asia media

ANNUAL REPORT 2018

MSC MALAYSIA Status Company

CONTENTS

1. CORPORATE PHILOSOPHY

Asia Media Group Berhad contributes to the sustainable development of society through our business activities in the country and region based on our Corporate Philosophy.

Based on our philosophy of "Customer Centric", we develop and provide innovative and high-quality products and services that meet a wide variety of customers' demands in order to build a reputable presence in the country's digital out-of-home industry.

FORERUNNER

To be a forerunner in digital transit media advertising and provide innovative advertising solutions for our clients.

PACESETTER

To set a challenging employee goal, building on previous years' success and to make a strong corporate commitment and enhance corporate value while achieving stable and long term growth for the benefit of our shareholders.

CUSTOMER CENTRIC

To forge partnerships with our customers and strive to exceed their expectations.

HUMAN CAPITAL

To emphasize on human capital value and foster corporate culture and policies to strengthen the organization.
To promote and engage both individually and with partners in social contribution activities that help strengthen communities and contribute to the enrichment of society.

SOCIAL RESPONSIBILITY

In order to contribute to sustainable development, we believe that Management interaction with its key stakeholders is of considerable importance and we will endeavor to build and maintain good relationships with our key stakeholders.

2. CORPORATE STRUCTURE

Asia Media Group Berhad
(Company No. 813137-V)

100%
Asia Media Sdn Bhd
(Company No. 728838-H)

70%
Asia Media Broadcasting Sdn Bhd
(Company No. 959733-V)

3. CORPORATE INFORMATION

BOARD OF DIRECTORS
DATO' PROF RAJA MUNIR SHAH BIN RAJA MUSTAPHA | Independent Non-Executive Chairman
(Appointed on 25 July 2019 and re-designated as Chairman on 27 August 2019)

LIEW CHEE KEONG | Executive Director
(Appointed on 28 February 2019)

LEONG CHOON MENG | Executive Director
(Appointed on 1 August 2019)

TONY KOH KOK BENG | Independent Non-Executive Director
(Appointed on 28 February 2019)

DATUK KANG HUA KEONG | Independent Non-Executive Director
(Appointed on 25 July 2019)

DATUK CHIW TIANG CHAI | Independent Non-Executive Director
(Appointed on 25 July 2019)

YAP PING TIONG | Independent Non-Executive Director
(Appointed on 25 July 2019)

YEONG SIEW LEE | Senior Independent Non-Executive Director
(Resigned on 31 December 2018)

CHOW ZEE NENG | Non-Independent Non-Executive Chairman
(Appointed on 28 February 2019 and Removed on 25 July 2019)

DATO' WONG SHEE KAI | Executive Director and Chief Executive Officer
(Removed on 25 July 2019)

ONG KAR KIAN | Executive Director
(Appointed on 28 February 2019 and Removed on 25 July 2019)

ONG CHOOI LEE | Independent Non-Executive Director
(Removed on 25 July 2019)

PAUL JONG JUN HIAN | Independent Non-Executive Director
(Removed on 25 July 2019)

BUSINESS ADDRESS

Level 15, Unit 15-2, Menara Choy Fook On, Jalan Yong Shook Lin, Seksyen 7, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
Tel : +603-7625 6598 Fax : +603-7625 6599

REGISTERED OFFICE

No. 1 & 1A, 2nd Floor (Room 2), Jalan Ipoh Kecil, 50350 Kuala Lumpur, Malaysia
Tel : +603-4043 5750 Fax : +603-4043 5755

SHARE REGISTRAR

Tricor Investor Services Sdn Bhd Unit 32-01, Level 32,
Tower A, Vertical Business Suite, Avenue 3, Bangsar South,
No.8, Jalan Kerinchi, 59200, Kuala Lumpur, Malaysia
Tel: +603-2783 9299 Fax: +603-2783 9222

STOCK EXCHANGE LISTING

Main Market, Bursa Malaysia Securities Berhad
Stock Name : AMEDIA
Stock Code : 0159
Sector : Telecommunication & Media

COMPANY SECRETARIES

Leong Shiak Wan (MAICSA 7012855)
Zuriati Binti Yaacob (LS0009971)
Nip Chee Sien (MAICSA 7066996)

AUDITORS

STYL Associates PLT (LLP0019500-LCA & AF001929)
Chartered Accountants

No. 902, 9th Floor, Block A, Damansara Intan,
No.1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
Tel : +603-7724 2128

REMUNERATION COMMITTEE

Datuk Chiw Tiang Chai (Chairman)	Appointed on 27 August 2019
Dato' Prof Raja Munir Shah Bin Raja Mustapha	Appointed on 27 August 2019
Liew Chee Keong	Appointed on 27 August 2019
Yeong Siew Lee (Chairman)	Resigned on 31 December 2018
Paul Jong Jun Hian (Chairman)	Re-designated as Chairman on 28 February 2019 & Removed on 25 Jul 2019
Dato' Wong Shee Kai	Removed on 25 July 2019
Ong Chooi Lee	Removed on 25 July 2019

AUDIT COMMITTEE

Tony Koh Kok Beng (Chairman) [1)]
Dato' Prof Raja Munir Shah Bin Raja Mustapha [2)]
Datuk Kang Hua Keong [2)]
Yap Ping Tiong [2)]

Yeong Siew Lee (Chairman) [3)]
Paul Jong Jun Hian (Chairman) [4)]
Ong Chooi Lee [5)]
Chow Zee Neng [5)]

1. Appointed on 28 February 2019 as Member and re-designated as Chairman on 27 August 2019
2. Appointed on 27 August 2019
3. Resigned on 31 December 2018
4. Appointed as Member on 10 February 2015, re-designated as Chairman on 28 February 2019 and Removed on 25 July 2019
5. Removed on 25 July 2019

NOMINATON COMMITTEE

Datuk Kang Hua Keong (Chairman)	Appointed on 27 August 2019
Datuk Chiw Tiang Chai	Appointed on 27 August 2019
Yap Ping Tiong	Appointed on 27 August 2019
Yeong Siew Lee (Chairman)	Resigned on 31 December 2018
Paul Jong Jun Hian (Chairman) February	Re-designated as Chairman on 28 2019 & Removed on 25 Jul 2019
Ong Chooi Lee	Removed on 25 July 2019
Chow Zee Neng	Appointed on 28 February & Removed on 25 July 2019
Tony Koh Kok Beng	Resigned on 27 August 2019

4. LETTER TO SHAREHOLDERS

On behalf of the Board of Directors ("Board", "BOD"), I am pleased to present the Annual Report and Audited Consolidated Financial Statement ("AR") of Asia Media Group Berhad ("AMGB" or "Company") and its subsidiary companies ("Group") for the financial year ended 31 December 2018 ("FYE 2018").

ECONOMIC AND GROUP PERFORMANCE REVIEW

The Malaysian economy achieved a Gross Domestic Product ("GDP") growth of 4.7% in 2018, transitioning considerably well under the governance of the new government. Despite the strong external headwinds as a result of the intensified China-US trade war, the government has managed to deliver on its GDP growth. The government has projected another 4.7% growth in GDP in year 2019, underpinned by the sound fundamentals which include strong and trustworthy public institutions, a healthy labour market, low and stable inflation, comfortable current account surplus and a well-diversified economy.

Year 2018 had been an extremely difficult and challenging year for the Group as the performance continued to deteriorate under the previous Management. The Group's performance was further affected since early 2019, culminated in the change of BOD whereby five out of seven Board members were voted out by the shareholders in the Extraordinary General Meeting held on 25 July 2019. Subsequently, the new Management was formed on 1 August 2019.

The new Management and current BOD has been working tirelessly to finalize the long outstanding AR for FYE 2018, which was delayed due to the gross negligence of the previous Management.

The new Management finally completed the AR for FYE 2018 and the Quarterly Report for the Financial Period Ended 30 June 2019, both were submitted to Bursa Malaysia Securities Berhad ("Bursa") on 25 October 2019.

FINANCIAL PERFORMANCE

The Group recorded a Revenue level of RM13.4 million in FYE 2018, a decline of 12.7% compared to the same period of last year. However, the Group's profitability had declined significantly to a Loss After Tax ("LAT") of RM26.6 million, compared to a Profit After Tax from Continuing Operations of RM3.0 million in the same period of last year. The LAT suffered in FYE 2018 was mainly contributed by the impairment losses on property, plant and equipment and bad debts written off as well as provision for litigation claims for a combined value of RM22.9m.

I wish to highlight that the first announcement pursuant to Practice Note 17 of Main Market Listing Requirements was made on 24 July 2019, after the previous Directors approved the announcement through a Directors' Circular Resolution ("DCR"). It is worth noting that the DCR was signed by majority four (4) out of seven (7) directors but one of the ex-directors whose signature was on the DCR later lodged a police report alleging his signature was forged on the DCR, rendering doubts over the validity of the announcement. However, on 25 October 2019, the current BOD again announced that the Company is now an affected listed issuer as it has triggered the Prescribed Criteria under Paragraph 2.1(a) of Practice Note 17 ("PN17"), officially rendering it a PN17 Company.

The Management is now working on a Comprehensive Regularization Plan ("RP") and will make the requisite monthly announcement to Bursa to update the public on the Company's progress with regard to the RP.

The Group will be focusing on revitalizing its business and deliver on its promise of creating shareholders' value with a successful RP.

It is worth noting that no important documents needed for the finalization of Annual Report for FYE2018 were found and handed over by the previous Management. Therefore, the current Directors are unable to satisfy themselves that the audited financial statements of the Group and the Company as at 1 January 2018, and audited financial statements of the Group and the Company as at 31 December 2018 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group and the Company.

CORPORATE DEVELOPMENT

The Group entered into a Share Sale Agreement with DPO Holdings Pte. Ltd. on 22 Dec 2017 to dispose of its interest in DPO Plantations Sdn. Bhd ("DPOP"). The transaction was completed on 29 June 2018 and DPOP ceased to be a subsidiary of the Company on the same date.

CORPORATE SOCIAL RESPONSIBILITY

The Group believes that promoting Corporate Social Responsibility can deliver benefits to its business. The Group will endeavor in promoting more extensive Corporate Social Responsibility initiatives in the coming years, with the objective of contributing towards building long-term shareholder value.

APPRECIATION

The Company has been turned topsy-turvy by the previous Management and the new Board of Directors has been working tirelessly with the new Management to salvage the situations. I would like to take this opportunity to thank everyone, especially the shareholders, investors, business associates and the regulatory authorities, for your patience and continuous support. I would also like to extend my most sincere gratitude to the new management and staff, as well as the Board members for their commitment to ensure that we can ride through this storm.

Dato' Prof Raja Munir Shah Bin Raja Mustapha
Non-Executive Chairman

5. MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP's BUSINESS AND OPERATIONS

Asia Media Group Berhad ("the Company", "the Group", "AMGB"), is Malaysia's leading digital-out-of-home ("DOOH") Transit TV Company.

AMGB is a media provider, offering high-quality infotainment and targeted advertising through the use of digital electronic displays installed in various outdoor premises. Recognised as the 'Largest Transit-TV Network' in Malaysia, as awarded by The Malaysia Book of Records, at the time when the Group had close to 4,000 LCD screens installed in 1,800 buses travelling in the highly populated hubs of Klang Valley and Johor Bahru.

We were capable of building a network and communicate to over 500,000 viewers on a daily basis, travelling around in our target markets of Klang Valley and Johor Bahru. The Group targets to partner up with strategic regional bus networks as well as express coaches plying the highways.

AMGB is one of the few companies in Malaysia permitted to offer broadcasting services and facilities. A full Content Application Service Provider ("CASP") license allows the Group to operate 24- hour non-subscription broadcasting, subscription broadcasting and terrestrial radio broadcasting services nationwide.

The Group is the only DOOH Transit Media operator in Malaysia to have a fully-fledged Content Application Service Provider Individual License ("CASP-i"), Network Facilities Provider Individual License ("NFP-i"), Network Service Provider Individual License ("NSP-i") and Application Service Provider ("ASP") Class License. The Group's license to provide Free-to-Air ("FTA") broadcasting services offers an avenue for bigger media players eyeing a piece of the electronic media market.

OUR CAPABILITIES

Our unique insight allows us to easily customize campaigns to ensure the greatest impact on the audience, unleashing the potential of our highly targeted and effective medium.

We have a national presence and make for a truly unique digital-out-of-home ('DOOH") experience.

OUR VALUES

We believe in integrity and trust. Both these values form the foundations and pillars of our organization and our relationships with all of our stakeholders which include our valued customers, our communities in which we operate, our investors as well as our greatest assets, our people.

The Company has experienced rapid growth before and will continue to explore new opportunities to build a reputable presence in the country's digital out-of-home industry.

OUR OBJECTIVES

Our commitment to progress and drive continuous improvement extends to all levels of the company.

Our objectives include, amongst others:

1. Delighting our customers with exceptional service quality, going beyond their expectations.
2. Continuing to invest to support growth and expansion, bringing in highly motivated, skilled Out-of-Home industry professionals from all backgrounds.
3. Ensuring that we achieve to status of the leading transit-TV network in the country whilst maintaining integrity, honesty and trust in all of our processes and decisions.

REVIEW OF FINANCIAL PERFORMANCE

The Group reported a Revenue level of RM13.4 million in financial year ended 31 December 2018 (“FYE2018”), a decline of 12.7% compared to the same period of last year.

Profitability in FYE2018 was badly affected by the impairments on property, plant and equipment and bad debts written off as well as provision for litigation claims for a combined value of RM22.9 million. Full year’s Loss After Tax (“LAT”) was RM26.6 million, mainly contributed by lower sales contribution and the afore-mentioned impairments and provision.

Equity Attributable to Owners of the Parent has fallen to a negative of RM1.3 million at the end of 31 December 2018.

Consequently, the Company has triggered one of the Prescribed Criteria under the Practice Note 17, rendering it a PN17 Company.

One of the top priorities for the current Management now is to seek legal advice on what are the next course of actions to reclaim the receivable amount owing by an external party. In addition, the current Management will also look at options to dispose of some of the physical assets of the Group to raise cash to fund the ongoing operations of the Group. The Company is also currently exploring other options to raise cash immediately to fund day-to-day operations of the Group.

The current Board of Directors and Management would like to highlight that no important documents needed for the finalization of Annual Report for FYE2018 were found and handed over by the previous Management. The current Directors are unable to satisfy themselves that the audited financial statements of the Group and the Company as at 1 January 2018, and audited financial statements of the Group and the Company as at 31 December 2018 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group and the Company.

INDUSTRY OUTLOOK AND FUTURE PROSPECTS OF OUR GROUP

OVERVIEW OF THE MALAYSIAN ECONOMY

Malaysia's economic growth in the fourth quarter of 2018 (4Q18) surpassed expectations, as the country's gross domestic product (GDP) grew 4.7% year-on-year (y-o-y). For full-year 2018, the Malaysian economy grew 4.7% year-on-year, with a GDP value of RM1.23 trillion at constant prices and RM1.43 trillion at current prices.

Malaysia's economy is expected to grow at 4.7% again in year 2019 and as announced by the Finance Minister of Malaysia during his National Budget 2020 speech, the country's economy is expected to grow by 4.8% in year 2020. Underpinning the growth will be a jump in construction, further aided by slight increases from services and manufacturing sectors.

OVERVIEW OF DIGITAL MEDIA AND OUTLOOK OF DIGITAL-OUT-OF-HOME ("DOOH") TRANSIT MEDIA INDUSTRY

Historically, billboards and print wraps have been the predominant form of out of home media in Malaysia as it was the easiest and most cost-efficient way of reaching out to mass audience, due to its size and location. Over the years, as technology evolved and quality of digital content improved, out of home media gradually transitioned from printed media to digital media. This is attributable to the effectiveness of digital media in engaging mass audiences due to its dynamic nature of allowing for more attractive and/or interesting contents.

The Digital Media advertising industry in Malaysia has a lucrative market size and is on an upward growth trajectory, expected to reach above US$567 million by year 2020 compared to US$383 million in year 2017. DOOH media industry will benefit from the growth prospects in the digital media advertising amid a growing economy like Malaysia and this augurs well for the future business prospects of the Group.

PROSPECTS AND FUTURE PLANS OF THE GROUP

The current Management under the guidance of the new Board of Directors is currently reviewing its business plans to capture a slice of the market in DOOH media industry. A detailed business plan together with fund-raising plans and other steps to be taken to restructure the Group will be captured in the Comprehensive Regularisation Plan which the Management will be working on, to be submitted to Bursa Malaysia Securities Berhad in due course.

6. BOARD OF DIRECTORS & KEY SENIOR MANAGEMENT'S PROFILE

DATO' PROF RAJA MUNIR SHAH BINR AJA MUSTAPHA, Age 55
Independent Non-Executive Chairman
Appointed on 25 July 2019 and re-designated Non-Executive Chairman on 27 August 2019.

Dato' Raja Munir Shah started his career as an Operations Executive between 1985 to 1987 in Wagon Engineering Sdn Bhd where he was involved in the daily administrations of the company. He served as director in SP Maju Sdn Bhd from 1992 to 1998 oversaw the business operations, finance and day-to-day management functions. He was an executive director in My E.G. Services Berhad from 2004 to January 2019 involves in public relation and trouble shooting, crisis management, project development, presentation and monitoring.

He is a member of the Audit Committee and Remuneration Committee of the Company.

He currently sits on the Board of Eduspec Holdings Berhad.

LIEW CHEE KEONG, Age 56
Executive Director
Appointed on 28 February 2019

Mr. Liew Chee Keong started his career with Vismart Sdn Bhd as a Sales Coordinator in 1989. He moved on to DAT Technology Sdn Bhd, a computer hardware trading company as Sales Manager. In August 1995, he was attached to a Singapore based computer firm, KT Technology (Australia) Pte Ltd and was thereafter transferred to KT Technology (GB) Pty Ltd, England to oversee the Eastern Europe operation. During this period, he has gathered vast exposure and experience by overlooking branches in Romania, Hungary and Russia. In 1998, he moved to Malaysia and has since then been attached to a few companies such as Time Technology Sdn Bhd, Time Communication (M) Sdn Bhd and Dynabook Computer Centre (M) Sdn Bhd before deciding to start his own family business, Piano Junction in September 2005 dealing with restoration and sales of pianos. In 2006, he took up the position of CEO in Masters Systems Academy Sdn Bhd while maintaining his family business. In 2007, he joined the pioneer team to initiate a management buyout within the Dynabook group of companies which eventually led to the reverse take-over of Litespeed Education Technologies Berhad, now known as Eduspec Holdings Berhad.

He is a member of the Remuneration Committee of the Company.

LEONG CHOON MENG, Age 55
Executive Director
Appointed on 1 August 2019

Mr. Leong holds a professional accountancy qualification from the Chartered Institute of Management Accountants, UK and is a member of the Malaysian Institute of Accountants.

He has more than 30 years of experience in investment banking, accounting and taxation, general management, privatization, construction, property development and manufacturing businesses. He has held senior positions in public listed companies with interest in manufacturing and property development and as Senior Vice President (Capital Market) of an investment bank. Prior to that, he was the General Manager Corporate Finance of a public listed construction and development group where he started as a Senior Executive in 1991. The initial part of his career was in tax consulting for four years.

He currently does not hold any directorship in other public company.

DATUK KANG HUA KEONG, Age 58
Independent Non-Executive Director
Appointed on 25 July 2019

Datuk Kang holds a Bachelor's Degree in Engineering from National Marine University of Taiwan.

He is the National President of SME Association of Malaysia, and the founder cum chief editor of the SME Connect, a SME monthly newspaper. He was in ICT industry involving in hardware manufacturing, distribution and retailing operations which covered software business, e-commerce and international trade business since 1985. He is also the Director of SME Corporate Malaysia, SMB Solutions Management Sdn Bhd and SMB Connection Sdn Bhd.

He is the Chairman of the Nomination Committee and a member of the Audit Committee of the Company.

He currently does not hold any directorship in other public company.

TONY KOH KOK BENG, Age 53
Independent Non-Executive Director
Appointed on 28 February 2019

Mr. Tony Koh holds a Bachelor's Degree in Accountancy (Hons) from University Utara Malaysia. He is a member of Malaysian Institute of Accountants and Chartered Tax Institute of Malaysia.

Mr. Tony Koh worked as Assistant Accountant in Jurukur Perpaduan Sdn. Bhd. from 1 December 1990 to 31 March 1993. He later joined Genting Perkasa Group of Companies (GP) as Financial Controller, from 1 April 1993 to 30 July 1999. He moved on to join OMD (M) Sdn Bhd (OMD), Financial Controller, from 1 August 1999 to 30 October 2001. From 1 November 2001 to 30 June 2007, he worked as Financial Controller for Sales Force Asia Sdn Bhd and M N C Group of Companies (MNC). He was the Group Financial Controller of Success Resources Group of Companies (SRG) from November 2007 to February 2009.

