibility of AMSB and MDeC shall not be held responsible for any liability arising from such employment.	Noted.
To ensure that any products produced pursuant to the MSC Malaysia Qualifying Activities are original, and that no part or portion of such product is an infringement or violation of any intellectual property or any propriety rights of any third party, or constitutes a misappropriation of know-how belonging to any third party.	Complied. All of our MSC Malaysia Qualifying Activities are original and no part or portion of our products are an infringement or violation of any intellectual property or any propriety rights of any third party, or constitutes a misappropriation of know-how belonging to any third party.

11. APPROVALS AND CONDITIONS (Cont'd)

Details of salient conditions imposed	Status of compliance
To submit to MDeC a copy of the company's annual report and audited statements in parallel with the submission to Companies Commission of Malaysia.	We have been submitting our annual audited statements to MDeC in parallel with the submission to Companies Commission of Malaysia. We will ensure continuous compliance with this condition.
To ensure that all information and/or documents furnished by us to the MDeC or any other authority or agency do not contain any false, untrue or inaccurate statements or omit to state any facts, the omission of which would make any statements made therein in the light of the circumstances under which they are made, misleading.	Noted. We will ensure compliance with this condition.
To inform and obtain the prior approval of MDeC for any proposed change in the name in the company.	Complied. AMSB has not changed its name subsequent to obtaining its MSC Malaysia Status.
To inform MDeC of any change in the equity structure or shareholding structure of the company, or such other changes that may affect the direction or operation of the company. MDeC must be informed of any change before steps are taken to effect such change.	Noted. We have informed MDeC of the change of AMSB's shareholding structure on 20 May 2010.
To comply with all such statutory, regulatory and/or licensing requirements as may be applicable, including but not limited to the Transfer Pricing Guidelines issued by the Inland Revenue Board of Malaysia on 2 July 2003, and such other amendments as may be applicable from time to time.	We have been complying with all such statutory, regulatory and/or licensing requirements as may be applicable, including but not limited to the Transfer Pricing Guidelines issued by the Inland Revenue Board of Malaysia on 2 July 2003, and such other amendments as may be applicable from time to time. We will ensure continuous compliance with this condition.

Note:

* Based on the definition of MDeC, "knowledge workers" are employees who are directly involved in technical development and deployment of products and services. "Knowledge workers" normally include multimedia designers, technical and operation team.

(ii) ASP Class License

AMSB has obtained the ASP Class License on 21 August 2009 issued by the MCMC which is renewable annually to conduct any one or all the application services as stipulated under the Sections 44, 126 and 127 of the Communications and Multimedia Act 1998 such as audiotex hosting services provided on an opt-in basis, directory services, internet access services, messaging services, private payphones services, telegram services or such other applications services which are not exempt or subject to an individual license. The ASP Class License is necessary and a pre-requisite for our Group to provide the programme sponsorship which involves the participant of audiences via mobile phone.

In consideration of MCMC granting the ASP Class License to our Group, we have complied/will be complying with the following conditions:

11. APPROVALS AND CONDITIONS (Cont'd)

Details of salient condition imposed	Status of compliance
To provide only services relating to short code messages services provided to the public via an external service provider who hosts the mobile application server.	We will ensure compliance with this condition.

(iii) CASP Individual License

AMSB has obtained the CASP Individual License on 21 March 2010 by MCMC to conduct the following:

- (a) Subscription broadcasting;
- (b) Terrestrial radio broadcasting; and
- (c) Non-subscription based TV broadcasting

The CASP Individual License is necessary and a prerequisite for our Group to roll out the DTTB in the future. The CASP Individual License is valid for tenure of ten (10) years from 21 March 2010 to 20 March 2020.

In consideration of MCMC granting the CASP Individual License to our Group, we have complied/will be complying with the following conditions:

Details of salient conditions imposed	Status of compliance
The licensee shall be a company that is incorporated in Malaysia.	Complied. AMSB was incorporated in Malaysia.
The licensee shall notify the Minister of any changes in the substantial shareholdings of the company as defined under the Act.	AMSB has vide its letter dated 25 May 2010 informed the Ministry on the changes of its substantial shareholdings.
The licensee shall notify the Minister of any joint ventures or consortiums which it enters into with other licensees after the grant of the license.	We will ensure compliance with this condition.
In the event the Licensee wishes to provide any content applications services other than: <ul style="list-style-type: none"> (a) Subscription Broadcasting; (b) Terrestrial Radio Broadcasting; and (c) Non Subscription based TV broadcasting. 	We will ensure compliance with this condition.
The licensee shall obtain the prior written approval of the Minister before commencing any such service.	
The licensee shall notify the Minister, in writing, of any restructuring or rationalization of the licensee's corporate structure.	AMSB has vide its letter dated 25 May 2010 notified the Ministry on the restructuring and rationalisation of its corporate structure.

11. APPROVALS AND CONDITIONS (Cont'd)

Details of salient conditions imposed	Status of compliance
Foreign shareholding, if any, in the Licensee shall not be more than 30%.	Complied. AMSB is our wholly-owned subsidiary and does not have any foreign shareholdings. In addition, we will ensure continuous compliance with this condition.
The licensee shall ensure that the Bumiputera equity in the licensee is not less than 30% for so long as the licensee remains a private company or a public company as defined under the Act and is not listed on Bursa Securities.	To be complied.
The licensee shall have one (1) year from the date of this license to ensure compliance with the above condition.	
The licensee shall submit two (2) progress reports annually to the MCMC outlining the steps taken to implement the detailed business plan. These reports shall be submitted to the MCMC not later than 31 July of each year for the reporting period January to June and 31 January for the reporting period July to December respectively.	We will ensure compliance with this condition.

(iv) NSP Individual License

AMSB has obtained the NSP Individual License on 21 March 2010 by the MCMC to own or provide any network services.

The NSP Individual License is necessary and a prerequisite for our Group to roll out the DTTB in the future. The NSP Individual License is valid for tenure of ten (10) years from 21 March 2010 to 20 March 2020.

In consideration of MCMC granting the NSP Individual License to our Group, we have complied/will be complying with the following conditions:

Details of salient conditions imposed	Status of compliance
The licensee shall be a company that is incorporated in Malaysia.	Complied. AMSB was incorporated in Malaysia.
The licensee shall notify the Minister of any changes in the substantial shareholdings of the company as defined under the Act.	AMSB has vide its letter dated 25 May 2010 informed the Ministry on the changes of its substantial shareholdings.
The licensee shall notify the Minister of any joint ventures or consortiums which it enters into with another licensees after the grant of the license.	We will ensure compliance with this condition.

11. APPROVALS AND CONDITIONS (Cont'd)

Details of salient conditions imposed			Status of compliance	
The licensee shall notify the Minister, in writing, of any restructuring or rationalization of the licensee's corporate structure.			AMSB has vide its letter dated 25 May 2010 notified the Ministry on the restructuring and rationalisation of its corporate structure.	
Foreign shareholding, if any, in the licensee shall be progressively reduced to 49% or less within five (5) years from the date of the license.			Complied. AMSB is our wholly-owned subsidiary and does not have any foreign shareholdings. In addition, we will ensure continuous compliance with this condition.	
The licensee shall ensure that the Bumiputera equity in the licensee is not less than 30% for so long as the licensee remains a private company or a public company as defined under the Act and is not listed on Bursa Securities.			To be complied.	
The licensee shall have one (1) year from the date of this license to ensure compliance with the above condition.				
The licensee shall comply with the following commitments, unless modified with the approval of the MCMC.			AMSB has on 29 November 2010 sought an extension of time for one (1) year as stated below from the MCMC to comply with the commitments:	
Year	Coverage area	Remarks	As approved (year)	Extension sought (year)
2010	Klang Valley - include Kuala Lumpur City Center, Petaling Jaya, Shah Alam, Klang, Cyberjaya and Putrajaya.	To cover all major bus, LRT and train routes.	2010	2011
2011	Klang Valley (gap fillers to improved outdoor coverage) and Johor Bahru-metropolitan.	To cover all major bus routes.	2011	2012
2012	Klang Valley and Johor Bahru (gap filler/indoor repeater to improve mobile handset receptions); and integration with mobile communication networks.	To provide coverage to all moving vehicles inclusive of mobile portable devices.	2012	2013
2013 to 2014	Extension of 2 nd tier cities such as Penang, Melaka, Seremban, Kuantan and Kota Bahru.	To provide coverage to all moving vehicles inclusive of mobile portable devices.	2013 to 2014	2014 to 2015
			As at the LPD, the approval from the MCMC for the above is still pending.	

11. APPROVALS AND CONDITIONS (Cont'd)

Details of salient conditions imposed	Status of compliance
The licensee shall submit two (2) progress reports annually to the MCMC outlining the steps taken to implement the detailed business plan. These reports shall be submitted to the MCMC not later than 31 July of each year for the reporting period January to June and 31 January for the reporting period July to December respectively.	We will ensure compliance with this condition.

(v) NFP Individual License

AMSB has obtained the NFP Individual License on 21 March 2010 by the MCMC to own or provide any network facilities.

The NFP Individual License is necessary and a prerequisite for our Group to roll out the DTTB in the future. The NFP Individual License is valid for tenure of ten (10) years from 21 March 2010 to 20 March 2020.

In consideration of MCMC granting the NFP Individual License to our Group, we have complied/will be complying with the following conditions:

Details of salient conditions imposed	Status of compliance
The licensee shall be a company that is incorporated in Malaysia.	Complied. AMSB was incorporated in Malaysia.
The licensee shall notify the Minister of any changes in the substantial shareholdings of the company as defined under the Act.	AMSB has vide its letter dated 25 May 2010 informed the Ministry on the changes of its substantial shareholdings.
The licensee shall notify the Minister of any joint ventures or consortiums which it enters into with another licensee after the grant of the license.	We will ensure compliance with this condition.
In the event the licensee wishes to provide any network facilities other than: (a) Earth station; (b) Fixed links and cables; (c) Radio communications transmitters and links; (d) Satellite hubs; and (e) Towers, poles, ducts and pits used in conjunction with other network facilities,	We will ensure compliance with this condition.
The licensee shall obtain the prior written approval of the Minister before commencing any such facilities.	
The licensee shall notify the Minister, in writing, of any restructuring or rationalisation of the licensee's corporate structure.	AMSB has vide its letter dated 25 May 2010 on the restructuring and rationalisation of its corporate structure.

11. APPROVALS AND CONDITIONS (Cont'd)

Details of salient conditions imposed	Status of compliance
Foreign shareholding, if any, in the licensee shall not be more than 30%.	Complied. AMSB is our wholly owned subsidiary and does not have any foreign shareholdings. In addition, we will ensure compliance with this condition.
The licensee shall ensure that the Bumiputera equity in the licensee is not less than 30% for so long as the licensee remains a private company or a public company as defined under the Act and is not listed on Bursa Securities.	To be complied.
The licensee shall have one (1) year from the date of this license to ensure compliance with the above condition.	
The licensee shall submit two (2) progress reports annually to the MCMC outlining the steps taken to implement the detailed business plan. These reports shall be submitted to the MCMC not later than 31 July of each year for the reporting period January to June and 31 January for the reporting period July to December respectively.	We will ensure compliance with this condition.

(vi) Approval for the utilisation of the frequency band of 1,452 megahertz to 1,492 megahertz for digital multimedia services in Malaysia.

AMSB has obtained the approval from MCMC on 31 May 2010 to provide our broadcasting services through three (3) digital multimedia services' channels within the frequency bands of 1,452 megahertz to 1,492 megahertz in Peninsular Malaysia.

The approval is valid for a period of one (1) year from 31 May 2010 to 20 May 2011.

