ASIA MEDIA GROUP BERHAD

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

ANNUAL REPORT 2017

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CORPORATE PHILOSOPHY

We, Asia Media Group Berhad and our subsidiaries,

contribute to the sustainable development of society through our business activities that we carry out 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 enhance our team strength.

Social Responsibility

To promote and engage both individually and with partners in social contribution activities that help strengthen communities and contribute to the enrichment of society.

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

CORPORATE STRUCTURE

ASIA MEDIA GROUP BERHAD
("AMGB" or "Company")
(Company No. 813137-V)
(Incorporated in Malaysia under the Companies Act, 1965

100%
Asia Media Sdn Bhd
("AMSB" or "Asia Media")

- **100%**
  Transnet Express Sdn Bhd
  (In Member's Voluntary Liquidation)
  Final Meeting held on 5 January 2018

- **70%**
  Asia Media Broadcasting Sdn. Bhd.
  ("AMBSB")

100%
DPO Plantations Sdn Bhd
(Acquired on 20 January 2015)

- **60%**
  DPO Pelita Bintangor Sdn Bhd
  (Incorporate on 4 March 2016)

CORPORATE INFORMATION

Board of Directors

Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee
(Independent Non-Executive Chairman)
(resigned w.e.f. 14 April 2017)

Dato' Wong Shee Kai
(Executive Director and Chief Executive Officer)

Yeong Siew Lee
(Senior Independent Non-Executive Director)

Paul Jong Jun Hian
(Independent Non-Executive Director)

Ong Chooi Lee
(Independent Non-Executive Director)
(appointed w.e.f. 17 April 2017)

Audit Committee

Chairperson
Yeong Siew Lee

Member
Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee
(ceased office w.e.f 14 April 2017)
Paul Jong Jun Hian
Ong Chooi Lee
(appointed w.e.f. 17 April 2017)

Remuneration Committee

Chairperson
Yeong Siew Lee

Member
Dato' Wong Shee Kai
Paul Jong Jun Hian
Ong Chooi Lee
(appointed w.e.f. 17 April 2017)

Nomination Committee

Chairperson
Yeong Siew Lee

Member
Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee
(ceased office w.e.f 14 April 2017)
Paul Jong Jun Hian
Ong Chooi Lee
(appointed w.e.f. 17 April 2017)

Option Committee

Chairperson
Yeong Siew Lee

Member
Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee
(ceased office w.e.f 14 April 2017)
Paul Jong Jun Hian
Ong Chooi Lee
(appointed w.e.f. 17 April 2017)

Company Secretaries

Leong Shiak Wan
(MAICSA 7012855)
Zuriati Binti Yaacob
(LS0009971)

Auditors

Messrs UHY *(AF 1411)*
Suite 11.05, Level 11
The Gardens South Tower
Midvalley City,
Lingkaran Syed Putra
59200 Kuala Lumpur
T : 03-2279 3088
F : 03-22793099

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.
T : 03-2783 9299
F : 03-2783 9222

Registered Office

Level 8 Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
T : 03-7841 8000
F : 03-7841 8199

CHIEF EXECUTIVE OFFICER'S STATEMENT

Dato' Wong Shee Kai is the founder & Chief Executive Officer of Asia Media Group. He has great vision for Asia Media and with his excellence leadership had lead the growth of the Group to greater heights. Here he gives his perspectives on Asia Media's overall strategy and approach to management, shareholders and Asia Media's role in society.

With even the context of a tough year and regulatory conditions, I remain very excited about the longer-term prospects for the Group, as customer appetite for digital outdoor advertising grows rapidly and companies look to embed our Digital Out-of-Home (DOOH) into their corporate marketing strategies.

(DOOH) is an expanding medium for advertisers looking to communicate with close proximity, impact, and attraction. Our programmatic DOOH solution allows you to tap into highest trafficked locations.

In a world that is becoming increasingly digital, Asia Media's strategy with its extensive media experience is able to deliver to individuals and companies even though with their increasing demand irrespective of the medium. Our commitment to providing the leading platform in each of our market is strong and will be supplemented by our live digital broadcasting which we rolled out earlier.

On behalf of the Board of Directors ("Board"), I am pleased to present the Annual Report and Audited Consolidated Financial Statement of Asia Media Group Berhad ("AMGB" or "Company") and its subsidiary companies ("Group") for the financial year ended 31 December 2017 ("FYE 2017").

Economic Review

The Malaysian economy performed well last year driven by a resilient domestic demand due to the improvements in both investment and consumption and reinforced by a sturdy global demand. The first three quarters displayed a GDP growing by 5.6% in the first quarter and accelerating to 5.8% and 6.2% in the second quarter and third quarter, respectively. The fourth quarter did not show any signs of slowing down with sustained manufacturing activities as shown by a growing Industrial Production Index (IPI) supported by a double-digit growth in exports. The Malaysian economy has grown at 5.6% in 2017, a 0.8 percentage point upward.

CHIEF EXECUTIVE OFFICER'S STATEMENT (cont'd)

The positive economic trends are expected to continue in the near term, with recently tabled budgetary papers providing a positive outlook for Malaysia's economy heading into 2018.

Financial Performance

The year 2017, the Group has reported its Revenue at RM15.384 million, which shows an increase of 60.5% from previous year's revenue. The Group employed a prudent financial management strategy as of 31 Dec 2017, the Group's debt-to-equity ratio was near zero. The cash balance recorded at the end of financial period was RM2.10 million. The group maintains a healthy balance sheet which enable it to enhance market opportunity further in the near future.

Live Digital Broadcasting

The Group successfully completed the test of live television and radio broadcasting for all major bus routes in Klang Valley. Real-time broadcasting will reduce on-going maintenance costs in the long run, thus eliminating the need for regular manual updating of contents lowering future expenditure. The Group's Digital Terrestrial Television Broadcasting ("DTTB") will link up with the LCD-TV screens installed on public transport and receiving contents over the airwaves through real-time programming transmissions. We are focusing on Gap Fillers deployment in Klang Valley to further enhance our signal strength and covering blind-spot.

Boost from Broadcasting License

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. Apart from its improved margins, 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 DTTB infrastructure will create new territories for media and advertisers, allowing instantaneous measuring of market response. The possibility of swiftly delivering messages makes it ideal for time- and location-sensitive advertising, such as customer loyalty offers at shopping centres and event promotions. In order to leverage the strength of short messaging advertising, the timely and reliable delivery of messages is paramount.

In addition, our live digital broadcasting network will enhance existing programme sponsorships as it will enable the provision of additional services such as ringtone downloads, mobile games and subscription to content aside from the generic contests and voting activities.

CHIEF EXECUTIVE OFFICER'S STATEMENT (cont'd)

Corporate Achievements and Diversification

The Group has diversified into agricultural businesses, particularly in green field oil palm cultivation in Sarawak. The Group has also formed a Joint Venture Company with the Sarawak state Government agency Land Custody Development Authority ("Pelita") for the said development.

However, the Group has entered into a Share Sale Agreement with DPO Holdings PTE LTD on the 22nd Dec 2017 to dispose its interest in DPO Plantations Sdn Bhd. A 10 % deposit amounting to RM400,000 has been received and the transaction shall be completed in due course.

The Group would like to concentrate its focus in DOOH media.