He is the Chairman of the Audit Committee of the Company.

He currently does not hold any directorship in other public company.

DATUK CHIW TIANG CHAI, Age 62
Independent Non-Executive Director
Appointed on 25 July 2019

Datuk Chiw started his career with Malacca Guan Seng Sdn Bhd as a storekeeper in 1975, after he completed the Higher Cambridge of Education. Later on, he was promoted as salesman in 1986 and as sales executive in 1991. He was working as Executive Director from 1996 to 2001. From 2002 to 2008, he was attached to Guan Seng Oil and Gas Sdn Bhd as Executive Director. In 2008 to 2018, he was attached to Harta Oil & Gas Equipment Sdn Bhd as Chief Executive Officer and subsequently appointed as Chairman of Harta Engineering Sdn Bhd in 2018.

He is the Chairman of the Remuneration Committee and a member of the Nomination Committee of the Company.

He currently does not hold any directorship in other public company.

YAP PING TIONG, Age 50
Independent Non-Executive Director
Appointed on 25 July 2019

Mr Yap started his career in the advertising and manufacturing industry as early as 1990, not too long after he finished his secondary school's studies. In 2000 to 2007, he was involved in a rebranding exercise in corporate companies for automotive industry namely Proton and Volkswagen as well as banking industry namely Agro Bank, Bank Simpanan Nasional, RHB and Bank Pembangunan Malaysia Berhad. Recently, he is also actively involved in the renovation and upgrading works for GLC companies particularly in education institutional subsidiary companies namely Universiti Utara Malaysia (UUM) and Universiti Pendidikan Sultan Idris (UPSI) which cover Hotel EDC and Hostel Training Centre respectively. In 2017 to 2019, he was part of the team on the design and build of expressway Lebuhraya KL - Putrajaya. In 2016 until now he is also involved in project filming production which produces telefilms for FINAS, RTM and TV3. Based on his extensive experience in operational planning, his exceptional work has been used as a reference for most of the company's operations management.

He is a member the Audit Committee and the Nomination Committee of the Company.

He currently does not hold any directorship in other public company.

Notes:
1) None of the Directors have any family relationship with any director and/or major shareholder of the Company.
2) None of the Directors have any conflict of interest with the Company.
3) None of the Directors have been convicted for offences within the past 5 years other than traffic offences.
4) None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Key Senior Management's Profile
The profiles of Liew Chee Keong and Leong Choon Meng are listed under Board of Directors' Profile above.

7. SUSTAINABILITY STATEMENT

OUR COMMITMENT

The Group takes cognizance of the importance of sustainability and the impacts it will bring to the Company in creating shareholders' value. It will cover initiatives to manage the risks and opportunities in economic, environmental and social aspects which the organization faces.

Our business imperative is to carry out our business activities responsibly and with integrity. Our people are expected to behave in an honest and ethical manner in accordance with our policies, business rules and guidelines.

Within this context, we have defined our commitment to Sustainability across five major areas:

1. We will be a good employer, treating our people fairly and with respect, and valuing their diversity. We are committed to creating a workplace that makes people wanting to join and enables them to work to their full potential. Our commitment to the safety and wellbeing of our people is a priority;

2. We will deliver to our customers what we have promised; we will listen to them and involve them in our solutions and innovations;

3. We will work with our suppliers to develop long term partnerships based on best practice procurement methods and adopting the best practice in terms of code of conduct;

4. We will consider the impacts of our business on the communities in which we operate in, and we will engage with our community stakeholders. We will find opportunities to use our capabilities to add value to the communities; and

5. We will help to protect the environment by better understanding, managing and measuring the impacts the Company brings about and ensuring the Company contributes positively to the environment in which we operate in.

MOVING FORWARD

We are committed to promote good corporate governance standards and building sustainability.

8. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act, 2016 ("the Act") to prepare financial statements which give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year. The directors ensure that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgments and estimates have been made, in the preparation of the financial statements. The directors also ensure that applicable approved accounting standards have been followed. The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Act.

However, the current Board of Directors wishes to highlight that no important documents needed for the finalisation of Annual Report for FYE2018 were found and handed over by the previous Management. Therefore, the current Directors are unable to satisfy themselves that the audited financial statements of the Group and the Company as at 1 January 2018, and audited financial statements of the Group and the Company as at 31 December 2018 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group and the Company.

This statement is made in accordance with a resolution of the Board dated 25 October 2019.

9. CORPORATE GOVERNANCE STATEMENT

Asia Media Group Berhad ("AMEDIA" or "the Company") and its group of companies ("Asia Media Group" or "the Group") operate within a governance framework that is formulated based on the recommendations of the Malaysian Code on Corporate Governance 2017 ("the Code") issued by the Securities Commission of Malaysia.

The current Board believes that maintaining a high level of corporate governance with the concepts of integrity, transparency, accountability and professionalism, is a fundamental part of its responsibilities in managing the business and affairs of the Group and discharging its responsibilities to the Shareholders. However, the current Board is unable to give assurance on the adequacy and effectiveness of the Corporate Governance framework of the Group as these are currently being assessed and reviewed. The current Board will endeavor to relook at the weaknesses in the governance framework of the Group and will work on strengthening the framework further to protect the interests of the shareholders and other stakeholders.

The disclosure statement below sets out the manner which the Company has applied the principles of the Code and the extent of compliance with Best Practices advocated therein pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") throughout the twelve months ended 31 December 2018 and were carried out under the stewardship of the previous Board and previous Management who were removed at the end of July 2019.

1.0 ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear functions of the Board and Management

The Group recognizes the importance of having an effective and dynamic Board to lead and control the Group in enhancing long term shareholders' value and protect the interests of other stakeholders. To that end, the Group endeavours to maintain a good mix of Board Members who have a wealth of experience, skills and expertise in areas relevant to steering the Group's businesses to the next level.

The Executive Director's duties include the implementation of the Board's decisions and policies, overseeing the operations and also coordinating business and strategic decisions. The Non-Executive Directors provide effective and independent judgement and constructive opinions to the deliberation and decision-making of the Board.

There was a division of responsibility at the control of the Board to ensure an appropriate balance of power and authority, with greater ability to make independent decision. The Board was to be chaired by a Non-Executive Chairman who is responsible for effective and efficient functioning of the Board and ensuring that all Directors receive relevant information on all matters to enable them to participate actively in the Board's decisions. However, since the resignation of Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee as the Non-Executive Chairman of the Group on 14 April 2017, the Group was not able to find a suitable replacement to fill the position. It was not until 28 February 2019 when the Group appointed Mr. Chow Zee Neng as the Non-Independent Non-Executive Chairman. However, he was subsequently removed from the Board through a voting by the shareholders in the Extraordinary General Meeting that was held on 25 July 2019. Currently, the Board is chaired by an independent non-executive director, Dato' Prof Raja Munir Shah Bin Raja Mustapha, who was appointed as Director on 25 July 2019 and re-designated as Non-executive Chairman on 27 August 2019.

The Board takes into consideration the interests of all stakeholders in their decision making so as to ensure that the Group's objectives of creating long term shareholder value are met. The key matters reserved specifically for the Board's deliberation and decision to ensure a proper control of the Group would include timely reports and financial statements, business strategy formulation and planning, business issues, regulatory changes, material transactions, investments, major acquisitions or disposal of a business or assets, appointment of Board / Board Committee Members, declaration of dividends, recurring related party transactions of the Group. The Board also reviews issues and matters that have significant impact to the Group's operations.

1.2 Clear Roles and Responsibilities of the Board

The Board has the overall responsibility in leading and determining the Group's strategic direction. It provides an oversight of the conduct of the Group's business, ensuring an appropriate risk management and internal control system is in place as well as regularly reviewing such system to ensure its adequacy and integrity.

The Board assumes the following principal responsibilities in discharging its fiduciary and leadership functions:

- Reviewing and adopting a strategic plan for the Company;
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensure the implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing of compensation and where appropriate, replacing Senior Management;
- Developing and implementing an investor relation program or shareholder communications policy for the Company; and
- Reviewing the adequacy and the integrity of the Company's internal control system and management information system, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board has delegated specific responsibilities to Board Committees as well as various sub-committees to assist the Board in the running of the Group's operations. The functions and terms of reference of the Board Committees as well as authority delegated by the Board to these Committees have been clearly defined by the Board. The Board reviews the Board Committee's authority and terms of reference from time to time to ensure their relevance.

There are three (3) Board Committees, namely the Nomination Committee, Remuneration Committee and Audit Committee.

These Committees examine specific issues and report to the Board with their recommendations. The ultimate responsibility for decision-making lies with the Board.

1.3 Ethical Standards and Code of Conduct

The Board has in place a Code of Conduct for the Directors and employees. The Code of Conduct includes amongst others the respect for the individual, create a culture of open and honest communication, uphold the law, avoid conflicts of interest and reports results accurately.

The Board has also formalised a whistleblower policy to provide a safe mechanism for whomever to come forward and raise any concerns about the actual or potential fraud or breach of trust involving employees, Management and the Directors of the Group.

It allows the whistleblower the opportunity to raise any concerns. The identity of the whistleblower will be kept confidential and protection is accorded to the whistleblower against any form of reprisal or retribution.

1.4 Strategies Promoting Sustainability

The Board promotes good corporate governance in the application of sustainability practices throughout the Group, the benefits of which are believed to translate into better corporate performance.

The Board is committed to the continuous efforts in maintaining a balance between its sustainability agenda and safeguarding the shareholders' interests.

The details of the sustainability efforts are set out in the Sustainability Statement in this Annual Report.

1.5 Access to information and Advice

The Board recognizes that the decision making process is highly contingent on the quality of information furnished. As such, all Directors have unrestricted access to any information pertaining to the Group. All Directors have full and timely access to information with the advance distribution of Board Papers prior to Meetings. The Board is regularly updated on new statutory and regulatory requirements relating to the duties and responsibilities of Directors.

The Board may seek independent professional advice at the Company's expense on specific issue to enable it to discharge its duties in relation to matters being deliberated. Individual Directors may also obtain independent professional or other advice in furtherance of their duties, subject to the approval of the Board, depending on the quantum of the fees involved.

The current Board is unable to confirm whether the previous Board has unrestricted access to information pertaining to the Company and the Group in the financial year under review.

Mr. Liew Chee Keong, an Executive Director who was only appointed to the Board on 28 February 2019, was denied access to information by the previous Management that he requested to assess the performance of the Company.

1.6 Company Secretaries

The Company Secretaries are suitably qualified, competent and are members of a professional body. The Company Secretaries play an advisory role to the Board, in relation to the Group's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes, guidelines and legislations.

The Board has unrestricted access to the advice and services of the Company Secretaries, who are considered capable of carrying out the duties to which the post entails.

2.0 STRENGTHEN COMPOSITION OF THE BOARD

During the financial year under review, the Board consisted of four (4) Board Members with various experience and expertise. The composition of the Board during the financial year under review comprised of one (1) Executive Director and three (3) Independent Non-Executive Directors. The composition fulfils the Main Market Listing Requirements of Bursa Securities, which stated that at least two (2) or one-third (1/3) of the Board, whichever is higher, must be Independent Directors.
The composition of the current Board comprises of two (2) Executive Directors and five (5) Independent Non- Executive Directors.
The profile of each Director is set out under the Board of Directors' profile in this Annual Report.

2.1 Nomination Committee

The Nomination Committee is responsible to recommend appointment of new candidates to the Board of Directors, reviews the effectiveness and its performance assessment of the Board of Directors and the Board Committees.

The previous Nomination Committee comprised entirely of Independent Non- Executive Directors:

Name	Designation	Directorship
Ms. Yeong Siew Lee *(Resigned w.e.f. 31 December 2018)*	Chairperson of Nomination Committee	Senior Independent Non-Executive Director
Mr. Paul Jong Jun Hian *(Re-designated as Chairperson of Nomination Committee w.e.f. 28 February 2019 and removed on 25 July 2019)*	Chairperson of Nomination Committee	Independent Non-Executive Director
Mr. Ong Chooi Lee *(Removed on 25 July 2019)*	Member of Nomination Committee	Independent Non-Executive Director
Mr. Chow Zee Neng *(Appointed w.e.f. 28 February 2019 and removed on 25 July 2019)*	Member of Nomination Committee	Non-Independent Non-Executive Director
Mr. Tony Koh Kok Beng *(Appointed w.e.f. 28 February 2019 and resigned on 25 July 2019)*	Member of Nomination Committee	Independent Non-Executive Director

The current Nomination Committee comprises entirely of Independent Non- Executive Directors:

Name	Designation	Directorship
Datuk Kang Hua Keong *(Appointed w.e.f. 27 August 2019)*	Chairperson of Nomination Committee	Independent Non-Executive Director
Datuk Chiw Tiang Chai *(Appointed w.e.f. 27 August 2019)*	Member of Nomination Committee	Independent Non-Executive Director
Yap Ping Tiong *(Appointed w.e.f. 27 August 2019)*	Member of Nomination Committee	Independent Non-Executive Director

The Terms of Reference of Nomination Committee is available on the Company's website.

For the financial year ended 31 December 2018, the Nomination Committee has met once with full attendance of its Members and has carried out the following key activities:

- Proposed re-election of Members of the Board at the 10th AGM for the Shareholders' approval, pursuant to Article 70 of the Constitution of the Company.
- Review the evaluation on company's directors and board members.

The Company Secretaries ensure that all appointments are properly made and that all necessary information is obtained from the Directors, both for the Company's records and meeting the statutory obligations, as well as regulations arising from the Main Market Listing Requirements of Bursa Securities.

2.2 Recruitment of Directors and Annual Assessment

The following salient points were taken into consideration pertaining to the recruitment of Directors and annual assessment:

- Required mix of skills, experience, independence and diversity, including gender, where appropriate;
- Character, knowledge, expertise, professionalism, integrity, competence and time availability; and
- The Independent Directors' abilities to discharge such responsibilities/functions as expected from an Independent Director.

The Board has in place with the Board Charter to commit with the workplace diversity, with a particular focus on supporting the representation of women in the composition of Board of the Company. The previous Board in the financial year under review consisted of 4 members of which one (1) member is female director. The Board recognizes the initiative by government to enlarge the women's representation at boardroom.

The current Board does not have any female director but the Board will review its composition again at an appropriate juncture and will endeavor to include women's representation on the Board when the opportunity arises.

2.3 Remuneration Committee

The Remuneration Committee is responsible to assist the Board on fair remuneration practices in attracting, retaining and motivating Directors and Senior Management.

The following is the previous composition of the Remuneration Committee:

Name	Designation	Directorship
Ms. Yeong Siew Lee *(resigned w.e.f. 31 December 2018)*	Chairperson of Remuneration Committee	Senior Independent Non-Executive Director
Mr. Paul Jong Jun Hian *(appointed as Chairperson of Remuneration Committee w.e.f. 28 February 2019 and removed on 25 July 2019)*	Chairperson of Remuneration Committee	Independent Non-Executive Director
Dato' Wong Shee Kai *(removed on 25 July 2019)*	Member of Remuneration Committee	Executive Director and Chief Executive Officer
Mr. Ong Chooi Lee *(removed on 25 July 2019)*	Member of Remuneration Committee	Independent Non-Executive Director

The current Remuneration Committee comprises of two (2) Independent Non-Executive Directors and one (1) Executive Director:

Name	Designation	Directorship
Datuk Chiw Tiang Chai *(Appointed w.e.f. 27 August 2019)*	Chairperson of Remuneration Committee	Independent Non-Executive Director
Dato' Prof Raja Munir Shah Bin Raja Mustapha *(Appointed w.e.f. 27 August 2019)*	Member of Remuneration Committee	Independent Non-Executive Director
Liew Chee Keong *(Appointed w.e.f. 27 August 2019)*	Member of Remuneration Committee	Executive Director

For the financial year ended 31 December 2018 ("FYE 2018"), the Remuneration Committee has met once with full attendance of its Members to review and recommend the payment of Directors' fees in FYE 2018. However, the current Board does not recommend any payment to the previous Board of Directors for FYE 2018. All of the previous Directors in the financial year under review had been removed through shareholders' voting in the Extraordinary General Meeting which was held on 25 July 2019.

The Remuneration Committee had carried out its duty in reviewing and assessing the remuneration for the Directors of the Board to ensure that the remuneration is linked to the level of responsibilities undertaken, performance and contribution to the effective functioning of the Board. The individual Directors do not participate in the discussion of their own remuneration during the Remuneration Committee's Meeting.

Further, the Company has adopted the objectives as recommended by the Code to determine the remuneration of the Directors so as to ensure that the Company attracts and retains directors of the quality needed to manage the business of the Group respectively.

2.4 Re-appointment and Re-election of Directors

The Nomination Committee ensures that the Directors are re-elected in accordance with the Company's Constitution and relevant regulations and laws.

Pursuant to Article 70 of the Company's Constitution, at the first annual general meeting of the Company all the Directors shall retire from office, and at the annual general meeting in every subsequent year one-third (1/3) of the Directors for time being, or if their 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.

Pursuant to Article 75 of the Company's Constitution provides that the Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with these Articles. Any Director so appointed 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.

2.5 Retirement and Rotation

All directors are required to retire for re-election at least once in every three years. Before recommending the retiring directors to the Board for re-election, the Nomination Committee will review and report the performance assessment of the retiring directors to the Board and retiring directors shall abstain from deliberation of their performance.

Newly appointed Directors by the Board are subject to election by the shareholders at the next Annual General Meeting held following their appointments.

3.0 REINFORCE INDEPENDENCE

The Board recognises that Independent Non-Executive Directors play an important role in ensuring impartiality of the Board's deliberations and decision-making process.

3.1 Annual Assessment of independent Directors

During the financial year under review, the previous Nomination Committee had assessed the contribution and performance of the Independent Non-Executive Directors, upon appointment, re-election and their independence. Moving forward, the independence assessments shall be performed on an annual basis.

3.2 Tenure of independent Directors

The Board takes cognisance of the Code's recommendation on the tenure of an Independent Non-Executive Director which shall not exceed a cumulative term of nine (9) years. Under the Code, upon completion of the nine (9) years of service, an independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director. In addition, subject to the assessment of the Nomination Committee, an Independent Director after serving a cumulative nine (9) years is subject to the Shareholders' approval in a general meeting.

None of the Independent Non-Executive Directors had served more than nine (9) years in the Company.

3.3 Positions of the Chairman and Chief Executive Officer ("CEO") to be held by different individuals

It is recommended that the positions of the Chairman and CEO should be held by different individuals, and the Chairman must be a Non-Executive Director. However, after the previous Chairman, Datuk Seri Syed Ali Bin Tan Seri abbas Alhabshee who resigned from his position as the Chairman and Director of the Company on 14 April 2017, the Board was chaired by an Executive Director, Dato' Wong Shee Kai, who happened to be the CEO of the Group. Dato' Wong was subsequently removed as Director of the Company through shareholders' voting in the Extraordinary General Meeting held on 25 July 2019.

Currently, the Group is being chaired by an Independent Non-Executive Director Dato' Prof Raja Munir Shah Bin Raja Mustapha, appointed as the Chairman of the Group on 27 August 2019.

The previous Board comprised of one (1) Executive Director and three (3) Independent Non-Executive Directors during the financial year under review, showed an independence element in its composition.

Currently, the Board is made up of seven (7) members and five (5) of them are Independent Non-Executive Directors. The composition of the new Board which was appointed on 25 July 2019 is as disclosed in the Corporate Information section of this AR 2018.

The roles of the Non-Executive Chairman and Executive Director of the Group are distinct and separate with individual responsibilities. Each of them has clearly defined duties and authority thus ensuring balance of power and greater capacity for independent decision-making.

4.0 FOSTER COMMITMENT

4.1 Time Commitment and Directorship in Other Companies

The Board meets at least quarterly, to consider all matters relating to the overall control, business performance and strategy of the Company. Additional meetings will be convened, when and if necessary, especially when urgent and important decisions need to be taken between scheduled Meetings. The relevant reports, Meeting agenda and Board Papers are distributed to all Directors in advance of the Board Meeting to allow the Directors sufficient time to peruse for effective discussion and decision making during the meetings. Directors shall notify the Chairman before accepting any new directorships.

All pertinent issues, decisions and conclusions discussed at the Meetings are properly recorded in the discharge of the Board's duties and responsibilities.

The attendance record of the Directors for the financial year ended 31 December 2018 was satisfactory.

The attendance record of the previous Board for the financial year ended 31 December 2018 is set out below:

Name	Designation	Attendance	%
Dato' Wong Shee Kai (Removed on 25 July 2019)	Executive Director	4/4	100%
Paul Jong Jun Hian (Removed on 25 July 2019)	Independent Non-Executive Director	4/4	100%
Yeong Siew Lee (Resigned on 31 December 2018)	Senior Independent Non-Executive Director	3/4	75%
Ong Chooi Lee (Removed on 25 July 2019)	Independent Non- Executive Director	4/4	100%

Based on the above, all the previous Directors of the Company have attended more than 50% of the meetings as required by the Listing Requirements. In the intervals between Board Meetings, for any matters requiring Board's decisions, the Board's approvals are obtained through circular resolutions. The resolutions passed by way of such circular resolutions are then noted at the next Board Meeting.