In consideration of MCMC granting the approval to our Group, we have complied/will be complying with the following conditions:

Details of salient conditions imposed	Status of compliance
The intent of technology deployment chosen shall not in any case jeopardise the harmonious usage of other assignments within the standard radio system plan 520 digital multimedia service.	We will ensure compliance with this condition.
The assignment holder shall comply with the commitment set out in the detailed business plan submitted to MCMC on 26 March 2010, unless modified with the approval of the commission.	We will ensure compliance with this condition.
The NFP Individual License holder shall submit a half yearly report to MCMC outlining the steps to implement the detailed business plan as at 30 June and 31 December of each year. The report shall be submitted to MCMC not later than 31 July and 31 January of each year for the period from January to June and from July to December, respectively.	We will ensure compliance with this condition.

II. APPROVALS AND CONDITIONS (Cont'd)

Details of salient conditions imposed	Status of compliance
The grant of the Apparatus Assignment ("AA") in the channel allocated shall not be construed as conferring the assignment holder the continued right to use the channel allocated once the AA expires.	We will ensure compliance with this condition.
The assignment holder shall indemnify MCMC against any action, claim or demand for loss or damage arising out of the usage of the apparatus by AMSB.	We will ensure compliance with this condition.

(vii) Film production and distribution license

AMSB had obtained the film production and distribution license on 13 November 2009 and 12 March 2010 respectively by National Film Development Corporation Malaysia ("Finas") to produce and distribute film. The film production and distribution license is renewable annually.

In consideration of Finas granting the film production and distribution license to our Group, we complied/will be complying with the following condition:

Details of salient condition imposed	Status of compliance
To produce and distribute film at the following premises: No.35-I Jalan Bandar 16 Pusat Bandar Puchong 47100 Puchong Selangor Darul Ehsan	We will ensure compliance with this condition.

(viii) Registration as a contractor

We were acknowledged by the Ministry of Finance on our registration as a contractor on 18 June 2010 for providing the following activities:

- (a) Electronic media (excluding printing activities); and
- (b) Billboard

The registration is renewable every three (3) years.

(ix) Printing and publishing permit

AMSB has obtained the printing and publishing permit on 16 December 2009 by the Ministry of Home Affairs to print and publish monthly Bus TV Programme Guide in English. The programme guide contains information on the upcoming movies to be aired in the long journey bus and it serves as a guide for long journey bus passengers. The printing and publishing permit is renewable annually.

11. APPROVALS AND CONDITIONS (Cont'd)**11.4 Moratorium on sale of our Shares**

In accordance with Rule 3.19 of the ACE Market Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Promoters as follow:

- (i) The moratorium applies to the entire shareholdings of our Promoters for a period of six (6) months from the date of admission of our Company to the ACE Market of Bursa Securities;
- (ii) Upon the expiry of the six (6) months period stated above, our Promoters' shareholdings amounting to at least 45% of our nominal issued and paid-up share capital remain under moratorium for another period of six (6) months; and
- (iii) Thereafter, our Promoters may sell, transfer or assign up to a maximum of 1/3rd per annum (on a straight-line basis) of the shares held under moratorium.

Details of our Promoters, who will be subjected to moratorium, are set out below:

Promoters	Shareholdings after our IPO		Shareholdings under moratorium ⁽¹⁾		Subsequent shareholdings under moratorium ⁽²⁾	
	No. of Shares ('000)	% of enlarged issued and paid-up share capital	No. of Shares ('000)	% of enlarged issued and paid-up share capital	No. of Shares ('000)	% of enlarged issued and paid-up share capital
WHSB ⁽³⁾	104,000	45.61	104,000	45.61	102,600	45.00
Total	104,000	45.61	104,000	45.61	102,600	45.00

Notes.

(1) Moratorium of the entire shareholdings of our Promoters for a period of six (6) months from the date of admission of our Company to the ACE Market of Bursa Securities.

(2) After the expiry of the six (6) months period stated in note (1) above, our Promoters' shareholdings amounting to at least 45% of our nominal issued and paid-up share capital shall remain under moratorium for another period of six (6) months.

(3) Our Directors, Dato' Wong Shee Kai and Teh Sew Wan, are the shareholders and Directors of WHSB

The moratorium, which has been fully accepted by our Promoters, is specifically endorsed on the share certificate representing our Promoters' shareholdings which are under moratorium to ensure that our Company's share registrar does not register any transfer not in compliance with the restrictions imposed by Bursa Securities.

The endorsement which will be affixed on these share certificates are as follows:

"The shares comprised herein are not capable of being sold, transferred or assigned for a period as determined by Bursa Securities ("Moratorium Period"). Accordingly, the shares comprised herein will not constitute good delivery pursuant to the Rules of Bursa Securities during the Moratorium Period. No share certificate or certificates will be issued to replace this certificate during the Moratorium Period unless the same shall be endorsed with this restriction."

In addition, Dato' Wong Shee Kai and Teh Sew Wan, collectively shareholders of WHSB have given their respective undertakings that they will comply with Rule 3.19 of the ACE Market Listing Requirements pursuant to the moratorium conditions.

12. CONFLICT OF INTERESTS AND RELATED PARTY TRANSACTIONS

12.1 Interests in similar business

As at LPD, none of our Directors or substantial shareholders has any interest, whether direct or indirect, in any businesses or corporations which are (i) carrying on a similar trade as our Group; and (ii) customers of and/or suppliers of our Group.

12.2 Related party transactions

As at the LPD, our Group has not entered into or are involved in any other material on-going or proposed related party transactions (including recurrent related party transactions) that involve the interests, direct or indirect, of our Directors, substantial shareholders and/or person connected with them (as defined in the Listing Requirements).

However, our wholly-owned subsidiary, AMSB has entered/involved in the following related party transactions:

Transacting parties	Nature of relationship	Description of transaction	Tenure	Value transacted
Cybertowers Berhad ("Cybertowers")	Dato' Wong Shee Kai is also a director of Cybertowers	Consultation on public transport fleet management solutions	January 2007 to March 2009	RM5,000 per month
Cybertowers	Dato' Wong Shee Kai is also a director of Cybertowers	Telecommunication expenses	FYE 2008	RM5,528
Cybertowers	Dato' Wong Shee Kai is also a director of Cybertowers	Telecommunication expenses	FYE 2009	RM6,500
Peakmax Sdn Bhd	Dato' Wong Shee Kai and Teh Sew Wan are also directors of Peakmax Sdn Bhd	Rental for the 1 st and 2 nd floors of a four (4) storey office building	1 May 2010 to 30 April 2012	RM1,600 per month

12.3 Monitoring and oversight of conflict of interests and related party transactions

Our Audit Committee will review any related party transactions and conflict of interests that may arise within our Group. Our Audit Committee will periodically review the procedures set by our Company to monitor related party transactions to ensure that these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to the third parties dealing at arm's length and are not detrimental of our Company's minority shareholders. All reviews of our Audit Committee will be reported to our Board for its further action.

We will, after our Listing, procure a mandate from our shareholders, if necessary, for all our recurrent related party transactions of revenue or trading in nature or those necessary for our day-to-day operations. Further, the interested persons shall abstain from voting on the resolution(s) pertaining to the respective transactions. Furthermore, we will make disclosures in our annual report of the aggregate value of the recurrent related party transactions entered into by us conducted based on the nature of transactions made, names of the related parties involved and their relationship with our Group during the financial year and in the annual reports for the subsequent financial years.

12. CONFLICT OF INTERESTS AND RELATED PARTY TRANSACTIONS (Cont'd)**12.4 Transactions that are unusual in nature or condition**

Our Group has not entered into any transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which our Company or our subsidiary was a party in the 3-month FPE 2007, FYE 2008, FYE 2009 and 6-month ended 30 June 2010.

12.5 Outstanding loans made to or for the benefit of related parties

There are no outstanding loans (including guarantees of any kind), made by us, or any of our parent or subsidiary to or for the benefit of related parties during the 3-month FPE 2007, FYE 2008, FYE 2009 and 6-month period ended 30 June 2010 and the subsequent financial period thereof, immediately preceding the date of this Prospectus.

12.6 Promotion of material assets acquired

Save for the Acquisition which details are summarised below, none of our Directors or substantial shareholders has any interest, direct or indirect, in the promotion of, or in any material assets acquired or proposed to be acquired or disposed or proposed to be disposed or leased to or proposed to be leased to our Group within 3-month FPE 2007, FYE 2008, FYE 2009 and 4-month period ended 30 June 2010 up to the LPD.

Vendors	Direct		Indirect		Purchase consideration (RM)	Direct		Indirect	
	No. of AMSB ordinary shares of RM0.10 each	%	No. of AMSB ordinary shares of RM0.10 each	%		No. of Shares	%	No. of Shares	%
Dato' Wong Shee Kai	-	-	40,000,000 ⁽¹⁾	80.00	10,399,998	-	-	103,999,980 ⁽¹⁾	80.00
Teh Sew Wan	-	-	40,000,000 ⁽²⁾	80.00	10,399,998	-	-	103,999,980 ⁽²⁾	80.00

Notes:

(1) Deemed interested by virtue of his and his mother's interests in WHSB pursuant to Section 122A of the Act.

(2) Deemed interested by virtue of her and her son's interests in WHSB pursuant to Section 122A of the Act.

12.7 Declaration by advisers

- (i) PM Securities confirms that there is no existing or potential conflict of interest in its capacity as Principal Adviser, Sponsor, Underwriter and Placement Agent for the IPO.
- (ii) Messrs Tan Chin Huat & Co. confirms that there is no conflict of interest in respect of its role as the Reporting Accountants for the IPO.
- (iii) Messrs Lee, Perara & Tan confirms that there is no conflict of interest in respect of its role as the Due Diligence Solicitors for the IPO.
- (iv) Frost & Sullivan Malaysia Sdn Bhd confirms that there is no conflict of interest in respect of its role as the IMR for the IPO.

13. FINANCIAL INFORMATION

13.1 Historical financial information

The following section set out the summary of our Group's proforma financial statements. The proforma consolidated financial information of our Company for the 3-month FPE 2007, FYE 2008, FYE 2009 and 6-month period ended 30 June 2010 are prepared based on the audited consolidated financial statements of our Company. The proforma consolidated financial information as contained herein are presented for illustrative purposes to show the aggregate results of our Group and on the assumption that our Group's current structure has been in existence throughout the financial years/period under review.

13.1.1 Proforma consolidated statements of comprehensive income

You should read the summary of our proforma consolidated financial information which have been presented below together with the management's discussion and analysis of financial conditions and results of operations and the Reporting Accountants' letter on our proforma consolidated financial information as set out in Sections 13.2 and 13.9 of this Prospectus respectively.

	3-month			6-month period ended	
	FPE 2007	FYE 2008	FYE 2009	30 June	
	RM'000	RM'000	RM'000	2009 ⁽¹⁾	2010
				RM'000	RM'000
Revenue	3,501	6,533	13,150	7,550	9,996
GP	1,793	3,830	6,883	2,783	5,119
EBITDA	969	2,187	4,234	1,272	4,222
Less: Amortisation	-	(5)	(5)	(3)	(3)
Finance cost	(145)	-	(70)	(13)	(46)
Depreciation	(144)	(816)	(830)	(415)	(718)
Add: Interest income	31	46	29	14	23
PBT	711	1,412	3,358	855	3,478
Taxation	(6)	-	-	-	(3)
PAT	705	1,412	3,358	855	3,475
Number of Shares in issue ('000) ⁽²⁾	130,000	130,000	130,000	130,000	130,000
Gross EPS (sen) ⁽³⁾	0.55	1.09	2.58	1.32 ⁽⁵⁾	5.35 ⁽⁵⁾
Net EPS (sen) ⁽⁴⁾	0.54	1.09	2.58	1.32 ⁽⁵⁾	5.35 ⁽⁵⁾
GP margin (%)	51.19	58.63	52.34	36.86	51.22
PBT margin (%)	20.31	21.61	25.54	11.33	34.79
PAT margin (%)	20.14	21.61	25.54	11.33	34.76

Notes:

- (1) Unaudited and for comparison purpose only.
- (2) Number of existing Shares in issue after the Acquisition but before the Public Issue.
- (3) Calculated based on PBT of our Group for the respective years/periods divided by the number of Shares had our Group been in existence.
- (4) Calculated based on PAT of our Group for the respective years/periods divided by the number of Shares had our Group been in existence.
- (5) Based on annualised PBT and PAT.