Corporate Governance

AMGB believes in adhering to the best practices of corporate governance to sustain business efficiency and sustainability in the long term. Evidence for this can be found in the fact that the Group has consistently upheld the integrity of business practices as a pivotal part of ensuring consistent growth in its core business. The Group's measures towards this objective are highlighted in the Corporate Governance Statement in this Annual Report.

Corporate Social Responsibility

The Group believes that effective corporate responsibility can deliver benefits to its business and, in turn, to its shareholders by enhancing reputation and business trust, staff motivation and retention, customer loyalty and long-term shareholder value.

Appreciation

I would like to take this opportunity to thank everyone, especially the shareholders, investors, customers, business associates and the regulatory authorities, for their continuous support. I would also like to extend my gratitude to the staff, management and the Board members for their dedication and commitment to the Group.

DATO' WONG SHEE KAI
Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

Overview of the Group's Business and Operations

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

We are 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. Asia Media has 3,993 LCD screens installed in 1,800 buses travelling in the market centric hubs of Klang Valley and Johor Bahru.

We communicate to over 500,000 viewers daily, travelling in the market-centric hubs of Klang Valley and Johor Bahru. Asia Media partners up with strategic bus network partners such as RapidKL, Handal Indah (Causeway Link buses plying into Singapore from Johor Bahru) as well as express coaches from the Plusliner and Nice++ fleets.

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.

Our fresh, professional thinking, teamed up with our collaborative working attitudes and industry expertise ensures an effective successful delivery of our client's vision.

Our national presence and passionate team make for a truly unique Out of Home experience.

Our Values

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

The company has experienced rapid growth and expansion since its inception, is continuing to build a reputable presence in the country's digital out-of-home industry.

Our Objectives

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

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

Our Objectives (cont'd)

Our objectives include, amongst many:

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

INDUSTRY OUTLOOK AND FUTURE PROSPECTS OF OUR GROUP

Overview of the Malaysian economy

The Malaysian economy registered a growth of 5.9% for the fourth quarter of 2017, (3Q 2017: 6.2%) as private sector spending continued to be the primary driver of growth (7.4%; 3Q 2017: 7.3%). The external sector performance improved further (5.4%; 3Q 2017: 1.7%), as real import growth moderated faster than real export growth. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 0.9% (3Q 2017: 1.8%). For the year as a whole, the economy registered a robust growth of 5.9%.

Domestic demand expanded by 6.2% (3Q 2017: 6.6%) supported by continued strength in private sector expenditure (7.4%; 3Q 2017: 7.3%), amid waning support from public sector spending (3.4%; 3Q 2017: 4.0%). Private consumption expanded by 7.0% (3Q 2017: 7.2%), supported by continued wage and employment growth. Private investment registered a higher growth of 9.2% (3Q 2017: 7.9%), driven mainly by the services and manufacturing sectors.

Capital spending was supported by continued business optimism and favourable demand, which was evident across both export- and domestic-oriented industries. Public consumption expanded by 6.9% (3Q 2017: 3.9%) mainly driven by higher spending on supplies and services by the Federal Government. Public investment contracted during the quarter (-1.4%; 3Q 2017: 4.1%), due to lower capital spending by both the General Government and public corporations.

Gross fixed capital formation (GFCF) growth moderated to 4.3% (3Q 2017: 6.7%) mainly due to a contraction in public investment. By type of assets, capital spending on machinery and equipment continued to register a strong growth of 8.3% (3Q 2017: 11.5%). Investment in structures was broadly sustained at 3.3% (3Q 2017: 3.6%) while investment in other types of assets contracted by 6.7% (3Q 2017: 7.2%)

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

INDUSTRY OUTLOOK AND FUTURE PROSPECTS OF OUR GROUP (cont'd)

Overview of the Malaysian economy (cont'd)

The sustained strong performance of the global economy in 4Q 2017 suggests that the current phase of expansion is likely to continue going into 2018. Of significance, the IMF revised its 2018 global growth projections upwards for the third time in its January 2018 publication of the World Economic Outlook Update.

The outlook is underpinned by expectations for continued synchronised expansions in both the advanced and emerging market economies. In the advanced economies, leading economic indicators such as purchasing managers' indices (PMI), manufacturers' orders and capital spending intentions surveys point towards continued expansion in business spending by corporations and smaller firms. Economic activity is projected to be further supported by favourable labour market conditions continued access to financing and the implementation of pro-growth policies. In the US, the passing of the Tax Cuts and Jobs Act in December 2017 is expected to provide additional impetus to domestic demand, with positive spillovers to the rest of the world.

Strong external demand will continue to benefit Asian economies. In addition, recently announced fiscal measures, including higher infrastructure spending, will complement the strength in domestic demand in several regional economies.

(Source: Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2017, Bank Negara Malaysia)

Rising above expectations, Malaysia leveraged its strong economic fundamentals to record a robust growth in the first six months of 2017. Despite increasing protectionist threats, policy uncertainties in developed countries and geopolitical tensions, the domestic economy expanded 5.7% during the period. The expansion is a testament to the Government's concerted efforts in implementing various reforms under the National Transformation Policy (NTP). The NTP, comprising several high- impact and innovative programmes, was introduced in 2009 to uplift the economy from the middle- income trap towards a high-income and advanced nation by 2020.

(Source:http://www.treasury.gov.my/pdf/economy/er/1718/chapter1.pdf

Economic Report 2017/2018, Ministry of Finance Malaysia)

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

I. Overview and outlook of 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 DOOH transit media industry in Malaysia registered an industry size of RM 128.5 million (USD31.0 million) in 2016.

The DOOH transit media industry size in Malaysia has been growing, largely owing to an increase in advertising expenditure that has resulted from Government initiatives to upgrade and rehabilitate existing public transportation infrastructure through the 10th Malaysia Plan (2011-2015) and 11th Malaysia Plan (2016-2020). In the 10th Malaysia Plan, some of the initiatives highlighted included 470 new buses for Rapid KL, Rapid Kuantan and Rapid Penang, 9 bus express transit corridors for Greater Kuala Lumpur/ Klang Valley, 35 4-car sets for Light Rail Transit (Kelana Jaya line), 38 6-car sets for Keretapi Tanah Melayu (KTM) Komuter, 12 4-car sets for Kuala Lumpur Monorail (KL Monorail), as well as establishing a command and control centre and a Performance Monitoring Hub System to monitor performance of all bus operators in Greater Kuala Lumpur/ Klang Valley.

Further, the Government aims to increase public transport modal share from 17.1% in 2014 to 40% in 2020 through the 11th Malaysia Plan. Rural, rural-urban and inter-city connectivity will also be strengthened through enhanced bus, rail and air services. To increase public transport modal share by commuters, investments in new infrastructure, along with greater intermodal integration will be undertaken to ensure seamless travel. The Klang Valley Mass Rapid Transit ("KVMRT") system will become operational during the period while construction on KVMRT Line 2 commenced in 2016 and is estimated to become operational by 2022. Additionally, construction on a Light Rail Transit (LRT) Line 3 connecting Bandar Utama to Klang, running over 36 km and serving 25 stations commenced in 2016 with expected completion in 2020.