4.2 Directors' Training

The previous Directors continued to attend relevant training programs and seminars to keep abreast with the various issues facing the changing business environment within which the Group operates and further enhance their professionalism in discharging their fiduciary duties to the Company.

However, the current Directors did not obtain the relevant records from the previous Management to compile the details of the training programs and seminars attended by the previous Directors during the financial year under review.

The Board of Directors was briefed on the requirements of the Code and the Statement on Risk Management and Internal Control.

5.0 UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with Applicable Financial Reporting Standards

The Board takes responsibility to present a balanced and meaningful assessment of the Group's position and prospects in the various financial reports and to ensure that the financial statements are drawn up in accordance with the provisions of the Act and the applicable accounting standards in Malaysia.

5.2 Assessment of Suitability and Independence of External Auditors

The current Audit Committee has reviewed and will continue to monitor the suitability and independence of the External Auditors. The Audit Committee has in place an assessment of the External Auditors and would assess them on an annual basis and report to the Board its recommendation for the reappointment of the External Auditors at the annual general meeting.

The External Auditors have confirmed that they were, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The External Auditors can be engaged to perform non-audit services that are not perceived to be in conflict with their role as the External Auditors. The Audit Committee is satisfied with the competence and independence of the External Auditors and had recommended the re-appointment of the External Auditors to the Directors at the annual general meeting.

The current Audit Committee met with the External Auditors twice since their appointment on 17 September 2019 up until 24 October 2019 to deliberate on the finalization of the AR 2018 before the final sign-off. The Audit Committee met with the External Auditors to review the scope of audit process, the audit findings and the annual financial statements and AR 2018, without the presence of the Executive Director and the Management. The External Auditors are invited to attend the annual general meeting of the Company and are available to answer the Shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of their audit report.

6. RECOGNIZE AND MANAGE RISKS

6.1 Internal Control

Information on internal control of the Group is detailed in the Statement on Risk Management and Internal Control.

6.2 Internal Audit Function

The internal audit function of the Group is detailed in the Statement on Risk Management and Internal Control.

7.0 TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy

The Board has in place a Corporate Disclosure Policy in line with the Main Market Listing Requirements of Bursa Securities to enable comprehensive, accurate and timely disclosures relating to the Group to be made to the regulators, shareholders and investors.

The Board has delegated the authority to the Executive Director to approve all announcements for release to Bursa Securities. The Chairman and Executive Directors work closely with the Board, the Senior Management and the Company Secretary who are privy to the information to maintain strict confidentiality of the information.

7.2 Leverage on Information Technology for Effective Dissemination of Information

The Company's corporate website at *www.asiamedia.net.my* serves as a key communication channel for shareholders, investors and the public to obtain up-to-date information on the Group's activities, financial results, major strategic developments and other matters affecting stakeholders' interests.

There is a dedicated section for corporate governance on the Company's website, where information on the Company's announcements to the regulations, the Board Charter, rights of shareholders, and the Company's Annual Report may be accessed.

8.0 STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 Shareholders Participation at General Meetings

The Board regards the annual general meeting as the principal platform for open dialogue between the Shareholders and the Directors of the Company, whereby the Directors will be available to respond to queries raised during the annual general meeting. It also provides an opportunity for the investors to communicate their expectations and concerns over the business activities of the Group.

Notice of the annual general meeting and the Annual Report are sent out more than 21 days prior to the date of the annual general meeting and it is also advertised in a local daily newspaper. Any item of the Special Business included in the Notice of the annual general meeting will be accompanied by a full explanation of the effects of the proposed resolution. Shareholders are given the opportunity to participate in the question and answer session on the proposed resolutions and the Group's operations. Separate resolutions are prepared for different transactions and the outcome of the resolutions voted upon will be declared by the Chairman during the annual general meeting and will be announced to Bursa Securities on the same day of the meeting.

8.2 Poll Voting

Pursuant to the Paragraph 8.29A(1) of the Main Market Listing Requirement of Bursa Securities, the Company is required to ensure that any resolution set out in the notice of any general meeting is voted by poll. All resolutions set out in the notice of AGM will be voted by way of poll.

8.3 Communications and Engagement with Shareholders

Shareholders' meetings are important events for the Board to meet the shareholders. The Chairman would allot sufficient time to encourage the shareholders, proxies and the corporate representatives to ask questions pertaining to the matters at the general meetings. The Senior Management and the External Auditors are present at the shareholders' meetings to answer any queries that the shareholders, proxies and corporate representatives may ask.

The Board recognises the importance of being transparent and accountable to the Company's shareholders and prospective investors.

To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated electronic mail, i.e. asiamediagrpbhd@gmail.com to which stakeholders can direct their queries or concerns.

This Corporate Governance Statement is made in accordance with the resolution of the Board dated 25 October 2019.

10. STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control is made in accordance with the paragraph 15.26(b) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance 2017 ("the Code"), which requires Malaysian public listed companies to maintain a sound system of risk management and internal control to safeguard shareholders' investment and company's assets.

Board's Responsibility

The Board recognises and acknowledges that a sound risk management framework and internal control system play an important role in good corporate governance and efficient work processes.

The system of internal control covers not only financial controls but also non-financial controls relating to the operational management, compliance controls and risk management. The internal control system is designed to manage and mitigate the effects rather than to eliminate the risks. As such, the internal control system can only provide reasonable and not absolute assurance against material misstatement of management and financial information or against loss or fraud.

Risk Management Framework

As an integral part of the system of risk management and internal control, there was an ongoing group wide risk management process for identifying, evaluating and managing the significant risks that may affect the achievement of the Group's business objectives.

Risk management is firmly embedded in the Group's management systems and its policy is reviewed annually to ensure it is relevant and adequate to manage the Group's risks, which continue to evolve along with the changing of business environment. The Board strongly believes that prudent risk management is vital for business sustainability and the progressive enhancement of the shareholders' value.

It is the responsibility of key management, head of subsidiary companies and heads of departments to identify, evaluate and manage risks faced by the Group on an ongoing basis with defined parameters. The deliberation of risks and the related mitigating actions are carried out at regular management meetings of the Group. Significant risks are conveyed to the Board at the quarterly scheduled meetings.

The previous Board of Directors, namely Dato' Wong Shee Kai, Ms. Yeong Siew Lee, Mr. Ong Chooi Lee and Mr. Paul Jong Jun Hian were working together with the previous Management to identify, evaluate and manage significant risks for the financial year under review. All except for Ms. Yeong Siew Lee, were removed by the shareholders in the Extraordinary General Meeting held on 25 July 2019. Ms. Yeong Siew Lee resigned from the Board on 31 December 2018. The current Board shall continue to evaluate the existing risk management practices, and where appropriate and necessary, revise such practices accordingly.

Internal Audit Function

All Internal Audit activities were conducted by an outsourced internal audit team. The total costs incurred by the Group for its internal audit function in the financial year ended 31 December 2018 amounted to RM14,000.00 approximately.

The Internal Audit function established by the Board, provides independent assurance on the effectiveness of the Group's internal control system and it reports to the Audit Committee of the Group on a quarterly basis or earlier, where appropriate.

It undertakes regular and systematic review of the internal control system, risk management and governance processes to provide reasonable assurance that such system operates satisfactorily and effectively across the Group.

Details of the activities of the internal audit function are provided in the Statement of the Audit Committee.

Key elements of Internal Controls

The key elements of the Group's internal control system are described below:

i. Cleary defined limits of authority, responsibility and accountability have been established through the relevant terms of reference and organizational structures to enhance the Group's ability to achieve its strategies and operational objectives;
ii. Internal policies and procedures as set out in the Group's Policies and Procedures covering various operational and management aspects are regularly updated to address operational deficiencies and changes of risks;
iii. All Departments are required to prepare the annual strategic plan, capital and operating expenditure budgets to be aligned with the strategic planning and budgeting process of the Group;
iv. Major capital expenditure and assets disposals are appraised and approved by the Board as well as the board of directors of the subsidiaries, wherever applicable;
v. The Audit Committee reviews the Group's financial performance and statements which is then reported to the Board;
vi. Management meetings are held regularly to identify, discuss and resolve strategic, operational, financial and key management issues; and
vii. Sufficient physical safeguards over major assets are in place to protect the assets of the Group against calamities and / or theft that may result in material losses to the Group.

Conclusion

The current Board is unable to give assurance on the adequacy and effectiveness of the Risk Management and Internal Control of the Group as these are currently being assessed and reviewed. The current Board will take necessary measures to further strengthen and improve its internal control environment and processes.

The above Statement on Risk Management & Internal Control is made in accordance with the resolution of the Board dated 25 October 2019.

Review of the Statement by external Auditors

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed with Audit and Assurance Practice Guides (AAPG) 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysia Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

11. AUDIT COMMITTEE REPORT

A. Composition and Attendance

The members of the Audit Committee are as follows:

Mr. Tony Koh Kok Beng
(Chairperson of Audit Committee)
(Appointed w.e.f. 28 February 2019, re-designated as Chairperson of Audit Committee w.e.f. 27 August 2019)

Mr. Yap Ping Tiong
(Member of Audit Committee)
(Appointed w.e.f. 27 August 2019)

Datuk Kang Hua Keong
(Member of Audit Committee)
(Appointed w.e.f. 27 August 2019)

Dato' Prof Raja Munir Shah Bin Raja Mustapha
(Member of Audit Committee)
(Appointed w.e.f. 27 August 2019)

Ms. Yeong Siew Lee **|** Attended 3 out of 4 meetings in FYE 2018
(Chairperson of Audit Committee)
(Resigned w.e.f. 31 December 2018)

Mr. Paul Jong Jun Hian **|** Attended 4 out of 4 meetings in FYE 2018
(Chairperson of Audit Committee)
(Appointed w.e.f. 10 February 2015, re-designated as Chairperson of Audit Committee w.e.f. 28 February 2019 and removed on 25 July 2019)

Mr. Ong Chooi Lee **|** Attended 4 out of 4 meetings in FYE 2018
(Member of Audit Committee)
(Appointed w.e.f. 17 April 2017 and removed on 25 July 2019)

Mr. Chow Zee Neng
(Member of Audit Committee)
(Appointed w.e.f. 28 February 2019 and removed on 25 July 2019)

All members are independent and non-executive directors except for Mr. Chow Zee Neng who is a non-independent non-executive director.

The Board through the Nomination Committee assesses the terms of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and members have carried out their duties in accordance with their Terms of Reference on an annual basis.

The Terms of Reference of the Audit Committee can be viewed at the Company's Website.

Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board and at the expense of the Company:

(a) to have explicit authority to investigate any matter within its terms of reference;
(b) to have the resources which are required to perform its duties;
(c) to have full access to any information and employees of the Company and the Group which are required to perform its duties;
(d) to have direct communication channels with internal and external auditors;
(e) to obtain outside legal or independent professional advice in the performance of its duties at the cost of Company;
(f) to invite outsiders with relevant experience to attend its meetings, if necessary
(g) to be able to convene meetings with internal and external auditors or both, excluding the attendance of other Directors and employees of the Company, whichever deemed necessary.

Responsibilities and How the Committee Works

The Audit Committee shall review and report to the Board on the following key matters:

(a) To review the audit plan, evaluation of the system of internal controls and audit report with the external auditor;
(b) To review the assistance given by the employees of the company to the external auditors;
(c) To consider the appointment, resignation and dismissal of external auditors, the audit fee;
(d) To review and discuss the nature, scope and quality of external audit plan/ arrangements with the internal and external auditors before audit commences;
(e) To review quarterly and annual financial statements of the Company and the Group before reporting to the Board on:
   I. Changes in or implementation of major accounting policy changes;
   II. Significant matters highlighting financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; and
   III. Compliance with accounting standards and other legal requirements.
(f) To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management where necessary);
(g) To review the external auditors' management letter and management's response;
(h) To do the following, in relation to the internal audit function:
   i. Review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
   ii. Review the internal audit program and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;

iii. Review any appraisal or assessment of the performance of members of the internal audit function;
iv. Approve any appointment or termination of senior staff members of the internal audit function; and
v. Take cognizance of resignation of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

(i) To consider any related-party transactions and conflicts of interest situation that may arise within the Company or the Group including any transaction, procedure or conduct that raises questions of management integrity;
(j) To consider the major findings of internal investigations and management's response;
(k) To consider other topics as defined by the Board of Directors ("BOD"); and
(l) To recommend the nomination of a person or persons as external auditors.

B. Meetings

There were four (4) meetings held during the financial year under review. The Audit Committee planned its meetings ahead and would obtain the consensus of the members before fixing the dates of the meetings to ensure the attendance of each member. The notice is served at least one week before each meeting and the meeting papers would be provided to each member. The Chairperson of the Audit Committee would brief the Board at its meeting on the matters discussed during the Audit Committee's meeting held earlier. The update from the Audit Committee is a permanent agenda on the notice of the Board meeting.

The details of attendance of each Committee Member are as follows:

Name	Designation	Attendance in FYE 2018
Ms. Yeong Siew Lee (Resigned w.e.f. 31 December 2018)	Chairperson of Audit Committee	3 out of 4 meetings
Mr. Paul Jong Jun Hian (Appointed w.e.f. 10 February 2015, re-designated as Chairperson of Audit Committee w.e.f. 28 February 2019 and removed on 25 July 2019)	Member of Audit Committee	4 out of 4 meetings
Mr. Ong Chooi Lee (Appointed w.e.f. 17 April 2017 and removed on 25 July 2019)	Member of Audit Committee	4 out of 4 meetings

C. Summary of Activities During the Financial Year Under Review

The principal activities undertaken by the Audit Committee during the financial year are summarised as follows:

(i) Reviewed the unaudited quarterly financial results prior to submission to the Board for consideration and approval for the announcement to be released.
(ii) Reviewed the annual audited financial statements, Directors' and Auditors' Reports and other significant accounting issues arising from the audit of the FYE 2017.

(iii) Reviewed the Corporate Governance Statement, Audit Committee Report and

Statement on Risk Management and Internal Control prior to submission to the Board for approval and inclusion in the Annual Report for FYE 2017.

D. Internal Audit Function

Summary of activities of Internal Audit Department during the financial year ended 31 December 2018

The Independent Internal Auditor performed audit visits to all relevant departments and subsidiary on a regular basis. The objectives of such visits are to determine whether adequate controls have been established and are followed in the Group.

Internal Audit reports are issued to highlight any deficiency or findings requiring the management's attention. Such reports include practical and cost effective recommendations as well as proposed corrective actions to be adopted by the management. The internal audit reports are then circulated to the Audit Committee for review and comments. Follow-up audits and reviews are then carried out to determine whether appropriate corrective actions have been taken by the management.

This statement was made in accordance with a resolution of the Board dated 25 October 2019.

12. ADDITIONAL COMPLIANCE INFORMATION

SHARE BUY-BACK

The Company did not purchase any of its own shares during the financial year under review.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

Warrants were delisted on 2 January 2018.

AMERICAN DEPOSITORY RECEIPT/GLOBAL DEPOSITORY RECEIPT

The Company did not sponsor any depository receipt program during the financial year under review.

SANCTIONS AND/OR PENALTIES

There were no sanctions and/or penalties imposed on the Company, its subsidiaries, the Directors and the Management by the relevant regulatory bodies during the financial year.

AUDIT AND NON-AUDIT FEES

During the financial year ended 31 December 2018, the amount of the audit fees paid/ payable to external auditors were RM100,000.00 and RM160,000.00 for the Company and the Group respectively.

The Company paid RM6,000.00 to the external auditors as non-audit fees in the financial year ended 31 December 2018 for the work done on reviewing the Statement of Risk Management and Internal Control for inclusion into this Annual Report.

VARIATION IN RESULTS

There was significant variation between the interim financial reports for the Fourth Quarter 2018 which was announced on 28 February 2019 and the audited financial statements for FYE 2018 which was announced on 25 October 2019 as the previous Management failed to take into consideration significant amount of impairments of assets and receivables as well as provisions for litigation cases affecting the Group.

PROFIT GUARANTEE

The Company did not provide any profit guarantee during the financial year under review.

RECURRENT RELATED PARTY TRANSACTION ("RRPT")

Related party transaction has been entered into the normal course of business under terms agreed between the Group and the related parties in the financial year under review. The significant related party transaction of the Group was the Rental of premises to our subsidiary Asia Media Sdn Bhd from Peakmax Sdn Bhd, a company in which Dato' Wong Shee Kai and Teh Sew Wan are also directors and shareholders. Rental in FYE 2018 amounted to RM111,600.00.

MATERIAL CONTRACTS

There was no other material contract or loan entered into by the Company (not being contracts entered into in the ordinary course of business of the Company) involving the interests of the Directors, Chief Executive who is not a Director or Major Shareholders for the financial year under review.

UTILISATION OF PROCEEDS

There was no utilization of proceeds raised from any corporate proposal during the financial year under review.

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

There was no ESOS issued during the financial year under review.

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are as stated in Note 6 to the financial statements.

RESULTS

	Group RM	Company RM
Net loss for the financial year	(26,554,566)	(17,565,828)
Other comprehensive income, net of tax	-	-
Total comprehensive deficit for the financial year	(26,554,566)	(17,565,828)
Attributable to:-		
Owners of the parent	(26,509,633)	(17,565,828)
Non-controlling interests	(44,933)	-
Total comprehensive deficit for the financial year	(26,554,566)	(17,565,828)

DIVIDENDS

There were no dividends paid or declared by the Company since the end of the previous financial year.

The Directors do not recommend the payment of any dividends in respect of the financial year ended 31 December 2018.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that no allowance for doubtful debts is required.

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

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, have been written down to an amount that they might be expected to be realised.

At the date of this report, the Directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

Other than as disclosed in Note 2 to the financial statements, at the date of this report, the Directors are not aware of any circumstances have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

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

(ii) any contingent liabilities in respect of the Group and of the Company that has arisen since the end of the financial year.

In the opinion of the Directors, no contingent liabilities or other liabilities of the Group and of the Company have become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due, other than as disclosed in the financial statements.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company that would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUES OF SHARES AND DEBENTURES

There were no issuance of shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

WARRANT 2013/2018

The Warrants are constituted by the deed poll dated 12 December 2012 ("Deed Poll").

On 8 January 2013, the Company completed the listing of bonus issue of 250,800,000 free warrants on the basis of one (1) free warrants of one (1) existing ordinary share of RM0.10 each in the Company. Each warrant entitles the holder of the right to subscribe for one (1) new ordinary share of RM0.10 each in the Company at an exercise price of RM0.25 per warrant.

The exercise price of the warrant was adjusted from RM0.25 to RM0.22 and an additional 49,958,382 warrants were issued pursuant to a rights issue undertaken by the Company on 29 July 2013.

On 23 December 2015, the exercise price of the warrants was adjusted from RM0.22 to RM1.10 and number of outstanding warrants were adjusted from 412,021,415 to 82,404,283 pursuant to par value reduction and the share consolidation.

As of 29 December 2017, 82,404,283 warrants remained unexercised and expired. The expired warrants have been delisted on 2 January 2018.

The salient features of the Warrants and outstanding at the end of the financial year are disclosed in Note 15(b) to the financial statements.

DIRECTORS

The Directors signing this report were appointed to the Board on 28 February 2019 and 1 August 2019. On 25 July 2019, the shareholders had voted to remove five (5) of the Directors and appointed four (4) new Directors to the Board as disclosed in Note 29(b) to the financial statements.

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are:-

TONY KOH KOK BENG	*(Appointed on 28.02.2019)*
LIEW CHEE KEONG	*(Appointed on 28.02.2019)*
DATO' PROF RAJA MUNIR SHAH BIN RAJA MUSTAPHA	*(Appointed on 25.07.2019)*
DATUK KANG HUA KEONG	*(Appointed on 25.07.2019)*
DATUK CHIW TIANG CHAI	*(Appointed on 25.07.2019)*
YAP PING TIONG	*(Appointed on 25.07.2019)*
LEONG CHOON MENG	*(Appointed on 01.08.2019)*
YEONG SIEW LEE	*(Resigned on 31.12.2018)*
DATO' WONG SHEE KAI	*(Removed on 25.07.2019)*
PAUL JONG JUN HIAN	*(Removed on 25.07.2019)*
ONG CHOOI LEE	*(Removed on 25.07.2019)*
ONG KAR KIAN	*(Appointed on 28.02.2019 and removed on 25.07.2019)*
CHOW ZEE NENG	*(Appointed on 28.02.2019 and removed on 25.07.2019)*

DIRECTORS OF SUBSIDIARIES OF THE COMPANY

Pursuant to Section 253(2) of the Companies Act, 2016 in Malaysia, the Directors who held office in the subsidiaries of the Company during the financial year and during the period from the end of the financial year to the date of this report, are as follow:-

Asia Media Sdn. Bhd.