13. FINANCIAL INFORMATION (Cont'd)

Our audited financial statements for the 3-month FPE 2007, FYE 2008, FYE 2009 and 6-month period ended 30 June 2010 are not subject to any audit qualifications. There were also no extraordinary items for all the financial years under review.

13.1.2 Proforma consolidated statements of financial position

Our proforma consolidated statements of financial position have been prepared for illustrative purpose only based on our audited consolidated statements of financial position as at 30 June 2010 and have been prepared on the assumption that the IPO had been effected on 30 June 2010.

We advise you to read the proforma consolidated statements of financial position presented below together with the notes included in the Reporting Accountants' letter on proforma consolidated financial information as set out in Section 13.9 of this Prospectus.

	Audited as at 30 June 2010 RM	(i) After Public Issue RM	(ii) After (i) and utilisation of proceeds RM
Assets			
Non- current assets			
Property, plant and equipment	13,544,284	13,544,284	29,544,284
Development costs	13,523	13,523	13,523
Intangible assets ⁽¹⁾	2,211,950	2,211,950	2,211,950
Goodwill on consolidation	2,570,627	2,570,627	2,570,627
Total non-current assets	18,340,384	18,340,384	34,340,384
Current assets			
Trade receivables	194,049	194,049	194,049
Other receivables and prepaid expenses	34,976	34,976	34,976
Deferred expenditure	131,100	131,100	-
Deposits with financial institutions	662,376	662,376	662,376
Cash and bank balances	1,523,461	24,063,461	6,654,561
Total current assets	2,545,962	25,085,962	7,545,962
Total assets	20,886,346	43,426,346	41,886,346
Equity and liabilities			
Capital and reserves			
Share capital	13,000,000	22,800,000	22,800,000
Share premium	-	12,740,000	11,200,000
Retained earnings	6,017,612	6,017,612	6,017,612
Shareholders' equity	19,017,612	41,557,612	40,017,612
Non-current liability			
Term loan	1,234,496	1,234,496	1,234,496
Total non-current liability	1,234,496	1,234,496	1,234,496
Current liabilities			
Trade payables	130,000	130,000	130,000
Other payables and accrued expenses	30,841	30,841	30,841
Amount owing to directors	75,755	75,755	75,755
Term loan	394,944	394,944	394,944
Tax liability	2,698	2,698	2,698
Total current liabilities	634,238	634,238	634,238
Total liabilities	1,868,734	1,868,734	1,868,734
Total equity and liabilities	20,886,346	43,426,346	41,886,346

13. FINANCIAL INFORMATION (Cont'd)

Note:

(1) The intangible assets consist of the following:

	(RM)
• Application and licensing fees for the CASP Individual License, NFP Individual License and NSP Individual License	180,000
• Incidental costs, which include feasibility studies, technical consultation and preparation of applications for the CASP Individual License, NFP Individual License and NSP Individual License	2,031,000
• Trade mark registration fee	950
Total	<u>2,211,950</u>

13.1.3 Proforma consolidated cash flow statements

Our proforma consolidated cash flow statements for the 6-month period ended 30 June 2010 as set out below have been prepared for illustrative purposes only, after incorporating such adjustments necessary for the elimination of all inter-company transactions and balances and on the assumption that our Group's current structure had been in existence since 1 January 2010 and the IPO had been effected on 30 June 2010.

	RM
CASH FLOWS FROM OPERATING ACTIVITIES	
PBT	3,477,493
Adjustment for :	
Amortisation of development costs	2,705
Allowance for doubtful debts	64,969
Depreciation of property, plants and equipment	718,454
Finance cost	45,983
Gain on disposal of property, plant and equipment	(4,590)
Interest income	(22,537)
Operating profit before working capital changes	<u>4,282,477</u>
Changes in working capital:	
Decrease in receivables	239,755
Increase in payables	130,467
Decrease in amount owing to directors	(23,810)
Cash generated from operations	<u>4,628,889</u>
Interest received	22,537
Interest paid	(45,983)
Net cash from operating activities	<u>4,605,443</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(18,053,277) ⁽¹⁾
Additions in intangible assets	(2,211,950)
Net cash used in investing activities	<u>(20,265,227)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of shares, net of listing expenses	21,000,000
Repayment of term loan	(385,603)
Net cash from financing activities	<u>20,614,397</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,954,613
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	1,740,738
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>6,695,351</u>

13. FINANCIAL INFORMATION (Cont'd)

Cash and cash equivalents carried forward consist of:	
Deposits with financial institutions	662,376
Cash and bank balances	6,654,561
	<u>7,316,937</u>
Less: Fixed deposits pledged as security	<u>(621,586)</u>
	<u>6,695,351</u>

Note:

(1) For proforma purpose, it includes the amount spent for the purchase of property, plant and equipment of RM2.05 million and amount to be spent on DTTB of RM16.00 million.

13.2 Management's discussion and analysis of financial condition and results of operations

Investors should read the following discussion and analysis of our financial condition and results of operations in conjunction with the proforma consolidated financial information and the related notes thereon for the 3-month FPE 2007, FYE 2008, FYE 2009 and 6-month period ended 30 June 2010 as set out in Section 13.9 of this Prospectus.

This discussion and analysis contains data derived from our audited financial statements as well as forward-looking statements that involve risks and uncertainties. The results may differ significantly from those projected in the forward-looking statements. Factors that may cause future results to differ significantly from those included in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly the risk factors as set out in Section 5 of this Prospectus.

13.2.1 Overview of operations**(i) Revenue**

As highlighted in Section 7.2.1 of this Prospectus, our Group currently provides the following services to our customers:

- (a) air-time sales;
- (b) programme sponsorship; and
- (c) creative and production works.

As such, we generate revenue from the above services in the following manner:

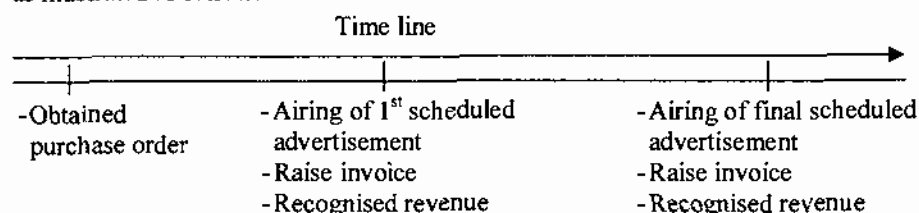
- (a) sales of advertising time in between programmes on our Transit-TV Network System;
- (b) sales of programme sponsorship to anchor advertisers which provide an opportunity for the anchor advertisers to leverage on our Transit-TV Network System to gain more publicity with a longer duration of commercial time. In addition, the anchor advertisers are able to participate in activities such as viewers' choice/voting and prize winning contest; and
- (c) sales of creative and production works, which provide a one-stop solution service to the advertisers for works such as creative design, video shooting, 2-dimension and 3-dimension animation with the assistance from external production houses from time to time. As such, a major portion of the revenue received from the sales of creative and production works will be paid to external production houses for their services.

13. FINANCIAL INFORMATION (Cont'd)

Our advertising customers normally subscribe to items (a) and (c) whilst the anchor advertisers subscribe to items (a), (b) and (c) as a package.

Our revenue is recorded net of any sales discounts from our official list prices that we may provide to our advertising customers. These discounts include volume discounts and other customer incentives offered to our advertising customers, including additional broadcast time for their advertisements if we have unused time available. Sales discounts are usually provided to our long term advertising customers or those who had huge purchases from us in order for us to maintain a good working relationship with these customers. Our advertising customers include advertisers that directly engage in advertisement placements with us and advertising agencies retained by some advertisers to place advertisement on their behalf.

We recognised revenue upon airing of the advertisement on our Transit-TV Network System based on the schedule agreed upon with our advertising customers as illustrated as follow:



We do not experience any material seasonality in our business, as our business operations are relatively stable throughout the year. However, we may experience a higher turnover towards the end of each calendar year due to a higher demand for our services during Christmas and school holidays which take place towards the end of the year.

The following table depicts the proforma revenue breakdown by subsidiary companies and segmented by products for the 3-month FPE 2007, FYE 2008, FYE 2009 and 6-month period ended 30 June 2010:

Proforma revenue by subsidiary companies:

	3-month						6-month period ended 30 June					
	FPE 2007		FYE 2008		FYE 2009		2009 ⁽¹⁾		2010			
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
AMSB	3,000	86	6,330	97	12,961	99	7,462	99	9,895	99		
TESB	501	14	203	3	189	1	88	1	101	1		
Total	3,501	100	6,533	100	13,150	100	7,550	100	9,996	100		

Note:

(1) Unaudited and for comparison purpose only.

13. FINANCIAL INFORMATION (Cont'd)

Proforma revenue by products and services:

	3-month				6-month period ended 30 June							
	FPE 2007		FYE 2008		FYE 2009		2009 ⁽¹⁾		2010			
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Air time	750	21	1,808	28	3,674	28	2,076	28	2,339	23		
Programme sponsorship	600	17	2,128	33	4,156	32	2,428	32	2,415	24		
Creative and production	2,151	62	2,597	39	5,320	40	3,046	40	5,242	53		
Total	3,501	100	6,533	100	13,150	100	7,550	100	9,996	100		

Note:

(1) Unaudited and for comparison purpose only.

Due to the strong growth rate in DOOH transit media industry between 2007 and 2008 of 128.60% and also 61.50% between 2008 and 2009, with a CAGR of 92.10% from 2007 to 2009, despite the global economic downturn in 2008, as disclosed in Section 9 of this Prospectus, our revenue has been growing on a year-to-year basis due to increasing interest in DOOH transit media from our existing and new customers during the periods under review. The consistent growth since our commencement of business in October 2007 was also due to additional new customers secured throughout the periods under review.

The contributions of proforma revenue from our existing and new advertising customers during the periods under review are as follows:

	3-month				6-month period ended 30 June							
	FPE 2007		FYE 2008		FYE 2009		2009 ⁽¹⁾		2010			
	Existing	New	Existing	New	Existing	New	Existing	New	Existing	New	Existing	New
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Air time	-	750	959	849	1,248	2,426	397	1,679	1,544	795		
Programme sponsorship	-	600	1,205	923	1,483	2,673	426	2,002	1,577	838		
Creative and production	-	2,151	1,526	1,071	1,922	3,398	566	2,480	3,477	1,765		
Total	-	3,501	3,690	2,843	4,653	8,497	1,389	6,161	6,598	3,398		
% of total revenue	-	100	56.48	43.52	35.38	64.62	18.40	81.60	66.01	33.99		

Note:

(1) Unaudited and for comparison purpose only.

Even though our creative and production segment contributed a major portion of our total revenue during the periods under review, a major portion of the revenue received was subsequently paid to the external production houses we engaged to provide their services on the production of technical works that required by our customers from time to time as we promoted it with other segments of our business as a package. Its contribution to the total revenue decreased from 62% to 39% in the FYE 2008 as the percentage increase of contributions from air time and programme sponsorship segments were much higher than the increase from the creative and production segment.