Moving forward, the DOOH transit media industry in Malaysia is projected to grow from RM128.5 million (USD31.0 million) in 2016 to reach RM 248.7 million (USD60.0 million) in 2019, at a CAGR of 34.9%.

(Source: Overview and Outlook of the DOOH Transit Media Industry in Malaysia dated July 2017, Smith Zander International Sdn Bhd)

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

II. Prospects and future plans of our Group

Our Group is principally involved in the Existing Business.

Our Group is taking measures to enhance its revenue and profitability in a bit to improve its financial position, with such measures including increase in sales and marketing efforts as well as the following:

(i) Transformation of the existing pre-loaded advertising system to digital video broadcasting platform

Our Group has developed the DTTB infrastructure and signal coverage in Klang Valley which include the construction of 5 transmission towers and the setting up of a broadcast centre which are capable of delivering real-time contents and programmes such as news, stock quotes, weather, traffic updates and sport events (instead of repeated contents and programmes) to attract our targeted audience through our integrated network system known as Transit-TV Network System. Our Group may set up gap fillers from time to time in locations to be identified to stabilise our broadcast signal in poor coverage area, if any, to minimise interruptions to our broadcasting information.

The availability of our DTTB infrastructure and frequency coverage for live broadcasting will enable our Company to have greater opportunity to penetrate into other public transportation systems in the Klang Valley. In addition, our Group intends to expand our DTTB infrastructure and broadcasting services in Johor Bharu and Penang.

Our Group will focus on the setting up and commercialisation of the DTTB infrastructure and live broadcasting services in the Klang Valley, Johor Bahru and Penang due to the concentrated high traffic in these areas which would maximise the returns from our investments in the DTTB infrastructure.

Our Group intends to commercialise our DTTB infrastructure and live broadcasting services in the Klang Valley, with adequate signal coverage tests being carried out for the frequency in Klang Valley, and in conjunction with the government's efforts in the nationwide digitisation plan of our country.

(ii) Penetration to audio or radio broadcasting platform to create more business opportunity

Our Group has set up 8 radio channels in the Klang Valley by utilising our developed DTTB infrastructure. This platform will allow our Group to broadcast contents via audio or radio channels to reach larger audiences, compared to our Group's existing targeted audience (i.e. public transport commuters).

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

(ii) Penetration to audio or radio broadcasting platform to create more business opportunity (cont'd)

The development on our DTTB infrastructure provides our Group with the opportunity to broadcast contents and advertisements 'live' to multiple platforms without the hassles of updating and/or replacing the contents as required in our existing pre-loaded content system.

In addition, our Group can reduce its reliance on strategic partners for the installation of devices as required for our current existing pre-loaded system with our DTTB infrastructure and live broadcasting services whereby the signals are capable to be received in other common devices such as radios and televisions in the future.

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

BOARD OF DIRECTORS' PROFILE

DATUK SERI SYED ALI BIN TAN SRI ABBAS ALHABSHEE

(Independent Non-Executive Chairman)

Resigned w.e.f 14 April 2017

Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee, Malaysian, male, age 56, is the Independent Non-Executive Chairman of the Company and he was appointed to the Board on 5 May 2010 and he has resigned from the Board on 14 April 2017.

He graduated with a Professional Diploma in Leadership and Management from the New Zealand Institute of Management in 2003.

Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee has great knowledge and executive experience in leading private, public and government controlled organisations from a broad range of industries. He ventured into business in the early 1980s and currently sits on the board of several private and public corporations involved in a diverse range of businesses such as Bright Packaging Industry Berhad, UZMA Berhad, Perbadanan Nasional Berhad and Redtone International Berhad. He was appointed as a member of the Malaysian Senate (Dewan Negara) on 21 April 2003 until April 2009.

He was the member of Nomination Committee, Audit Committee and Option Committee of the Company and he ceased his office of the abovesaid committees w.e.f 14 April 2017. He attended only one (1) Board of Directors' Meeting of the Company held during the financial year ended 31 December 2017.

DATO' WONG SHEE KAI

(Executive Director and Chief Executive Officer & Key Senior Management)

Dato' Wong Shee Kai, a Malaysian, male, age 36, is the Executive Director and Chief Executive Officer of the Company and he was appointed to the Board on 6 October 2009.

He obtained his Bachelor Degree in Accounting and Finance with First Class Honours from Lancaster University, United Kingdom in 2003. He is currently responsible in leading the business direction and strategies development of the Company.

Dato' Wong Shee Kai is also the founder of the Company. He has contributed significantly to the growth and development of the Company and has successfully led the Company to become an established and reputable player in the DOOH transit media industry in Malaysia. He has achieved several recognitions and awards personally and has also led the Company to a string of accolades and rewards. The recognitions and awards received by Dato' Wong Shee Kai include Junior Chamber International ("JCI") Creative Young Entrepreneur Award from Junior Chamber International Group in 2008; Excellence Leadership under the 8th Asia Pacific International Entrepreneur Excellence Award in 2009; the 2009 Top 10 JCI Creative Young Entrepreneur Award (Malaysia) from JCI in 2009; the Most Promising Entrepreneur Award by Asia Pacific Entrepreneurship Awards in 2010 and Young Global Leader by World Economic Forum in 2014. He is mainly responsible for the Company overall strategy and development of the overall vision of the Company. He began

BOARD OF DIRECTORS' PROFILE (cont'd)

his career with Ford Motor Company (UK) as an Account Analyst from 2002 to 2003. Subsequently, he joined Major Fibre Sdn Bhd in Malaysia as Finance Manager and his last position with the Company being the General Manager in overseeing manufacturing process, sales, marketing and materials sourcing, where he observed and discovered arbitrage media advertising opportunity in Malaysia and subsequently founded the Company.

Dato' Wong Shee Kai is a Director and shareholder of Wong SK Holdings Sdn Bhd, a major shareholder of the Company.

He is the member of Remuneration Committee of the Company. He attended all five (5) Board of Directors' Meetings of the Company held during the financial year ended 31 December 2017.

He currently has no directorship held in other public company.

PAUL JONG JUN HIAN

(Independent Non-Executive Director)

Paul Jong Jun Hian, a Malaysian, male, age 48, is the Independent Non-Executive Director of the company and he was appointed to the Board on 10 February 2015.

He obtained his Bachelor of Accountings (Honours) from Universiti Utara Malaysia. He is a chartered accountant and is currently a member of the Malaysian Institute of Accountants (MIA).

He has more than 21 years of experience in corporate financial management, accounting, audit, tax advisory and business management matters. He has extensive working experience in bank, audit firm, multinational company, public listed company and privately held group of companies. These companies are mainly involved in the banking, audit & tax services, manufacturing, engineering & construction, plantation and logistic services. Among the companies are Public Bank Berhad, Arthur Anderson, Komag USA, Weida (M) Bhd & Air-Marine Group. Mr Paul Jong is currently holding directorships in several privately held companies which involved in engineering & construction, marine transportation & trading services.

He is a member of the Audit, Nomination, Remuneration and Option Committees of the Company. He attended four (4) Board of Directors' Meetings of the Company held during the financial year ended 31 December 2017.

He currently has no directorship held in other public company.

YEONG SIEW LEE

(Senior Independent Non-Executive Director)

Yeong Siew Lee, a Malaysian, female, age 40, is the Senior Independent Non-Executive Director of the Company and she was appointed to the Board on 5 May 2010.

