

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

The approval of Bursa Malaysia Securities Berhad ("Bursa Securities") in relation to the Proposed Private Placement (as defined herein) shall not be taken to indicate that Bursa Securities recommends them. Shareholders should rely on their own evaluation to assess the merits and risks of the Proposed Private Placement.

Bursa Securities takes no responsibility for the contents of this Circular, 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 any part of the contents of this Circular.



ASIA MEDIA GROUP BERHAD

Registration No.: 200801011849 (813137-V)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

**PROPOSED PRIVATE PLACEMENT OF UP TO 71,839,000 NEW ORDINARY SHARES
IN ASIA MEDIA GROUP BERHAD ("AMGB") ("AMGB SHARE(S)" OR "SHARE(S)"), REPRESENTING
APPROXIMATELY 30.0% OF THE TOTAL NUMBER OF ISSUED SHARES IN AMGB
("PROPOSED PRIVATE PLACEMENT")**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser and Placement Agent



M&A SECURITIES SDN BHD

Registration No.: 197301001503 (15017-H)
(A Wholly-Owned Subsidiary of Insas Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting of the Company ("**EGM**") will be held on a fully virtual basis and entirely via remote participation and electronic voting via online meeting platform at TIIH online website at <http://tiih.online> provided by Tricor Investor & Issuing House Services Sdn Bhd.

The Notice of the EGM together with a copy of the Proxy Form is enclosed with this Circular. If you decide to appoint a proxy to attend and vote on your behalf at the EGM, the Proxy Form should be completed and lodged at our Company's registrar office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3 Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time appointed for the EGM or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting at the forthcoming EGM if you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Monday, 11 October 2021 at 10.00 a.m.

Date and time of the EGM : Wednesday, 13 October 2021 at 10.00 a.m., or at any adjournment thereof

Online meeting platform : TIIH online website at <https://tiih.online> provided by Tricor Investor & Issuing House Services Sdn Bhd

This Circular is dated 28 September 2021

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

"Act"	: Companies Act 2016, as may be amended, supplemented or modified from time to time
"AGM"	: Annual general meeting
"AMGB" or "Company"	: Asia Media Group Berhad (Registration No.: 200801011849 (813137-V))
"AMGB Group" or "Group"	: AMGB and its subsidiaries, collectively
"AMGB Share(s)" or "Share(s)"	: Ordinary share(s) in AMGB
"Board"	: Board of Directors of AMGB
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
"Bursa Securities"	: Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
"Circular"	: This circular to shareholders dated 28 September 2021
"COVID-19"	: Novel coronavirus disease 2019, an infectious respiratory disease which first broke out in 2019
"CMSA"	: Capital Markets and Services Act 2007
"E&E"	: Electrical and electronics
"EGM"	: Extraordinary general meeting
"EPS"	: Earnings per share
"FPE"	: Financial period ended
"FYE"	: Financial year ended/ending 31 December, where relevant
"Indicative Issue Price"	: RM0.1039 per Placement Share, being the indicative issue price for the Placement Shares used for illustrative purposes. The Indicative Issue Price is based on an approximate 10.0% discount to the 5D-VWAMP of AMGB Shares up to and including the LPD of RM0.1154 per AMGB Share
"Interested Person"	: A director, major shareholder or chief executive of our Company or of its holding Company
"Protégé" or "IMR"	: Protégé Associates Sdn Bhd (Registration No.: 200401037256 (675767-H))
"LAT"	: Loss after tax
"LBT"	: Loss before tax

DEFINITIONS (Cont'd)

"LPD"	: 14 September 2021, being the latest practicable date prior to the date of this Circular
"MMLR"	: Main Market Listing Requirements of Bursa Securities, as may be amended from time to time
"MCO"	: Movement control order (including all versions and phases) issued by the Government of Malaysia under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967
"M&A Securities"	: M&A Securities Sdn Bhd (Registration No.: 197301001503 (15017-H))
"NA"	: Net assets
"Placement Share(s)"	: Up to 71,839,000 AMGB Shares to be issued pursuant to the Proposed Private Placement
"PN"	: Practice Note
"Proposed Private Placement"	: Proposed private placement of up to 71,839,000 Placement Shares in AMGB, representing approximately 30.0% of the total number of issued Shares in AMGB to independent third party investor(s) to be identified later
"Record of Depositors"	: A record of securities holders established and maintained by Bursa Depository under the rules of Bursa Depository
"RM and sen"	: Ringgit Malaysia and sen, respectively
"5D-VWAMP"	: 5-day volume weighted average market price

For the purpose of this Circular, all references to a time of day shall be a reference to Malaysian time unless otherwise stated. In this Circular, 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 vice versa. References to persons shall, where applicable, include corporations.

Certain figures included in this Circular have been subject to rounding adjustments. All references to "Our Company" in this Circular are to AMGB, references to "Our Group" are to our Company and our subsidiaries, collectively, and references to "we", "us", "our" and "ourselves" are to our Company, and where the context requires, shall include our subsidiaries.

Any reference in this Circular to the provisions of any statute, rules, regulation or rules of stock exchange shall (where the context admits) be construed as a reference to the provisions of such statute, rules, regulation or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments to the statute, rules, regulation or rules of stock exchange for the time being in force.

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

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION REGARDING THE PROPOSED PRIVATE PLACEMENT. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE ENTIRE CONTENTS OF THIS CIRCULAR, INCLUDING THE APPENDIX, BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED PRIVATE PLACEMENT TO BE TABLED AT THE FORTHCOMING EGM.

Key information	Description	Reference to Circular												
Summary of the Proposed Private Placement	<p>Issuance size - Up to 71,839,000 Placement Shares, representing approximately 30.0% of the total number of issued shares of AMGB</p> <p>Issue to - Independent investors who qualify under Schedules 6 and 7 of the CMSA to be identified later</p> <p>Issue price - Not more than 10.0% discount to the 5D-VWAMP of AMGB Shares immediately preceding the price fixing date. The mechanism to determine the issue price of each tranche (if applicable) of the Placement Shares shall be determined in accordance with market-based principles.</p>	Sections 1 and 2												
Utilisation of proceeds	<p>: Based on the proposed placement size of 71,839,000 Placement Shares to be issued at the Indicative Issue Price, the Proposed Private Placement is expected to raise gross proceeds of approximately RM7.46 million. The proceeds raised are expected to be utilised in the following manner:</p> <table><thead><tr><th>Details</th><th>RM'000</th></tr></thead><tbody><tr><td>General working capital</td><td>2,214</td></tr><tr><td>Repayment of payables</td><td>1,100</td></tr><tr><td>Business expansion</td><td>3,700</td></tr><tr><td>Estimated expenses for the Proposed Private Placement</td><td>450</td></tr><tr><td>Total estimated proceeds</td><td>7,464</td></tr></tbody></table>	Details	RM'000	General working capital	2,214	Repayment of payables	1,100	Business expansion	3,700	Estimated expenses for the Proposed Private Placement	450	Total estimated proceeds	7,464	Section 2.5
Details	RM'000													
General working capital	2,214													
Repayment of payables	1,100													
Business expansion	3,700													
Estimated expenses for the Proposed Private Placement	450													
Total estimated proceeds	7,464													
Rationale	<p>: The Proposed Private Placement will enable our Group to raise funds primarily for the purposes as set out in Section 2.5 of this Circular taking into consideration the following:</p> <p>(i) the Proposed Private Placement will enable our Group to raise funds expeditiously and in a more cost-effective manner as opposed to other fund-raising options;</p> <p>(ii) the Proposed Private Placement will enable us to raise requisite funds without incurring additional interest expense, thereby minimising any potential cash outflow in respect of interest servicing; and</p> <p>(iii) the Proposed Private Placement will serve as an interim measure to our Group for the immediate funding</p>	Section 3												

EXECUTIVE SUMMARY (Cont'd)