LEONG CHOON MENG	*(Appointed on 12.09.2019)*
LIEW CHEE KEONG	*(Appointed on 12.09.2019)*
ONG KAR KIAN	*(Appointed on 06.05.2019 and removed on 12.09.2019)*
CHOW ZEE NENG	*(Appointed on 06.05.2019 and removed on 12.09.2019)*
DATO' WONG SHEE KAI	*(Resigned on 06.05.2019)*
TEH SEW WAN	*(Resigned on 06.05.2019)*

Asia Media Broadcasting Sdn. Bhd.

ONG KAR KIAN	*(Appointed on 06.05.2019)*
CHOW ZEE NENG	*(Appointed on 06.05.2019)*
DATO' WONG SHEE KAI	*(Resigned on 06.05.2019)*
TEH SEW WAN	*(Resigned on 06.05.2019)*

DIRECTORS' INTERESTS

According to the register of the Directors' shareholdings, the interest of Directors who held office at the end of the financial year in shares or debentures in the Company or its subsidiaries during the financial year are as follows:-

	Number of ordinary shares			
	At 1.1.2018	Bought	Sold	At 31.12.2018
The Company				
Direct Interests				
DATO' WONG SHEE KAI	65,127,500	-	30,282,500	34,845,000

None of the other Directors in office at the end of the financial year had any interest in the shares and warrants of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than benefit shown under Directors' remuneration) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefits which may be deemed to arise than transactions entered into the ordinary course of business with Company in which certain Directors have substantial financial interests as disclosed in Note 24(b) to the financial statements.

Neither during nor at the end of the financial year was the Group and the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATIONS

The amounts of the remunerations of the Directors or former Directors of the Company comprising remunerations received/receivable from the Group and the Company during the financial year are disclosed in Note 23 to the financial statements.

INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been the Director, officer or auditor of the Company.

SUBSIDIARIES OF THE COMPANY

Details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

SIGNIFICANT EVENTS

Details of significant events are disclosed in Note 29 to the financial statements.

AUDITORS

The auditors, STYL Associates PLT (LLP0019500-LCA & AF 001929), have expressed their willingness to continue53 to 130 in office.

STYL Associates PLT (LLP0019500-LCA & AF 001929) was registered on 13 March 2019 and with effect from that date, STYL Associates (AF 001929), a conventional partnership was converted to a limited liability partnership.

AUDITORS' REMUNERATIONS

Total amounts paid or receivable by the auditors as remunerations for their statutory audit services is disclosed in Note 20 to the financial statements.

Signed on behalf of the Board of Directors,

LIEW CHEE KEONG	LEONG CHOON MENG
Director	

Petaling Jaya
Date: 25 October 2019

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
(Pursuant to the Section 251(2) of the Companies Act, 2016 in Malaysia)

We, LIEW CHEE KEONG (appointed to the Board on 28 February 2019) and LEONG CHOON MENG (appointed to the Board on 1 August 2019), being two of the Directors of ASIA MEDIA GROUP BERHAD, do hereby state that in the opinion of the Directors, the accompanying financial statements set out on pages 53 to 129 are properly drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board of Directors,

LIEW CHEE KEONG
Director

LEONG CHOON MENG

Petaling Jaya
Date: 25 October 2019

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
(Pursuant to the Section 251(1)(b) of the Companies Act, 2016 in Malaysia)

I, LEONG CHOON MENG (MIA Membership No.: 30988), being the Director (appointed to the Board on 1 August 2019) primarily responsible for the financial management of ASIA MEDIA GROUP BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 53 to 129, are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, l960.

LEONG CHOON MENG
Director

Subscribed and solemnly declared by the abovenamed at Petaling Jaya in the Selangor Darul Ehsan on 25 October 2019

Before me

WONG CHOY YIN
No. B 508
Commissioner for Oaths

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of ASIA MEDIA GROUP BERHAD, which comprise the statements of financial position as at 31 December 2018 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 53 to 129.

We do not express an opinion on the accompanying financial statements of the Group and of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. *Opening balances*

   The financial statements of the Group and of the Company for the financial year ended 31 December 2017 were audited by another firm of auditors. In accordance with International Auditing Standards 510 Initial Audit Engagements - Opening Balances, we are required to determine whether the opening balances (including contingencies and commitments) contain misstatements that materially affect the current year's financial statements. We were, however, unable to satisfy ourselves in respect of the following and obtain sufficient appropriate audit evidence that the opening balances of the financial statements as at 1 January 2018 do not contain material misstatements:-

   (a) The completeness, accuracy and existence of the following balances:-

      (i) Property, plant and equipment of the Group amounted to RM20,279,451/-;
      (ii) Other intangible assets of the Group amounted to RM126,104/-;
      (iii) Development costs of the Group amounted to RM3/-;
      (iv) Investment in subsidiary companies of the Company amounted to RM12,999,998/-;
      (v) Trade receivables of the Group amounted to RM770,700/-;
      (vi) Other receivables of the Group and of the Company amounted to RM42,472/- and RM1,308/- respectively;
      (vii) Amount due from subsidiary companies of the Company amounted to RM915,906/-;
      (viii) Cash and bank balances of the Group and of the Company amounted to RM1,952,639/- and RM6,290/- respectively;
      (ix) Assets classified as held for sale of the Group and of the Company amounted to RM4,616,370/- and RM4,000,000/- respectively;
      (x) Non-controlling interests of the Group amounted to RM187,868/-;

(xi) Trade payables of the Group amounted to RM658,188/-;
(xii) Other payables of the Group and of the Company amounted to RM1,034,691/- and RM475,579/- respectively;
(xiii) Amount due to Directors of the Group and of the Company amounted to RM1,094,577/- and RM2/- respectively; and
(xiv) Tax payable of the Group amounted to RM417/-.

(b) As disclosed in Note 30(a) to the financial statements, the Directors were unable to satisfy themselves that the opening balances of the financial statements (including contingencies and commitments) of the Group and of the Company as at 1 January 2018 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group and of the Company.

In view of the above, we were unable to satisfy ourselves that the opening balances do not contain misstatements that may materially affect the financial performance, cash flows and financial position of the Group and of the Company for the financial year ended 31 December 2018. Accordingly, we were unable to determine whether any adjustments might have been necessary in respect of the financial performance, cash flows and financial position of the Group and of the Company for the financial year ended 31 December 2018.

2. *Material uncertainty relating to the going concern basis*

As disclosed in Note 2.1 to the financial statements, the financial statements of the Group and of the Company have been prepared on the assumption that the Group and the Company will continue as going concern. The application of the going concern basis is based on the assumption that the Group and the Company will be able to realise their assets and settle their liabilities in the normal course of business.

2.1 The Group and the Company incurred a net loss of RM26,554,566/- and RM17,565,828/- respectively for the financial year ended 31 December 2018. As at 31 December 2018, the current liabilities of the Group and of the Company exceeded its current assets by RM1,554,700/- and RM117,907/- respectively. The Group and the Company also recorded a deficit in shareholders' fund of RM1,554,700/- and RM117,907/- respectively.

2.2 A listed issuer triggers any of the Prescribed Criteria in Paragraph 2.1(a) to (e) of Practice Note 17 is required to comply with the provision of Paragraph 8.04 of Chapter 8. As at date of this report, the Group reported a deficit in shareholders' fund, where it triggers the Prescribed Criteria in Paragraph 2.1(a) of Practice Note 17.

2.3 There exists material uncertainty on the outcome of the Group's legal suits with several Plaintiffs for claims as disclosed in Note 28 to the financial statements.

As disclosed in Note 2.1 to the financial statements, the financial statements of the Group and of the Company have been prepared on the assumption that the Group and the Company will continue as going concerns. The going concern assumption is highly dependent on:-

(i) The Group and the Company achieving sustainable and viable operations;
(ii) The Group and the Company generating adequate cash flows for its operating activities.
(iii) The timing and successful formulation and implementation of the Regularisation Plan; and
(iv) The outcome of the legal suits adjudged in favour of the Group.

In the event that these are not materialised, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. In view of the matters mentioned above, there are material uncertainties that may cast significant doubt on the ability of the Group and of the Company to continue as going concern. Accordingly, we are unable to obtain sufficient appropriate audit evidence to ascertain the appropriateness of the preparation of the financial statements of the Group and of the Company on a going concern basis.

3. *Current year unresolved matters*

As disclosed in Note 30(a) to the financial statements, there were no important documents found and the Directors were unable to satisfy themselves that the financial statements of the Group and of the Company as at 1 January 2018, and financial statements of the Group and of the Company as at 31 December 2018 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group and of the Company.

3.1 As disclosed in Note 6(b) and 13 to the financial statements, current Board of Directors were unable to satisfy themselves the full extent of the financial effects of the disposal of DPO group of companies due to lack of information and the completeness and accuracy of the net assets or liabilities as at the date of disposal.

3.2 As disclosed in statements of cash flows in the financial statements, as at the date of this report, replies relating to bank confirmation for financial year ended 31 December 2018 and 2017 requests are outstanding.

3.3 As disclosed in Note 16 and 17 to the financial statements, as at the date of this report, replies relating to payables confirmation requests are outstanding. The Directors were unable to confirm and verify the carrying amounts of the trade and other payables for the financial year ended 31 December 2018 and 2017.

3.4 As disclosed in Note 18 to the financial statements, as at the date of this report, replies relating to Directors' confirmation requests are outstanding. The Directors were unable to confirm and verify the carrying amounts of amount due to Directors for the financial year ended 31 December 2018 and 2017.

3.5 As disclosed in Note 19, 20, 21 and 23 to the financial statements, the Directors were unable to satisfy themselves that the financial statements of the Group and of the Company as at 1 January 2018, and financial statements of the Group and of the Company as at 31 December 2018 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group and of the Company.

In view of the matters mentioned above, we were unable to carry out appropriate audit procedures to obtain sufficient and appropriate audit evidence due to the above supporting documents were not available during our course of audit. We could not determine the effect of adjustments, if any, on the financial position, cash flows and financial performance of the Group and of the Company.

4. Internal control

As disclosed in Note 30(b) to the financial statements, Directors of the Group and of the Company were unable to acknowledge their responsibilities for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error. Directors were unable to assure that there were no material weaknesses in the system of internal accounting controls.

In view of the above, we were unable to obtain sufficient appropriate audit evidence to ascertain the internal control taken place to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Group and of the Company's financial statements in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, and to issue an auditors' report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Companies Act, 2016 in Malaysia (the "Act"), we report that in our opinion:-

(a) the accounting and other records for the matter as described in the *Basis for Disclaimer of Opinion* section have not been properly kept by the Company in accordance with the provision of the Act.

(b) we have not obtained all the information and explanation that we required.

(c) we are unable to report whether we are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and whether we have received satisfactory information and explanation required by us for those purposes.

(d) we also report that the auditors' report on the financial statements of subsidiary companies contained a disclaimer of opinion as disclosed in Note 6 to the financial statements.

Other Matters

The financial statements of the Group and of the Company for the financial year ended 31 December 2017 were audited by another auditor who expressed an unmodified opinion on these statements on 23 April 2018.

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

STYL ASSOCIATES PLT
LLP0019500-LCA & AF 001929
Chartered Accountants

ONG THIAN GHIM
No. 03331/10/2021(J)
Chartered Accountant

Petaling Jaya
Date: 25 October 2019

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	-	20,279,451	-	-
Other intangible assets	4	-	126,104	-	-
Development costs	5	-	3	-	-
Investment in subsidiary companies	6	-	-	-	12,999,998
Goodwill on consolidation	7	-	-	-	-
Total non-current assets		-	20,405,558	-	12,999,998
Current assets					
Inventories	8	-	-	-	-
Trade receivables	9	-	770,700	-	-
Other receivables	10	-	42,472	-	1,308
Amount due from subsidiary companies	11	-	-	-	915,906
Cash and bank balances		1,346,965	1,952,639	7,297	6,290
		1,346,965	2,765,811	7,297	923,504
Non-current assets classified as held for sale	12	-	-	-	4,000,000
Assets included in disposal group classified as held for sale	13	-	4,886,378	-	-
Total current assets		1,346,965	7,652,189	7,297	4,923,504
Total assets		1,346,965	28,057,747	7,297	17,923,502
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	14	24,773,143	24,773,143	24,773,143	24,773,143
Other reserves	15	-	-	-	-
(Accumulated losses)/ Retained earnings		(26,095,042)	414,591	(24,891,050)	(7,325,222)
		(1,321,899)	25,187,734	(117,907)	17,447,921
Non-controlling interests		(232,801)	(187,868)	-	-
Total (deficit)/equity		(1,554,700)	24,999,866	(117,907)	17,447,921

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018 (CONTINUED)

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
LIABILITIES					
Current liabilities					
Trade payables	16	469,549	658,188	-	-
Other payables	17	2,431,699	1,034,691	125,204	475,579
Amount due to Directors	18	-	1,094,577	-	2
Tax payables		417	417	-	-
		2,901,665	2,787,873	125,204	475,581
Liabilities included in disposal group classified as held for sale	13	-	270,008	-	-
Total current liabilities		2,901,665	3,057,881	125,204	475,581
Total liabilities		2,901,665	3,057,881	125,204	475,581
Total equity and liabilities		1,346,965	28,057,747	7,297	17,923,502

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
Continuing operations					
Revenue	19	13,430,280	15,384,112	-	-
Cost of sales		(10,497,605)	(7,683,945)	-	-
Gross profit		2,932,675	7,700,167	-	-
Other income		1,777,905	2,230,301	1,010	3,167,971
Administrative expenses		(10,489,475)	(6,804,287)	(17,566,838)	(1,427,573)
Other operating expenses		(20,775,671)	(63,321)	-	-
Operating (loss)/profit		(26,554,566)	3,062,860	(17,565,828)	1,740,398
Finance cost		-	(52,303)	-	-
(Loss)/Profit before tax	20	(26,554,566)	3,010,557	(17,565,828)	1,740,398
Tax expenses	21	-	-	-	-
(Loss)/Profit from continuing operations		(26,554,566)	3,010,557	(17,565,828)	1,740,398
Discontinuing operation					
Loss net of tax from discontinued operation	13	-	(786,383)	-	-
(Loss)/Profit for the financial year		(26,554,566)	2,224,174	(17,565,828)	1,740,398
Other comprehensive income for the financial year, net of tax		-	-	-	-
Total comprehensive (deficit)/ income for the financial year		(26,554,566)	2,224,174	(17,565,828)	1,740,398
(Loss)/Profit for the financial year attributable to:-					
Owners of the parent		(26,509,633)	2,280,917	(17,565,828)	1,740,398
Non-controlling interests		(44,933)	(56,743)	-	-
		(26,554,566)	2,224,174	(17,565,828)	1,740,398

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
Total comprehensive (deficit)/ income attributable to:-					
Owners of the parent		(26,509,633)	2,280,917	(17,565,828)	1,740,398
Non-controlling interests		(44,933)	(56,743)	-	-
		(26,554,566)	2,224,174	(17,565,828)	1,740,398
Basic (loss)/earnings per share	22	(0.1109)	0.0093		
Diluted (loss)/earnings per share	22	(0.1109)	0.0093		

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

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	/------------------Attributable to Owners of the Company-------------------/						
		/------Non-distributable------/		Distributable/ Non-distributable			
Group	Share Capital RM	Share Premium RM	Warrant Reserve RM	Retained Earnings/ (Accumulated Losses) RM	Sub-Total RM	Non-Controlling Interests RM	Total Equity/ (Deficit) RM
At 1 January 2017	23,946,343	826,800	3,519,617	(5,385,943)	22,906,817	(131,125)	22,775,692
Total comprehensive income/(deficit) for the financial year	-	-	-	2,280,917	2,280,917	(56,743)	2,224,174
Transactions with owners:-							
Transition to no-par value regime on 31 January 2017	826,800	(826,800)	-	-	-	-	-
Expiration of warrants	-	-	(3,519,617)	3,519,617	-		
Total transactions with owners	826,800	(826,800)	(3,519,617)	3,519,617	-	-	-
At 31 December 2017	24,773,143	-	-	414,591	25,187,734	(187,868)	24,999,866
Total comprehensive deficit for the financial year	-	-	-	(26,509,633)	(26,509,633)	(44,933)	(26,554,566)
At 31 December 2018	24,773,143	-	-	(26,095,042)	(1,321,899)	(232,801)	(1,554,700)

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

	/----Attributable to Owners of the Company----				
		/----Non-distributable----			
Company	**Share Capital RM**	**Share Premium RM**	**Warrant Reserve RM**	**Accumulated Losses RM**	**Total Equity/ (Deficit) RM**
At 1 January 2017	23,946,343	826,800	3,519,617	(12,585,237)	15,707,523
Total comprehensive income for the financial year	-	-	-	1,740,398	1,740,398
Transactions with owners:-					
Transition to no-par value regime on 31 January 2017	826,800	(826,800)	-	-	-
Expiration of warrants	-	-	(3,519,617)	3,519,617	-
Total transactions with owners	826,800	(826,800)	(3,519,617)	3,519,617	-
At 31 December 2017	24,773,143	-	-	(7,325,222)	17,447,921
Total comprehensive deficit for the financial year	-	-	-	(17,565,828)	(17,565,828)
Balance at 31 December 2018	24,773,143	-	-	(24,891,050)	(117,907)

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

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
OPERATING ACTIVITIES				
(Loss)/Profit before taxation from:-				
- continuing operations	(26,554,566)	3,010,557	(17,565,828)	1,740,398
- discontinuing operation	-	(786,383)	-	-
	(26,554,566)	2,224,174	(17,565,828)	1,740,398
Adjustments for:-				
Amortisation of development costs	-	279	-	-
Amortisation of other intangible assets	63,043	63,042	-	-
Bad debts written off				
- trade receivables	600,000	-	-	-
- other receivables	2,367,761	-	2,344,528	-
Deposits written off	40,478	-	1,308	-
Depreciation of property, plant and equipment	2,306,080	1,838,719	-	-
Development costs written off	3	-	-	-
Gain on disposal of subsidiary companies	(661,925)	-	-	-
Gain on disposal of property, plant and equipment	(22,988)	-	-	-
Impairment losses on:-				
- investment in subsidiary companies	-	-	12,999,998	1,000,000
- amount due from subsidiary companies	-	-	1,929,124	-
- property, plant and equipment	17,657,939	-	-	-
Interest expenses	-	52,303	-	-
Interest income	(38,298)	(159,460)	(1,010)	(188)
Loss on derecognised of subsidiary company	5,530	-	-	-
Other intangible assets written off	63,061	-	-	-
Property, plant and equipment written off	139,359	12,740	-	-
Provision for litigation claims	2,032,232	-	-	-
Reversal of impairment losses on amount due from subsidiary companies	-	-	-	(3,167,783)
Reversal of impairment losses on property, plant and equipment	(646)	-	-	-
Reversal of provision for minimum guaranted sum	-	(1,822,500)	-	-

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
OPERATING ACTIVITIES (CONTINUED)				
Adjustments for (Continued):-				
Unrealised gain on foreign currency exchange	(34)	(3,761)	-	-
Operating (loss)/profit before working capital changes	(2,002,971)	2,205,536	(291,880)	(427,573)
Changes in working capital:-				
Inventories	17,909	(59,156)	-	-
Receivables	(2,611,557)	(130,607)	(2,344,528)	-
Payables	1,534,307	368,608	(350,375)	360,556
Cash (used in)/generated from operations	(3,062,312)	2,384,381	(2,986,783)	(67,017)
Tax paid	-	(282)	-	-
Net cash (used in)/generated from operating activities	(3,062,312)	2,384,099	(2,986,783)	(67,017)
INVESTING ACTIVITIES				
Advances from subsidiary companies	-	-	-	67,016
Disposal of subsidiary company	-	-	4,000,000	-
Net cash inflows from disposal of subsidiary companies	3,358,162	-	-	-
Interest received	38,298	159,460	1,010	188
Proceeds from disposal of property, plant and equipment	205,000	-	-	-
Purchase of property, plant and equipment	(5,293)	(7,508,518)	-	-
Net cash generated from/(used in) investing activities	3,596,167	(7,349,058)	4,001,010	67,204
FINANCING ACTIVITIES				
(Repayement to)/Advances from Directors	(1,283,035)	515,630	(2)	-
Repayment to subsidiary company	-	-	(1,013,218)	-
Interest paid	-	(52,303)	-	-
Repayment of borrowings	-	(1,500,000)	-	-
Net cash used in financing activities	(1,283,035)	(1,036,673)	(1,013,220)	-

ASIA MEDIA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
NET CHANGE IN CASH AND CASH EQUIVALENTS	(749,180)	(6,001,632)	1,007	187
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	2,096,145	8,097,777	6,290	6,103
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	1,346,965	2,096,145	7,297	6,290
Cash and cash equivalents at end of financial year comprise:				
Cash and bank balances	1,346,965	1,952,639	7,297	6,290
Cash and and bank balances included in disposal group	-	143,506	-	-
	1,346,965	2,096,145	7,297	6,290

As at the date of this report, certain replies relating to bank confirmation for the financial year ended 31 December 2018 and 2017 requests are outstanding.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are as stated in Note 6 to the financial statements.