She obtained her Bachelor of Science (Honours) degree in Accounting and Finance from University of Wales College, Newport, United Kingdom in 2001 and obtained her professional degree in Association of Chartered Certified Accountants, United Kingdom in 2004. She is a chartered accountant and is currently a member of the Malaysian Institute of Accountants (MIA).

BOARD OF DIRECTORS' PROFILE (cont'd)

She began her career with GHL Systems Berhad ("GHL"), a company listed on the Main Market of Bursa Securities, as an Assistant Accountant in 2003 and moved up the ranks and become Head/Assistant General Manager of Finance in 2008 to supervise the company's local and overseas accounting teams. She left GHL in August 2009 to venture into business in the consumer industry and was working as a finance adviser for SMR HR Group Sdn Bhd. Besides that Ms Yeong is recently sit on the board of Bright Packaging Industry Berhad, Sersol Berhad and TFP Solutions Berhad.

She is the Chairman of the Audit, Nomination, Remuneration and Option Committees of the Company. She attended all five (5) Board of Directors' Meetings of the Company held during the financial year ended 31 December 2017.

ONG CHOOI LEE

(Independent Non-Executive Director)

Appointed w.e.f 17 April 2017

Ong Chooi Lee, a Malaysian, male, age 55, is the Independent Non-Executive Director of the Company and he was appointed to the Board on 17 April 2017.

Mr. Ong graduated from St. Xavier's Institution of Penang in 1979. He holds a Diploma in Management and a Diploma in Marketing, Australia.

He has 28 years of experience in property development, fast food and education. He began his career in 1984 as an Operation executive, coordinating the development projects for MBf Holdings Berhad (property division). He also held various positions in several division including overseeing projects out of countries such as Singapore, Thailand and Indonesia. During his working career, he was part of the team which brought in Grandy's Inc fast food chain into Asia Pacific.

He has 31 years of experience in property development, fast food and education. He began his career in 1984 as an Operative Executive, coordinating the development projects for MBf Holdings Berhad (property division). He also held various positions in several division including overseeing projects out of countries such as Singapore, Thailand and Indonesia. During his working career, he was part of the team which brought in Grandy's Inc fast food chain into Asia Pacific. He has ventured into various businesses such as property development, education, food & beverages and among his successful projects are Suriamas development in Bandar Sunway and Rompin Swiftlet Eco Park of which he is the projects founder.

He is currently sit on the Board of Sersol Berhad and HCK Capital Group Berhad.

He is the member of Audit, Nomination, Remuneration and Option Committees of the Company. He attended four (4) Board of Directors' Meetings of the Company held during the financial year ended 31 December 2017.

BOARD OF DIRECTORS' PROFILE (cont'd)

Notes:

- None of the Directors have any family relationship with any director and/or major shareholder of the Company, except for Dato' Wong Shee Kai.
- None of the Directors have any conflict of interest with the Company.
- None of the Directors have been convicted for offences within the past 5 years other than traffic offences.
- None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGMENT

DATO' WONG SHEE KAI

(Executive Director and Chief Executive Officer)

The profile of Dato' Wong Shee Kai is listed under Board of Directors' Profile on page 14 of this Annual Report.

CORPORATE SUSTAINABILITY STATEMENT

Our Commitment

We perceived corporate sustainability as our commitment to create long term value for our shareholders, environment and society trough innovation and overall operational Excellency.

We understand our choices today have an impact on our customers and suppliers and the success of their businesses in the future. Our business imperative is to carry out our 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.

Our Corporate Sustainability Commitment

Within this context we have defined our commitment to Corporate Sustainability across five impact 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 want to join, stay 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 which reflect mutually agreeable codes of conduct and respect basic human rights;

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

5. We will help to protect the environment by better understanding, managing and measuring our environmental impacts while continuing the sustainable growth of our operations. Further, we will review our environmental practices to ensure their continued relevance.

Moving Forward

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

This statement is made in accordance with a resolution of the Board dated 23 April 2018.

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 and of the results and cash flows of the Group and of the Company for the financial year then ended. 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.

This statement is made in accordance with a resolution of the Board dated 23 April 2018.

CORPORATE GOVERNANCE STATEMENT

Asia Media Group Berhad ("AMEDIA" or "the Company") and its group of companies ("Asia Media Group" or "the Group") practice high standards of corporate governance and 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 Board believes that maintaining such 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 BPI Group and discharging its responsibilities to the Shareholders.

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 2017.

1. 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 Asia Media Group in enhancing long term shareholder value and the interests of other stakeholders. To that end, Asia Media Group maintains its current mix of Board Members who have a wealth of experience, skills and expertise in areas relevant to steering Asia Media 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 thereby fulfill a crucial role in corporate accountability.

There is 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 is chaired by the 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. He always provides constructive and pertinent advice to Board's matters.

CORPORATE GOVERNANCE STATEMENT (cont'd)

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (cont'd)

1.1 Clear functions of the Board and Management (cont'd)

The Board takes into consideration the interests of all stakeholders in their decision making so as to ensure 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 the direction and control of the Group would include 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 operation.

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 effective 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 that 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 relations programme or shareholder communications policy for the Company; and
- Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, 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. 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.

CORPORATE GOVERNANCE STATEMENT (cont'd)

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (cont'd)

1.2 Clear Roles and Responsibilities of the Board (cont'd)

There are four (4) Board Committees namely the Nomination Committee, Remuneration Committee, Audit Committee and the Option Committee setup up by the Board of Directors.

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, set tone at the top, uphold the law, avoid conflicts of interest, set metrics and reports results accurately.

The Board 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 concerns outside the Management line. 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 Company, the benefits of which are believed to translate into better corporate performance and its growing impact to the Group including emphasis in the social and environment impact of its business operations.

Asia Media Group is committed to the continuous efforts in maintaining a delicate balance between its sustainability agenda and the shareholders' interest.

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

CORPORATE GOVERNANCE STATEMENT (cont'd)

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (cont'd)

1.5 Access to Information and Advice (cont'd)

The Board recognized 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 Company and the Group. All the 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.

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. 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 current composition of the Board Members comprising 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 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.

2. STRENGTHEN COMPOSITION OF THE BOARD (cont'd)

2.1 Nomination Committee (cont'd)

The current Nomination Committee comprises entirely of Independent Non-Executive Directors. The following is the Members of the Nomination Committee:

Name	Designation	Directorship
Ms. Yeong Siew Lee	Chairperson	Senior Independent Non-Executive Director
Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee *(ceased office w.e.f. 14 April 2017)*	Member	Independent Non-Executive Director
Mr. Paul Jong Jun Hian	Member	Independent Non-Executive Director
Mr. Ong Chooi Lee *(appointed w.e.f. 17 April 2017)*	Member	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 2017, 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 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;

CORPORATE GOVERNANCE STATEMENT (cont'd)

2. STRENGTHEN COMPOSITION OF THE BOARD (cont'd)

2.2 Recruitment of Directors and Annual Assessment (cont'd)

- Character, knowledge, expertise, professionalism, integrity, competence and time availability; and
- The Independent Directors' abilities to discharge such responsibilities / functions as expected from the Independent Directors.