Key information	Description	Reference to Circular
	purposes as highlighted in Section 2.5 of this Circular prior to the regularisation plan of AMGB	
Approvals required	<p>: The Proposed Private Placement is subject to the approvals being obtained from the following:</p> <ul style="list-style-type: none">(i) Bursa Securities, for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities;(ii) our shareholders at the forthcoming EGM to be convened for the Proposed Private Placement; and(iii) Any other relevant persons or authorities, if required. <p>The Proposed Private Placement is not conditional upon any other corporate proposals undertaken or to be undertaken by AMGB.</p>	Section 6
Interests of directors, major shareholders, chief executive and/or persons connected with them	: None of our directors, major shareholders, chief executive and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Private Placement.	Section 8
Directors' Recommendation	<p>: Our Board after having considered all aspects of the Proposed Private Placement (including, but not limited to the proposed utilisation of proceeds, rationale and the effects as set out in Sections 2.5, 3 and 5 of this Circular, respectively), is of the opinion that the Proposed Private Placement is in the best interest to our Group and our shareholders.</p> <p>Accordingly, our Board recommends that you vote in favour of the resolution in relation to the Proposed Private Placement to be tabled at the forthcoming EGM to be convened.</p>	Section 9



ASIA MEDIA GROUP BERHAD
Registration No.: 200801011849 (813137-V)
(Incorporated in Malaysia)

Registered office:

No.3A, Mezzanine Floor,
Jalan Ipoh Kecil,
50350 Kuala Lumpur

28 September 2021

Board of Directors

Wan Adruce Tuanku Haji Bujang (*Independent Non-Executive Chairman*)
Tan Chia Hong @ Gan Chia Hong (*Executive Director*)
Chen Jui-Liang (*Executive Director*)
Datuk Chiw Tiang Chai (*Non-Independent Non-Executive Director*)
Tan Choon Fuh (*Independent Non-Executive Director*)
Oh Teik Keng (*Independent Non-Executive Director*)
Chin How Sam (*Independent Non-Executive Director*)

To: Our shareholders,

Dear Sir/Madam,

PROPOSED PRIVATE PLACEMENT

1. INTRODUCTION

We had on 25 October 2019 announced that AMGB was classified as an affected listed issuer under PN17 of the MMLR ("**PN17 Announcement**"). The classification was pursuant to AMGB triggering the following prescribe criteria under Paragraph 2.1 (a), (d) and (e) of PN17 of MMLR:-

- 2.1 (a) the shareholders' equity of the listed issuer on a consolidated basis is 25% or less of the share capital (excluding treasury shares) and such shareholders' equity is less than RM40.0 million;
- 2.1 (d) the auditors had expressed a disclaimer opinion in the listed issuer's latest audited annual financial statements; and
- 2.1 (e) the auditors had highlighted a material uncertainty related to going concern and the shareholders' equity of the listed issuer on a consolidated basis is 50% or less of share capital (excluding treasury shares) of the listed issuer.

On 26 March 2020, Bursa Securities granted the extension of time for financial distressed listed issuers under PN17 to submit its regularisation plan from existing 12 months to 24 months from the first announcement date the listed issuer was classified as a PN17 company.

In relation thereto, we are required to submit the proposed regularisation plan by 24 October 2021 (i.e 24 months from 25 October 2019, the date of the PN17 Announcement). To date, we are evaluating our options and in the midst of formulating a proposed regularisation plan.

On 29 July 2021, M&A Securities had, on behalf of our Board, announced that we proposed to undertake the Proposed Private Placement. For the avoidance of doubt, the Proposed Private Placement is not part of the regularisation plan to be formulated by us pursuant to our obligation under PN17 of MMLR. In this respect, the Propose Private Placement is an interim measure to address our current funding requirements.

On 13 August 2021, M&A Securities had, on behalf of our Board, announced that we made certain variation to the utilisation of proceeds from the Proposed Private Placement.

On 13 September 2021, M&A Securities had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 13 September 2021 approved the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities.

Bursa Securities' approval-in-principle is subject to the following conditions:

No.	Condition	Status of compliance
(i)	AMGB and M&A Securities to ensure that there are no circumstances or facts which have the effect of preventing or prohibiting the implementation of the Proposed Private Placement including any order, injunction or any other directive by any court of law;	To be complied
(ii)	AMGB and M&A Securities must fully comply with the relevant provisions under the MMLR pertaining to the implementation of the Proposed Private Placement;	To be complied
(iii)	AMGB and M&A Securities to inform Bursa Securities upon the completion of the Proposed Private Placement;	To be complied
(iv)	AMGB/M&A Securities to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed Private Placement; and	To be complied
(v)	AMGB and M&A Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed.	To be complied

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS ON THE PROPOSED PRIVATE PLACEMENT, TO SET OUT OUR BOARD'S OPINION AND RECOMMENDATION ON THE PROPOSED PRIVATE PLACEMENT AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED PRIVATE PLACEMENT TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE PROXY FORM ARE ENCLOSED WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED PRIVATE PLACEMENT TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

As at LPD, we have an existing issued share capital of RM24,773,143 comprising 239,463,426 AMGB Shares.

Based on the above, the Proposed Private Placement entails the issuance of up to 71,839,000 Placement Shares, representing approximately 30.0% of the total number of issued Shares.

Subject to the prevailing market conditions and depending on investors' interest at the point of implementation, the Proposed Private Placement may be implemented in a single or multiple tranche(s) within 6 months from the date of approval from Bursa Securities for the listing and quotation of the Placement Shares on the Main Market of Bursa Securities or any extended period as may be approved by Bursa Securities. As such, there could potentially be several price fixing dates depending on the number of tranches and timing of implementation. The implementation of the Proposed Private Placement in multiple tranches would provide flexibility to us to procure interested investors to subscribe for the Placement Shares within the period as approved by Bursa Securities.

2.1. Basis of arriving at the issue price of the Placement Shares

For the avoidance of doubt, the Proposed Private Placement will not be undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Act which was obtained from our shareholders at our 13th AGM held on 12 August 2021. The general mandate authorises our Board to issue and allot new shares in AMGB not exceeding 10.0% of the total issued shares in AMGB, which shall remain in force until our next AGM (unless revoked or varied by AMGB at a general meeting prior to the next AGM). However, our Board take into cognisance of the requirements under Paragraph 6.04 of the MMLR (for issue of new securities under general mandate) for the Proposed Private Placement.

The issue price of each tranche of the Placement Shares, where applicable, shall be determined separately and fixed by our Board at a later date after obtaining the relevant approvals for the Proposed Private Placement.

The Placement Shares will be issued based on a discount of not more than 10.0% to the 5D-VWAMP of AMGB Shares immediately preceding the price-fixing date, to be determined by our Board after taking into consideration amongst others, the prevailing market conditions and the provisions of Paragraph 6.04(a) of the MMLR.

For illustrative purposes, the Placement Shares are assumed to be issued at an Indicative Issue Price based on an approximate 10.0% discount to the 5D-VWAMP of AMGB Shares up to and including the LPD of RM0.1154 per AMGB Share.

The mechanism to determine the issue price of each tranche of the Placement Shares shall be determined separately in accordance with market-based principles.

2.2. Placement arrangement

The Placement Shares will be placed to placees where the placees shall also be person(s) or party(ies) who/which qualify under Schedule 6 and Schedule 7 of the CMSA, who/which shall be identified at a later date.

Pursuant to the Paragraph 6.04(c) of the MMLR, the Placement Shares will not be placed to the following persons:-

- (i) any Interested Person;
- (ii) persons connected with the Interested Person; and
- (iii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

2.3. Ranking of the Placement Shares

The Placement Shares shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing AMGB Shares, save and except that the holders of the Placement Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid to you, for which the relevant entitlement date is prior to the date of allotment and issuance of the Placement Shares and the Placement Shares will be subject to all the provisions of our constitution relating to transfer, transmission and otherwise.

2.4. Listing of and quotation for the Placement Shares

Bursa Securities has via its letter dated 13 September 2021 approved the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities.