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

Prior to 24 October 2019, the registered office of the Company is located at Level 8, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan. As of reporting date, the new registered office of the Company is located at No. 1 & 1A, 2nd Floor (Room 2), Jalan Ipoh Kecil, 50350 Kuala Lumpur, Malaysia.

Prior to 30 September 2019, the principal place of business of the Company is located at No. 35-1, Jalan Bandar 16, Pusat Bandar Puchong, Selangor Darul Ehsan. As of reporting date, the new principal place of business of the Company is located at Level 15, Unit 15-2, Menara Choy Fook On, Jalan Yong Shook Lin, Seksyen 7, 46050 Petaling Jaya, Selangor.

The financial statements are expressed in Ringgit Malaysia.

The financial statements of the Group and of the Company have been authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 October 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements have been prepared under the historical convention and modified to include other basis of valuation as disclosed in other sections under significant accounting policies in Note 2.3 to the financial statements. The assumption that the Group and the Company are going concerns which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.4 to the financial statements.

The Group and the Company incurred a net loss of RM26,554,566/- and RM17,565,828/- respectively for the financial year ended 31 December 2018. As at 31 December 2018, the current liabilities of the Group and of the Company exceeded its current assets by RM1,554,700/- and RM117,907/- respectively. The Group and the Company also recorded a deficit in shareholders' fund of RM1,554,700/- and RM117,907/- respectively.

A listed issuer triggers any of the Prescribed Criteria in Paragraph 2.1(a) to (e) of Practice Note 17 is required to comply with the provision of Paragraph 8.04 of Chapter 8. As at date of this report, the Group reported a deficit in shareholders' fund, where it triggers the Prescribed Criteria in Paragraph 2.1(a) of Practice Note 17.

Additionally, there exists material uncertainty on the outcome of the Group's legal suits with several Plaintiffs for claims as disclosed in Note 28 to the financial statements.

The Directors have concluded that the combination of the circumstances mentioned above indicate material uncertainties that may cast significant doubt over the ability of the Group and of the Company to continue as going concern and therefore, may be unable to realise their assets and discharge their liabilities in the normal course of business.

Should the going concern basis for the preparation of the financial statements be no longer appropriate, adjustments will have to be made to restate the carrying value of the assets to their recoverable amounts and to provide for further liabilities which may arise.

The appropriateness of the going concern basis, amongst others, are dependent upon the following:-

(i) The Group and the Company achieving sustainable and viable operations;
(ii) The Group and the Company generating adequate cash flows for its operating activities;
(iii) The timing and successful formulation and implementation of the Regularisation Plan; and
(iv) The outcome of the legal suits adjudged in favour of the Group.

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int")

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:-

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, Leases
- IC Interpretation 23, Uncertainty over Income Tax Treatments
- Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 9, Financial Instruments – Prepayment Features with Negative Compensation
- Amendments to MFRS 11, Joint Arrangement (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 112, Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 119, Employee Benefits – Plan Amendment, Curtailment or Settlement

- Amendments to MFRS 123, Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 128, Investments in Associate and Joint Ventures – Long-term Interests in Associates and Joint Ventures

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendment to MFRS 3, Business Combinations - Definition of a Business
- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material
- Amendments to References to the Conceptual Framework in MFRS Standards

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, Insurance Contracts

MFRSs, Interpretations and amendments effective for annual periods on or after a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations:-

- from the annual period beginning on 1 January 2019 for the accounting standard, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2019.
- from the annual period beginning on 1 January 2020 for the accounting standard, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2020.

The Group and the Company do not plan to apply MFRS 17, Insurance Contracts that is effective for annual period beginning on 1 January 2021 as it is not applicable to the Group and the Company.

The initial application for the accounting standards, amendments or interpretations are not expected to have any material financial impact to the current period or prior period financial statements of the Group and of the Company except as mentioned below:-

MFRS 16, Leases

MFRS 16 replaces the guidance in MFRS 117, Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Lease - Incentive and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

MFRS 16 introduces a single on-balance-sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continue to be classified as finance or operating lease.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

2.3 Significant accounting policies

The following accounting policies have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group and the Company, unless otherwise stated.

On 1 January 2018, the Group and the Company have applied the new MFRSs, MFRS 15, Revenue from Contracts with Customers and MFRS 9, Financial Instruments. There are changes to the accounting policies of:-

(i) revenue recognition;
(ii) financial instruments; and
(iii) impairment losses of financial instruments

as compared to those adopted in previous financial statements.

There is no significant impact arising from the adoption of MFRS 15 on the financial statements of the Group and of the Company, other than the changes in accounting policies as disclosed in Note 2.3(l) and disclosures in Note 19 to the financial statements.

There is no significant impact arising from the adoption of MFRS 9 on the financial statements of the Group and of the Company, other than the changes in accounting policies as disclosed in Note 2.3(f) and Note 2.3(k) and disclosures in Note 26 to the financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transactions costs.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

(ii) Accounting for business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisition on or after 1 January 2011, the Group measures goodwill at the acquisition date as:-

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

For each business combination, the Group elects whether it measures the non-controlling interests in the acquire either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Accounting for non-controlling interest

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against the Group's reserve.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interest and the other components of equity related to the former subsidiary from consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an financial asset depending on the level of influence retained.

(v) Non-controlling interest

Non-controlling interest at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interest in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interest and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Goodwill on consolidation

Goodwill is measured as the excess of consideration transferred, any non-controlling interests and the acquisition-date fair value of any previously-held equity interest over the fair value of the Group’s share of the identifiable net assets acquired. Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group’s cash-generating units (“CGU”) that are expected to benefit from the synergies of the business combination.

The CGU to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the allocated goodwill, with the recoverable amount of the CGU. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the CGU retained.

(c) Property, plant and equipment and depreciation

All property, plant and equipment are initially measured at cost. After recognition as an asset, property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses, except for freehold land, factory building under construction and plant, machinery and equipment under installation. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(j) to the financial statements.

Cost includes expenditure that are directly attributable to the acquisition of the asset and other cost directly attributable to bringing the asset to working condition for its intention use. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

Capital work-in-progress consists of plant and machinery under construction/installation for intended use as production facilities. The amount is stated at cost and includes capitalisation of interest incurred on borrowings related to property, plant and equipment under construction/installation until the property, plant and equipment are ready for their intended use.

Property, plant and equipment are depreciated on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful lives of the assets concerned. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

The annual rates used for depreciation purpose are as follows:-

Transit TV system	10%
Broadcast centre, network and SMS gateway	10%
Furniture and fittings	20%
Computer software	10%
Motor vehicles	20%
Office equipment	20%
Plant and machinery	10%
Renovation and signboard	10%
Bearer plants	30 years

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. The effects of any revisions of the residual values and useful lives are included in the profit or loss for the financial year in which the changes arise.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the financial year the asset is derecognised.

A bearer plant is living plant that is used in the production or supply of agriculture produce, which are expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Costs include planting expenditures incurred from the stage of land clearing up to the stage of maturity. The bearer plants were previously termed as plantation development expenditure.

(d) Leases

(i) Finance leases and hire purchase

Assets financed by finance leases and hire purchase arrangements which transfer substantially all the risks and rewards of ownership to the Group are capitalised as property, plant and equipment, and the corresponding obligations are treated as liabilities. The assets so capitalised are depreciated in accordance with the accounting policy on property, plant and equipment.

Assets acquired by way of finance leases and hire purchase arrangements are stated at an amount equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(j) to the financial statements. The corresponding liability is included in the statements of financial position as borrowings. In calculating the present value of minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group’s incremental borrowing rate is used. Property, plant and equipment acquired under finance leases and hire purchase are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

(ii) Operating leases

An operating lease is a lease other than a finance lease, where the Group does not assume substantially all the risks and rewards of ownership. Lease payments under operating lease are recognised as an expense in the profit or loss on a straight-line basis over the lease period. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(iii) Leases of land and buildings

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payment and is amortised on a straight-line basis over the lease term.

(e) Inventories

Inventories of finished goods, work-in-progress and raw materials are stated at the lower of cost and net realisable value. The cost of inventories is measured based on weighted average basis.

The cost of work-in-progress includes cost of raw materials, consumables, direct labour and an appropriate allocation of overhead. The cost of raw materials includes the original purchase price plus costs incurred to bring the inventories to their present locations and conditions.

Net realisable value is estimated based on the most reliable evidence available at the time the estimates are made as to what the inventories are expected to realise upon completion of the cycle.

(f) Financial instruments

On 1 January 2018, the Group and the Company generally applied the accounting policies in accordance with MFRS 9, Financial Instruments. The Group and the Company have elected not to restate the comparatives.

<u>Recognition and initial measurement</u>

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

<u>Prior to 1 January 2018</u>

Financial instrument was recognised initially, at its fair value plus or minus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that were directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative was recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract was not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative was recognised separately, was accounted for in accordance with policy applicable to the nature of the host contract.

Financial instrument categories and subsequent measurement

Financial assets

On 1 January 2018, the categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(i) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets as disclosed in Note 2.3(j) to the financial statements, where the effective interest rate is applied to the amortised cost.

(ii) Fair value through other comprehensive income

(a) Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets, where the effective interest rate is applied to the amortised cost.

(b) Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(iii) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment.

Prior to 1 January 2018

Financial assets of the Group and the Company were classified and measured under MFRS 139, Financial Instruments: Recognition and Measurement as follows:-

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

Financial assets are classified as fair value through profit or loss if they are held for trading, including derivatives, or are designated as such upon initial recognition.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised as other gains or losses in the profit or loss.

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity that are quoted in an active market and the Group or the Company has the positive intention and ability to hold the investment to maturity is classified as held-to-maturity.

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

(iv) Available-for-sale financial assets

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

After initial recognition, available-for-sale financial assets are measured at fair value with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

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

Financial liabilities

On 1 January 2018, the categories of financial liabilities at initial recognition are as follows:-

(i) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:-

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or
(c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(ii) Amortised cost
Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

Prior to 1 January 2018
Financial liabilities of the Group and the Company were subsequently measured at amortised cost other than those categorised as fair value through profit or loss. Fair value through profit or loss category comprised financial liabilities that were derivatives or financial liabilities that were specifically designated into this category upon initial recognition.

Derivatives that were linked to and must be settled by delivery of unquoted equity instruments that did not have a quoted price in an active market for identical instruments whose fair values otherwise could not be reliably measured were measured at cost. Financial liabilities categorised as fair value through profit or loss were subsequently measured at their fair values with the gain or loss recognised in profit or loss.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

On 1 January 2018, financial guarantees issued are initially measured at fair value. Subsequently measured at higher of:-

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, Revenue from Contracts with Customers.

Liabilities arising from financial guarantees are presented together with other provisions.

Prior to 1 January 2018

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss over the contractual period or, upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:-

(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and

(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:-

(i) the recognition of an asset on the day it is received by the Group or the Company; and

(ii) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

<u>Offsetting</u>

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group and the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(g) Provision for liabilities

Provision for liabilities are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation made.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(h) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, bank balances, deposits with banks and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are stated at net of bank overdrafts and deposits pledged to the financial institution.

(i) Foreign currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and presentation currency.

Transactions in foreign currencies are translated into RM at rates of exchange ruling at transaction dates. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated into Ringgit Malaysia at the foreign exchange rates ruling at that date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in the profit or loss.
Non-monetary items are measured in terms of historical cost in a foreign currency or translated using the exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.

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

(j) Impairment

(i) Impairment of financial assets

On 1 January 2018, the Group and the Company generally applied the following accounting policies retrospectively. Nevertheless, as permitted by MFRS 9, Financial Instruments, the Group and the Company elected not to restate the comparatives.

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

Prior to 1 January 2018

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

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

An impairment loss in respect of available-for-sale financial assets was recognised in profit or loss and was measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised.

Where a decline in the fair value of an available-for-sale financial asset had been recognised in the other comprehensive income, the cumulative loss in other comprehensive income was reclassified from equity to profit or loss.

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

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale was not reversed through profit or loss.

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

(ii) Impairment of other assets

The carrying amounts of other assets (except for inventories and deferred tax asset) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(k) Intangible assets

Other intangible assets

Other intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Other intangible assets of the Group comprise licences, copyrights and other incidental costs incurred, are considered to have finite useful life due to the technological risks and advancement inherent in the industry. Other intangible assets of the Group are amortised on the straight-line basis over their estimated useful lives of 10 years. The estimated useful lives and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets - research and development costs

Research costs are recognised as an expense as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:-

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete; and
- the ability to measure reliably the expenditure during development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(l) Revenue and other income

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(i) Rendering services

The Group determines that the transfer of control of promised services generally coincides with the Group's performance as the customer simultaneously receives and consumes the benefits of the performance as the Group performs. Accordingly, revenue from the rendering of services is recognised over time when the services are performed. The Group measures the progress towards complete satisfaction of the performance obligation using an output method, i.e. time elapsed or milestones reached.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(m) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(n) Income tax

Income tax expense in the profit or loss represents the aggregate amount of current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or items recognised directly in equity or other comprehensive income.

Current tax expense is the expected tax payable or receivable in respect of the taxable profit or loss for the financial year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised investment tax allowance being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(o) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares (“EPS”). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for own shares held for the effects of all dilutive potential ordinary shares, which comprise convertible notes, bonus issue and share options granted to employees.

(p) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(q) Employee benefits

(i) Short-term employee benefits

Wages, salaries, social security contribution, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by the employees. Short term accumulating compensated absences such as paid annual leave is recognised when services rendered by the employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave is recognised when the absences occur.

(ii) Post-employment benefits

The Group contributes to the Employees' Provident Fund, the national defined contribution plan. The contributions are charged to the profit or loss in the period to which the related service is performed. Once the contributions have been paid, the Group has no further payment obligations.

(r) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

(s) Equity instruments

Equity instruments are measured at cost on initial recognition and are not remeasured subsequently. Ordinary shares are classified as equity. Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

The Group measures a liability to distribute assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting period and at the settlement date, with any changes recognized directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

(t) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The valuation techniques used include the following:-

Market approach - which uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities.

Cost approach - which reflects the amount that would be required currently to replace the service capacity of an asset.

Income approach - which converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:-

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - unobservable inputs for the asset or liability.

Any transfers between the levels of fair value hierarchy are deemed to have occurred at the end of the reporting period.

Non-financial assets

The fair value measurement of the produce growing on bearer plants is determined by using the market approach (i.e. Level 2) by applying the estimated volume of the produce to the market price applicable at the reporting date.

Financial assets and financial liabilities

The carrying amounts of receivables, cash and cash equivalents, payables and loans and borrowings which are short-term nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term loans and borrowings are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 3).

The fair values of unquoted investments that are not making an adequate return on assets or are making only marginal levels of profits are measured using the adjusted net asset method which involves deriving the fair values of the investees' equity instruments by reference to the fair values of their assets and liabilities (i.e. Level 3).

(u) Non-current assets held for sale and discontinued operations

Non-current assets (or disposal group comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the non-current assets (or the disposal group) are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the non-current assets (the disposal group) are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

2.4 Significant Accounting Estimates and Judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than the following:-

(a) Useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets.

In addition, the estimation of the useful lives of property, plant and equipment are based on the internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timings of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

(b) Impairment assessment of property, plant and equipment

The Group assesses whether there is any indication that property, plant and equipment are impaired at the end of each reporting date. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate.

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

As disclosed in Note 3 to the financial statements, an impairment loss and written off on property, plant and equipment were provided by the Group amounted to RM17,657,939/- and RM139,359/- respectively.

(c) Impairment assessment of other intangible assets

The Group assesses whether there is any indication that other intangible assets are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. The recoverable amount is measured at the higher of the fair value less costs of disposal for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information. Changes to any of these assumptions would affect the amount of impairment.

The Group has written off the other intangible assets amounted to RM63,061/- as disclosed in Note 4 to the financial statements.

(d) Impairment assessment of investment in subsidiary companies

The Company tests investment in subsidiary companies for impairment annually in accordance with its accounting policy. Impairment is measured by comparing the carrying amount with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from the subsidiary discounted at an appropriate discount rate.

Projected future cash flows are based on the Company's estimates calculated based on the operating results, approved business plans, sector and industry trends as well as future economic conditions, changes in technology and other available information.

The Company has provided impairment loss of RM12,999,998/- for its wholly-owned subsidiary, Asia Media Sdn. Bhd. as disclosed in Note 6 to the financial statements.

(e) Impairment assessment of financial assets

The Group and the Company assess the credit risk at each reporting date, whether there have been significant increases in credit risk since initial recognition on an individual basis. To determine whether there is a significant increase in credit risk, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is significant increase in credit risk, the Group and the Company determine the lifetime expected credit loss by considering the loss given default and the probability of default assigned to each counterparty customer. The financial assets are written off either partially or full when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-offs.

The carrying amounts of the trade and other receivables and amount due from subsidiary companies are disclosed in Note 9, 10 and 11 respectively to the financial statements.

(f) Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

3. PROPERTY, PANT AND EQUIPMENT

	Transit TV system RM	Broadcast centre, network and SMS gateway RM	Furniture and fittings RM	Computer software RM	Motor vehicles RM	Office equipment RM	Plant and machinery RM	Renovation and signboard RM	Bearer plants RM	Capital work in progress RM	Total RM
Group											
Cost											
At 1 January 2018	46,352,373	121,193,953	186,265	60,390	881,082	523,451	692,636	565,062	-	5,344,759	175,799,971
Additions during the financial year	-	-	4,700	200	-	393	-	-	-	-	5,293
Disposals during the financial year	-	-	-	-	(455,409)	-	-	-	-	-	(455,409)
Written off during the financial year	-	-	(190,965)	(60,590)	(425,673)	(523,844)	(692,636)	(565,062)	-	-	(2,458,770)
Reclassification	5,344,759	-	-	-	-	-	-	-	-	(5,344,759)	-
At 31 December 2018	51,697,132	121,193,953	-	-	-	-	-	-	-	-	172,891,085
Accumulated depreciation											
At 1 January 2018	34,166,710	33,385,867	183,292	40,893	608,063	497,780	691,991	405,141	-	-	69,979,737
Charge for the financial year	534,476	1,605,956	1,946	6,059	91,007	10,667	3	55,966	-	-	2,306,080
Disposals during the financial year	-	-	-	-	(273,397)	-	-	-	-	-	(273,397)
Written off during the financial year	-	-	(185,238)	(46,952)	(425,673)	(508,447)	(691,994)	(461,107)	-	-	(2,319,411)
At 31 December 2018	34,701,186	34,991,823	-	-	-	-	-	-	-	-	69,693,009

3. PROPERTY, PANT AND EQUIPMENT (continued)

	Transit TV system RM	Broadcast centre, network and SMS gateway RM	Furniture and fittings RM	Computer software RM	Motor vehicles RM	Office equipment RM	Plant and machinery RM	Renovation and signboard RM	Bearer plants RM	Capital work in progress RM	Total RM
Group (Continued)											
Accumulated impairment losses											
At 1 January 2018	12,185,663	73,354,474	2	-	-	2	642	-	-	-	85,540,783
Additions during the financial year	4,810,283	12,847,656	-	-	-	-	-	-	-	-	17,657,939
Reversal during the financial year	-	-	(2)	-	-	(2)	(642)	-	-	-	(646)
At 31 December 2018	16,995,946	86,202,130	-	-	-	-	-	-	-	-	103,198,076
Net book value at 31 December 2018	-	-	-	-	-	-	-	-	-	-	-

3. PROPERTY, PANT AND EQUIPMENT (continued)

	Transit TV system RM	Broadcast centre, network and SMS gateway RM	Furniture and fittings RM	Computer software RM	Motor vehicles RM	Office equipment RM	Plant and machinery RM	Renovation and signboard RM	Bearer plants RM	Capital work in progress RM	Total RM
Group											
Cost											
At 1 January 2017	46,352,373	121,193,953	186,735	101,264	956,812	518,886	696,036	554,862	2,437,688	-	172,998,609
Additions during the financial year	-	-	480	9,737	138,400	16,962	506,591	11,780	1,479,809	5,344,759	7,508,518
Written off during the financial year	-	-	-	(39,200)	-	-	-	-	-	-	(39,200)
Reclassification to assets of disposal group held for sale	-	-	(950)	(11,411)	(214,130)	(12,397)	(509,991)	(1,580)	(3,917,497)	-	(4,667,956)
At 31 December 2017	46,352,373	121,193,953	186,265	60,390	881,082	523,451	692,636	565,062	-	5,344,759	175,799,971
Accumulated depreciation											
At 1 January 2017	34,166,710	31,779,909	179,718	59,169	532,203	481,694	692,672	349,275	-	-	68,241,350
Charge for the financial year	-	1,605,958	3,802	10,518	123,393	20,335	18,628	56,085	-	-	1,838,719
Written off during the financial year	-	-	-	(26,460)	-	-	-	-	-	-	(26,460)
Reclassification to assets of disposal group held for sale	-	-	(228)	(2,334)	(47,533)	(4,249)	(19,309)	(219)	-	-	(73,872)
At 31 December 2017	34,166,710	33,385,867	183,292	40,893	608,063	497,780	691,991	405,141	-	-	69,979,737

3. PROPERTY, PANT AND EQUIPMENT (continued)

	Transit TV system RM	Broadcast centre, network and SMS gateway RM	Furniture and fittings RM	Computer software RM	Motor vehicles RM	Office equipment RM	Plant and machinery RM	Renovation and signboard RM	Bearer plants RM	Capital work in progress RM	Total RM
Group (Continued)											
Accumulated impairment losses											
At 1 January 2017/At 31 December 2017	12,185,663	73,354,474	2	-	-	2	642	-	-	-	85,540,783
Net book value at 31 December 2017	-	14,453,612	2,971	19,497	273,019	25,669	3	159,921	-	5,344,759	20,279,451

Based on the current Board of Directors' assessment, the recoverable amount of property, plant and equipment is less than its carrying amount. Therefore, an impairment loss and written off on property, plant and equipment was provided by the Group amounted to RM17,657,939/- and RM139,359/- respectively.