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 Board currently consists 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. In addition, the Board is satisfied with the contribution of each member of the Board through the annual assessment by the Nomination Committee.

2.3. Remuneration Committee

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

The following is the current members of the Remuneration Committee:

Name	Designation	Directorship
Ms. Yeong Siew Lee	Chairperson	Senior Independent Non-Executive Director
Dato' Wong Shee Kai	Member	Executive Director
Mr. Paul Jong Jun Hian	Member	Independent Non-Executive Director
Mr. Ong Chooi Lee *(appointed w.e.f. 17 April 2017)*	Member	Independent Non-Executive Director

For the financial year ended 31 December 2017, the Remuneration Committee has met once with full attendance of its Members to review and recommend the payment of Directors' fees in FYE 2017.

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 Committees' Meeting.

2. STRENGTHEN COMPOSITION OF THE BOARD (cont'd)

2.3. Remuneration Committee (cont'd)

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.

The aggregate remuneration of the Directors of the Group paid or payable by the Group for the financial year under review are as follows:

Company

Category	Fee (RM)	Salaries & Other Emoluments (RM)
Executive Director Dato' Wong Shee Kai	-	-
Non-Executive Directors Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee *(Resigned W.e.f 14 April 2017)*	34,666.67	-
Yeong Siew Lee	21,500.00	-
Paul Jong Jun Hian	18,000.00	-
Ong Chooi Lee *(Appointed W.e.f 17 April 2017)*	12,650.00	-
	86,816.67	**-**

Group

Category	Fee (RM)	Salaries & Other Emoluments (RM)
Executive Director Dato' Wong Shee Kai	-	202,550.00
Non-Executive Directors Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee *(Resigned W.e.f 14 April 2017)*	34,666.67	-
Yeong Siew Lee	21,500.00	-
Paul Jong Jun Hian	18,000.00	-
Ong Chooi Lee *(Appointed W.e.f 17 April 2017)*	12,650.00	-
	86,816.67	**200,000.00**

CORPORATE GOVERNANCE STATEMENT (cont'd)

2. STRENGTHEN COMPOSITION OF THE BOARD (cont'd)

2.3 Remuneration Committee (cont'd)

	Number Of Directors	
Range Of Remuneration	**Executive Directors**	**Non-Executive Directors**
Below RM50,000	-	4
RM50,001 – RM100,000	-	-
RM100,001 – RM200,000	-	-
RM200,001 - RM300,000	1	-

Note:

For security and confidentially reasons, the details of the Directors' remuneration are not shown with reference to Directors individually. The Board is of the view that the transparency and accountability aspect of the corporate governance on Directors' remuneration are appropriately served by the band disclosure made.

The Board recommends the Directors' fees and other emoluments payable for the financial year ended 31 December 2017 which are subject to the shareholders' approval at the forthcoming AGM.

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. STRENGTHEN COMPOSITION OF THE BOARD (cont'd)

2.4 Re-appointment and Re-election of Directors (cont'd)

The Company does not have term limits for Directors, However, the Nomination Committee reviews the performance and the contribution of the Director on an annual basis. The Company, however, believes that valuable contribution can be obtained from a Director who has served the Company over a period of time since they have likely developed valuable insights of the Group and its businesses. Notwithstanding the aforesaid, the Nomination Committee takes into consideration relevant regulations such as Bursa Securities Main Market Listing Requirements and the MCCG 2017 that may have set conditions or limitation on the tenure of the Directors before arriving at the NRC's decision on its recommendation to the Board. Therefore, the Board recommends the re-election of Mr Paul Jong Jun Hian and Mr Ong Chooi Lee who will be retiring pursuant to Articles 70 and 75 at the forthcoming Annual General Meeting and are standing for re-election.

3. 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 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. The Board is satisfied with the assessment of the Independent Directors especially with the level of independence demonstrated by all the Independent Directors of the Company and their ability to provide objective judgement to the Board, which mitigate conflict of interest and undue influence from interested parties.

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. However, subject to the assessment of the Nomination Committee, an Independent Director after serving a cumulative nine (9) years are subject to the Shareholders' approval in a general meeting.

CORPORATE GOVERNANCE STATEMENT (cont'd)

3. REINFORCE INDEPENDENCE (cont'd)

3.2 Tenure of Independent Directors (cont'd)

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

3.3 Separation of 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, due to the Chairman, Datuk Seri Syed Ali Bin Tan Seri abbas Alhabshee resigned his position as the Chairman and Director of the Company on 14 April 2017, the Board is temporary chaired by an Executive Director, Dato' Wong Shee Kai. The Board currently comprises one (1) Executive Director and three (3) Independent Non-Executive Directors, there exist a strong independence element in its composition. Currently the Board is looking for a suitable candidate to be appointed as Non Executive Chairman of the Company.

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. FOSTER COMMITMENT

4.1 Time commitment and directorship in other companies

The Board ordinarily 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 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, decision and conclusions discussed at the Meetings are properly recorded in the discharge of the Board's duties and responsibilities.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. The attendance record of the Directors for the financial year ended 31 December 2017 with satisfactory attendance.

4. FOSTER COMMITMENT (cont'd)

4.1 Time commitment and directorship in other companies (cont'd)

The attendance record of the Board for the financial year ended 31 December 2017 is set out below:

Name	Designation	Attendance	%
Dato' Wong Shee Kai	Executive Director	5/5	100%
Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee *resigned w.e.f. 14 April 2017)*	Independent Non-Executive Director	1/1	100%
Paul Jong Jun Hian	Independent Non-Executive Director	4/5	80%
Yeong Siew Lee	Senior Independent Non-Executive Director	5/5	100%
Ong Chooi Lee *(appointed w.e.f 17 April 2017)*	Independent Non-Executive Director	4/4	100%

Based on the above, all the Directors of the Company have attended more than 50% of the attendance 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 Directors continue to attend relevant training programmes 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.

CORPORATE GOVERNANCE STATEMENT (cont'd)

4. FOSTER COMMITMENT (cont'd)

4.2 Directors' Training (cont'd)

For the year ended 31 December 2017, the training programmes and seminars attended by the Directors are as follows:-

Directors	Seminar / Trainings
Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee *(resigned w.e.f. 14 April 2017)*	-
Dato' Wong Shee Kai	• Briefing on Companies Act 2016 • Briefing on Malaysian Code on Corporate Governance 2017
Paul Jong Jun Hian	• Recent Tax Cases 2017 • Withholding Tax in Malaysia Principles and Latest Developments • Transfer Pricing – Application, Enforcement and documentation
Yeong Siew Lee	• 2018 Budget Seminar • MIRA Annual Conference 2017 • Valuation in Practice for Transactions and Reporting • Latest development on Malaysian Financial Reporting Standards ("MFRS") 15 & MFRS 16
Ong Chooi Lee *(appointed w.e.f 17 April 2017)*	• Advocacy session on corporate disclosure for directors and principal officer of listed issuers • CG Breakfast Series - Board Excellence : How to Engage and enthuse Beyond Compliance with Sustainability

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

5. 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 draw up in accordance with the provisions of the Act and the applicable accounting standards in Malaysia.

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING (cont'd)

5.1 Compliance with applicable financial reporting standards (cont'd)

The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness to give a true and fair view of the state of affairs of the Group especially of the Group's quarterly and audited financial statements before recommending to the Board for its approval.