2.5. Utilisation of proceeds

The gross proceeds to be raised from the Proposed Private Placement of approximately RM7.46 million based on the Indicative Issue Price are expected to be utilised by our Group in the following manner:-

Utilisation of proceeds	Notes	Amount RM'000	Expected timeframe for utilisation of proceeds (from listing date)
General working capital	(1)	2,214	Within 12 months
Repayment of payables	(2)	1,100	Within 6 months
Business expansion	(3)	3,700	Within 3 months
Estimated expenses for the Proposed Private Placement	(4)	450	Within 1 month
Total estimated proceeds		<u>7,464</u>	

Notes:

- (1) We intend to utilise approximately RM2.21 million of the proceeds to support our Group's working capital requirements.

The breakdowns of the proceeds for the working capital are as follows:-

Details	Amount RM'000
Staff-related costs ⁽ⁱ⁾	1,914
Operating and administrative expenses (i.e. audit fees, secretarial fees, utilities, rental and miscellaneous expenses) ⁽ⁱⁱ⁾	300
Total	<u>2,214</u>

- (i) Our Group intend to allocate approximately RM1.36 million of the proceeds to fund cost related to all 31 existing staffs. The indicative breakdown for the payment of the staff cost for the next 12 months are as follows:-

Details	Amount RM'000
Basic salary	1,180
Allowance	77
Contributions to the Employees Provident Fund Board	90
Contributions to Social Security Organisation	17
Total	<u>1,364</u>

In addition, our Group plan to allocate RM0.55 million for the recruitment of employees with relevant experiences to undertake various roles (e.g. sales and marketing, administrative and web designing) for our new business in the lift

projector advertising. Kindly refer to note (3) below for details of the lift projector advertising business.

(ii) The breakdown of the operating and administrative expenses are as follows:-

Details	Amount RM'000
Audit fees for FYE 2022	70
Secretarial fees for FYE 2022	70
Rental fees for our new office ^(a)	70
Miscellaneous expenses	90
Total	300

Note:

(a) On July 2021, we have moved our headquarter to 15-2, Level 15, Menara Choy Fook On, Jalan Yong Shook Lin, Seksyen 7, 46050 Petaling Jaya.

(2) Our Board propose to allocate RM1.10 million of the proceeds to repay the following payables:-

Details	Amount RM'000
Director advances ⁽ⁱ⁾	400
Shareholder advances ⁽ⁱⁱ⁾	500
Professional fees (i.e. legal fees, accountant investigator fees ⁽ⁱⁱⁱ⁾ , advisory fees)	200
Total	1,100

(i) The breakdown of the outstanding director advances to be repaid are as follows:-

Name	Purposes of advances	Period of advances	Outstanding advances to be repaid RM'000
Yap Ping Tiong (Resigned on 18 May 2021)	Working capital for our Group	October 2019 to March 2021	(a)340
Liew Chee Keong (Resigned on 17 May 2021)		October 2019 to March 2021	(a)60
Total			400

(ii) The breakdown of the outstanding shareholder advances to be repaid are as follows:-

Name	% of shareholding in AMGB as at LPD	Purposes of advances	Period of advances	Outstanding advances to be repaid RM'000
Chua Seong Seng ^(b)	-	Working capital for our Group	December 2020	(a)300
Mohd Nasri bin Abdul Rahim	5.26		December 2019	(a)200
Total				500

(iii) The purpose of the accountant investigator fees is to investigate the missing assets and monies which allegedly paid for the transit television system, broadcasting

infrastructure and licences and also to provide advisory services to our Company in relation to the investigation. The investigation is still on-going at this juncture.

Notes:

- (a) All the outstanding directors and shareholders advances to be repaid are interest free and the repayment period of the advances are within two years from the date of the advances granted to our Company.
- (b) Chua Seong Seng hold 7.36 million AMGB Shares, representing 3.07% equity interest in AMGB from November 2020 to March 2021. He had disposed all of his shareholding in AMGB before 30 June 2021.

- (3) Our Group intend to extend our offering in multimedia advertising to include lift projector advertising. Lift advertising projector uses digital light processing technology for advertisement projection which installed inside the lift. The projector has the infrared sensors which will turn on the advertisement projection when the lift doors are closed and/or there are people inside the lift. Each unit of lift projector allow 6 to 10 advertising slots projecting between 5 to 15 seconds.

In view of the above, our Board intend to utilise RM3.60 million of the proceeds to purchase the lift projectors. The estimated total cost of these projectors together with the installation cost is as follow:-

Description	Amount RM'000
1000 units of lift projectors	3,000
Installation cost of the projectors	600
Total	3,600

Our Group intend to purchase 1000 units of lift projectors as our Group believes that the venture in the lift projector advertising business would place our Group in a better position to capitalise on the envisaged growth in the OOH advertising industry as mentioned in Section 4.2 of this Circular. According to the IMR report, the OOH advertising industry is projected to expand by a compound annual growth rate of 9.2% from RM1.29 billion in 2020 to RM2.01 billion in 2025. Our Group estimated that each building would require, on average, 3 lift projectors and with the purchase of 1000 units of lift projectors, we are able to cover up to 333 residential and commercial buildings in Klang Valley. The purchase of the lift projectors will be done in several batches depending on the actual rollout date agreed with the potential building management and any additional lift projectors will be kept in standby mode.

Our Group also plan to set aside RM0.1 million from the gross proceeds to finance our day-to-day operation for the lift projector advertising which includes, among others, project mobilisation costs and disbursement as well as other operating expenses.

Our Group intend to undertake the lift projector advertising through partnership with the building managements whereby they will provide the advertising space for the installation of the lift projectors. Our Group will pay a fix rental fee together with an agreed percentage of profit to be shared with the building management.

Our Group is in the midst of identifying the potential buildings for the installation of said projectors and intend to install at the commercial, residential or government buildings throughout the Klang Valley. Negotiation on the pricing and terms of the agreement with the building management will only commence once the buildings have been identified.

- (4) The estimated expenses consist of fees payable to the relevant authorities, advisory and placement fees as well as other miscellaneous expenses to be incurred pursuant to the Proposed Private Placement.

The actual proceeds to be raised from the Proposed Private Placement are dependent on the actual number of Placement Shares to be issued and the issue price of the Placement Shares. Any excess or shortfall of the actual proceeds raised from the Proposed Private Placement will be adjusted to our Group's working capital.

Pending the full utilisation of the proceeds raised from the Proposed Private Placement, we intend to place these proceeds (including accrued interest, if any) or the balance thereof in interest-bearing deposit accounts with licensed financial institutions or in short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional funding for our Group's working capital.

3. RATIONALE

The Proposed Private Placement will enable our Group to raise funds primarily for the purposes as set out in Section 2.5 of this Circular while we are in the midst of formulating the proposed regularisation plan.

After due consideration of the various options available, our Board is of the view that the Proposed Private Placement is the most appropriate avenue to raise funds due to the following reasons:-

- (i) the Proposed Private Placement will enable our Group to raise funds expeditiously and in a more cost-effective manner as opposed to other fund-raising options such as a rights issue, which would typically entail longer implementation process. Additionally, a rights issue also requires an underwriting arrangement or undertaking commitment from shareholders, in spite of the current uncertain economy conditions; and
- (ii) the Proposed Private Placement will enable us to raise requisite funds without incurring additional interest expense, thereby minimising any potential cash outflow in respect of interest servicing. In addition, our Group may not be able to secure additional bank borrowings in the light of its status as a PN17 affected listed issuer.

Although the Proposed Private Placement will have a significant dilutive effect on our existing shareholders' shareholdings in AMGB, our Board is of the view that the Proposed Private Placement is expected to have a positive impact to our Group's future earnings arising from our venture in the lift projector advertising business. Consequently, when the benefits of the proceeds' usage are realised, it may enhance our shareholders value as well as the financial performance of our Group moving forward. The Proposed Private Placement will serve as an interim measure to our Group for the immediate funding purposes as highlighted in Section 2.5 of this Circular prior to the regularisation plan of AMGB.