13. FINANCIAL INFORMATION (Cont'd)

During the 6-month period ended 30 June 2010, the contribution from our creative and production segment increased to 53% of our total revenue as some customers had more budget to spend on creative and production at the beginning of the year in order to produce new advertisements which can be used in the later period of the year to promote their products and services. The increase was also contributed by our new customers who needed us to assist them in producing their advertisements for the first time. In view of the increase of contribution from our creative and production segment as mentioned above, the contributions from our air time and programme sponsorship segments decreased to 23% and 24%, respectively.

Factors that can affect our revenue include:

(a) Actual price of advertising air time

The price that we actually charged our customers for our advertising air time directly affects our revenue. The listed prices for advertising air time on our network vary according to the States in Malaysia where the buses are operating. In accordance with the standard industry practice, we offer discounts to our customers on individual basis, so the actual price we charge for our advertising time after taking into account any discounts will affect our revenue.

The increase in our coverage to other public transports in the future such as trains (i.e., KL Monorail, LRT and KTMB Komuter) is expected to improve our pricing of advertising air time. An increase in coverage to other public transports will also increase our geographical coverage to reach out to a larger audience and this will make the advertising on our network more attractive to our customers. We expect our actual price of advertising air time to increase as our geographical coverage increases.

(b) Quality and attractive contents and programmes

The quality of the contents and programmes broadcast on our network affects our ability to maintain existing customers and capture new customers. Programmes and contents that can attract the attention of our targeted mobile audience will make our advertising platform more effective. Our ability to locate, produce, edit and provide suitable programmes and contents that appeal to our intended audience will affect our actual price of advertising time and the continuing interest of advertisers in this medium as part of their advertising strategies.

Based on our experience, our targeted mobile audience's participation in prize winning contests related to sports contents was higher than other contents. As such, our ability to provide more sports related contents is expected to increase the interest of our existing and new customers to advertise on our Transit-TV Network System.

We believe that the upgrading of our current pre-recorded system to DTTB which delivers substantial real-time value to the targeted mobile audience will provide our advertising customers a more effective method of delivering advertisements to audience that are drawn by up-to-date news, sports events and entertainment as this will increase the attention of audience on the advertisements and programmes sponsored by our customers and will also increase the confidence level of our advertising customers on our network.

13. FINANCIAL INFORMATION (Cont'd)

(c) Contents to advertising ratio

The good mixture of contents or programmes to advertisements gets broadcasted on our network will affect the effectiveness of advertising on our network, which in turn will affect our revenue. Broadcasting a good mixture of advertisements and contents will be able to capture the attention of our targeted audience and lead to the effectiveness of our network and higher sales.

Currently we maintain approximately 30 minutes within an hour for advertisements whilst the remaining 30 minutes within an hour for contents to ensure that our targeted audience do not lose interest on the repeated advertisements and contents.

(d) Advertising air time

The total air time available determines our total sales capacity and it will affect our advertising revenue. As we need to allocate certain amount of time for contents, there is a maximum capacity for us to expand sales of advertising times between programmes. As such, we need to maximise our sales of soft advertisements embedded on the contents and programme sponsorship on our network system to maximise air time per hour and to realise additional revenue from the time reserved for broadcast contents. Increase in our sale of such advertisements is envisaged to increase our revenue per hour.

In addition, our ability to expand our network into stationary advertising platform in major bus and train stations will also increase the availability of air time per hour.

Please refer to Section 5 of this Prospectus for other factors that may affect our financial performance.

(ii) Cost of sales

Our cost of sales consists of costs directly related to the offering of our services which comprises mainly:

(a) Production costs

Production costs comprise mainly the engagement of external production houses to assist our creative department by providing us with ideas, proposals and their expertise in producing more complex productions with additional technical effects required by our customers from time to time. As such, a major portion of the revenue generated from our sales of creative and production works will be paid to external production houses for their services, which translate into the cost of sale for our creative and production works.

13. FINANCIAL INFORMATION (Cont'd)**(b) Content costs**

Content costs comprise mainly the purchase of movies for the long journey buses or music videos, sports and news for the RapidKL Buses. We normally purchase these contents from the licensed production houses that have the copy rights to the contents.

The following table depicts the proforma cost of sales breakdown by subsidiary companies and segmented by products for the 3-month FPE 2007, FYE 2008, FYE 2009 and 6-month period ended 30 June 2010:

Proforma cost of sales by subsidiary companies:

	3-month		FYE 2008		FYE 2009		6-month period ended 30 June			
	FPE 2007						2009 ⁽¹⁾		2010	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Proforma revenue										
AMSB	3,000	86	6,330	97	12,961	99	7,462	99	9,895	99
TESB	501	14	203	3	189	1	88	1	101	1
	3,501	100	6,533	100	13,150	100	7,550	100	9,996	100
Proforma cost of sales										
AMSB	(1,660)	97	(2,630)	97	(6,205)	99	(4,736)	99	(4,845)	99
TESB	(48)	3	(73)	3	(62)	1	(31)	1	(32)	1
	(1,708)	100	(2,703)	100	(6,267)	100	(4,767)	100	(4,877)	100
GP										
AMSB	1,340	75	3,700	97	6,756	98	2,726	98	5,050	99
TESB	453	25	130	3	127	2	57	2	69	1
	1,793	100	3,830	100	6,883	100	2,783	100	5,119	100
GP margin (%)										
AMSB		45		58		52		37		51
TESB		90		64		67		65		68

Note:

(1) Unaudited and for comparison purpose only.

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13. FINANCIAL INFORMATION (Cont'd)*Proforma cost of sales by products and services:*

	3-month		FYE 2008		FYE 2009		6-month period ended 30 June			
	FPE 2007						2009 ⁽¹⁾		2010	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<u>Proforma revenue</u>										
Air time	750	21	1,808	28	3,674	28	2,076	28	2,339	23
Programme sponsorship	600	17	2,128	33	4,156	32	2,428	32	2,415	24
Creative and production	2,151	62	2,597	39	5,320	40	3,046	40	5,242	53
	3,501	100	6,533	100	13,150	100	7,550	100	9,996	100
<u>Proforma cost of sales</u>										
Air time	-	-	-	-	-	-	-	-	-	-
Programme sponsorship	(48)	3	(468)	17	(1,160)	19	(550)	12	(570)	12
Creative and production	(1,660)	97	(2,235)	83	(5,107)	81	(4,217)	88	(4,307)	88
	(1,708)	100	(2,703)	100	(6,267)	100	(4,767)	100	(4,877)	100
<u>GP</u>										
Air time	750	42	1,808	47	3,674	53	2,076	75	2,339	46
Programme sponsorship	552	31	1,660	43	2,996	44	1,878	67	1,845	36
Creative and production	491	27	362	10	213	3	(1,171)	(42)	935	18
	1,793	100	3,830	100	6,883	100	2,783	100	5,119	100
<u>GP margin (%)</u>										
Air time		100.00		100.00		100.00		100.00		100.00
Programme sponsorship		92.00		78.01		72.09		77.35		76.40
Creative and production		22.83		13.94		4.00		(38.44)		17.84

Note:

(1) Unaudited and for comparison purpose only.

The GP margin for the air time segment has been consistently 100% as the direct costs which attributed to the cost of sales are production costs and contents which affect only the programme sponsorship and creative and production.

The GP margin for programme sponsorship segment is lower for the FYE 2008, FYE 2009 and 6-month period ended 30 June 2010 as compared to the 3-month FPE 2007 which was mainly due to the increase in the purchase of contents from third parties during the FYE 2008, FYE 2009 and 6-month period ended 30 June 2010 because of an increase in demand from our customers for a variety of contents, whereas most of the contents for programmes sponsorship were produced in-house for the 3-month FPE 2007. As we are not specialising in content production, it is more cost effective for us to purchase a variety of contents from third parties as compared to in-house contents production.

13. FINANCIAL INFORMATION (*Cont'd*)

The GP margin for creative and production segment fluctuated over the period under review and is dependent on the extensity of our engagement of external production house. As highlighted in Section 7.2.1 (iii) of this Prospectus, we engage external production houses to assist our creative department by providing us with ideas, proposals and their expertise in producing more complex productions with additional technical effects on the production of technical works required by our customers from time to time. In general, the more frequent we engage external production houses for the production of technical works, the lower our GP margin.

The air time segment contributed the highest GP during the periods under review.

Even though the creative and production segment contributed a major portion of our total revenue during the periods under review, its cost of sales was the highest and thus the GP and GP margin were the lowest. The reason for the above was due to the fact that a major portion of the revenue received was subsequently paid to the external production house as our cost of sales.

Factors that can affect our cost of sales include:

(a) Underestimation of production costs

The pricing of our advertisement for customers which requires an end-to-end service with higher end of technical effects is determined by our estimation of cost for the engagement of the production house. Inadequate or erroneous cost estimation and/or unanticipated increase in the production cost may lead to cost overrun. Any changes or requirement for higher technical effects to meet our customers' specifications will also increase our cost of sales.

(b) Change in riders' preference

Any change in our riders' preference whereby they do not accept or lose interest in our in-house production contents will require us to purchase more contents from third parties and hence will increase our cost of sales. As our Group is not specialising in content production, the inclusion of more contents from third parties will increase the variety of our programmes on our network to attract the interest and attention of our targeting audience.

Any substantial increase in the purchase of contents will increase our cost of sales.

Please refer to Section 5 of this Prospectus for other factors that may affect our financial performance.

(iii) Operating costs

Our operating costs comprise mainly staff, administrative, depreciation and amortisation cost. The following table depicts the operating cost breakdown for the 3-months FPE 2007, FYE 2008, FYE 2009 and 6-month period ended 30 June 2010:

13. FINANCIAL INFORMATION (Cont'd)

	3-month		FYE 2008		FYE 2009		6-month period ended 30 June			
	FPE 2007						2009 ⁽¹⁾		2010	
	RM'000	% of revenue	RM'000	% of revenue	RM'000	% of revenue	RM'000	% of revenue	RM'000	% of revenue
Staff	424	12.11	1,105	16.91	1,488	11.32	591	7.83	554	5.54
Administrative	555	15.85	1,279	19.58	1,263	9.60	919	12.17	366	3.66
Depreciation	144	4.11	816	12.49	830	6.31	415	5.50	718	7.19
Amortisation	-	-	5	0.08	5	0.04	3	0.04	3	0.03
Total	1,123	32.07	3,205	49.06	3,586	27.27	1,928	25.54	1,641	16.42

Note:

(1) *Unaudited and for comparison purpose only.*

Our staff costs primarily consist of salaries, Employees Provident Funds contribution, training and benefits to all our staff whilst the administrative costs primarily consist of office rental, professional service fees, maintenance, utilities and other office expenses.

We expect that our operating costs to increase in the future as we plan to hire additional personnel and incur additional costs in connection with the expansion of our business.

(iv) Effective tax rate

AMSB was accorded with MSC Malaysian Status on 10 October 2007 by MDeC and is entitled to a five (5) years tax exemption, which can be extended for a further five (5) years subsequently. Since then AMSB is not required to pay any tax for the FYE 2008 and FYE 2009.

The income tax expenses for the 6-month period ended 30 June 2010 was due to interest income.

13.2.2 Commentary on performance

3-month FPE 2007

(i) Revenue

We recorded approximately RM3.50 million of revenue for the 3-month FPE 2007 since our commencement of business in October 2007. The revenue during the 3-month FPE 2007 was mainly contributed by the purchases from two (2) media agencies, namely OMD (M) Sdn Bhd and WPP Marketing Communication (M) Sdn Bhd whereby we provided them with the new experience in advertising with DOOH transit media, and in return they provided a new form of advertising media to their customers and as such they placed their customers' advertisements with us by a large quantity purchased.

(ii) GP margin

We recorded a GP margin of approximately 51.19% for the 3-month FPE 2007.