4. OTHER INTANGIBLE ASSETS

	Group	
	2018	2017
	RM	RM
Cost		
At 1 January	2,367,750	2,367,750
Written off	(2,367,750)	-
At 31 December	-	2,367,750
Accumulated amortisation		
At 1 January	1,320,976	1,257,934
Amortisation charge during the financial year	63,043	63,042
Written off	(1,384,019)	-
At 31 December	-	1,320,976
Accumulated impairment losses		
At 1 January	920,670	920,670
Written off	(920,670)	-
At 31 December	-	920,670
Carrying amounts		
At 31 December	-	126,104

Other intangible assets principally comprise licensing rights in respect of the digital live transit-TV broadcasting.

Based on the current Board of Directors' assessment, the recoverable amount of other intangible assets is less than its carrying amount. Therefore, the Group has written off the other intangible assets amounted to RM63,061/-.

5. DEVELOPMENT COSTS

	Group	
	2018	2017
	RM	RM
Cost		
At 1 January	141,937	141,937
Written off	(141,937)	-
At 31 December	-	141,937
Accumulated amortisation		
At 1 January	141,934	141,655
Amortisation charge during the financial year	-	279
Written off	(141,934)	-
At 31 December	-	141,934
Carrying amounts		
At 31 December	-	3

5. DEVELOPMENT COSTS (CONTINUED)

Based on the current Board of Directors' assessment, development costs were no longer feasible to generate any economic benefits to the Group. Therefore, the Group has written off the development costs amounted to RM3/-.

6. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2018 RM	Company 2017 RM
Unquoted shares, at cost		
At 1 January	12,999,998	17,999,998
Less: Impairment loss during the financial year	(12,999,998)	(1,000,000)
	-	16,999,998
Reclassified to non-current assets held for sale	-	(4,000,000)
At 31 December	-	12,999,998

All subsidiary companies are incorporated in Malaysia. Details of the subsidiary companies are as follows:-

Name of subsidiaries	Effective equity interest 2018 %	Effective equity interest 2017 %	Principal activities
Direct subsidiaries			
Asia Media Sdn. Bhd. #	100	100	Business of multimedia advertising services, media communications, commercialisation of narrowcasting network solutions, and dynamic, and automation contents, and provision of intergration, maintenance and support services relating to the above products.
DPO Plantations Sdn. Bhd.* @	-	100	Cultivation of oil palm
Indirect subsidiaries			
Held through Asia Media Sdn. Bhd.			
Asia Media Broadcasting Sdn. Bhd. *^	70	70	Dormant
Transnet Express Sdn. Bhd.*	-	100	Dissolved on 11 January 2018
Held through DPO Plantations Sdn. Bhd.			
DPO Pelita Bintangor Sdn. Bhd.* @	-	60	Dormant

* Subsidiary company not audited by STYL Associated PLT.

The auditors' report on the financial statements of these subsidiaries contained a disclaimer of opinion.

@ The financial information was extracted from the unaudited consolidated management accounts of DPO Plantations Sdn. Bhd. for the financial period from 1 January 2018 to 30 June 2018 (date of disposal).

^ The financial information was extracted from the unaudited management accounts of Asia Media Broadcasting Sdn. Bhd. for the financial period from 1 January 2018 to 31 December 2018.

(a) Material partly-owned subsidiary companies

Set out below are the Group's subsidiary company that has material non-controlling interests:-

	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated to non-controlling interests	
Name of company	**2018 %**	**2017 %**	**2018 RM**	**2017 RM**	**2018 RM**	**2017 RM**
Asia Media Broadcasting Sdn. Bhd.	30	30	44,963	54,549	236,794	183,875
Individually immaterial subsidiaries with non-controlling interests					(3,993)	3,993
Total non-controlling interests					232,801	187,868

Summarised financial information for the subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

i) Summarised statement of financial position

	Asia Media Broadcasting Sdn. Bhd.	
	2018	**2017**
	RM	**RM**
Current assets	6,197	6,929
Current liabilities	782,199	619,844
Net liabilities	(776,002)	(612,915)

ii) Summarised statement of profit or loss and other comprehensive income

	2018	**2017**
	RM	**RM**
Loss for the financial year, representing total comprehensive loss for the financial year	(163,088)	(181,829)

iii) Summarised statement of cash flows

	2018	**2017**
	RM	**RM**
Net cash generated from operating activities, representing net increase in cash and cash equivalents	167	152

(b) Changes in group structure

On 29 June 2018, the Company disposed its 100% equity interest in DPO Plantations Sdn. Bhd. ("DPO"), a company incorporated in Malaysia for a total consideration of RM4,000,000/-. The effect of the disposal of subsidiary company on the statements of financial position of the Group as at the date of disposal were as follows:-

Disposal of subsidiary company

	2018 RM
Property, plant and equipment	4,989,464
Inventories	41,247
Other receivables	105,246
Cash and bank balances	641,838
Other payables	(2,439,720)
Total net asset disposed	3,338,075
Total disposal proceeds	(4,000,000)
Gain on disposal to the Group	(661,925)
Disposal proceeds settled by:-	
Cash	4,000,000
Cash inflow arising on disposal:-	
Cash consideration	4,000,000
Cash and cash equivalents of subidiary company disposed	(641,838)
Net cash inflow on disposal	3,358,162

Current Board of Directors were unable to satisfy themselves the full extent of the financial effects of the disposal of DPO group of companies due to lack of information and the completeness and accuracy of the net assets or liabilities as at the date of disposal.

Dissolution of subsidiary company

On 5 January 2018, Transnet Express Sdn. Bhd. (In Member's Voluntary Liquidation) ("Transnet"), a wholly-owned subsidiary company of the Company convened a final meeting to conclude the winding up proceedings. The Transnet was dissolved on 11 January 2018.

(c) Impairment of investment in subsidiary companies

Based on the current Board of Directors' assessment, the recoverable amount of investment in subsidiaries is less than its carrying amount. Therefore, an impairment loss on investment in subsidiary companies was provided by the Company amounted to RM12,999,998/-.

7. GOODWILL ON CONSOLIDATION

	Group	
	2018	2017
	RM	RM
Cost		
At 1 January/At 31 December	2,612,310	2,612,310
Accumulated impairment losses		
At 1 January/At 31 December	2,612,310	2,612,310
Carrying amounts		
At 31 December	-	-

8. INVENTORIES

	Group	
	2018	2017
	RM	RM
Consumables	-	59,156
Reclassified to assets of disposal group held for sale	-	59,156
	-	-

9. TRADE RECEIVABLES

	Group	
	2018	2017
	RM	RM
Trade receivables	600,000	770,700
Less: Bad debts written off	(600,000)	-
	-	770,700

Trade receivables are non-interest bearing and are generally on 30 days (2017: 30 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis

The ageing analysis of the trade receivables of the Group is as follows:-

	Group	
	2018	2017
	RM	RM
Neither past due nor impaired	-	770,700

In previous year, trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

Impairment of trade receivables

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group generally considers a default to have occurred when the trade receivable is more than 90 days past due. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Based on the current Board of Directors' assessment, trade receivables of RM600,000/- is no longer collectable. Therefore, the Group has written off this amount of trade receivables.

There is no significant impact arising from the expected credit loss, other than mentioned above.

10. OTHER RECEIVABLES

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
Other receivables		2,344,528	21,043	2,344,528	-
Amount due from Directors		23,233	-	-	-
Less: Bad debt written off		(2,367,761)	-	(2,344,528)	-
Other receivables, net	(a)	-	21,043	-	-
Deposits	(b)	-	102,625	-	1,308
Prepayments		-	8,436	-	-
Reclassified to assets of disposal group held for sale		-	(89,632)	-	-
		-	42,472	-	1,308

(a) The Group and the Company measure the loss allowance for other receivables and amount due from Directors at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Based on the current Board of Directors' assessment, other receivables and amount due from Directors of the Group amounted to RM2,344,528/- and RM23,233/- respectively are no longer collectable. Therefore, the Group and the Company have written off this amount of other receivables and amount due from Directors.

10. OTHER RECEIVABLES

(b) Deposits

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Deposits	40,478	102,625	1,308	1,308
Less: Bad debts written off	(40,478)	-	(1,308)	-
	-	102,625	-	1,308

The Group and the Company have written off deposits of RM40,478/- and RM1,308/- respectively that no longer exist and collectable.

There is no significant impact arising from the expected credit loss, other than mentioned above.

11. AMOUNT DUE FROM SUBSIDIARY COMPANIES

	Company	
	2018	2017
	RM	RM
Amount due from subsidiary companies	109,715,924	108,702,706
Less: Accumulated impairment losses	(109,715,924)	(107,786,800)
	-	915,906

Movements in the accumulated for impairment losses of amount due from subsidiary companies are as follows:-

	Company	
	2018	2017
	RM	RM
At 1 January	107,786,800	110,954,583
Impairment losses during the financial year	1,929,124	-
Reversal during the financial year	-	(3,167,783)
At 31 December	109,715,924	107,786,800

Amount due from subsidiary companies is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

The Company measures the loss allowance for amount due from subsidiary companies at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Based on the current Board of Directors' assessment, amount due from subsidiary companies of RM1,929,124/- is no longer collectable. Therefore, an impairment loss on amount due from subsidiary companies was provided by the Company.

12. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

On 22 December 2017, the Company entered into a Shares Sales Agreement ("SSA") with DPO Holdings Pte. Ltd. to dispose the entire equity shares in DPO Plantation Sdn. Bhd. of 5,000,000 ordinary shares for the consideration of RM4,000,000/-. The disposal completed on 30 June 2018. In previous financial year, the conditions precedent as set out in the SSA have yet to be fulfilled.

13. DISPOSAL GROUP HELD FOR SALE

In previous financial year, the assets and liabilities of DPO Plantation Sdn. Bhd. have been presented on the statements of financial position as a disposal group held for sale and its results is presented separately on the statements of comprehensive income as "Loss on discontinued operation, net of tax".

Statement of financial position disclosures

	Group 2017 RM
Assets	
Property, plant and equipment	4,594,084
Inventories	59,156
Other receivables	89,632
Cash and bank balances	143,506
Assets included in disposal group classified as held for sale	4,886,378
Liabilities	
Other payables	81,550
Amount due to Directors	188,458
Liabilities included in disposal group classified as held for sale	270,008
Net assest held for sale	4,616,370

Statement of profit or loss and other comprehensive income disclosures

	Group 2017 RM
Revenue	-
Cost of sales	(88,950)
Gross loss	(88,950)
Other income	117,021
Adminstrative expenses	(814,454)
Loss before taxation	(786,383)
Taxation	-
Loss for the financial year, representing total comprehensive deficit for the financial year	(786,383)
Total comprehensive deficit attributable to:-	
Owners of the parent	(784,189)
Non-controlling interest	(2,194)
	(786,383)

Statement of cash flows disclosures

	Group 2017 RM
Net cash generated from operating activities	2,175,693
Net cash used in investing activities	(2,136,862)
Effect on cash flows	38,831

As disclosed in Note 6 to the financial statements, current Board of Directors were unable to satisfy themselves the full extent of the financial effects of the disposal of DPO group of companies due to lack of information and the completeness and accuracy of the net assets or liabilities as at the date of disposal.

14. SHARE CAPITAL

	Group and Company			
	2018		2017	
	Number of shares Unit	RM	Number of shares Unit	RM
Ordinary shares				
Issued and fully paid:-				
At 1 January	239,463,426	24,773,143	239,463,426	23,946,343
Transfer from share premium in accordance with Section 618(2) of the Companies Act, 2016	-	-	-	826,800
At 31 December	239,463,426	24,773,143	239,463,426	24,773,143

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares in the Company.

In previous financial year, the Company abolished the concept of authorised share capital and par value of share capital when Companies Act, 2016 (the "Act") came into operation on 31 January 2017. Consequently, the amount standing to the credit of the share premium account of RM826,800/- becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM826,800/- for purposes as set out in Section 618(3) of the Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

15. OTHER RESERVERS

		Group and Company	
		2018	2017
	Note	RM	RM
Non-distributable			
Share premium	(a)	-	-
Warrant reserve	(b)	-	-

The nature of reserves of the Group and of the Company are as follows:-

(a) Share premium

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares.

(b) Warrant reserve

The Warrants which are issued with the Rights Shares are immediately detached upon issuance and are separately traded.

The Warrants are constituted by the deed poll dated 12 December 2012 (“Deed Poll”).

Fair values from the issuance of Warrants are credited to warrant reserve which is non-distributable. In arriving at the related fair values, the fair values of the Rights Shares and Warrants were proportionately adjusted to the issue price of RM1.20 per Rights Shares.

When the Warrants are exercised or expired, the warrant reserve will be reversed, to the extent that such exercise of warrants is of significant quantity.

Salient features of the Warrants are as follows:-

(i) Each Warrant entitles the registered holder thereof (“Warrant holder(s)”) to subscribe for one (1) new ordinary share of RM1.00/- each in the Company at the exercise price of RM1.50/- during the 5-year period expiring on 29 December 2017 (“Exercise Period”), subject to the adjustments in accordance with the Deed Poll constituting the Warrants;

(ii) At the expiry of the Exercise Period, any Warrant which has not been exercised shall automatically lapse and cease to be valid for any purpose;

(iii) The new shares to be issued upon the exercise of the Warrants shall, upon issue and allotment, rank pari passu in all respects with the existing shares of the Company except that they will not be entitled to any dividends, rights, allotments and/or distributions declared by the Company, which entitlement date thereof precedes the allotment date of the new shares to be issued pursuant to the exercise of the Warrants;

(iv) For purpose of trading on Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”), a board lot for the Warrants shall be one hundred (100) or such other number of units as may be prescribed by Bursa Securities from time to time; and

(v) The Deed Poll and accordingly the Warrants are governed by and shall be construed in accordance with the laws and regulations of Malaysia.

As of 29 December 2017, 82,404,283 warrants remained unexercised and expired. The expired warrants have been delisted on 2 January 2018.

16. TRADE PAYABLES

The credit period granted to the Group for trade purchases ranges from 30 to 90 days (2017: 30 to 90 days) depending on the terms of the contract.

As at the date of this report, replies relating to payables confirmation requests are outstanding. The Directors were unable to confirm and verify the carrying amounts of the trade payables for the financial year ended 31 December 2018 and 2017.

17. OTHER PAYABLES

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Other payables	142,027	543,291	404	18,479
Deposits	-	400,000	-	400,000
Accruals	257,440	172,950	124,800	57,100
Provision for litigation claims	2,032,232	-	-	-
Reclassified to assets of disposal group held for sale	-	(81,550)	-	-
	2,431,699	1,034,691	125,204	475,579

In previous financial year, deposit received of the Group and of the Company amounted to RM400,000/- is relating to the disposal of subsidiary as disclosed in Notes 6, 12 and 13 to the financial statements.

The provision for litigation claims were provided for the claims against the Group in relation to the material litigations as disclosed in Note 28 to the financial statements.

As at the date of this report, replies relating to payables confirmation requests are outstanding. The Directors were unable to confirm and verify the carrying amounts of the other payables and accruals for the financial year ended 31 December 2018 and 2017.

18. AMOUNT DUE TO DIRECTORS

The amount due to Directors are unsecured, interest free and repayable on demand.

As at the date of this report, replies relating to Directors’ confirmation requests are outstanding. The Directors were unable to confirm and verify the carrying amounts of amount due to Directors for the financial year ended 31 December 2018 and 2017.

19. REVENUE

	Group 2018 RM	Group 2017 RM
Airtime advertising	13,430,280	15,384,112
Timing and recognition		
- at a point in time	13,430,280	15,384,112

Revenue from airtime advertising is recognised at a point in time when the service rendered to customers. The credit period of 30 days from the invoice date. No return and refund policy have been applied by the Group.

The current Board of Directors do not have the most of the important documents as disclosed in Note 30(a) to the financial statements. Therefore, the Directors were unable to satisfy themselves that the financial statements of the Group as at 1 January 2018 and the financial statements of the Group as at 31 December 2018 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group.

20. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax has been arrived at:-

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
After charging/(crediting):-				
Amortisation of:-				
- development costs	-	279	-	-
- other intangible assets	63,043	63,042	-	-
Auditors' remuneration:-				
- statutory audit:-				
- current year	160,000	83,000	100,000	40,000
- continuing	160,000	73,500	100,000	40,000
- discontinuing	-	9,500	-	-
- non-statutory audit	6,000	6,000	6,000	6,000
Bad debts written off:-	2,967,761	-	2,344,528	-
- trade receivables	600,000	-	-	-
- other receivables	2,367,761	-	2,344,528	-
Deposits written off	40,478	-	1,308	-
Depreciation of property, plant and equipment:-	2,306,080	1,838,719	-	-
- continuing	2,306,080	1,783,947	-	-
- discontinuing	-	54,772	-	-
Development costs written off	3	-	-	-
Gain on disposal of subsidiary companies	(661,925)	-	-	-
Gain on disposal of property, plant and equipment	(22,988)	-	-	-
Impairment losses on:-				
- investment in subsidiary company	-	-	12,999,998	1,000,000
- amount due from subsidiary companies	-	-	1,929,124	-
- property, plant and equipment	17,657,939	-	-	-

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
After charging/(crediting) (continued):-				
Interest expenses	-	52,303	-	-
Interest income:-	(38,298)	(159,460)	(1,010)	(188)
- continuing	(38,298)	(157,748)	-	-
- discontinuing	-	(1,712)	-	-
Loss on derecognised of subsidiary company	5,530	-	-	-
Other intangible assets written off	63,061	-	-	-
Property, plant and equipment written off	139,359	12,740	-	-
Provision for litigation claims	2,032,232	-	-	-
Rental of permises:-	189,930	227,600	-	-
- continuing	189,930	207,600	-	-
- discontinuing	-	20,000	-	-
Reversal of impairment losses on amount due from subsidiary companies	-	-	-	(3,167,783)
Reversal of impairment losses on property, plant and equipment	(646)	-	-	-
Reversal of provision for minimum guaranted sum	-	(1,822,500)	-	-
Unrealised gain on foreign currency exchange	(34)	(3,761)	-	-

The current Board of Directors do not have the most of the important documents as disclosed in Note 30(a) to the financial statements. Therefore, the Directors were unable to satisfy themselves that the financial statements of the Group and of the Company as at 1 January 2018 and financial statements of the Group and of the Company as at 31 December 2018 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group and of the Company.

21. TAX EXPENSES

There is no provision for tax expense as the Group and the Company have no chargeable income.

A reconciliation of income tax expense applicable to (loss)/profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:-

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
(Loss)/Profit before tax				
- From continuing operations	(26,554,566)	3,010,557	(17,565,828)	1,740,398
- From discontinued operation	-	(786,383)	-	-
	(26,554,566)	2,224,174	(17,565,828)	1,740,398
At Malaysian statutory tax rate of 24% (2017: 24%)	(6,373,096)	533,802	(4,215,799)	417,696
Tax effects arising from:-				
Expensed not deductible for tax purposes	6,531,958	758,523	4,215,799	342,572
Non-taxable income	(158,862)	(497,835)	-	(760,268)
Utilisation of current year capital allowance	-	(1,155,057)	-	-
Deferred tax assets not recognised	-	360,567	-	-
Tax expense for the financial year	-	-	-	-

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2018	2017
	RM	RM
Unabsorbed capital allowance	106,576,950	106,576,950
Unutilised tax losses	2,401,305	2,401,305
	108,978,255	108,978,255

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset.