Details of equity fundraising exercises undertaken in the past 12 months

We has not undertaken any equity fund raising exercises in the past 12 months prior to the date of this Circular.

4. OUTLOOK AND PROSPECTS

4.1 Malaysian economy

The Malaysian economy expanded by 16.1% in the second quarter of 2021 (1Q 2021: - 0.5%). Growth was supported mainly by the improvement in domestic demand and continued robust exports performance. The strong growth also reflected continued policy support and the low base from the significant decline in activity during the second quarter of 2020. Economic activity picked up at the start of the second quarter but slowed following the reimposition of stricter nationwide containment measures, particularly under Phase 1 of the full MCO. For the second quarter as a whole, all economic

sectors registered an improvement, particularly the manufacturing sector. On the expenditure side, growth was driven by higher private sector spending and strong trade activity. On a quarter-on-quarter seasonally adjusted basis, the economy registered a decline of 2.0% (1Q 2021: 2.7%), due to the containment measures.

Domestic demand turned around to register a positive growth of 12.3% (1Q 2021: - 1.0%) in the second quarter of 2021, mainly supported by private sector expenditure. On the external front, demand for Malaysia's exports, particularly for E&E products, continued to remain robust.

Private consumption growth increased by 11.6% during the second quarter of 2021 (1Q 2021: - 1.5%), following a broad-based expansion across both necessity and discretionary items, particularly at the start of the quarter, prior to the imposition of full MCO. This was due mainly to less stringent containment measures and mobility restrictions in the first half of the quarter. Labour market conditions also showed signs of improvement in the same period, which lent support to household spending. Furthermore, various policy measures, including the EPF i-Sinar withdrawals and Bantuan Prihatin Rakyat, provided additional lift to consumer expenditure. Public consumption expanded by 9.0% (1Q 2021: 5.9%), mainly on account of higher spending on supplies and services.

Private investment registered a growth of 17.4% (1Q 2021: 1.3%). The higher investment activity was underpinned mainly by the continued capital spending in telecommunication related equipment, as firms' automation and digitalisation efforts gain further traction, as well as the continued progress in national digital infrastructure investments. In addition, further expansions of new and ongoing investment projects amid improving external demand, particularly in the export-oriented industries such as E&E and metal, also provided further impetus to growth.

After 12 quarters of contraction, public investment recorded a positive growth of 12.0% (1Q 2021: - 18.6%). The performance mainly reflects the higher spending on fixed assets by the General Government amid continued weak capital spending by public corporations.

(Source: Developments in the Malaysian Economy, Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2021, Bank Negara Malaysia)

The Malaysian economy was on track for a broad recovery in 2021 as compared to last year. However, the resurgence of COVID-19 cases has necessitated the re-imposition of nationwide containment measures, which would weigh on growth. Nevertheless, the impact will be partially mitigated by continued allowances for essential economic sectors to operate, higher adaptability to remote work, as well as increased automation and digitalisation. Growth will continue to be supported by policy measures, which will provide cash flow support, particularly for affected households and businesses. Going forward, the economic recovery will be underpinned by higher external demand and gradual improvement in domestic demand. The rapid progress of the nationwide vaccination programme will allow economic sectors to be gradually reopened and provide some lift to household and business sentiments.

Against this backdrop, for 2021, the Malaysian economy is projected to expand within the range of 3.0 – 4.0%, although the pace of recovery will be uneven across sectors. The recovery is expected to accelerate going into 2022, supported by normalisation of economic activities as well as the positive spillovers from continued improvement in external demand.

The balance of risks remains tilted to the downside, arising mainly from pandemic related factors, such as delay in the easing of containment measures or imposition of tighter containment measures, and a weaker-than-expected global growth recovery.

(Source: Macroeconomic Outlook, Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2021, Bank Negara Malaysia)

4.2 Overview and outlook of the multimedia advertising industry

The advertising industry in Malaysia is categorised by segments namely, television advertising, out-of-home (“OOH”) advertising, newspaper publishing, business-to-business advertising, Internet advertising and others such as radio, online and mobile gaming channels. The advertising industry today is showing a shift, with digital advertising making new strides and traditional advertising innovating to keep pace with its digital counterpart. The rise of internet usage, increased use and availability of smartphone and broadband connection had help to promote the growth of digital advertising. As the spending on digital advertising increases, the spending on traditional advertising media such as newspapers, television and radio grew lesser over the years.

The OOH advertising is one of the traditional advertising platforms that benefits from digitisation and remains vital in the advertising landscape. The OOH advertising is divided into static OOH and digital OOH. Static OOH advertising includes static placement of advertisement on billboards, wrapped vehicles and car toppers which gives the advertiser 100% view ability and ownership. Meanwhile, digital OOH advertising rotates ads from multiple brands on a digital billboard.

Over the years, there is a gradual replacement of static billboards to digital billboards which has become more interactive. Smart billboards that are compatible with near-field communication and quick response code enable data transfer to mobile devices. Advertisements in terms of applications, videos, audio, and graphics can be transferred from these billboards to the consumers’ smartphones and engage consumers in real time.

In 2020, the advertising expenditure for Malaysia declined by 14.5% to RM11.53 billion from RM13.49 billion in 2019 mainly due to the impact of COVID-19 pandemic. Out of the RM11.5 billion, OOH advertising accounted for 11.2% or RM1.29 billion of the advertising expenditure in 2020. The enforcement of movement control orders last year means less consumers on the roads and in malls which has caused the rental for OOH dropped from RM1.42 billion in 2019 to RM1.29 billion in 2020. Advertisers had pull back on advertising campaigns and cut down on OOH advertising spending for the year 2020 given the low amount of pedestrian traffic.

In the short term (2021-2022), the OOH advertising industry in Malaysia is expected to be influenced by extension of movement control orders and current change in consumer behaviour. The growth of OOH advertising industry in Malaysia would be dependent on the duration of the lockdown and how fast the COVID-19 transmission is curtailed as well as the speed of the vaccination programme.

In the medium to long term (2023-2025), the OOH advertising industry is anticipated to be fuelled by increasing urbanisation and rapid expansion of mobile connectivity. In the duration of 2010 to 2019, urbanisation rate in Malaysia rose from 70.9% to 76.2%. The United Nations Department of Economic and Social Affairs forecasted that Malaysia will reach an urbanisation of between 85% to 90% in the next 30 years. Urbanisation trend shapes consumer behaviour and lifestyle which in turns continues to stimulate advertising strategies. The rapid development of fifth generation network connectivity further fuel advertising industry growth providing opportunity for real-time advertising solutions such as engaging and innovative video advertising that can be accessed on mobile phones.

In addition, property and infrastructure investment will drive the OOH advertising industry growth, creating increased and improved OOH advertising space. The on-going and upcoming mega infrastructure such as the Pan Borneo Highway, the Gemas-Johor Bahru Electrified Double-Tracking Projects, the Mass Rapid Transit 3 projects will contribute to the creation of more billboard sites and thus drive-up billboard inventory nationwide. Going forward, the OOH advertising industry is projected to expand by a compound annual growth rate of 9.2% from RM1.29 billion in 2020 to RM2.01 billion in 2025.

(Source: Independent market research report by Protégé)

4.3 Prospects of our Group

Our Group is principally involved in the business of multimedia advertising services, media communications, commercialisation of narrowcasting network solutions, as well as the dynamic and automation contents.

As multimedia advertising is the major revenue for our Group, we intend to focus in the digital OOH advertising business particularly in the lift projector advertising business. Digital OOH advertising is the media displayed in the public areas using digital screens which is more attention grabbing compared to traditional advertising. Based on the independent market research report, the OOH advertising industry is projected to expand by a compound annual growth rate of 9.2% from RM1.29 billion in 2020 to RM2.01 billion in 2025.