(iii) PBT

We recorded approximately RM0.71 million in PBT for the 3-month FPE 2007 based on our revenue of approximately RM3.50 million.

13. FINANCIAL INFORMATION (*Cont'd*)

FYE 2008

(i) Revenue

We recorded approximately RM6.53 million of revenue for the FYE 2008. This was mainly due to the increase of sales to new customers, whereby approximately 43.52% or RM2.84 million of the revenue in the FYE 2008 was contributed by new customers while the existing customers contributed the balance 56.48% or RM3.69 million of revenue in the FYE 2008.

(ii) GP margin

Our GP margin increased by 7.44% from 51.19% in the 3-month FPE 2007 to 58.63% in the FYE 2008. The increase in the GP margin in the FYE 2008 was mainly due to a lower cost incurred in engaging external production houses as our in-house production team was able to produce some of the advertisements which met our advertising customers' requirements with less assistance from the external production houses.

(iii) PBT

We recorded approximately RM1.41 million in PBT for the FYE 2008 based on our revenue of approximately RM6.53 million.

FYE 2009 compared to FYE 2008

(i) Revenue

Our revenue increased by approximately 101.29% from the FYE 2008 to FYE 2009. The increase was mainly due to the marketing effort to promote our network by our sales team, which include additional two (2) commissioned agents, namely Zenith Media Sdn Bhd and Starcom Mediavest Group Sdn Bhd, during the FYE 2009 who contributed approximately 24.63% increase in our revenue for the FYE 2009. In addition, our new marketing strategy to encourage our new customers to sign-up with us for a longer period by providing them with an additional free air time had contributed to the increase in revenue for the FYE 2009. Our winning of several awards such as "Best Start-up Company"; "Biggest Transit-TV Network (Bus)"; and "SME Rising Star Award" had improved our reputation in the DOOH transit media industry, hence increased our revenue. In addition, we managed to complete the installation of our Transit-TV Network System in additional 250 buses in late 2008 and the effect was seen in our revenue growth in the FYE 2009.

(ii) GP margin

Our GP margin decreased by 6.29% from 58.63% in the FYE 2008 to 52.34% in FYE 2009. The decrease in the GP margin was mainly due to the lower fees charged to a few of our loyal customers to reward and encourage them to continue staying with us. Meanwhile, the decrease was also contributed by the purchase of contents from third parties instead of in-house production which resulted in higher cost of sales.

(iii) PBT

Our PBT increased by approximately RM1.95 million or 137.82% from RM1.41 million for the FYE 2008 to RM3.36 million for the FYE 2009. Our PBT margin also improved from 21.61% for the FYE 2008 to 25.54% for the FYE 2009 with the improved economies of scale arising from the revenue growth.

13. FINANCIAL INFORMATION (Cont'd)

6-month period ended 30 June 2010 compared to 6-month period ended 30 June 2009

(i) Revenue

Our revenue increased by approximately 32.40% from RM7.55 million in the 6-month period ended 30 June 2009 to RM10.00 million in the 6-month period ended 30 June 2010. The increase was mainly due to the purchase from our existing customers whereby approximately 66.01% or RM6.60 million of the revenue in the 6-month period ended 30 June 2010 was contributed by our existing customers while the additional twenty (24) new customers contributed the balance 33.99% or RM3.40 million of revenue. The increase was also contributed by some of our customers who spent more on creative and production for new advertisements to promote their products and services.

(ii) GP margin

Our GP margin increased by 14.36% from 36.86% in the 6-month period ended 30 June 2009 to 51.22% in the 6-month period ended 30 June 2010. The increase in the GP margin was mainly due to competitive production costs provided by the external production houses and also higher production fees charged to our customers in the 6-month period ended 30 June 2010.

(iii) PBT

Our PBT increased by approximately RM2.62 million or 306.78% from RM855,000 in the 6-month period ended 30 June 2009 to RM3.48 million in the 6-month period ended 30 June 2010. Our PBT margin also improved from 11.33% for the 6-month period ended 30 June 2009 to 34.79% in the 6-month period ended 30 June 2010. The increase in PBT and PBT margin was mainly due to the increase in revenue, decrease in costs of sales and lower operating costs.

13.2.3 Liquidity and capital resources**(i) Working capital**

Our operations, business growth and expansion have been financed through a combination of cash generated from our operating activities and bank borrowings.

Our Directors are of the opinion that, after taking into consideration the cash and cash equivalents, the expected funds to be generated from operating activities and amounts available under our existing banking facilities, our Group will have adequate working capital for a period of twelve (12) months from the date of this Prospectus.

(ii) Proforma cash flows

A summary of our Group's proforma cash flows position for the 3-month FPE 2007, FYE 2008, FYE 2009 and 6-month period ended 30 June 2010 is as follows:

13. FINANCIAL INFORMATION (Cont'd)

	3-month			6-month period ended	
	FPE 2007	FYE 2008	FYE 2009	30 June	
	RM'000	RM'000	RM'000	2009 ⁽¹⁾	2010
				RM'000	RM'000
Net cash from operating activities	268	1,814	4,731	3,830	4,605
Net cash (used in) investing activities	(1,258)	(5,313)	(6,236)	(4,441)	(20,265)
Net cash from financing activities	282	3,000	1,393	2,390	20,614
Net increase/(decrease) in cash and cash equivalents	(708)	(499)	(112)	1,779	4,954
Cash and cash equivalents at end of financial year	2,352	1,853	1,741	3,632	6,695

Note:

(1) Unaudited and for comparison purpose only.

Subject to compliance of legislations and financial covenants, if any, there are no legal, financial or economic restrictions on the ability of our subsidiaries to transfer funds to our Company in the form of cash dividends, loans or advances to meet the cash obligations of our Company.

Premised on the above:

Cash flows from operating activities

- For the 3-month FPE 2007, we generated a net cash inflow from operating activities before working capital changes of approximately RM0.96 million. After accounting for the increased in trade and other receivables of approximately RM1.41 million, increased in payable of approximately RM0.27 million, increased in advance by a Director of approximately RM0.56 million, interest paid of RM0.14 million and interest received of RM0.03 million, the net cash inflow from operating activities was RM0.27 million.
- For the FYE 2008, we generated a net cash inflow from operating activities before working capital changes of approximately RM2.18 million. After accounting for the decreased in receivables of approximately RM1.15 million, decreased in payables of RM0.86 million, decreased in advance from a Director of approximately RM0.71 million and interest received of RM45,682, the net cash inflow from operating activities was RM1.81 million.
- For the FYE 2009, we generated net cash inflow from operating activities before working capital changes of approximately RM4.25 million. After accounting for the increased in receivables of approximately RM0.18 million, increased in advance by a Director of approximately RM0.71 million, tax paid of RM0.01 million and net interest paid of RM0.04, the net cash inflow from operating activities was RM4.73 million.

13. FINANCIAL INFORMATION (Cont'd)

- For the 6-month period ended 30 June 2010, we generated a net cash flow from operating activities before working capital changes of approximately RMRM4.28 million. After accounting for the decreased in receivables of RM0.24 million, increased in payable of approximately RM0.13 million, decreased in advances by director of approximately RM0.02 million and net interest paid of RM0.02, the net cash inflow from operating activities was RM4.61 million.

Cash flows from investing activities

- For the period under review, our Group's net cash outflow from investing activities amounted to RM1.26 million for the 3-month FPE 2007, RM5.31 million for the FYE 2008, RM6.24 million for the FYE 2009 and RM20.26 million for the 6-month period ended 30 June 2010 which was mainly attributable to amount spent for the purchase of property, plant and equipment which include mainly LCD screens, video players and power supply units for our Transit-TV Network System. For proforma purposes, for the 6-month period ended 30 June 2010, we have taken into account RM2.21 million of intangible assets, amount spent for the purchase of property, plant and equipment of RM2.05 million and amount to be spent on DTTB of RM16.00 million.

Cash flows from financing activities

- For the 3-month FPE 2007, we recorded a net cash inflow from financing activities of approximately RM0.28 million which was mainly due to advances by the holding company of TESB.
- For the FYE 2008, we recorded a net cash inflow from financing activities of approximately RM3.00 million which was mainly due to the issuance of new shares by AMSB.
- For the FYE 2009, we recorded a net cash inflow from financing activities of approximately RM1.40 million which was mainly due to drawdown of term loan of RM2.38 million, which was partially offset by repayment of term loan of approximately RM0.36 million and an increase in fixed deposit pledged to a bank of approximately RM0.62 million.
- For proforma purposes, for the 6-month period ended 30 June 2010, we have taken into account the listing proceeds of RM22.54 million which was partially off-set by payment of listing expenses of approximately RM1.54 million.

(iii) Borrowings

As at LPD, our Group had total outstanding borrowings of RM1,301,215, details of which are set out below:

	RM
Long term borrowings (interest bearing)	
- Term loans (secured and guaranteed)	1,234,810
Short term borrowings (interest bearing)	
- Term loans (secured and guaranteed)	66,405
TOTAL BORROWINGS	<u>1,301,215</u>
Gearing ratio (times)	0.07 ⁽¹⁾

13. FINANCIAL INFORMATION (Cont'd)

Note:

(1) *Based on the shareholders' equity after the Acquisition but prior to the Public Issue.*

The term loans were obtained to finance capital expenditure and working capital. The interest rates for our term loans are based on prevailing base lending rates plus a margin agreed upon by our bankers when the respective term loans were granted. There was no default on payment either interest and/or principal sums in respect of any borrowing up to the LPD. We were not in breach in any terms and conditions or covenants associated with the credit arrangement or bank loan which can materially affect our financial position and results or business operation, or the investment by holders of the securities in us.

Currently, we do not have any interest rate hedging policy or any foreign borrowings. We will monitor the interest rate movement and will take the necessary steps to minimise interest rate risk whenever deemed appropriate such as implementing a hedge policy. However, no assurance can be given that any future significant movement in interest rate will not have a material adverse impact on our business, operating results and financial position.

(iv) Capital Expenditure

Our Group's capital expenditures for the 3-month FPE 2007, FYE 2008, FYE 2009 and 6-month period ended 30 June 2010 are as follows:

	3-month FPE 2007 RM'000	FYE 2008 RM'000	FYE 2009 RM'000	6-month period ended 30 June 2009 ⁽¹⁾ 2010 RM'000 RM'000	
Transit-TV Network System	1,245	5,633	-	-	-
Work-in-progress	-	-	6,158	4,141	2,042
Furniture and fittings	7	25	35	19	-
Motor vehicles	-	-	4	4	4
Office equipment	15	55	34	27	7
Plant and equipment	-	-	3	-	-
Renovation and signboard	7	31	3	-	-
	1,274	5,744	6,237	4,191	2,053

Note:

(1) *Unaudited and for comparison purpose only.*

For the period under review, our capital expenditure was mainly concentrated on the building of our Transit-TV Network System, which is in line with our efforts to expand our business operations.

The work-in-progress for the 6-month period ended 30 June 2010 comprised of progressive installation of our Transit-TV Network System.

Moving forward, we will utilise the proceeds to be raised from the Public Issue for our capital expenditure in relation to the rolling out of our DTTB system.

Save as disclosed in Sections 7.2 and 7.15.1 of this Prospectus, we do not have any material plan on capital expenditures as at the LPD.

13. FINANCIAL INFORMATION (Cont'd)**(v) Material capital commitments**

As at LPD, our Board is not aware of any material capital commitments incurred or known to be incurred by our Group that has not been provided for, which upon becoming enforceable, may have a material impact on our financial results/position.

(vi) Contingent liabilities

As at LPD, our Board is not aware of any contingent liability, which in the opinion of our Board, will or may substantially affect our financial results or position upon becoming enforceable.