5.2 Assessment of suitability and independence of External Auditors

The Audit Committee would review and 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 Audit Committee met with the External Auditors twice times during the financial year ended 31 December 2017 to review the scope of audit process, the audit findings and the annual financial statements, 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. RECOGNISE AND MANAGE RISKS

6.1 Internal Control

Information on internal control of Asia Media Group is detailed in the Statement on Risk Management and Internal Control set out on pages 37 to 39.

CORPORATE GOVERNANCE STATEMENT (cont'd)

6. RECOGNISE AND MANAGE RISKS (cont'd)

6.2 Internal audit function

The internal audit function of Asia Media Group is detailed in the Statement on Risk Management and Internal Control set out on pages 37 to 39.

7. 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 Company and its subsidiaries 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 Group Chairman and Executive Director 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.

To augment the process disclosure, the Board is dedicating a 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. 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 Asia Media Group.

CORPORATE GOVERNANCE STATEMENT (cont'd)

8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS (cont'd)

8.1 Shareholders Participation at General Meetings (cont'd)

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 Communication and Engagements 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 tale at the general meetings. The senior management and the External Auditors are present at the shareholders' meetings to answer any query 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. info@asiamedia.net. my to which stakeholders can direct their queries or concerns.

This Corporate Governance Statement is made in accordance with the resolution of the Board dated 23 April 2018.

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

As of 29 December 2017, the total number of Warrants that remain unexercised was 82,404,283 (delisted as at 2 January 2018)

American Depository Receipt / Global Depository Receipt

The Company did not sponsor any depository receipt programme during the financial year.

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 2017, the amount of the audit fees paid to external auditors on the Company and Group basis were RM40,000.00 and RM83,000.00 respectively.

There were no non-audit fees paid or payable to the external auditors, or a firm or corporation affiliated to the auditors' firm by the Company and Group during the financial year ended 31 December 2017.

Variation in results

There was no significant variation between the interim financial reports previously announced on the 4th Quarter results and the audited financial results for the financial year ended 31 December 2017.

Profit Guarantee

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

ADDITIONAL COMPLIANCE INFORMATION (cont'd)

Recurrent Related Party Transactions ("RRPT")

Related party transaction has been entered into the normal course of business under terms agreed between the Group and the related parties. The significant related party transaction of the Group are 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 2017 amounted to RM111,600.00

Material Contracts

There were no other material contracts or loans 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.

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 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 is 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 objective.

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 related mitigating responses are carried out at regular management meetings of the Group. Significant risks are conveyed to the Board at the quarterly scheduled meetings.

The Board, working together with the Management, in the process of continuing to identify, evaluate and manage significant risks for the financial year under review and up to the date of approval of this statement. The Board shall continue to evaluate the existing risk management practices, and where appropriate and necessary, revise such practices accordingly.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(cont'd)

Internal Audit Function

All Internal Audit activities were conducted by in-house internal audit team. The total costs incurred by the Group for its internal audit function in the financial year ended 31 December 2017 amount to RM23,000.00 approximately.

The Internal Audit Function established by the Board, provides independent assurance on the effectiveness of the Group's system of internal controls and it is centralized at the Group level and it reports to the respective Audit Committee of the Group on a quarterly basis or earlier as appropriate.

It undertakes regular and systematic reviews of the system of internal control, risk management and governance processes to provide reasonable assurance that such system operates satisfactorily and effectively within the respective subsidiaries as well as 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(cont'd)

Conclusion

The Board is of the view that the Group's risk management and internal control systems is in place and is adequate and sufficient to provide reasonable assurance that the risks faced by the Group are under control and have not resulted in material losses incurred by the Group for the financial year ended 31 December 2017. The Board and the Management will continue to take necessary measures and ongoing commitment to 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 23 April 2018.

Review of the Statement by External Auditors

The External Auditors have, in accordance with the Recommended Practice Guide 5 issued by the Malaysian Institute of Accountants, reviewed the Statement as required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, for inclusion in the Company's Annual Report for the financial year ended 31 December 2017.

Based on their review, the auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing and assessing the integrity and adequacy of the internal controls of the Group.

AUDIT COMMITTEE REPORT (cont'd)

A. Composition and Attendance

The members of the Audit Committee are as follows:-

Ms Yeong Siew Lee
(Chairperson of Audit Committee/ Senior Independent Non-Executive Director)

Datuk Sri Syed Ali Bin Tan Sri Abbas Alhabshee
(Member of Audit Committee/ Independent Non-Executive Director)
(ceased w.e.f. 14 April 2017)

Mr Paul Jong Jun Hian
(Member of Audit Committee/ Independent Non-Executive Director)

Mr Ong Chooi Lee
(Member of Audit Committee/ Independent Non-Executive Director)
(appointed w.e.f. 17 April 2017)

All of the members are non-executive and independent.

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.

AUDIT COMMITTEE REPORT (cont'd)

A. COMPOSITION AND ATTENDANCE (CONT'D)

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 set our below before submission to the Board:-

I. Changes in or implementation of major accounting policy changes;

II. Significant matters highlighted including 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 programme 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

AUDIT COMMITTEE REPORT (cont'd)

A. Composition and Attendance (cont'd)

Responsibilities and How the Committee Works (cont'd)

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 course of 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; 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. 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
Yeong Siew Lee	Senior Independent Non-Executive Director	4/4
Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee *(resigned w.e.f. 14 April 2017)*	Independent Non-Executive Director	1/1
Paul Jong Jun Hian	Independent Non-Executive Director	4/4
Ong Chooi Lee *(appointed w.e.f 17 April 2017)*	Independent Non-Executive Director	3/3

AUDIT COMMITTEE REPORT (cont'd)

C. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

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

(1) Reviewed the unaudited quarterly financial results prior to submission to the Board for consideration and approval for the announcement to be released.

(2) Reviewed the annual audited financial statements, Directors' and Auditors' Reports and other significant accounting issues arising from the audit of the financial year ended 31 December 2017.

(3) Reviewed the Corporate Governance Statement, Audit Committee Report and Risk Management and Internal Control Statement prior to submission to the Board for approval and inclusion in the 2017 annual report.

D. INTERNAL AUDIT FUNCTION

Summary of activities of internal audit department during financial year ended 31 december 2017

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 operating 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 review 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 23 April 2018.