As all the lift projector advertising equipment have internet connectivity and can be operated and maintained in a real time manner through online software, we intend to collaborate with marketing agencies and online advertisement market places in order to maximize the digital advertising slots take-up rate for more income generation. With the deployment of the 1,000 lift projectors, our Group expects to become the leading digital OOH advertising company in Malaysia. Subject to the prevailing market conditions and future demand for digital advertising business, we may intend to extend our digital OOH coverage outside of Klang Valley as our Group envisage that the digital OOH advertising will be able to contribute positively to our Group's earning moving forward. Nevertheless, our Board will continuously review on the strategy and future business direction of our Group in order to remain competitive and improve our Group's financial performance.

4.3.1 Impact of the COVID-19 pandemic to our venture in the lift projector advertising business

The COVID-19 pandemic had adversely impacted the Malaysian economy with the Malaysian government imposing multiple MCOs in order to curb the outbreak of COVID-19. The spending in the advertising by the advertisers had reduced due to less consumers at the public place during the MCOs period. AMGB Group also has not been exempted from the negative impacts resulting from prolonged COVID-19 pandemic commencing from the implementation of MCO starting from March 2020. The negotiation and securing contracts for our lift projector advertising business has also affected due to the enforcement of the MCOs. However, our Group is optimistic on the prospects of our venture in the lift projector advertising business as there are gradual improvement in the economic activities under national recovery plan and government efforts in ramping up of the national immunisation programme.

(Source: Management of AMGB)

4.4 Steps undertaken or to be undertaken to improve the financial condition of our Group

Our Group has undertaken several initiatives to improve our financial condition, which includes, amongst others:-

- (i) Our Group intends to move towards the following 3 pillars of revenue streams:
 - (a) Online advertising which also known as online marketing, internet advertising, digital advertising or web advertising. It is a form of marketing and advertising which uses internet to deliver promotional marketing messages to consumers.

Our 100%-owned subsidiary, Asia Media Sales & Marketing Sdn Bhd ("**AMGB Sales**") has moved into online advertising which involves programmatic advertisement placement via either cost per thousand impressions, cost per click and for cost per view which expect to generate more revenue than the static billboards. Previously, AMGB Sales provides static billboard advertisement services which are only able to display the advertisements at one place and is not able to reach mass audiences.

For the month of June and July 2021, we recorded revenue around RM200k to RM300k for the online advertising services.

- (b) Digital marketing refers to advertising delivered through digital channels such as search engines, websites, social media, email, and mobile apps. Using these online media channels, digital marketing is the method by which companies endorse goods, services, and brands. To date, we are in midst of formulating plan for entry of this new service which includes, inter-alia, marketing strategies, target audiences and partnership with the digital channels.

We have incorporated MMM Creative Sdn Bhd (“**MMM Creative**”) on 31 May 2021 and is established as a full-service digital marketing agency to provide branding and digital marketing services to the small medium enterprises. As at LPD, MMM Creative has outstanding secured contracts amounting to RM2.40 million.

- (c) Lift projector advertising which was described in Note 3 of Section 2.5 of this Circular.

MMM Digital Sdn Bhd (“**MMM Digital**”) was incorporated on 14 July 2021 and is established to undertake the lift projector advertising business.

To date, MMM Digital has applied for multimedia super corridor status and currently pending review and approval from the authorities.

Our Group will continue to explore new opportunities and review our capital and business structure to gear ourselves towards the exit of PN17 affected listed issuer status. At this juncture, we are still evaluating our options and in the midst of formulating a proposed regularisation plan.

4.5 Value creation to our Group and our shareholders

As set out in Section 2.5 of this Circular, the Proposed Private Placement will allow our Group to raise funding for the purchase of the lift projectors for our Group’s lift projector advertising business, an extension our Group’s offering to provide an additional revenue stream to our Group in the future.

In addition, the Proposed Private Placement will enable our Group to tap into the equity market to raise funds without incurring additional interest cost associated with bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs and repay principal sums.

Furthermore, the additional working capital made available from the Proposed Private Placement will help to facilitate our Group’s day-to-day operations as a whole by providing more flexibility in terms of cash flow management.

4.6 Impact of the Proposed Private Placement to our Group and our shareholders

The Proposed Private Placement will enable our Group to raise funds without the need to secure additional bank borrowings, which may be difficult in view of its status as a PN17 affected listed issuer.

Notwithstanding this, the consolidated EPS of our Group shall be diluted as a result of the increase in the number of Shares arising from the Proposed Private Placement. Further details on the effects of the Proposed Private Placement on the NA and gearing as well as the earnings and EPS of our Group are set out in Section 5 of this Circular.

4.7 Adequacy of the Proposed Private Placement in addressing the financial requirements of our Group

Premised on Sections 4.5 and 4.6 above as well as the effects of the Proposed Private Placement as set out in Section 5 of this Circular, our Board is of the view that the Proposed Private Placement

served as a measure to resolve its immediate funding requirements for our venture in the lift projector advertising business and the working capital of our existing businesses.

In addition, the Proposed Private Placement will allow our Group to raise the requisite funds expeditiously without the need to secure additional bank borrowings, which may be difficult in view of our status as a PN17 affected listed issuer.

Premised on the above, our Board is of the view that the Proposed Private Placement is adequate to address our immediate funding requirement for working capital.

For the avoidance of doubt, the Proposed Private Placement is not part of the regularisation plan pursuant to our obligation under PN17 of MMLR. The Proposed Private Placement serves as an interim measure to address our current funding requirements.

5. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

5.1 Share capital

The pro forma effects of the Proposed Private Placement on the issued share capital of our Group are set out below:-

	No. of Shares	RM
Issued share capital as at LPD	239,463,426	24,773,143
To be issued pursuant to the Proposed Private Placement	71,839,000	⁽¹⁾ 7,464,072
Enlarged share capital	311,302,426	32,237,215

Note:

⁽¹⁾ Based on the Indicative Issue Price.

5.2 NA and gearing

For illustrative purposes, the pro forma effects of the Proposed Private Placement on the NA and gearing of our Group are set out below:-

	Audited as at 31 March 2021 RM	⁽¹⁾After the Proposed Private Placement RM
Share capital	24,773,143	32,237,215
Accumulated losses	(30,272,609)	⁽²⁾ (30,722,609)
Shareholders equity/NA	(5,499,466)	1,514,606
Non-controlling interest	(234,357)	(234,357)
Total equity	(5,733,823)	1,280,249
No. of Shares	239,463,426	311,302,426
NA per Share (RM)	(0.02)	0.01
Total borrowings (RM)	-	-
Gearing (times)	-	-

Notes:

⁽¹⁾ Assuming the issuance of 71,839,000 Placement Shares are issued at the Indicative Issue Price.

⁽²⁾ After deducting estimated expenses to be incurred in relation to the Proposed Private Placement of RM450,000.

5.3 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Private Placement on the shareholdings of our substantial shareholders are set out in the table below:-

Substantial shareholders	As at LPD			After the Proposed Private Placement		
	Direct		Indirect	Direct		Indirect
	No. of shares	(1)%	No. of shares	(1)%	No. of shares	(2)%
Grand Portfolio Sdn Bhd	37,390,700	15.61	-	-	37,390,700	12.01
Tan Chia Hong @ Gan Chia Hong	-	-	(3)37,390,700	15.61	-	(3)37,390,700
Chen Jui-Liang	-	-	(3)37,390,700	15.61	-	(3)37,390,700
Mohd Nasri Bin Abdul Rahim	12,600,000	5.26	-	-	12,600,000	4.05
Placees (collectively)	-	-	-	-	71,839,000	23.08

Notes:

- (1) Based on the existing issued shares of 239,463,426 Shares as at the LPD.
- (2) Based on the enlarged issued shares of 311,302,426 Shares upon completion of the Proposed Private Placement.
- (3) Deemed interested by virtue of their shareholdings in Grand Portfolio Sdn Bhd pursuant to Section 8 of the Act.

5.4 Earnings and EPS

Save for the dilution in EPS as a result of the increase in the number of Shares to be issued pursuant to the Proposed Private Placement, the Proposed Private Placement is not expected to have any immediate material effect on the consolidated losses of our Group.