(vii) Material litigation, claims or arbitration

As at LPD, neither our Company nor our subsidiary companies are engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position of our Company or our subsidiary companies and our Board is not aware of any proceedings pending or threatened, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of our Company or our subsidiary companies.

(viii) Key financial ratios

The key financial ratios of our Group for the past 3-months FPE 2007, FYE 2008, FYE 2009 and 6-month period ended 30 June 2010 are as follows:

	3-months			6-month period ended	
	FPE 2007	FYE 2008	FYE 2009	30 June 2009 ⁽¹⁾	2010
Trade receivables turnover (months)	1.16 ⁽²⁾	0.64 ⁽³⁾	0.47 ⁽³⁾	5.91 ⁽⁴⁾	0.12 ⁽⁴⁾
Trade payables turnover (months)	— ⁽⁵⁾	— ⁽⁵⁾	— ⁽⁵⁾	11.07 ⁽⁶⁾	0.16 ⁽⁶⁾

Notes:

(1) Unaudited and for comparison purpose only.

(2) Trade receivables divided by total revenue and multiplied by three (3) months.

(3) Trade receivables after allowance for doubtful debts divided by total revenue and multiplied by twelve (12) months.

(4) Trade receivables after allowance for doubtful debts divided by total revenue and multiplied by six (6) months.

(5) There were no trade payables for the respective period under review.

(6) Trade payables divided by total cost of sales and multiplied by six (6) months.

(a) Trade receivables turnover

We normally grant credit terms of 30 to 90 days to our customers. Other credit terms are assessed and approved on a case-by-case basis.

13. FINANCIAL INFORMATION (Cont'd)

Our trade receivables turnover for the 3-month FPE 2007 was approximately 1.16 months.

The credit control measures implemented by us had successfully reduced the trade receivables for the periods under review whereby our trade receivables turnover decreased to 0.64 month for the FYE 2008 and to 0.47 month for the FYE 2009.

For the 6-month period ended 30 June 2010, our trade receivables turnover was approximately 0.12 month, which was substantially lower as compared to 5.91 months for the 6-month period ended 30 June 2009.

As part of our overall credit control policy, our Group has taken steps to manage and reduce our trade receivables turnover such as the following:

- Applying a stringent credit evaluation process such as carrying out assessment of the financial credibility of existing and new customers before setting credit limit and credit period for any existing and new customers; and
- Monitoring the outstanding trade receivable closely by analysing the monthly trade receivables aging report and follow-up closely with customers.

(b) Trade payables turnover

There were no trade payables as at 31 December 2007 to 2009 as we settled all the payable on time.

(ix) Aging analysis of the receivables

No of days	←—Within credit period—→			←—Exceeding credit period—→			Total
	0-30	31-60	61-90	91-180	180-365	> 365	
Trade receivables (RM)	82,449	71,925	17,050	17,125	5,500	97,653	291,702
Less:							
Allowance for doubtful debts (RM)	-	-	-	-	-	(97,653)	(97,653)
Total (RM)	82,449	71,925	17,050	17,125	5,500	-	194,049

As at 30 June 2010, approximately 88.34% of our trade receivables were within our credit period. Our management is of the opinion that the remaining debts are collectable and hence, no further allowance for doubtful debt is required.

The allowance for doubtful debt of RM97,653 is in respect of outstanding trade receivables which existed since June 2008.

Our finance team monitors all the outstanding trade receivables and if a customer fails to make payment on our invoice within the credit period granted, our sales personnel will contact the customer directly to follow-up on the status of payment. We will make specific provisions in the event that the recovery of the debt appears doubtful. The quantum of such provision is dependent on the duration for which the debt was overdue, payment history of our customers and likely hood that such debt may be unrecoverable.

13. FINANCIAL INFORMATION (Cont'd)**13.2.4 Trend analysis**

As at LPD, to the best of our Directors' knowledge and belief, our operations have not been and are not expected to be affected by any of the following:

- (i) known trends, demands, commitments, events or uncertainties that have had or that we reasonable expect to have, a material favourable or unfavourable impact on our Group's financial performance, position, operations and liquidity and capital resources other than those disclosed in Sections 5, 7, 9 and 13.2 of this Prospectus;
- (ii) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position, save for those that have been disclosed in Section 5 of this Prospectus;
- (iii) material commitments for capital expenditure, save as those disclosed in Section 13.2.3(iv) of this Prospectus; and
- (iv) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, positions and operations of our Group save as disclosed in Sections 5 and 13.2 of this Prospectus.

13.3 Capitalisation and indebtedness

The following information shall be read in conjunction with the Reporting Accountants' letter on proforma consolidated financial information and Accountants' Report set out in Sections 13.9 and 14 of this Prospectus.

The following table shows our Group's cash and bank balances, capitalisation and indebtedness:

- (i) based on our financial position as at 30 June 2010; and
- (ii) as adjusted for the net proceeds from the Public Issue and proposed utilisation of the proceeds from the Public Issue.

	As at 30 June 2010 RM'000	After Public Issue and utilisation of proceeds RM'000
Indebtedness		
<i>Current</i>		
Term loan	395	395
<i>Non current</i>		
Term loan	1,235	1,235
Total indebtedness	1,630	1,630
Shareholders' equity	19,018	40,018
Total capitalisation and indebtedness	20,648	41,648

13. FINANCIAL INFORMATION (Cont'd)

13.4 Order book

As at the LPD, our short term order book amounted to approximately RM0.86 million. Our order book has not been significant due to the nature of our business as we do not receive long term order from our customers. We generate our revenue as and when we deliver our products and services pursuant to purchase orders.

Despite the absence of long-term orders from our customers, we have been successfully in maintaining existing customers as well as secured new customers as evidenced by the revenue growth during the periods under review.

13.5 Impact of inflation

Our Group's financial performances for the past 3-month FPE 2007, FYE 2008, FYE 2009 and 6-month period ended 30 June 2010 were not materially affected by inflation.

13.6 Government / economic / fiscal / monetary policies

Risks relating to government, economic, fiscal or monetary policies, which may materially affect our operations, are set out in Section 5 of this Prospectus. Save for the risks disclosed in Section 5 of this Prospectus, there is no government, economic, fiscal or monetary policies or factors that will have a material impact on our profitability and financial position.

13.7 Impact of foreign exchange / interest rate / commodity prices on operating profit

Our Group does not have any business transaction in foreign exchange and is not dependent on commodity prices. As such, our Group's financial performances for the past 3-month FPE 2007, FYE 2008, FYE 2009 and 6-month period ended 30 June 2010 were not materially affected by foreign exchange or commodity prices.

As at LPD, we have a term loan of RM1.30 million. Any material changes on the interest rate charge by the bank will affect our interest expenses.

13.8 Dividend policy

It is our Directors' policy to recommend dividends to allow our shareholders to participate in the profits of our Group. However, our ability to declare dividends or make other distributions to our shareholders in the future years is subject to various factors such as having profits and excess funds, which are not required to be retained to fund our business.

Our Directors will consider the following factors that they currently intend to apply when recommending dividends for approval by our shareholders or when declaring any interim dividends:

- (i) the level of cash and level of indebtedness;
- (ii) required and expected interest expense, cash flows, our profits, return on equity and retained earnings;
- (iii) our expected results of operations and future level of operations; and
- (iv) our projected levels of capital expenditure and other investment plans.

13. FINANCIAL INFORMATION *(Cont'd)*

The payment and amount of any dividends or distributions to our shareholders will be at the discretion of our Directors and will depend on factors stated above. There can be no assurance as to whether the dividend distribution will occur as intended, the amount of dividend payment or timing of such payment.

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13. FINANCIAL INFORMATION (Cont'd)

13.9 Reporting Accountants' Letter on the Proforma Consolidated Financial Information

TAN CHIN HUAT & CO

AF 1395
Chartered Accountants

No: 232 2nd Floor Block A Damansara Intan
No: 1 Jalan SS 20/27 47400 Petaling Jaya
Tel: 03-77268992
Fax: 03-77284992

REPORTING ACCOUNTANTS' LETTER
ON THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION
(Prepared for inclusion in this Prospectus)

Date: 8 December 2010

The Board of Directors
ASIA MEDIA GROUP BERHAD
(Formerly known as Gerak Bayan Sdn. Bhd.)
No: 35, First Floor, Jalan Bandar 16
Pusat Bandar Puchong
47100 Puchong
Selangor Darul Ehsan

Dear Sirs,

ASIA MEDIA GROUP BERHAD ("ASIA MEDIA" or "the Company")
PROFORMA CONSOLIDATED FINANCIAL INFORMATION

We have reviewed the proforma consolidated financial information of ASIA MEDIA and its subsidiaries ("ASIA MEDIA Group" or "the Group"), together with the accompanying notes thereto, as set out in the accompanying statements (initialled by us for purpose of identification only). The proforma consolidated financial information has been prepared for illustrative purposes only on the basis of assumptions as set out in the accompanying notes and after making certain adjustments to show what:

- (i) the financial results of the ASIA MEDIA Group for the three (3) financial years ended ("FYEs") 31 December 2007 to 2009 and six (6) months financial period ended ("FPE") 30 June 2010 would have been, if the Group structure as at the date of the Prospectus had been in place throughout the financial years/period being reported thereon;
- (ii) the financial position of ASIA MEDIA Group as at 30 June 2010 would have been, if the Group structure as at the date of the Prospectus had been in existence on that date, adjusted for the IPO Exercise (as defined herein) and utilisation of proceeds from the Public Issue (as defined herein); and
- (iii) the cash flows of the ASIA MEDIA Group for the six (6) months FPE 30 June 2010 would have been, if the Group structure as at the date of the Prospectus had been in place since the beginning of the financial period, adjusted for the IPO Exercise (as defined herein) and utilisation of proceeds from the Public Issue (as defined herein).

This letter is required by and is given for the purpose of complying with the Prospectus Guidelines issued by Securities Commission ("the Guidelines") and for no other purpose.

The proforma consolidated financial information, because of its nature, may not be reflective of ASIA MEDIA Group's actual financial results, financial position and cash flows.

13. FINANCIAL INFORMATION (Cont'd)**Responsibilities**

It is solely the responsibility of the Board of Directors of ASIA MEDIA to prepare the proforma consolidated financial information in accordance with the requirements of the Guidelines.

It is our responsibility to form an opinion, as required by the Guidelines as to the proper compilation of the proforma consolidated financial information, and to report our opinion to you.

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

Basis of opinion

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

- (i) the audited financial statements of ASIA MEDIA for the first financial period from 9 April 2008 (date of incorporation) to 30 September 2009, three (3) months FPE 31 December 2009 and six (6) months FPE 30 June 2010;
- (ii) the audited financial statements of Asia Media Sdn. Bhd. ("AMSB") for the financial period from 1 October 2007 to 31 December 2007, two (2) FYEs 31 December 2008 and 2009 and six (6) months FPE 30 June 2010;
- (iii) the audited financial statements of Transnet Express Sdn. Bhd. ("TESB") for the three (3) FYEs 31 December 2007 to 2009 and six (6) months FPE 30 June 2010;
- (iv) the audited financial statements of Asia Media Interactive Sdn. Bhd. (formerly known as lbizasia.com Sdn. Bhd.) ("Asia Media Interactive") for the three (3) FYEs 31 December 2007 to 2009 and six (6) months FPE 30 June 2010;
- (v) the audited financial statements of Asia Media Marketing Sdn. Bhd. (formerly known as Ciri Kesturi Sdn. Bhd.) ("Asia Media Marketing") for the first financial period from 26 August 2008 (date of incorporation) to 31 December 2009 and six (6) months FPE 30 June 2010.