However, the above amount is subject to the approval of the Inland Revenue Board of Malaysia.

The current Board of Directors do not have the most of the important documents as disclosed in Note 30(a) to the financial statements. Therefore, the Directors were unable to satisfy themselves that the financial statements of the Group and of the Company as at 1 January 2018 and financial statements of the Group and of the Company as at 31 December 2018 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group and of the Company.

22. (LOSS)/EARNINGS PER ORDINARY SHARE

(a) Basic (loss)/earnings per share

	Group and Company	
	2018	2017
	RM	RM
Net (loss)/profit attributable to owners of parent	(26,554,566)	2,224,174
Weighted average number of ordinary share (units)	239,463,426	239,463,426
Basic (loss)/earnings per ordinary shares	(0.1109)	0.0093

The basic (loss)/earnings per ordinary share is calculated by dividing the consolidated net (loss)/profit attributable to equity owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

(b) Diluted (loss)/earnings per share

The basic and diluted (loss)/earnings per share are equal as the Group has no dilutive potential ordinary shares outstanding as at 31 December 2018.

23. STAFF COSTS

	Group	
	2018	2017
	RM	RM
Salaries, wages and other emoluments	832,059	1,270,263
Social security contributions	8,988	10,770
Defined contribution plans	78,452	83,528
	919,499	1,364,561

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors and Non-Executive Directors of the Group and of the Company during the financial year as below:-

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Executive Directors				
Existing Directors				
- fees	200,000	200,000	-	-
- others emoluments	-	2,550	-	-
Total	200,000	202,550	-	-
Non-Executive Directors' fees				
Existing Directors	60,000	52,150	60,000	52,150
Former Directors	-	34,667	-	34,667
	60,000	86,817	60,000	86,817
Total	260,000	289,367	60,000	86,817

The current Board of Directors is not recommending any remuneration to be paid to all members of the previous Board, namely Dato' Wong Shee Kai, Mr. Ong Chooi Lee, Ms. Yeong Siew Lee and Mr. Paul Jong Jun Hian who served during the financial under review.

However, the current Board of Directors noted that there were payments already made to certain Directors during the financial year under review. The current Board of Directors reserves its right to claim back the fees from the affected Directors.

The number of Directors of the Group and of the Company whose total remuneration during the financial year fell within the following bands is analysed below:-

	Number of Directors			
	2018		2017	
Group	Executive	Non-Executive	Executive	Non-Executive
Below RM50,000	-	-	-	4
RM100,001 - RM200,000	1	-	1	-
RM200,001 - RM300,000	-	-	1	-
Company				
Below RM50,000	-	3	-	4

The current Board of Directors do not have the most of the important documents as disclosed in Note 30(a) to the financial statements. Therefore, the Directors were unable to satisfy themselves that the financial statements of the Group and of the Company as at 1 January 2018 and financial statements of the Group and of the Company as at 31 December 2018 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group and of the Company.

24. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:-

(i) Direct subsidiaries;

(ii) Indirect subsidiaries; and

(iii) Key management personnel which comprise persons (including the Directors of the Company) having the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

(b) Significant related party transactions

During the financial year, the significant related party transactions are as follows:-

	Group	
	2018	**2017**
	RM	**RM**
Rental of premises charged by Peakmax Sdn. Bhd.	111,600	116,000

Name of related party	**Relationship**
Peakmax Sdn. Bhd.	A company in which Dato' Wong Shee Kai and Teh Sew Wan also Directors and shareholders

(c) Key management personnel remuneration

Included in key management personnel of the Group are the Directors of the Company and their remuneration as disclosed in Note 23 to the financial statements.

Key management personnel are defined as the members of Board of Directors of the Company and its subsidiary companies whereby the authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly lies.

25. SEGMENT REPORTING

The Group adopted MFRS 8, Operating Segments. MFRS 8 requires the identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and assess their performance.

General information

The information reported to the Group's chief operating decision maker to make decisions about resources to be allocated and for assessing their performance is based on the nature of the products and services, and has five reportable operating segments as follows:-

(a) Investment holding;
(b) Multimedia advertising services, media communications, etc;
(c) Production and marketing of electronic audio and visual media; and
(d) Oil palm plantation.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Measurement of reportable segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements. Segment profit or loss is profit earned or loss incurred by each segment without allocation of depreciation and amortisation, finance cost, income from other investment and income tax expense. There are no significant changes from prior financial year in the measurement methods used to determine reported segment profit or loss. All the Group's assets and liabilities are allocated to reportable segments other than deferred tax assets and deferred tax liabilities.

Group 2018	Investment holding RM	Multimedia advertising services, media communications, etc. RM	Production and marketing of electronic audio and visual media RM	Oil palm plantation RM	Eliminations RM	Note	Consolidated RM
Revenue							
External sales	-	13,430,280	-	-	-		13,430,280
Results							
Segment results	(13,293,186)	(1,347,395)	-	(362,349)	13,044,892	(a)	(1,958,038)
Depreciation and amortisation	-	(2,369,123)	-	-	-	(a)	(2,369,123)
Interest income	1,010	37,288	-	-	-		38,298
Other non-cash items	(4,273,652)	(20,690,914)	-	-	2,743,796	(b)	(22,220,770)
Net loss attributable to the owners of the parent							(26,509,633)
Non controlling interest							(44,933)
Total comprehensive deficit							(26,554,566)
Assets							
Segment assets	7,297	1,345,198	-	5,777,895	(5,783,425)	(c)	1,346,965
Other information							
Additions to property, plant and equipment	-	5,293	-	-	-	(a)	5,293
Liabilities							
Segment liabilities	125,204	113,263,667	-	2,439,720	(112,927,343)	(d)	2,901,248
Tax payables	-	417	-	-			417
Consolidated total liabilities							2,901,665

Group (Continued) 2017	Investment holding RM	Multimedia advertising services, media communications, etc. RM	Production and marketing of electronic audio and visual media RM	Oil palm plantation RM	Eliminations RM	Note	Consolidated RM
Revenue							
External sales	-	15,384,112	-	-	-		15,384,112
Results							
Segment results	1,740,210	3,366,432	-	(733,323)	(2,111,040)	(a)	2,262,279
Depreciation and amortisation	-	(1,847,268)	-	(54,772)	-	(a)	(1,902,040)
Interest expenses	-	(52,303)	-	-	-		(52,303)
Interest income	188	157,560	-	1,712	-		159,460
Other non-cash items	2,167,783	1,813,521	-	-	(2,167,783)	(b)	1,813,521
Net profit attributable to the owners of the parent							2,280,917
Non controlling interest							(56,743)
Total comprehensive income							2,224,174
Assets							
Segment assets	17,923,502	23,318,166	25,000	4,895,323	(18,104,244)	(c)	28,057,747
Other information							
Additions to property, plant and equipment	-	5,371,656	-	2,136,862	-	(a)	7,508,518
Liabilities							
Segment liabilities	475,581	110,712,097	-	1,194,799	(109,325,013)	(d)	3,057,464
Tax payables	-	417	-	-			417
Consolidated total liabilities							3,057,881

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

(a) Inter-segment transactions and revenue are eliminated on consolidation;

(b) Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:-

	Group	
	2018	2017
	RM	RM
Bad debts written off:-		
- trade receivables	(600,000)	-
- other receivables	(2,367,761)	-
Impairment losses on property, plant and equipment	(17,657,939)	-
Development costs written off	(3)	-
Deposits written off	(40,478)	-
Gain on disposal of subsidiary companies	661,925	-
Loss on derecognised of subsidiary company	(5,530)	-
Reversal of impairment losses on property, plant and equipment	646	-
Reversal of provision for minimum guarantee sum	-	1,822,500
Gain on disposal of property, plant and equipment	22,988	-
Unrealised gain on foreign currency exchange	34	3,761
Other intangible assets written off	(63,061)	-
Provision for litigation claims	(2,032,232)	-
Property, plant and equipment written off	(139,359)	(12,740)
	(22,220,770)	1,813,521

(c) Inter-segment assets are eliminated on consolidation; and

(d) Inter-segment liabilities are eliminated on consolidation.

Geographical segments

No information is prepared on the geographical segment as the Group principally operates within Malaysia.

Major customers

During the financial year, the Group does not have any revenue from a single external customer which represents 10% or more of the Group's revenue. However, revenue from one major customer amount to RM1,811,712/-, arising from sales in the multimedia advertising segment in previous financial year.

26. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The table below provides an analysis of financial instruments as at 31 December 2018 categorised as follows:-

(i) Financial assets measured at amortised cost
(ii) Financial liabilities measured at amortised cost

	Carrying amounts RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM
Group			
2018			
Financial asset			
Cash and bank balances	1,346,965	1,346,965	-
Financial liabilities			
Trade payables	469,549	-	469,549
Other payables	2,431,699	-	2,431,699
	2,901,248	-	2,901,248
Company			
2018			
Financial asset			
Cash and bank balances	7,297	7,297	-
Financial liability			
Other payables	125,204	-	125,204

The table below provides an analysis of financial instruments as at 31 December 2017 categorised as follows:-

(i) Loan and receivables
(ii) Financial liabilities measured at amortised cost

The table below provides an analysis of financial instruments as at 31 December 2017 categorised as follows (Cont'd):-

(i) Loan and receivables
(ii) Financial liabilities measured at amortised cost

	Carrying amounts RM	Loan and receivables RM	Financial liabilities at amortised cost RM
Group			
2017			
Financial assets			
Trade receivables	770,700	770,700	-
Other receivables	34,036	34,036	-
Cash and bank balances	1,952,639	1,952,639	-
	2,757,375	2,757,375	-
Financial liabilities			
Trade payables	658,188	-	658,188
Other payables	1,034,691	-	1,034,691
Amount due to Directors	1,094,577	-	1,094,577
	2,787,456	-	2,787,456
Company			
2017			
Financial assets			
Other receivables	1,308	1,308	-
Amount due from subsidiary companies	915,906	915,906	-
Cash and bank balances	6,290	6,290	-
	923,504	923,504	-
Financial liabilities			
Other payables	475,579	-	475,579
Amount due to Directors	2	-	2
	475,581	-	475,581

(b) Net gains/(losses) arising from financial instruments

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Net gain/(losses) on:-				
Financial assets at amortised cost	38,298	-	1,010	-
Financial liabilities at amortised cost	-	(52,303)	-	-
Loan and receivables	-	159,460	-	188
	38,298	107,157	1,010	188
Net loss on impairment:-				
Financial assets at amortised cost	-	-	1,929,124	-

(c) Financial risk management

The activities of the Group and of the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and market rate risk. The overall financial risk management objective of the Group and of the Company are to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on their financial position, performance and cash flows.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises primarily from its receivables and advances to subsidiaries.

Trade receivables

Risk management objectives, policies and processes for managing the risk

The Group has a credit policy in place to monitor and minimise the exposure of default. Credit evaluations are performed on all customers requiring credit over certain amount. The Group also has an internal credit review which is conducted if the credit risk is material. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired or written off.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statements of financial position.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. Credit risk and receivables are monitored on an ongoing basis. These procedures substantially mitigate credit risk of the Group.

Management has taken reasonable steps to ensure that trade receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any past due receivables having significant balances, which are deemed to have higher credit risk are monitored individually.

Expected credit losses ("ECL") assessment for trade receivables as at 31 December 2018

The Group uses simplified matrix approach to measure the ECLs of trade receivables from individual customers. To measure the expected credit losses, trade receivables have been grouped based on credit risk ranking and days past due.

Based on the current Board of Directors' assessment, trade receivables of RM600,000/- is no longer collectable. Therefore, the Group has written off this amount of trade receivables.

<u>Other receivables</u>
As at the end of the reporting period, the maximum exposure to credit risk arising from other receivables is represented by the carrying amounts in the statements of financial position.

Expected credit loss of other receivables is determined individually after considering the financial strength, payment patterns and expected default rate of the other receivables.

The Group and the Company measure the loss allowance for other receivables at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Based on the current Board of Directors' assessment, other receivables of RM2,344,528/- is no longer collectable. Therefore, the Group and the Company have written off this amount of other receivables.

Inter-company loans and advances

The Company provides unsecured loans and advances to its subsidiary companies. The Company monitors the results of the subsidiaries regularly.

Credit risk and impairment losses for inter-company loans and advances

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The Company measures the loss allowance for amount due from subsidiary companies at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Based on the current Board of Directors' assessment, amount due from subsidiary companies of RM1,929,124/- is no longer collectable. Therefore, an impairment losses on amount due from subsidiary companies was provided by the Company.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risks arises primarily from mismatched of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all financing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	Carrying amounts RM	Contractual undiscounted cash flows RM	On Demand or Within 1 Year RM	1 - 5 Years RM	More than 5 Years RM
2018					
Financial liabilities					
Trade payables	469,549	469,549	469,549	-	-
Other payables	2,431,699	2,431,699	2,431,699	-	-
	2,901,248	2,901,248	2,901,248	-	-
2017					
Financial liabilities					
Trade payables	658,188	658,188	658,188	-	-
Other payables	1,034,691	1,034,691	1,034,691	-	-
Amount due to Directors	1,094,577	1,094,577	1,094,577	-	-
	2,787,456	2,787,456	2,787,456	-	-

Company					
2018					
Financial liability					
Other payables	125,204	125,204	125,204	-	-
2017					
Financial liabilities					
Other payables	475,579	475,579	475,579	-	-
Amount due to Directors	2	2	2	-	-
	475,581	475,581	475,581	-	-

(iii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposures to interest rate risk arises primarily from their loans and borrowings. The Group does not hedge its investment in fixed rate debt securities as they have active secondary or resale markets to ensure liquidity. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes.

The Group manages the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. Management does not enter into interest rate hedging transactions since it considers that the cost of such instruments outweighs the potential risk of interest rate fluctuation.

(iv) Market Rate Risk

Market price risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company have in place policies to manage the Group's and the Company's exposure to fluctuations in the selling price of the Group's and of the Company's products and purchase prices of the key raw materials used in the operations. The management conducts constant survey of the global market price and trend in order to determine the selling price.

(d) Fair value information

At the end of the reporting period, there were no financial instruments carried at fair values in the statements of financial position. The fair values of the financial assets and financial liabilities of the Group and of the Company that maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

27. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholders' value.

The Group and the Company manage its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2018.

The Group and the Company monitor capital using a gearing ratio, which is total debts divided by total capital plus total debts. The Group's and the Company's total debts include trade and other payables and amount due to Director. Capital includes equity attributable to the owners of the parent.

The gearing ratio of the Group and of the Company are as follows:-

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Trade payables	469,549	658,188	-	-
Other payables	2,431,699	1,034,691	125,204	475,579
Amount due to Directors	-	1,094,577	-	2
Total debts	2,901,248	2,787,456	125,204	475,581
Equity attributable to owners of the parent	(1,554,700)	24,999,866	(117,907)	17,447,921
Capital and total debts	1,346,548	27,787,322	7,297	17,923,502
Gearing ratio	215.5%	10.0%	1715.8%	2.7%

A listed issuer triggers any of the Prescribed Criteria in Paragraph 2.1(a) to (e) of Practice Note 17 is required to comply with the provision of Paragraph 8.04 of Chapter 8. As at date of this report, the Group, where it triggers the Prescribed Criteria in Paragraph 2.1(a) of Practice Note 17. The current Board of Directors are aware of this and will make necessary announcement and steps to comply with the Regularisation Plan as required by the relevant authorities.

28. MATERIAL LITIGATION

(a) Legal suit with Rapid Rail Sdn. Bhd.

Shah Alam High Court Civil Suit No. 22NCVC-186-03/2015: Rapid Rail Sdn. Bhd. ("Plaintiff") v Asia Media Sdn. Bhd. ("Defendant").

On 27 March 2015, the Plaintiff filed in the High Court the Writ and Statement of Claim against the Defendant seeking, inter alia:-

(i) Payment of Minimum Guaranteed Sum ("MGS") amounting to RM1,215,000/- for Year 5 of the Licence Agreement;
(ii) Payment of cumulative MGS for the extended period amounting to RM607,500/-;
(iii) Payment of costs incurred to dismantle and store the AVAM Equipment amounting to RM48,540/-: and
(iv) Costs and interests.

By the Defence and Counterclaim dated 14 May 2015, the Defendant counter claimed against the Plaintiff for breach of the License Agreement and pleaded the defence of set-off, seeking, inter alia:-

(i) Loss of airtime revenue amounting to RM2,240,000/-; and
(ii) Damages for damage to the AVAM Equipment installed on the Plaintiff's busses amounting to RM21,598,000/-.

On 17 September 2015, the Plaintiff obtained Summary Judgment against the Defendant for the sum of RM1,215,000/-. The execution of the Summary Judgment has been stayed pending the disposal of the trial of the other issues. This amount of RM1,215,000/- remains due and payable to date.

The High Court trial took place on 14 June 2016, and 11 to 13 July 2016, and written submissions to have since been filed.

After trial concluded, the Defendant filed an application to amend its Defence and Counterclaims which was dismissed by the High Court, but allowed by the Court Appeal on 10 July 2017.

The Plaintiff then filed an application in the High Court to call a further witness in September 2017. All relevant documents have been filed in relation to this application and it is pending the decision of the same.

The Defendant filed an application for extension of time to file its Amended Defence and Counterclaim in February 2018. This application was dismissed by the Court with costs of RM4,500/- on 29 March 2018 and the Defendant has filed an appeal against this decision, along with an application or the proceedings at the High Court to be stayed pending the appeal. This stay application was allowed on 26 April 2018 with costs of RM8,000/- payable by the Defendant to the Plaintiff in any event.

The Defendant's appeal was dismissed by the Court of Appeal and leave to appeal to the Federal Court was also dismissed on 11 March 2019 and 20 August 2019 respectively, with respective costs of RM 5,000/- and RM10,000/- to be paid by the Defendant to the Plaintiff.

The Defendant had filed another application at the Court of Appeal for the proceedings at the High Court to be stayed pending the Defendant's application for leave to appeal to court the Federal Court, which was dismissed with costs of RM3,000/- to be paid by the Defendant to the Plaintiff.

The High Court has been given instruction to prepare for oral submissions on the remaining issues and the date of submission to be fixed.

Thus, to date, a total of RM1,245,500/- is payable by the Defendant to the Plaintiff, subject to the final decision of the High Court on the remaining issues, including the Defendant's Counterclaim.

The Group's lawyer is of the view that the Group has even chance of success in defending itself against the Plaintiff's claim and establishing its counterclaim against Plaintiff.

The Group has provided provision for litigation claims of RM1,245,500/-.

(b) <u>Legal suit with Plisch Broadcast Asia Pacific Pte. Ltd.</u>

Shah Alam High Court Suit No. BA-22NCVC-729-12/2017: Plisch Broadcast Asia Pacific Pte. Ltd. ("Plaintiff") v Asia Media Sdn. Bhd. ("Defendant").

The Plaintiff has on 14 December 2017 filed a Writ of Summons and Statement of Claim in this High Court against the Defendant in connection with the payment of Plaintiff's goods and services to supply, install and commission transmitter devices on a project known as "Terrestrial Digital Mutltimedia Broadcast Center System and Transmisster" which Defendant purportedly has not paid to Plaintiffs. The Plaintiff claim 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 full trial was held on 17 October 2018, 18 October 2018, 19 October 2018, 14 December 2018, 23 January 2019, 19 February 2019, 20 February 2019, 2 April 2019, 9 April 2019 and 31 May 2019 in this High Court. On 7 August 2019 this High Court has ruled that:-

a) The Defendent shall pay to the Plaintiff: -
   (i) €80,613.33 x 2 = €161,226.66/-; and
   (ii) 5% interest on the sum of €135,209.33/- (after deducting the down payment) from 30 April 2015

b) Counter Claim:
   (i) Plaintiff to refund/repay to the Defendant a total of €26,017.33/-; and
   (ii) Interest at a rate of 5% on the amount of €26,017.33/- from the date of filing the counter claim

c) Defendant to return 24 transmitters and the Plaintiff to recover 10 transmitters.

Shah Alam High Court Suit No. B-02(NCVC)(W)-1615-08/2019: Plisch Broadcast Asia Pacific Pte. Ltd. ("Plaintiff") v Asia Media Sdn. Bhd. ("Defendant").

The Plaintiff was dissatisfied with the Judgment on 7 August 2019 and have filed an Notice of Appeal at the Court of Appeal on 5 September 2019 against the entire Judgment ruled that the Plaintiff should return/repay the Defendant a total of €26,017.33/- only. The Court of Appeal has fixed the above matter for case management on 16 December 2019 pending preparing the Record of Appeal.