Although the EPS will be diluted as a result of the increase in the number of Shares, the Proposed Private Placement is expected to contribute positively to our earnings thereafter in view of the utilisation of proceeds as set out in Section 2.5 of this Circular.

5.5 Convertible Securities

We do not have any other outstanding convertible securities as at the LPD.

6. APPROVALS REQUIRED

The Proposed Private Placement is subject to the approvals being obtained from the following:-

- (i) Bursa Securities, for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities which was obtained vide its letter dated 13 September 2021, and is subject to the conditions as stated in Section 1 of this Circular;
- (ii) our shareholders at the forthcoming EGM to be convened for the Proposed Private Placement; and
- (iii) any other relevant persons or authorities, if required.

The Proposed Private Placement is not conditional upon any other corporate proposals undertaken or to be undertaken by us.

7. HISTORICAL SHARE PRICE PERFORMANCE

	High	Low
	RM	RM
2020		
September	0.14	0.10
October	0.16	0.08
November	0.17	0.09
December	0.18	0.12
2021		
January	0.21	0.14
February	0.16	0.13
March	0.15	0.13
April	0.16	0.12
May	0.16	0.14
June	0.15	0.13
July	0.15	0.05
August	0.15	0.13
The last transacted market price of AMGB Shares immediately prior to the announcement of the Proposed Private Placement on 29 July 2021		0.14
Last transacted market price on LPD		0.13

(Source: Bloomberg)

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of our directors, major shareholders, chief executive and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Private Placement.

9. DIRECTORS' RECOMMENDATION

Our Board after having considered all aspects of the Proposed Private Placement (including, but not limited to the proposed utilisation of proceeds, rationale and the effects as set out in Sections 2.5, 3, and 5 of this Circular, respectively), is of the opinion that the Proposed Private Placement is in the best interest of our Group and our shareholders.

Accordingly, our Board recommend that you vote in favour of the resolution in relation to the Proposed Private Placement to be tabled at the forthcoming EGM to be convened.

10. ADVISER AND PLACEMENT AGENT

M&A Securities has been appointed as the adviser and placement agent for the Proposed Private Placement.

11. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all relevant approvals being obtained by us, the Proposed Private Placement is expected to be completed by fourth quarter of 2021.

The tentative timetable in relation to the Proposed Private Placement is as follows:

Date	Events
13 October 2021	EGM to approve the Proposed Private Placement
By end of December 2021	Listing and quotation of the Placement Shares and completion of the Proposed Private Placement

12. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Private Placement, there are no other corporate exercises that have been announced but are pending completion as at the date of this Circular.

13. EGM

The EGM, the notice of which is enclosed in this Circular, will be conducted on a fully virtual basis and entirely via remote participation and electronic voting via online meeting platform at TIIH online website at <http://tiih.online> provided by Tricor Investor & Issuing House Services Sdn Bhd on Wednesday, 13 October 2021 at 10.00 a.m., or at any adjournment thereof (as the case may be), for the purpose of considering, and if thought fit, passing with or without modification, the resolutions to give effect to the Proposed Private Placement.

If you are unable to attend, participate, speak or vote in person at the EGM, you are requested to complete, sign and return the enclosed Proxy Form in accordance with the instructions contained therein, to be deposited at the Company's registrar office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3 Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time set for holding the EGM or at any adjournment thereof. The completion and lodging of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

14. FURTHER INFORMATION

Please refer to the Appendix I set out in this Circular for further information.

Yours faithfully
For and on behalf of our Board
ASIA MEDIA GROUP BERHAD

TAN CHIA HONG @ GAN CHIA HONG
Executive Director

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. CONSENTS AND DECLARATIONS

2.1 M&A Securities

M&A Securities being the adviser and placement agent for the Proposed Private Placement, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereon in the form and context in which they appear in this Circular.

M&A Securities do hereby confirm that, it is not aware of any circumstances or relationships which would give rise to a conflict of interest or potential conflict of interest situation in its capacity to act as the adviser and placement agent of our Company for the Proposed Private Placement.

2.2 Protégé

Protégé, being the independent market researcher for the Proposed Private Placement, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

Protégé do hereby confirm that, it is not aware of any circumstances or relationships which would give rise to a conflict of interest or potential conflict of interest situation in its capacity to act as the Independent Market Researcher of our Company for the Proposed Private Placement.

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

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

- (i) Rapid Rail Sdn Bhd ("**Rapid**") v Asia Media Sdn Bhd ("**AMSB**")
Shah Alam High Court
Suit No. 22NCVC-186-03/2015

On 30 March 2015, Rapid as plaintiff filed a writ and statement of claim against the AMSB as defendant seeking, inter alia:

- a) Payment of minimum guaranteed sum ("**MGS**") amounting to RM 1,215,000 for year 5 of the licence agreement;
- b) Payment of cumulative MGS for the extended period amounting to RM607,500;
- c) Payment of costs incurred to dismantle and store the equipment amounting to RM48,540;
- d) Defendant to forthwith collect the equipment that has been dismantled and currently being stored by the plaintiff; and

- e) Payment of the continued storages cost being incurred by the plaintiff to be calculated until the day the defendants collect the equipment.

Representatives from both parties have had held meetings to reach an amicable resolution. Subsequently, the defendant had set out a settlement proposal on 19 November 2020 to pay the plaintiff the sum of RM1,215,000, as full and final settlement of the matter, in 19 monthly instalments beginning from April 2021.

On 9 February 2021, the plaintiff informed the defendant that they are willing to accept the settlement proposal provided that the terms and conditions of settlement be recorded as a consent judgment before the learned judge presiding over the suit. Subsequently, the defendant received the draft consent judgment from the plaintiff on 26 March 2021.

However, before both parties finalised the consent judgment, on 9 April 2021, a winding up order was ordered against defendant by Plisch Broadcast Asia Pacific Pte Ltd ("**Plisch**").

In furtherance, the defendant's solicitors have been discharged to act as solicitors on 9 August 2021 as AMSB has been wound up.

As at the LPD, plaintiff intends to proceed with the suit against AMSB and plaintiff is required to file leave application to the court. The suit is now fixed on 7 October 2021 for decision while pending the submission of leave application by plaintiff. AMSB is currently represented by Official Receiver.

- (ii) **Plisch v AMSB**
Kuala Lumpur High Court
Suit no. WA-28NCC-219-02/2020
Suit no. WA-28PW-214-07/2021

Plisch as plaintiff has on 14 December 2017 filed a writ of summons and statement of claim in the high court against AMSB as defendant in connection with the payment for the plaintiff to supply, install and commission transmitter devices on a project known as "Terrestrial Digital Multimedia Broadcast Centre System and Transmitter" which the defendant purportedly has not paid to plaintiff. The plaintiff's claims are as follows:

- a) Outstanding payment on invoices number IV-11/00027 and IV-2012-11-001 for the sum of €511,999.99;
b) Interest at the rate of 5% per annum on the above sum from 30 April 2015 to the date of judgment; and
c) Cost and interest.

The defendant filed for the counter claim for the sum of €26,017 to be returned and other costs and interests.

On 7 August 2019, the high court has ruled that:

- a) The defendant shall pay to the plaintiff €161,227 and 5% interest on the sum of €135,209 (after deducting the down payment) from 30 April 2015;
b) Plaintiff to refund/repay to the defendant a total of €26,017 and interests at a rate of 5% on the amount of €26,017 from the date of filing the counter claim; and
c) Defendant to return 24 transmitters and the plaintiff to recover 10 transmitters.

The plaintiff eventually proceeded to execute the judgement dated 7 August 2019 by way of a winding up petition against the defendant. The hearing of the winding up petition was fixed on 9 April 2021.

APPENDIX I - FURTHER INFORMATION (Cont'd)

As at the LPD, winding up order was obtained against AMSB on 9 April 2021 with cost of RM5,000.00. The official receiver is appointed as the interim liquidator for AMSB. AMSB has also filed an application to appoint an external liquidator via suit No. WA-28PW-214-07/2021. The matter is fixed for further Case Management on 28 September 2021 for the applicant to file and serve the amended Notice of Motion.