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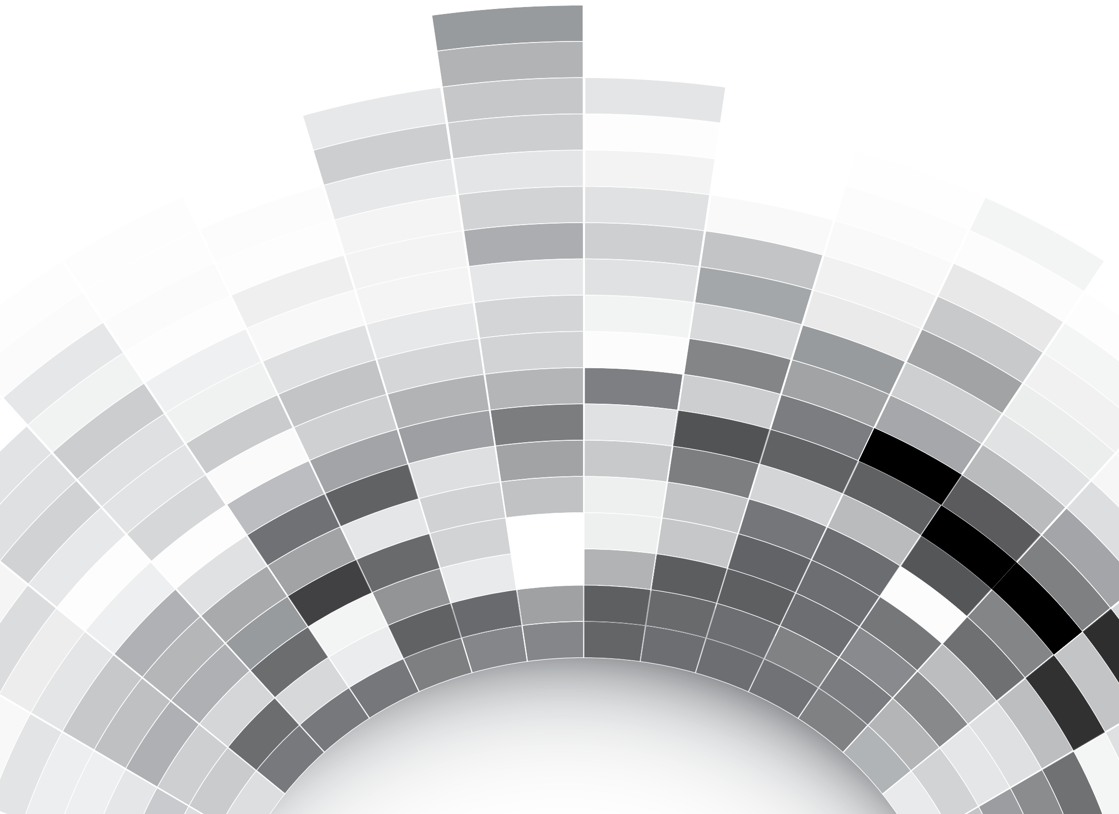

DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2017.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements.

Financial Results

	Group RM	Company RM
Net profit for the financial year:		
Profit after tax from continuing operations	3,010,557	1,740,398
Loss after tax from discontinued operations	(786,383)	-
	2,224,174	1,740,398
Attributable to:		
Owners of the Parent	2,280,917	1,740,398
Non-controlling interests	(56,743)	-
	2,224,174	1,740,398

Reserves and Provisions

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

Dividends

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend any dividend in respect of the current financial year.

DIRECTORS' REPORT
(cont'd)

Issue of Shares and Debentures

There was 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 16(b) to the financial statements.

DIRECTORS' REPORT
(cont'd)

Directors

The Directors in office during the financial year until the date of this report are:

Dato' Wong Shee Kai*	
Yeong Siew Lee	
Paul Jong Jun Hian*	
Ong Chooi Lee	(Appointed on 17 April 2017)
Datuk Seri Syed Ali bin Tan Sri Abbas Alhabshee	(Resigned on 14 April 2017)

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year up to the date of this report:

Teh Sew Wan	
Lye Jun Fei	
George Lentton Anak Indang	
YBhg. Datu Sajeli Bin Kipli	(Appointed on 21 July 2017)
Datu Dr Haji Sulaiman Bin Haji Husaini	(Resigned on 1 July 2017)

* *Director of the Company and its subsidiary companies*

The information required to be disclosed pursuant to Section 253 of the Companies Act, 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

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 a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Notes 19, 23 and 27 to the financial statements) 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, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 29 to the financial statements.

Neither during nor at the end of the financial year, was 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' REPORT
(cont'd)

Directors' Interests in Shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	<-------------Number of ordinary shares			----------------->
	At 1.1.2017	Bought	Sold	At 31.12.2017
Interests in the Company				
Indirect Interest				
Dato' Wong Shee Kai	62,127,500	-	-	62,127,500

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

Indemnity and Insurance Costs

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) 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 satisfied themselves that there were no bad debts to be written off and no allowance for doubtful debts was required; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

DIRECTORS' REPORT
(cont'd)

Other Statutory Information (cont'd)

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

(i) which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Group and of the Company; or

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

(iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

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

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

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

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

(d) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due;

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

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

DIRECTORS' REPORT
(cont'd)

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

Auditors' Remuneration

The details of auditors' remuneration are set out in Note 23 to the financial statements.

Auditors

The Auditors, Messrs UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 23 April 2018.

YEONG SIEW LEE	DATO' WONG SHEE KAI

KUALA LUMPUR

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 58 to 140 are drawn up in accordance with 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 2017 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 23 April 2018.

YEONG SIEW LEE

DATO' WONG SHEE KAI

KUALA LUMPUR

STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act, 2016

I, YEONG SIEW LEE (MIA Membership No: 29272), being the Director 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 58 to 140 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, 2016.

Subscribed and solemnly declared by the)
abovenamed at KUALA LUMPUR in the)
Federal Territory on 23 April 2018.)

YEONG SIEW LEE

Before me,

MOHAN A.S. MANIAM (No. W710)

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS ASIA MEDIA GROUP BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ASIA MEDIA GROUP BERHAD, which comprise the statements of financial position as at 31 December 2017 of the Group and of the Company, and the statements of profit or loss and other 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 58 to 140.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017, and of their financial performance and their cash flows for financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Requirements

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 IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS ASIA MEDIA GROUP BERHAD (cont'd)

Key Audit Matters (cont'd)

Key Audit Matters	How we addressed the key audit matter
Valuation of the Broadcast Infrastructure As at 31 December 2017, the carrying value of the Group's broadcast infrastructure amounted to RM14,453,612. The valuation of broadcast infrastructure was identified as a key audit matter due to the significance of this balance to the financial statements, which represented 51% of the Group's total assets as at 31 December 2017, as well as the significance of management's judgement in determining their useful lives and impairment assessment. In considering the valuation of broadcast infrastructure, we focused on the assessment of residual value and useful lives of assets, and considered the impairment needed for the Group, as described below: **(i) Assessment of the useful lives of broadcast infrastructure** Management applies estimates and judgement in its determination of the useful lives of broadcasting infrastructure. Determination of the useful life is based on the period over which the broadcast infrastructure is expected to be available for use by the Group. During the financial year, the management revised the estimated useful lives of broadcast infrastructure from 5 years to 10 years.	Our audit included the following procedures: **(i) Assessment of the useful lives of broadcast infrastructure** - We evaluated the assumption made by the management in determining the useful lives to ensure they are consistent with MFRS 116 *Property, plant and equipment*; - We enquired the management to understand their rationale for changing the estimated useful lives and verified to supporting evidences; - We assessed the reasonableness of the useful lives by challenging management's judgements through the comparison of the useful lives and external market data.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS ASIA MEDIA GROUP BERHAD (cont'd)

Key Audit Matters (cont'd)

Key Audit Matters	How we addressed the key audit matter
Valuation of the Broadcast Infrastructure (cont'd) **(ii) Impairment assessment on broadcast infrastructure** Determination of the recoverable amount requires significant judgement, especially in respect of the estimated cash flow projections and discount rates. The key assumptions used in the impairment assessment and the sensitivity of the recoverable amount to changes in assumptions are disclosed in Note 4 to the financial statements. Based on the impairment assessment performed, the Directors concluded that no impairment is required for broadcast infrastructure.	Our audit included the following procedures: (cont'd) **(ii) Impairment assessment on broadcast infrastructure** - We evaluated the appropriateness of the management's judgements regarding the identification of assets and cash generating units for impairment assessment; - We assessed the management's calculation of the recoverable amounts of broadcast infrastructure: - We assessed the key assumptions applied by the management (as disclosed in Note 4 to the financial statements); - We evaluated the management's analysis of the sensitivity of the impairment assessment results to changes in assumptions (as disclosed in Note 4 to the financial statements); - We evaluated the adequacy and appropriateness of the disclosure of impairment assessment made in the financial statements.