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

In our opinion:

- (i) the proforma consolidated financial information which has been prepared by the Directors of ASIA MEDIA have been properly compiled on the basis stated in the accompanying notes using the financial statements prepared in accordance with Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the financial statements and the accounting policies adopted by ASIA MEDIA Group; and



13. FINANCIAL INFORMATION (Cont'd)

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

Yours faithfully,



TAN CHIN HUAT & CO
Firm No : AF 1395
Chartered Accountants



TAN CHIN HUAT
Approval No: 2037/6/12(J)
Proprietor

13. FINANCIAL INFORMATION (Cont'd)**ASIA MEDIA GROUP BERHAD ("ASIA MEDIA" or "the Company")
PROFORMA CONSOLIDATED FINANCIAL INFORMATION****1 INTRODUCTION**

The proforma consolidated financial information, comprising the proforma consolidated statements of comprehensive income for the three (3) FYEs 31 December 2007 to 2009 and six (6) months FPE 30 June 2010, the proforma consolidated statement of financial position as at 30 June 2010 and the notes thereto, and the proforma consolidated cash flow statement for the six (6) months FPE 30 June 2010, have been prepared for inclusion in the Prospectus of ASIA MEDIA in connection with the listing of ASIA MEDIA on the ACE Market of the Bursa Malaysia Securities Berhad ("Bursa Securities").

2 INITIAL PUBLIC OFFERING EXERCISE ("IPO EXERCISE")**Restructuring Scheme**

AMSB undertook the following exercises:

- a) Disposal of its 100% equity interest in Transnet (JB) Sdn. Bhd. ("TJBSB"), which was dormant, for a total consideration of RM2, completed on 7 April 2010.
- b) Acquired the remaining 8% equity interest in TESB for a total consideration of RM84,000, completed on 9 March 2010.
- c) Increased its paid-up share capital from RM5,000,000, comprising 50,000,000 ordinary shares of RM0.10 each to RM10,000,000, comprising 100,000,000 ordinary shares of RM0.10 each, by way of capitalisation of amount owing to Directors of AMSB, completed on 1 April 2010.

Subsequent to the restructuring by AMSB, ASIA MEDIA acquired AMSB and all its subsidiaries for a total consideration of RM12,999,998, satisfied by the issuance of 129,999,980 ordinary shares of RM0.10 each in ASIA MEDIA at par, completed on 3 May 2010.

Listing Scheme

In conjunction with and as an integral part of the listing of and quotation for the entire enlarged issued and paid-up share capital of ASIA MEDIA on the ACE Market of Bursa Securities, ASIA MEDIA undertakes the following:

- a) Public issue of 98,000,000 new ordinary shares of RM0.10 each in ASIA MEDIA ("ASIA MEDIA Shares") at an issue price of RM0.23 per ASIA MEDIA Share to the public and private placement to the selected investors ("Public Issue"); and
- b) Listing of and quotation for ASIA MEDIA's entire enlarged issued and paid-up share capital of RM22,800,000 comprising 228,000,000 ASIA MEDIA Shares upon completion of the Public Issue on the ACE Market of Bursa Securities.

3 BASIS OF PREPARATION OF THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION

3.1 The proforma consolidated financial information has been prepared to illustrate that:

- a) the financial results of the ASIA MEDIA Group for the three (3) FYEs 31 December 2007 to 2009 and six (6) months FPE 30 June 2010 would have been, if the Group structure as at the date of the Prospectus had been in place since the beginning of the years being reported thereon;
- b) the financial position of the ASIA MEDIA Group as at 30 June 2010 would have been, if the Group structure as at the date of the Prospectus had been in place on that date adjusted for the Flotation Exercise and utilisation of proceeds from the Public Issue; and



13. FINANCIAL INFORMATION (Cont'd)

- c) the cash flows of the ASIA MEDIA Group for the six (6) months FPE 30 June 2010 would have been, if the Group structure as at the date of the Prospectus had been in place since the beginning of the financial period, adjusted for the Flotation Exercise and utilisation of proceeds from the Public Issue.
- 3.2 The proforma consolidated financial information has been prepared using the bases and the accounting principles consistent with those adopted by the ASIA MEDIA Group, which have been prepared in accordance with the applicable approved accounting standards in Malaysia, where relevant adjustments were made to the financial results and financial positions to comply with the Financial Reporting Standards in Malaysia for the purpose of inclusion in the proforma consolidated financial information.
- 3.3 It was assumed that ASIA MEDIA acquired its subsidiaries prior to 1 January 2007 in arriving at the proforma consolidated statements of comprehensive income for the three (3) FYEs 31 December 2007 to 2009 and six (6) months FPE 30 June 2010 for illustrative purposes.

The proforma consolidated financial information has been prepared for illustrative purposes only and, because of their nature, may not be reflective of the actual financial position, results of operations and cash flows of the ASIA MEDIA Group.

3.4 Auditors' opinions

- a) The audited financial statements of ASIA MEDIA for the financial period from 9 April 2008 (date of incorporation) to 30 September 2009 and 1 October 2009 to 31 December 2009 have been audited and reported without any qualification, however, the auditors' report for the financial period from 9 April 2008 (date of incorporation) to 30 September 2009 include an emphasis of matter note on the going concern condition of ASIA MEDIA. The financial statements were audited by Messrs Mustapha, Khoo & Co.

The audited financial statements of ASIA MEDIA for the six (6) months FPE 30 June 2010 were reported on without qualification or modification by Messrs STYL Associaes.

- b) The audited financial statements of AMSB for the financial period from 1 October 2007 to 31 December 2007 were reported on without qualification or modification by Messrs Wong, Leong & Associates.

The audited financial statements of AMSB for the FYEs 31 December 2008 and 2009 were reported on without qualification or modification by Messrs LT Lim & Co.

The audited financial statements of AMSB for the six (6) months FPE 30 June 2010 were reported on without qualification or modification by Messrs Tan Chin Huat & Co.

- c) The audited financial statements of TESB for the FYE 31 December 2007 were reported on without qualification, however, the auditors' report include an emphasis of matter note on the going concern condition of TESB. The financial statements were audited by Messrs BDO Binder Malaysia.

The audited financial statements of TESB for the FYEs 31 December 2008 and 2009 were reported on without qualification, however, the auditors' report include an emphasis of matter note on the going concern condition of TESB. The financial statements were audited by Messrs LT Lim & Co.

The audited financial statements of TESB for the six (6) months FPE 30 June 2010 were reported on without qualification or modification by Messrs Tan Chin Huat & Co.



13. FINANCIAL INFORMATION (Cont'd)

- d) The audited financial statements of Asia Media Interactive for the FYEs 31 December 2007 to 2009 were reported on without qualification, except for the auditors' report for the FYE 31 December 2008, which was qualified as follow:

"In common with many businesses of similar size and organisation, the Company's system of internal controls is dependent upon the close involvement of the Directors who are the major shareholders; where independent confirmation of the completeness of the accounting records was therefore not available, we have received assurances from the Directors that all transactions pertaining to revenue, expenditures, assets, liabilities and contingent liabilities (including related party transactions, if any) of the Company had been reflected correctly and accurately in the reports and the values of inventories, trade receivables, sundry receivables, deposit & prepayments, trade payables, sundry payables & accruals and amount due from/to Directors and/or Shareholders, thereof are realisable, correct and accountable of which the Board of Directors under Notes of Representations which form an integral part of the Directors' Report has explained that steps will be taken to improve and rectify any systems shortcomings."

The financial statements for Asia Media Interactive for the FYEs 31 December 2007 and 31 December 2008 were audited by Messrs Loh Kam Choon & Co. whilst the financial statements for the FYE 31 December 2009 were audited by Messrs LT Lim & Co.

The audited financial statements of Asia Media Interactive for the six (6) months FPE 30 June 2010 were reported on without qualification or modification by Messrs Tan Chin Hual & Co.

- e) The audited financial statements of Asia Media Marketing for the financial period from 26 August 2008 (date of incorporation) to 31 December 2009 were reported on without qualification or modification by Messrs LT Lim & Co.

The audited financial statements of Asia Media Marketing for the six (6) months FPE 30 June 2010 were reported on without qualification or modification by Messrs Tan Chin Hual & Co.



13. FINANCIAL INFORMATION (Cont'd)**ASIA MEDIA****Notes to the proforma consolidated financial information****4 Summarised proforma consolidated statements of comprehensive income of the ASIA MEDIA Group**

4.1 The following table sets out a summary of the proforma consolidated statements of comprehensive income of the ASIA MEDIA Group for the past three (3) FYEs 31 December 2007 to 2009 and six (6) month FPE 30 June 2010 prepared on the assumption that the ASIA MEDIA Group has been in existence throughout the years/period under review. The proforma consolidated statements of comprehensive income are prepared for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the proforma consolidated financial information set out in this Prospectus.

4.2 ASIA MEDIA Group

	<-----FYE 31 December----->			6-month FPE <-----30 June----->	
	2007 RM	2008 RM	2009 RM	2009 ⁽ⁱ⁾ RM	2010 RM
Revenue	3,501,620	6,533,187	13,150,080	7,549,737	9,995,819
Gross profit	1,792,525	3,830,287	6,882,592	2,783,170	5,119,413
Earnings before interest, depreciation, tax and amortisation ("EBIDTA")	968,759	2,187,285	4,233,739	1,271,976	4,222,098
Interest income	31,037	45,682	29,712	14,013	22,537
Depreciation	(143,721)	(815,758)	(830,127)	(415,063)	(718,454)
Interest expense	(145,030)	-	(69,376)	(13,039)	(45,983)
Amortisation	-	(5,422)	(5,458)	(2,729)	(2,705)
Profit before tax ("PBT")	711,045	1,411,787	3,358,490	855,158	3,477,493
Income tax expense	(5,821)	-	-	-	(2,698)
Profit after tax ("PAT")	705,224	1,411,787	3,358,490	855,158	3,474,795
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	705,224	1,411,787	3,358,490	855,158	3,474,795
Number of ordinary shares of RM0.10 each ⁽ⁱⁱ⁾	130,000,000	130,000,000	130,000,000	130,000,000	130,000,000
Weighted average number of ordinary shares of RM0.10 each	130,000,000	130,000,000	130,000,000	130,000,000	130,000,000
Earnings per share					
- Gross ⁽ⁱⁱⁱ⁾ (Sen)	0.55	1.09	2.58	1.32 ^A	5.35 ^A
- Net ^(iv) (Sen)	0.54	1.09	2.58	1.32 ^A	5.35 ^A
Gross profit margin (%)	51.19	58.63	52.34	36.86	51.22
EBIDTA margin (%)	27.67	33.48	32.20	16.85	42.24



13. FINANCIAL INFORMATION (Cont'd)

	<-----FYE 31 December----->			6-month FPE <-----30 June----->	
	2007	2008	2009	2009 ⁽ⁱ⁾	2010
PBT margin (%)	20.31	21.61	25.54	11.33	34.79
PAT margin (%)	20.14	21.61	25.54	11.33	34.76
Effective tax rate (%)	0.82	-	-	-	0.08
Interest coverage (times)	5.90	n/a	49.41	66.58	76.63
Dividend (%)	-	-	-	-	-

Notes:

⁽ⁱ⁾ The statement of comprehensive income for the six (6) months FPE 30 June 2009 is unaudited and is included for comparison purposes only.

⁽ⁱⁱ⁾ Number of existing Shares in issue after Acquisition but before the Public Issue

⁽ⁱⁱⁱ⁾
$$\frac{\text{PBT for the year/period}}{\text{Weighted average number of ordinary shares}}$$

^(iv)
$$\frac{\text{PAT for the year/period}}{\text{Weighted average number of ordinary shares}}$$

^(v) There were no extraordinary or exceptional items during the financial years/period under review.