- (iii) Performance Malaysia Sdn Bhd ("**Performance**") v AMSB
Kuala Lumpur Magistrate Court
Suit no. WA-A72NCVC-2847-04/2019

On 26 April 2019, Performance as plaintiff filed the writ and statement of claim against AMSB as defendant seeking:

- a) A total sum of RM10,452.05;
- b) Interest on the sum of RM2,465.75 at the rate of 1% per month from 4 February 2015 to the date of full payment; and
- c) Interest on the sum of RM7,986.30 at the rate of 1% per month from 26 April 2015 to the date of full payment.

As at the LPD, Performance had obtained summary judgment against AMSB on 5 September 2019 for the amount of RM10,452.05 together with interest claimed and cost of RM2,000.00.

- (iv) AMGB, AMSB, Asia Media Broadcasting Sdn Bhd, Liew Chee Keong ("**Plaintiff**") v Chow Zee Neng, Wong Shee Kai, Ong Kar Kian, Paul Jong Jun Hian, Ong Chooi Lee ("**Defendants**")
Shah Alam High Court
Suit no. BA-24NCC-108-08/2019

On 6 August 2019, the Plaintiff had filed an originating summons ("**OS**") against Defendants claiming among others:-

- (a) injunction to compel the Defendants to enter into the premise located at No. 35 & 37, Jalan Bandar 16, Pusat Bandar Puchong, 47100 Puchong, Selangor;
- (b) injunction to prevent the Defendants from tampering with, destroying, moving out and/or to dispose any records from the said Premise;
- (c) injunction to compel the Defendants to preserve all or any records used for the business operations of the first to third Plaintiffs from the said Premise and to be returned to the first to third Plaintiffs;
- (d) injunction to compel the Defendants to surrender the possession and control of the said premise to the Plaintiffs;
- (e) injunction to prevent the Defendants from surrendering the possession to any other party;
- (f) injunction to prevent the Defendant to represent themselves to the public as the current directors for the first Plaintiff; and
- (g) injunction to compel the Defendants to vacate the office as the directors for the first Plaintiff.

On 21 January 2020, Plaintiff withdraw the application against the first and forth Defendants with no order as to cost. The OS proceeded against second, third, fifth and sixth Defendants. The matter was fixed for Hearing on 11 March 2020 whereby court had dismissed the Plaintiff's application with cost of RM8,000.00 to be paid to second, third, fifth and sixth Defendants.

APPENDIX I - FURTHER INFORMATION (Cont'd)

- (v) Datuk Chu Boon Tiong, Sim Ah Yoke and Chow Zee Neng ("**Datuk and 2 others**") v AMGB, Chen Jui-Liang, Liew Chee Keong, Chuua Yeong Lin, Raja Haji Munir Shah Bin raja Mustapha, Yap Ping Tiong, Tricor Investor Services Sdn Bhd, Datuk Chiu Tiang Chai and Kang Hua Keong ("**AMGB and 8 others**")
Kuala Lumpur High Court
Suit no. WA-24NCC-28-01/2021

On 26 January 2021, Datuk and 2 others as plaintiffs had filed an action against AMGB and 8 others.

The plaintiffs were seeking a declaration that they are entitled to the record of depositors and to proceed with the extraordinary general meeting to be held on 18 February 2021 ("**EGM 2021**"). The Hearing was fixed on 29 January 2021 whereby the High Court had struck out the suit with costs of RM5,000 to be awarded to the Company. The plaintiffs had undertaken, through counsel, not to proceed with EGM 2021 and as such, EGM 2021 did not proceed.

- (vi) Messrs Arthur Wang, Lian & Associates ("**Arthur**") v AMGB
Kuala Lumpur High Court
Suit no. WA-28NCC-52-02/2021

On 16 February 2021 AMGB was served with a winding up petition for a sum of RM53,530 being the total outstanding legal fees and disbursements for legal advisory services provided by Arthur in September 2020 via a notes of charges dated 9 October 2020.

The hearing of the petition was fixed on 14 April 2021. The Company made full payment being RM53,530.00 to the petitioner on 9 April 2021. During the hearing on 14 April 2021, the winding up petition was struck out with costs of RM3,500.00 plus allocator fee of RM140 payable by AMGB to the petitioner. The Company paid the total said sum of RM3,640 to the petitioner on 30 April 2021.

4. MATERIAL COMMITMENT

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

5. CONTINGENT LIABILITIES

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

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APPENDIX I - FURTHER INFORMATION (Cont'd)

6. HISTORICAL FINANCIAL INFORMATION OF OUR GROUP

The following table sets out a summary of the audited financial performance of our Group for FYE 31 December 2018, the 9-month FPE 30 September 2019 and the 18-month FPE 31 March 2021:-

	Audited		
	FYE 31 December 2018	9-month FPE 30 September 2019	18-month FPE 31 March 2021
Revenue	13,430,280	1,200,000	394,100
Cost of sales	(10,497,605)	(1,200,000)	(306,920)
Gross profit	2,932,675	-	87,180
Other income	1,777,905	7,220	571,019
Administrative expenses	(10,489,475)	(1,701,580)	(2,343,036)
Operating expenses	(20,775,671)	(759,066)	-
Operating loss	(26,554,566)	(2,453,426)	(1,684,837)
Finance costs	-	(3,680)	(37,180)
LBT	(26,554,566)	(2,457,106)	(1,722,017)
Tax expenses	-	-	-
LAT	(26,554,566)	(2,457,106)	(1,722,017)
Loss for the financial year attributable to:-			
Owners of the parent	(26,509,633)	(2,455,819)	(1,721,748)
Non-controlling interests	(44,933)	(1,287)	(269)
	(26,554,566)	(2,457,106)	(1,722,017)
Gross profit margin (%)	21.8	-	22.1
LAT margin (%)	(197.72)	(204.76)	(436.95)
Weighted average no. of shares in issue	239,463,426	239,463,426	239,463,426
LPS :			
Basic	(0.11)	(0.01)	(0.01)
Diluted	(0.11)	(0.01)	(0.01)

(i) 18-month FPE 31 March 2021 vs 9-month FPE 30 September 2019

The change to the 9-month ended 30 September 2019 was to accommodate the change in the newly appointed management team on 25 July 2019 and intend to start in a clean slate with a new financial period. In year 2020, our financial condition continues to undergo under an extremely difficult and challenging period due to the outbreak of Covid-19 and the spilled over effect from the previous management debacle. In view of that, the new management decided to change the financial period to 18-month ended 31 March 2021 as they are seeking more time to stabilize our Group's business and management operations.

Our revenue for 18-month FPE 31 March 2021 has decreased to RM0.39 million from RM1.2 million in 9-month FPE 30 September 2019. The revenue for the 9-month FPE 30 September 2019 was generated in the first quarter of 2019 from digital out of home transit advertising. There was no revenue generated in the subsequent quarters because of the change of management and there were not workforce working for the new management resulting in the cessation of business activities.

We recorded a LBT of RM2.45 million in 9-month FPE 30 September 2019 due to the administrative expenses of RM1.70 million which are related to payroll, professional

APPENDIX I - FURTHER INFORMATION (Cont'd)

fees, rental and payment to director; and other operating expenses of RM0.76 million which are related to impairment of trade receivables and provisions for litigation claims.

In 18-month FPE 31 March 2021, the new management was able to generate two business contracts that contributed RM0.39 million. The two business contracts were related to billboard advertisement amounted to RM0.30 million and social media advertising services of approximately RM93k.

We recorded a LBT of RM1.72 million in 18-month FPE 31 March 2021. Other than the increase in the revenue in said period, the decrease in LBT as compared to 9-month FPE 30 September 2019 is due to other income generated during that period which is related to the write back of provision, amortization of shareholders loan and gain from termination of tenancy contract and decrease in operating expenses mainly due to the saving in payroll expenses. However, the decrease in the LBT is mitigated by the increase in the administrative expenses which were related to provisions for legal, litigation, licensing fees and director fees.