Shah Alam High Court Suit No. B-02(NCVC)(W)-1696-08/2019: Plisch Broadcast Asia Pacific Pte. Ltd. ("Plaintiff") v Asia Media Sdn. Bhd. ("Defendant").

Defendant was dissatisfied with the Judgment on 7 August 2019 and have filed an Notice of Appeal at the Court of Appeal on 5 September 2019 against the entire Judgment ruled that the Plaintiff should return/repay the Defendant a total of €26,017.33/- only. The Court of Appeal has fixed the above matter for case management on 29 October 2019 pending preparing the Record of Appeal. The lawyers have liaised with the Secretary of the High Court Judge to obtain a copy of the Ground of Judgment in respect of the High Court Judge decision on 7 August 2019.

The Group has provided provision for litigation claims and 5% interest on the sum of €166,402/-, approximately to RM786,732/-.

29. SIGNIFICANT EVENTS

(a) Practice Note 17 ("PN17") Status

On 24 July 2019, the Company announced that the Company has triggered the prescribed criteria pursuant Paragraph 8.03A(2)(a)(i) & (ii) of Chapter 8 and Paragraph 4.0 of Practice Note 17 ("PN17") under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad) as a result of which prescribed under (aa). The Company has lost its contract with the bas operators in both Klang Valley and Johor (the "Relevant Contracts"), which result in the lost of its major business as the Company unable to continue to operate the its transit TV network and advertising business.

On 25 July 2019, the current Board of Directors conduct an emergency Board Meeting to consider the effect, impact and veracity of the PN 17 Announcement. The current Board of Directors made arrangements to visit the office of the Company at No. 35, 1st Floor, Jalan Bandar 16, Pusat Bandar Puchong, 47100 Puchong, Selangor Darul Ehsan. However, the Directors were denied access by a former Executive Director. As a result, the Board is unable to determine the status of the Relevant Contracts, or the circumstances surrounding how the Company "lost" the Relevant Contracts, or the veracity of the status of the Company as an affected listed issuer in the manner described in the PN 17 Announcement. The Board is taking legal advice, as well as lodging a police report, and are persisting to get access to the Relevant Contracts and other documents, as well as obtain relevant information.

On 5 August 2019, the Company clarified that the first announcement on PN17 was made after the majority 4 out of 7 Directors signed on the Directors' Circular Resolutions ("DCR") to approve the release of the said first announcement. However, on 2 August 2019, the Company has via the company secretary received a copy of the police report lodged by one of the 4 Directors, namely Mr Paul Jong Jun Hian. In the report, Mr. Paul Jong Jun Hian alleged that his signature was forged on the DCR. The management is still trying to gather more information before further announcement on the status of PN17 will be made.

A listed issuer triggers any of the Prescribed Criteria in Paragraph 2.1(a) to (e) of Practice Note 17 is required to comply with the provision of Paragraph 8.04 of Chapter 8. As at date of this report, the Group reported a deficit in shareholders' fund, where it triggers the Prescribed Criteria in Paragraph 2.1(a) of Practice Note 17. The current Board of Directors are aware of this and will make necessary announcement and steps to comply with the Regularisation Plan as required by the relevant authorities.

(b) Changes of Board of Directors and Management

On 25 July 2019, the Company announced that changes in the composition of Board of Directors. The shareholders had voted to remove five (5) of the Directors and appointed four (4) new Directors. The current Board of Directors therefore now comprises a total of six (6) Directors, being two (2) of the existing Directors (who were not subject to any resolution for their removal) and the four (4) new Directors.

On 5 August 2019, the Company announced that the Company has received a letter from former Executive Director, alleging that the Company was never the tenant of the office premises which the current Directors tried to access on 26 July 2019 as the tenancy of the said premises was only signed with Asia Media Sdn Bhd. The Company wish to highlight that the reference of the Company mentioned is meant to include Asia Media Group Berhad and/or its member companies, namely Asia Media Sdn Bhd and Asia Media Broadcasting Sdn Bhd. In addition, it was also stated that the tenancy has expired at the end of 31 December 2018, but this was further extended for 6 months until 30 June 2019. After the extension period ended on 30 June 2019, there was allegedly a termination letter from the landlord dated 1 July 2019 and another reminder dated 31 July 2019, pursuant to which a deadline of 15 July 2019 was given to vacate the said premises. However, the Company announced that the Company has received a termination letter of the tenancy agreement dated 1 July 2019 and further reminder letter dated 31 July 2019 which were only received by the Company on 2 August 2019 respectively. There was never any announcement by the previous Board on this alleged termination at the then appropriate juncture. In the circumstances, the current Board is in the process of applying for a court order to compel access the said office premises, and to gain access to all the relevant company documents in order to establish the actual facts and act accordingly. The current Board has also appointed legal advisors to engage the landlord accordingly. The management is now in the process of securing a new rental of office premises within the vicinity of Klang Valley.

On 8 August 2019, the Company announced that the Company has obtained a court order on 6 August 2019 and the sealed copy of the court order was received at 3.00p.m. on 7 August 2019. Following this, the management is currently making the necessary arrangement to gain access to the said office premises at No. 35, 1st Floor, Jalan Bandar 16, Pusat Bandar Puchong, 47100 Puchong, Selangor.

On 9 August 2019, the Company announced that the management has gained access to the said office premises at around 9.40a.m. on 8 August 2019. Unfortunately, most of the important documents like tenancy agreements, customers' contracts, latest financial reports with details of sub-ledger, payroll records, statutory records etc among others were not found. The management has sealed off the said premises at the end of business on 8 Aug 2019. It was agreed with the previous management and the representative from the landlord of the said premises that representatives from all three parties (current management, previous management and the landlord) will meet at 9.00a.m. on 12 August 2019 on site of the said premises before re-entering the said premises. All parties will work together to produce an inventory listing of all documents and assets at the said premises and the Group will remove all documents and assets belonging to the Group from the said premises to a temporary location secured by the current management. The management will continue to work with the lawyer to pursue further legal actions against the previous management in the event of any missing company documents or assets.

On 30 August 2019, the Company announced that despite of gaining access to the office premises in Puchong, the current management was not able to find all the required data and management accounts to complete the outstanding financial statements.

On 2 October 2019, the Company announced the change of address from No. 35, 1st Floor, Jalan Bandar 16, Pusat Bandar Puchong, 47100 Puchong, Selangor to Level 15, Unit 15-2, Menara Choy Fook On, Jalan Yong Shook Lin, Seksyen 7, 46050 Petaling Jaya, Selangor.

As at date of this report, the Company is under initial judicial procedures with former Directors in resolving the dispute on recovery of important documents.

(c) Other Matters

On 20 April 2018, the Company announced that the Company and DPO Holdings Pte Ltd have mutually agreed to extend the completion period for the Share Sales Agreement ("SSA") to 30 June 2018. Other than the aforementioned, all other terms and conditions as stated in the SSA shall remain unchanged.

On 29 June 2018, the Company announced that the disposal of the entire equity interest in DPO Plantations Sdn. Bhd. to DPO Holdings Pte Ptd for a cash consideration of RM4,000,000/- has been completed.

On 12 February 2019, the Company announced that the Company entered into a Memorandum of Understanding ("MOU") with EDM Educational Technology (M) Sdn Bhd for the purpose of exploring potential business cooperation and/or collaboration opportunities.

On 02 May 2019, the Company announced that the Company is unable to submit its annual report that includes the annual audited financial statements together with the auditors' and directors' reports in respect of the financial year ended 31 December 2018 ("AR 2018") to Bursa Malaysia Securities Berhad ("Bursa Securities") for public release on or before 8 May 2019, therefore the trading in the Company's securities will be suspended with effect from 9.00 a.m., Thursday, 9 May 2019 until further notice.

On 14 May 2019, the Company announced that the MOU, which came into effect on 12 February 2019 for a period of three (3) months, has expired on 12 May 2019 ("MOU Expiry"). Following the MOU Expiry, the parties have mutually agreed that neither party shall have any claim whatsoever, directly or indirectly, against the other in respect of the MOU. The MOU Expiry will not have any material financial impact on the Company and its subsidiaries.

30. OTHER MATTERS

(a) <u>Important documents are not available</u>
As disclosed in Note 29(b) to the financial statements, most of the important documents like tenancy agreements, customers' contracts, latest financial reports with details of sub-ledger, payroll records, statutory records, etc among others were not found.

Therefore, the Directors were unable to satisfy themselves that the opening balances of the financial statements (including contingencies and commitments) of the Group and the Company as at 1 January 2018, and financial statements of the Group and the Company as at 31 December 2018 do not contain material misstatements that may materially affect the financial performance, cash flows and financial position of the Group and the Company.

(b) <u>Internal control of the Group and of the Company</u>
Directors of the Group and of the Company were unable to acknowledge their responsibilities for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error. Directors were unable to assure that there were no material weaknesses in the system of internal accounting controls.

(c) <u>Comparative figures</u>
The financial statements of the Group and of the Company for the financial year ended 31 December 2017 were audited by another auditor who expressed an unmodified opinion on these statements on 23 April 2018.

14. ANALYSIS OF SHAREHOLDINGS

AS AT 22 OCTOBER 2019

Issued and Fully Paid-up Capital : RM24,773,143
Class of shares : Ordinary shares
: One vote per shareholders on a show of hands
One vote per share on a poll

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	171	5.856	6,527	0.002
100 – 1,000	260	8.904	145,680	0.060
1,001 – 10,000	1,231	42.157	6,335,879	2.645
10,001 – 100,000	1,072	36.712	34,794,600	14.530
100,001 – 11,973,170 *	184	6.301	170,898,240	71.367
11,973,171 and above **	2	0.068	27,282,500	11.393
Total	**2,920**	**100.000**	**239,463,426**	**100.000**

Notes:
* Less than 5% of issued shares
** 5% and above of issued shares

LIST OF SUBSTANTIAL SHAREHOLDER

NAME	DIRECT INTEREST		DEEMED INTERST	
	NO OF SHARES	%	NO OF SHARES	%
CHOW ZEE NENG	27,325,000	11.41	-	-
MOHD NASRI BIN ABDUL RAHIM	12,600,000	5.26	-	-

DIRECTORS' SHAREHOLDINGS AS AT 22 OCTOBER 2019

NAME	DIRECT INTEREST		DEEMED INTERST	
	NO OF SHARES	%	NO OF SHARES	%
LIEW CHEE KEONG (Appointed on 28 February 2019)	5,395,500	2.25	-	-
YAP PING TION (Appointed on 25 July 2019)	4,000,000	1.67	-	-

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

NO	SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
1	KENANGA NOMINESS (TEMPATAN) SDN BHD Pledged Securities Account for CHOW ZEE NEG	14,682,500	6.131
2	MOHD NASRI BIN ABDUL RAHIM	12,600,000	5.261
3	GAN CHIA HEE	9,470,900	3.955
4	PUBLIC NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for TAN CHIA HONG @ GAN CHIA HONG (E-TMR)	9,250,000	3.862
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for NG AUN HOOI	8,456,300	3.531
6	OOI HOCK LAI	8,300,000	3.466
7	CHUNG, CHIH-CHIEH	7,387,300	3.084
8	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for CHOW ZEE NENG (MARGIN)	7,087,000	2.959
9	CHEN, LING	6,340,000	2.647
10	AMSEC NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for SHIA CHEE FONG	6,139,200	2.563
11	LIEW CHEE KEONG	5,395,500	2.253
12.	ALLIANCE GROUP NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account LOH YONG HUAT (8083338)	5,000,000	2.088
13.	CHANG, LI-YIN	5,000,000	2.088
14.	CHEE CHE TING	5,000,000	2.088
15.	YAP PING TIONG	4,000,000	1.670
16.	LIM HUNG THIAM	3,486,000	1.455
17.	AMSEC NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account AMBANK (M) BERHAD CHOW ZEE NENG (SMART)	3,415,500	1.426
18.	TA NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for SEOW YONG CHIN	3,219,000	1.344
19.	HII HIENG HUI	3,100,000	1.294
20.	LIM CHIN HORNG	3,000,000	1.252
21.	PUBLIC NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account (E-SS2) for LIM LEE FOON	2,670,000	1.114

NO	SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
22.	PUBLIC NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account TAN CHIA HONG @ GAN CHIA HONG (E-TMR)	2,669,000	1.114
23.	AMSEC NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for CHOW ZEE NENG	2,140,000	0.893
24.	TEO SIEW HONG	2,000,000	0.835
25.	WONG AH NGAN	1,699,100	0.709
26.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for LING AI LANG (RF2 MARGIN)	1,640,500	0.685
27.	CHIANG SOAK HOONG	1,563,000	0.652
28.	AMSEC NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for LEE GZE ING	1,500,000	0.626
29.	NG YOKE SUN	1,500,000	0.626
30.	KENANGA NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for KOH SIEW KONG	1,400,000	0.584

15. NOTICE OF 11th ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of Asia Media Group Berhad ("the Company") will be convened and held at Level 15, Unit 15-1 Menara Choy Fook On, Jalan Yong Shook Lin, Seksyen 7, 46050 Petaling Jaya, Selangor Darul Ehsan on 28 November 2019 (Thursday) at 10.30am for the following purposes:

A G E N D A

As Ordinary Businesses:

1.	To receive the Statutory Financial Statements for the year ended 31 December 2018 together with the Directors' and Auditors' Reports thereon.	Refer to Explanatory Note 1
2.	To re-elect the following persons who retire in accordance with Article 75 of the Company's Constitution:	
	(a) Mr. Liew Chee Keong;	(Ordinary Resolution 1)
	(b) Mr. Tony Koh Kok Beng;	(Ordinary Resolution 2)
	(c) Mr. Leong Choon Meng;	(Ordinary Resolution 3)
	(d) Mr. Yap Ping Tiong;	(Ordinary Resolution 4)
	(e) Datuk Chiw Tiang Chai;	(Ordinary Resolution 5)
	(f) Datuk Kang Hua Keong; and	(Ordinary Resolution 6)
	(g) Dato' Prof Raja Haji Munir Shah Bin Raja Mustapha	(Ordinary Resolution 7)
3.	To re-appoint Messrs STYL AssociateS PLT [LLP0019500-LCA & AF 001929] as Auditors of the Company and to authorise the Directors to fix their remuneration.	(Ordinary Resolution 8)

As Special Business:

4. To consider and if thought fit, to pass the following resolutions:

Ordinary Resolution
Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016

"THAT subject always to the Companies Act, 2016, the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approval of the relevant government and/or regulatory authorities, the Directors be and are hereby authorised

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

Notice of Eleventh Annual General Meeting (Continued)

pursuant to Sections 75 and 76 of the Companies Act, 2016 to allot shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." (Ordinary Resolution 9)

Special Resolution

Proposed Adoption of New Constitution of the Company

"THAT approval be and is hereby given to revoke the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Appendix A to the Circular to Shareholders dated 30 October 2019 accompanying the Company's Annual Report 2018 for the financial year ended 31 December 2018 be and is hereby adopted as the Constitution of the Company AND THAT the Directors of the Company be and are hereby authorised to assent to any modification, variation and/or amendment as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing." (Special Resolution 1)

5. To transact any other business for which due notice shall have been given.

ON BEHALF OF THE BOARD

LEONG SHIAK WAN
MAICSA 7012855

ZURIATI BINTI YAACOB
LS0009971

Joint Company Secretaries
Petaling Jaya
25 October 2019

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

Notice of Eleventh Annual General Meeting (Continued)

NOTES:

1. A member of the Company entitled to attend and vote at this meeting may appoint not more than two (2) proxies to vote in his stead. Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.

2. A member who is an authorised nominee as defined under the Securities Industry (Central Depositor) Act, 1991 may appoint not more than two (2) proxies in respect of each securities account.

3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, it must be under its seal or under the hand of an officer or attorney duly authorised.

4. The instrument appointing a proxy to be deposited at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya no later than 27 November 2019 at 10.30am.

5. Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in the Notice of Eleventh Annual General Meeting will be put to vote on a poll.

6. Only members whose names appear in the Record of Depositors on 14 November 2019 shall be entitled to attend, speak and vote at the Annual General Meeting.

EXPLANATORY NOTE TO SPECIAL BUSINESSES: -

1. Agenda 1 – Audited Financial Statements for financial year ended 31 December 2018

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not put for voting.

2. Resolution 9 - Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016

The proposed Ordinary Resolution 9 is proposed for the purpose of granting a renewed general mandate and authorise the Directors of the Company to issue and allot shares up to an aggregate amount not exceeding 10% of the issued and paid-up capital of the Company for the time being for such purposes as the Directors would consider to be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next conclusion of the Annual General Meeting of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the Tenth Annual General Meeting held on 21 May 2018 and which will lapse at the conclusion of the Eleventh Annual General Meeting. Nevertheless, a renewal for the said mandate is sought to avoid any delay and cost involved in convening a general meeting to approve such an issue of shares. The aforesaid authority is to give the Directors the authority and flexibility to raise fund more expediently via issuance of shares for purpose of funding future investments, working capital and/or any acquisition.

6. Special Resolution 1 – Proposed Adoption of New Constitution of the Company

The proposed Special Resolution 1, if passed, will streamline the Company's Constitution with the new provisions of the Companies Act 2016, amendments made to Main Market Listing Requirements of Bursa Malaysia Securities Berhad and enhance administrative efficiency. The Board proposed that the existing Memorandum and Articles of Association be revoked in its entirety and the proposed new Constitution of the Company as set out in Appendix A of the Circular to Shareholders dated 29 October be adopted as the new Constitution of the Company. The Proposed Adoption shall take effect once it has been passed by a majority of not less than seventy-five (75) percent of such members who are entitled to attend and vote and do vote in person or by proxy at the Eleventh Annual General Meeting of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING
Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. Details of individuals who are standing for election as Directors

   No individual is seeking election as a Director at the forthcoming Eleventh Annual General Meeting of the Company ("11th AGM").

2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

   Details of the general mandate to issue securities in the Company pursuant to Sections 75 and 75 of the Companies Act 2016 are set out in Explanation Note (5) of the Notice of Eleventh Annual General Meeting.

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

PROXY FORM

I/We ______________________________ (NRIC/Company No.) ______________________ of
(Full Name in Block Letters)

____
(Full Address)

being a Member of ASIA MEDIA GROUP BERHAD hereby appoint

__________________________________ (NRIC) ___________________________________
(Full Name in Block Letters)
of

____
(Full Address)

or failing him/her ____ (NRIC)

____
(Full Name in Block Letters)
of

____
(Full Address)

or failing whom, the Chairman of the meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Eleventh Annual General Meeting of the Company to be held at Level 15, Unit 15-1, Menara Choy Fook On, Jalan Yong Shook Lin, Seksyen 7, 46050 Selangor Dahrul Ehsan, Petaling Jaya on 28 November 2019, Thursday at 10.30 a.m and at any adjournment thereof on the following resolutions in the manner indicated below:

	ORDINARY RESOLUTION	FOR	AGAINST
Resolution 1	To re-elect Mr. Liew Chee Keong who retires in accordance with Article 75 of the Company's Constitution.		
Resolution 2	To re-elect Mr. Tony Koh Kok Beng who retires in accordance with Article 75 of the Company's Constitution.		
Resolution 3	To re-elect Mr. Leong Choon Meng who retires in accordance with Article 75 of the Company's Constitution.		
Resolution 4	To re-elect Mr. Yap Ping Tiong who retires in accordance with Article 75 of the Company's Constitution.		
Resolution 5	To re-elect Datuk Chiw Tiang Chia who retires in accordance with Article 75 of the Company's Constitution.		
Resolution 6	To re-elect Datuk Kang Hua Keong who retires in accordance with Article 75 of the Company's Constitution.		
Resolution 7	To re-elect Dato' Prof Raja Haji Munir Shah Bin Raja Mustapha who retires in accordance with Article 75 of the Company's Constitution.		
Resolution 8	To re-appoint STYL Associates PLT [LLP0019500-LCA & AF 001929] as Auditors of the Company and to authorise the Directors to fix their remuneration.		
Resolution 9	Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.		
	Special Resolution:		
Special Resolution 1	Proposed Adoption of New Constitution of the Company (Appendix A)		

No. of Shares Held	

(Please indicate with an 'X' in the appropriate box against each Resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion).

The proposition of my holdings to be represented by my proxy/proxies are as follows:*

First Name Proxy	*%*
Second Name Proxy	*%*
	100 %

* Strike out whichever is not desired.

Signed this ______ day of _____________2019 ________________________________

Signature of Shareholder or Common Seal

ASIA MEDIA GROUP BHD
(813137-V)

Level 15, Unit 15-2,
Menara Choy Fook On,
Jalan Yong Shook Lin, Seksyen 7,
46050 Petaling Jaya.

Tel : +603-7625 6598
Fax : +603-7625 6599

www.asiamedia.net.my