^(vi) There were no accounting policies which are peculiar to ASIA MEDIA Group due to the nature of business or industry it is involved in and that would affect the determination of ASIA MEDIA Group's income or financial position.

n/a Not applicable

^A Annualised



13. FINANCIAL INFORMATION (Cont'd)**ASIA MEDIA****Notes to the proforma consolidated financial information****5 Proforma consolidated statements of financial position of ASIA MEDIA as at 30 June 2010**

The proforma consolidated statements of financial position below are for illustrative purposes only, based on the audited financial statements of ASIA MEDIA and its subsidiaries as at 30 June 2010, to show the effects on the consolidated statements of financial position of ASIA MEDIA had the Public Issue and the utilisation of proceeds from the Public Issue been completed on 30 June 2010.

			(i)	(ii)
	Note	Audited as at 30 June 2010 RM	After Public Issue RM	After (i) and the utilisation of proceeds RM
ASSETS				
Non-Current Assets				
Property, plant and equipment	5.2	13,544,284	13,544,284	29,544,284
Development costs	5.3	13,523	13,523	13,523
Intangible assets	5.4	2,211,950	2,211,950	2,211,950
Goodwill on consolidation	5.5	2,570,627	2,570,627	2,570,627
Total Non-Current Assets		18,340,384	18,340,384	34,340,384
Current Assets				
Trade receivables	5.6	194,049	194,049	194,049
Other receivables and prepaid expenses	5.7	34,976	34,976	34,976
Deferred expenditure	5.8	131,100	131,100	-
Deposits with financial institutions	5.9	662,376	662,376	662,376
Cash and bank balances	5.10	1,523,461	24,063,461	6,654,561
Total Current Assets		2,545,962	25,085,962	7,545,962
TOTAL ASSETS		20,886,346	43,426,346	41,886,346
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	5.11	13,000,000	22,800,000	22,800,000
Share premium	5.12	-	12,740,000	11,200,000
Retained earnings		6,017,612	6,017,612	6,017,612
Shareholders' equity		19,017,612	41,557,612	40,017,612
Non-Current Liability				
Term loan	5.13	1,234,496	1,234,496	1,234,496
Total Non-Current Liability		1,234,496	1,234,496	1,234,496



13. FINANCIAL INFORMATION (Cont'd)

		Audited as at 30 June 2010 RM	(i) After Public issue RM	(ii) After (i) and the utilisation of proceeds RM
Current Liabilities				
Trade payables	5.14	130,000	130,000	130,000
Other payables and accrued expenses	5.14	30,841	30,841	30,841
Amount owing to directors	5.15	75,755	75,755	75,755
Term loan	5.13	394,944	394,944	394,944
Tax liabilities		2,698	2,698	2,698
Total Current Liabilities		634,238	634,238	634,238
Total Liabilities		1,868,734	1,868,734	1,868,734
TOTAL EQUITY AND LIABILITIES		20,886,346	43,426,346	41,886,346
Net assets (NA)/Proforma NA		19,017,612	41,557,612	40,017,612
No. of ordinary shares of RM0.10 each assumed in issue		130,000,000	228,000,000	228,000,000
NA/Proforma NA per share (RM)		0.15	0.18	0.18



13. FINANCIAL INFORMATION (Cont'd)**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

- 5.1 The Proforma Consolidated Statements of Financial Position are provided for illustrative purposes only and have been prepared based on the audited statements of financial position of ASIA MEDIA Group as at 30 June 2010 and on the assumption that the following transactions had been effected on 30 June 2010:-

Proforma I

Public issue of 98,000,000 new ASIA MEDIA Shares at an issue price of RM0.23 per ASIA MEDIA Share to the public and private placement to the selected investors ("Public Issue"); and

Proforma II

The gross proceeds from the Public Issue amounting to RM22,540,000 will accrue entirely to the Company and will be utilised for the following purposes:

	RM'000
Capital expenditure [Note (i)]	16,000
Working capital [Note (ii)]	5,000
Defray estimated listing expenses [Note (iii)]	1,540
	<u>22,540</u>

Note (i)

In line with the proposed roll out of DTTB in the near future, the Group has budgeted approximately RM16.00 million from the IPO proceeds for the purchase of equipment, construction of network facilities, integration of network system etc. over the next twelve (12) months as tabulated below:

<u>Description of capital expenditure</u>	Estimated amount RM '000
1) Transmission equipment for seven (7) transmission towers	10,000
2) Network equipment and facilities for seven (7) transmission towers	3,000
3) Integration of network system with seven (7) transmission towers	3,000
Total	<u>16,000</u>

Note (ii)

Approximately RM5.00 million from the IPO proceeds will be set aside to finance the Group's day-to-day operations that include payment to creditors and operating expenses as detailed below:

<u>Description of working capital</u>	Estimated amount RM '000
1) Payment to creditors	2,500
2) Operating expenses	2,500
Total	<u>5,000</u>



13. FINANCIAL INFORMATION (Cont'd)Note (iii)

The Company will bear the entire listing expenses and fees incidental to the Listing of approximately RM1.54 million as follows:

	Estimated amount RM '000
Professional fees	900
Authorities' fees	65
Issuing house's fees, underwriting commission and placement fees (in respect of IPO Shares)	340
Advertisement, printing and contingencies	235
Total	<u>1,540</u>

Listing of and quotation for ASIA MEDIA's entire enlarged issued and paid-up share capital of RM22,800,000 comprising 228,000,000 ASIA MEDIA Shares upon completion of the Public Issue on the ACE Market of Bursa Securities.

The Proforma Consolidated Statements of Financial Position are prepared on bases and accounting policies consistent with those normally adopted by ASIA MEDIA Group.

5.2 PROPERTY, PLANT AND EQUIPMENT

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

	RM
As at 30 June 2010/Proforma I	13,544,284
Add: Property, plant and equipment acquired through the utilisation of proceeds	<u>16,000,000</u>
Balance after Proforma II	<u>29,544,284</u>

5.3 DEVELOPMENT COSTS

	RM
<u>Cost</u>	
Balance as at beginning of period	<u>27,108</u>
Additions during the period	<u>-</u>
	27,108
Less:	
<u>Accumulated amortisation:</u>	
Balance as at beginning of period	<u>10,880</u>
Charge for the period	<u>2,705</u>
	13,585
Balance as at end of period	<u>13,523</u>



13. FINANCIAL INFORMATION (Cont'd)**5.4 INTANGIBLE ASSETS**

	RM
<u>Cost</u>	
Balance as at beginning of period	-
Additions during the period	2,211,950
	<u>2,211,950</u>
<u>Less:</u>	
<u>Accumulated amortisation:</u>	
Balance as at beginning of period	-
Charge for the period	-
	<u>-</u>
Balance as at end of period	<u><u>2,211,950</u></u>

Intangible assets which represent licenses, copyrights and other incidental costs incurred, are stated at cost less accumulated amortisation and impairment losses, are amortised over a period of ten (10) years.

5.5 GOODWILL ON CONSOLIDATION

	RM
Balance as at beginning and end of period	<u><u>2,570,627</u></u>

5.6 TRADE RECEIVABLES

	RM
Trade receivables	291,702
Less: Allowance for doubtful debts	(97,653)
Net	<u><u>194,049</u></u>

ASIA MEDIA Group's normal trade credit term is 30 days. Other credit terms are assessed and approved on a case-by-case basis.

ASIA MEDIA Group has no significant concentration of credit risk that may arise from exposure to a single receivable or groups of receivables

5.7 OTHER RECEIVABLES AND PREPAID EXPENSES

	RM
Other receivables and prepaid expenses consist of:	
Other receivables	16,499
Refundable deposits	16,733
Prepaid expenses	1,744
	<u><u>34,976</u></u>

5.8 DEFERRED EXPENDITURE

The movement of deferred expenditure is as follow:

	RM
As at 30 June 2010/Proforma I	131,100
Less: transferred to share premium account upon successful listing of the Company on the ACE Market of Bursa Securities	<u>(131,100)</u>
Balance after Proforma II	<u><u>-</u></u>



13. FINANCIAL INFORMATION (Cont'd)

Deferred expenditure represents professional charges and expenses incurred in connection with the proposed listing exercise of the Company which will be written off upon the successful listing of the Company on the ACE Market of Bursa Securities.

5.9 DEPOSITS WITH FINANCIAL INSTITUTIONS

Included in deposits with financial institutions is an amount of RM621,586 representing fixed deposits which are pledged to the financial institutions for banking facilities granted. Deposits with financial institutions have an average maturity period of 12 months. Deposits with financial institutions earn return at 2.50% per annum.

5.10 CASH AND BANK BALANCES

The movement of cash and bank balances are as follows:

	RM
As at 30 June 2010	1,523,461
Add: Proceeds from Public Issue	22,540,000
Balance after Proforma I	24,063,461
Less: Cost of property, plant and equipment acquired	(16,000,000)
Payment of balance of estimated listing expenses	(1,408,900)
Balance after Proforma II	6,654,561

5.11 SHARE CAPITAL

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

	No. of ordinary shares of RM0.10 each	Amount RM
As at 30 June 2010	130,000,000	13,000,000
Add: Public issue	98,000,000	9,800,000
Balance after Proforma I/Proforma II	228,000,000	22,800,000

5.12 SHARE PREMIUM

The movement in the share premium of ASIA MEDIA is as follow:

	RM
As at 30 June 2010	-
Add: Issuance of shares pursuant to the Public Issue	12,740,000
Balance after Proforma I	12,740,000
Less: Estimated listing expenses	(1,540,000)
Balance after Proforma II	11,200,000

5.13 TERM LOAN

	RM
Term loan repayable as follows:	
Within 1 year (Included in current liabilities)	394,944
Between 2 and 5 years	1,234,496
	1,629,440



13. FINANCIAL INFORMATION (Cont'd)**5.14 TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES**

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

Other payables and accrued expenses consist of:

	RM
Other payables	3,100
Accrued expenses	27,741
	<u>30,841</u>

5.15 AMOUNT OWING TO DIRECTORS

The amount owing to directors is unsecured, interest-free and repayable on demand.



13. FINANCIAL INFORMATION (Cont'd)**ASIA MEDIA****Notes to the proforma consolidated financial information****6 Proforma Consolidated cash flow statement**

The proforma consolidated cash flow statement of the ASIA MEDIA Group for the six (6) months FPE 30 June 2010 is provided for illustrative purposes only, assuming that the ASIA MEDIA Group had been in existence throughout the financial period under review and that the Public Issue and the utilisation of proceeds have been completed on 30 June 2010.

	RM
CASH FLOWS FROM OPERATING ACTIVITIES	
PBT	3,477,493
Adjustments for:	
Amortisation of development costs	2,705
Allowance for doubtful debts	64,969
Depreciation of property, plant and equipment	718,454
Finance cost	45,983
Gain on disposal of property, plant and equipment	(4,590)
Interest income	(22,537)
Operating profit before working capital changes	4,282,477
Changes in working capital:	
Decrease in receivables	239,755
Increase in payables	130,467
Decrease in amount owing to directors	(23,810)
Cash Generated From Operations	4,628,889
Interest received	22,537
Interest paid	(45,983)
Net Cash From Operating Activities	4,605,443
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(18,053,277)
Additions in intangible assets	(2,211,950)
Net Cash Used In Investing Activities	(20,265,227)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of shares, net of listing expenses	21,000,000
Repayment of term loans	(385,603)
Net Cash From Financing Activities	20,614,397
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,954,613
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	1,740,738
CASH AND CASH EQUIVALENTS CARRIED FORWARD	6,695,351
Cash and cash equivalents carried forward consist of:	
Deposits with financial institutions	662,376
Cash and bank balances	6,654,561
	7,316,937
Less: Fixed deposits pledged as security	(621,586)
	6,695,351