(ii) 9-month FPE 30 September 2019 vs FYE 31 December 2018

Our Group's revenue had decreased by approximately 91.0% to RM1.20 million in 9-month FPE 30 September 2020 from RM13.4 million in FYE 31 December 2018. The decrease was due to significantly fewer sales activities arising from cessation of business activities in the second quarter and third quarter of 2019.

However, our Group's LBT have decreased significantly from the loss position of RM26.6 million in FYE 31 December 2018 to RM2.46 million in 9-month FPE 30 September 2019. The decrease in LBT was due the higher administrative expenses and operating expenses recorded in FYE 31 December 2018. The higher administrative expenses and operating expenses were due to impairment and written-off of non-current asset, provision of litigation claims and current assets written-off.

The 9-months FPE 30 September 2019 had lesser expenses compared to FYE 31 December 2018 due to most of the assets were impaired and written off in 2018.

(iii) FYE 31 December 2018 vs FYE 31 December 2017

Our Group recorded revenue of RM13.4 million in FYE 31 December 2018, a decline of 12.7% from RM15.4 million of FYE 31 December 2017. The decrease in revenue was due to lower sales and decrease in customer demand for advertising services in FYE 31 December 2018.

Our Group recorded LAT of RM26.6 million in FYE 31 December 2018 which declined significantly from a profit making position of RM2.22 million. The decreased was mainly contributed by the impairment losses on property, plant and equipment and bad debts written off as well as provision for litigation claims.

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7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office No.3A, Mezzanine Floor, Jalan Ipoh Kecil, 50350 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the EGM:

- (i) our Constitution;
- (ii) audited consolidated financial statements of AMGB for the FYE 31 December 2018, the 9-month FPE 30 September 2019 and the 18-month FPE 31 March 2021 as well as the latest unaudited results for the 3-month FPE 30 June 2021;
- (iii) letters of consent and declarations as referred to in Section 2 above; and
- (iv) relevant cause papers in respect of the material litigation as referred to in Section 3 above.

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ASIA MEDIA GROUP BERHAD
Registration No.: 200801011849 (813137-V)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Asia Media Group Berhad (“**AMGB**” or the “**Company**”) will be conducted on a fully virtual basis and entirely via remote participation and electronic voting via online meeting platform at TIIH online website at <http://tiih.online> provided by Tricor Investor & Issuing House Services Sdn Bhd on Wednesday, 13 October 2021 at 10.00 a.m., or at any adjournment thereof (as the case may be), for the purpose of considering and, if thought fit, passing the following resolution, with or without modifications:-

ORDINARY RESOLUTION

PROPOSED PRIVATE PLACEMENT OF UP TO 71,839,000 NEW ORDINARY SHARES IN AMGB, REPRESENTING APPROXIMATELY 30.0% OF THE TOTAL NUMBER OF ISSUED SHARES IN AMGB (“PROPOSED PRIVATE PLACEMENT”)

“**THAT**, subject to the approval of all the relevant authorities, approval be and is hereby given to the Board of Directors of the Company (“**Board**”) to allot and issue up to 71,839,000 new ordinary shares in the Company (“**Shares**” or “**AMGB Shares**”) (“**Placement Shares**”) to independent third party investor(s) to be identified later, at an issue price of each tranche to be determined and fixed by the Board at a later date after all the relevant approvals have been obtained which shall, in no event, be at a discount of more than 10% from the 5-day volume weighted average market price of AMGB Shares immediately preceding the price fixing date(s);

THAT, such Placement Shares shall upon allotment and issuance, rank equally in all respects with the then existing in AMGB Shares in issue, save and except that they will not be entitled to any dividend, right, allotment and/or distribution, the entitlement date of which is prior to the date of allotment and issuance of the Placement Shares;

AND THAT, the Board be and are hereby authorised to do all such acts and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangement as may be necessary to give effect and complete the Proposed Private Placement and to give full effect to the Proposed Private Placement with full powers to assent to any conditions, modifications, variations and/or amendments deemed necessary or expedient in the interest of our Company and/or as may be required by the relevant authorities and to take all steps and actions as they may deem necessary or expedient in order to implement, finalise and give full effect to and complete the Proposed Private Placement.”

**BY ORDER OF THE BOARD OF
ASIA MEDIA GROUP BERHAD**

NIP CHEE SIEN (MAICSA 7066996 / SSM PC NO. 202008003954)

Company Secretary
Kuala Lumpur

28 September 2021

Notes:

1. Where a member appoints more than (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
2. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
3. A proxy may but need not be a member of the Company.
4. If the appointer is a corporation, the form of proxy must be executed under its Common Seal or under the hand of its attorney.
5. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a certified true copy thereof shall be deposited at the Company's registrar office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3 Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur Malaysia not less than 48 hours before the time set for the meeting. Alternatively, the proxy appointment can be lodged electronically via TIIH online at <https://tiih.online> before the form of proxy lodgement cut-off time as mentioned above. For further information on the electronic lodgement of form, kindly refer to the administrative guide.
6. Depositor whose name appears on the Record of Depositors as at 5 October 2021 shall be regarded as member of the Company and entitled to attend and vote at the meeting or to appoint proxy(ies) to attend and vote at the meeting.

Important Notice

The Broadcast Venue is **strictly for the purpose of complying with Section 373(2) of the Companies Act 2016** which requires the Chairman of the meeting to be presented at the main venue of the meeting. **Members will not be allowed** to attend the meeting in person at the Broadcast Venue **on the day of the meeting**.

Members are to attend, speak (including posing questions via real time submission of typed texts) and vote (collectively, "**participate**") remotely via the Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at <https://tiih.online>. **Please read these Notes carefully and follow the procedures in the Administrative Guide for the EGM in order to participate remotely via the RPV.**

The Company reserves the right to take further measures or short-notice arrangements as and when appropriate in order to minimize any risk to the Extraordinary General Meeting. Any update on the Extraordinary General Meeting will be announced on the Bursa Malaysia Securities Berhad ("**Bursa**") and the shareholders are advised to check the Company's announcement(s) made via Bursa regularly.

PROXY FORM



ASIA MEDIA GROUP BERHAD
Registration No. 200801011849 (813137-V)
(Incorporated in Malaysia)

CDS Account No.

No. of shares held

*I/We _____ Tel: _____
(Full name in block, NRIC/Passport/Company No)
of _____
(Full address)

being member(s) of Asia Media Group Berhad, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairperson of the Meeting, as *my/our proxy/proxies to vote for *me/us and on *my/our behalf at the Extraordinary General Meeting ("EGM") of the Company which to be conducted on a fully virtual basis via remote participation and electronic voting via online meeting platform at TIIH online website at <http://tiih.online> provided by Tricor Investor & Issuing House Services Sdn Bhd on Wednesday, 13 October 2021 at 10.00 a.m. or any adjournment thereof, and to vote as indicated below:

Item	Ordinary Resolution	FOR	AGAINST
1.	Proposed Private Placement		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this _____ day of _____ 2021

Signature/Common Seal of Member^

* Delete whichever is inapplicable
^ Manner of execution:

Notes:

1. Where a member appoints more than (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
2. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
3. A proxy may but need not be a member of the Company.
4. If the appointer is a corporation, the form of proxy must be executed under its Common Seal or under the hand of its attorney.
5. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a certified true copy thereof shall be deposited at the Company's registrar office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3 Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur Malaysia not less than 48 hours before the time set for the meeting. Alternatively, the proxy appointment can be lodged electronically via TIIH online at <https://tiih.online> before the form of proxy lodgement cut-off time as mentioned above. For further information on the electronic lodgement of form, kindly refer to the administrative guide.
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AFFIX
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ASIA MEDIA GROUP BERHAD
Registration No.: 200801011849 (813137-V)

Share registrar

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur

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