Information Other than the financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS ASIA MEDIA GROUP BERHAD (cont'd)

Information Other than the financial Statements and Auditors' Report Thereon (cont'd)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of 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 has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS ASIA MEDIA GROUP BERHAD (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related of disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS ASIA MEDIA GROUP BERHAD (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we also report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Other Matters

(1) The financial statements of the Group and of the Company for the financial year ended 31 December 2016 were audited by another auditor who expressed an unmodified opinion on these statements on 24 March 2017.

(2) 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 content of this report.

UHY
Firm Number: AF 1411
Chartered Accountants

NG LEONG TECK
Approved Number: 03168/12/2019 J
Chartered Accountant

KUALA LUMPUR

23 April 2018

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Assets					
Non-Current Assets					
Property, plant and equipment	4	20,279,451	19,216,476	-	-
Other intangible assets	5	126,104	189,146	-	-
Development costs	6	3	282	-	-
Invetsment in subsidiary companies	7	-	-	12,999,998	17,999,998
Goodwill on consolidation	8	-	-	-	-
Total Non-Current Assets		20,405,558	19,405,904	12,999,998	17,999,998
Current Assets					
Inventories	9	-	-	-	-
Trade receivables	10	770,700	603,000	-	-
Other receivables	11	42,472	165,436	1,308	1,308
Amounts due from subsidiary companies	12	-	-	915,906	-
Cash and bank balances		1,952,639	8,097,777	6,290	6,103
		2,765,811	8,866,213	923,504	7,411
Non-current assets classified as held for sale	13	-	-	4,000,000	-
Assets included in disposal group classified as held for sale	14	4,886,378	-	-	-
Total Current Assets		7,652,189	8,866,213	4,923,504	7,411
Total Assets		28,057,747	28,272,117	17,923,502	18,007,409

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017 (cont'd)

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Equity					
Share capital	15	24,773,143	23,946,343	24,773,143	23,946,343
Reserves	16	414,591	(1,039,526)	(7,325,222)	(8,238,820)
Equity attributable to owners of the parent		25,187,734	22,906,817	17,447,921	15,707,523
Non-controlling interests		(187,868)	(131,125)	-	-
Total Equity		24,999,866	22,775,692	17,447,921	15,707,523
Liabilities					
Current Liabilities					
Trade payables	17	658,188	955,210	-	-
Other payables	18	1,034,691	2,273,111	475,579	115,023
Amount due to Directors	19	1,094,577	767,405	2	2
Amount due to a subsidiary company	20	-	-	-	2,184,861
Bank borrowings	21	-	1,500,000	-	-
Tax payable		417	699	-	-
		2,787,873	5,496,425	475,581	2,299,886
Liabilities included in disposal group classified as held for sale	14	270,008	-	-	-
Total Liabilities		3,057,881	5,496,425	475,581	2,299,886
Total Equity and Liabilities		28,057,747	28,272,117	17,923,502	18,007,409

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

		Group		Company	
	Note	2017 RM	2016 RM (restated)	2017 RM	2016 RM
Continuing operations					
Revenue	22	15,384,112	9,584,946	-	-
Cost of sales		(7,683,945)	(8,037,802)	-	-
Gross profit		7,700,167	1,547,144	-	-
Other income		2,230,301	355,311	3,167,971	160
Selling and markerting expenses		-	-	(17,754)	(3,998)
Administrative expenses		(6,804,287)	(8,718,805)	(1,409,819)	(548,475)
Other expenses		(63,321)	(2,915,436)	-	(9,704,583)
Profit/(Loss) from operations		3,062,860	(9,731,786)	1,740,398	(10,256,896)
Finance costs		(52,303)	(57,318)	-	-
Profit/(Loss) before tax	23	3,010,557	(9,789,104)	1,740,398	(10,256,896)
Taxation	24	-	-	-	-
Profit from continuing operations		3,010,557	(9,789,104)	1,740,398	(10,256,896)
Discontinued operations					
Loss from discontinued operations	14	(786,383)	(302,520)	-	-
Profit/(Loss) for the financial year, representing total comprehensive income for the financial year		2,224,174	(10,091,624)	1,740,398	(10,256,896)
Total comprehensive income /(loss) attributable to:					
Owners of the parent		2,280,917	(10,035,747)	1,740,398	(10,256,896)
Non-controlling interests		(56,743)	(55,877)	-	-
		2,224,174	(10,091,624)	1,740,398	(10,256,896)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (cont'd)

		Group	
	Note	2017 RM	2016 RM (restated)
Earnings/(Loss) per share (sen)			
Basic	26(a)		
Profit/(Loss) from continuing operations		1.28	(4.07)
Loss from discontinued operations		(0.33)	(0.13)
Total		0.95	(4.19)
Diluted	26(b)		
Profit/(Loss) from continuing operations		1.28	(4.07)
Loss from discontinued operations		(0.33)	(0.13)
Total		0.95	(4.19)

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

		Attributable to owners of the parent						
		Non-Distributable			Distributable			
	Note	Share capital RM	Share premium RM	Warrant reserve RM	(Accumulated losses)/ Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Group								
At 1 January 2017		23,946,343	826,800	3,519,617	(5,385,943)	22,906,817	(131,125)	22,775,692
Net profit for the financial year, representing total comprehensive income for the financial year		-	-	-	2,280,917	2,280,917	(56,743)	2,224,174
Transition to no-par value regime on 31 January 2017	15	826,800	(826,800)	-	-	-	-	-
Transaction with owners of the Company:								
Expiration of warrants	16	-	-	(3,519,617)	3,519,617	-	-	-
At 31 December 2017		24,773,143	-	-	414,591	25,187,734	(187,868)	24,999,866

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (cont'd)

		Attributable to owners of the parent						
		Non-Distributable			Distributable			
	Note	Share capital RM	Share premium RM	Warrant reserve RM	(Accumulated losses)/ Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Group								
At 1 January 2016		23,946,343	826,800	3,519,617	4,649,804	32,942,564	(75,288)	32,867,276
Net loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(10,035,747)	(10,035,747)	(55,877)	(10,091,624)
Transaction with owners of the Company:								
Additional shares in a subsidiary from non-controlling interests		-	-	-	-	-	40	40
At 31 December 2016		23,946,343	826,800	3,519,617	(5,385,943)	22,906,817	(131,125)	22,775,692

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (cont'd)

		Attributable to owners of the parent				
		Non-Distributable			Distributable	
	Note	Share capital RM	Share premium RM	Warrant reserve RM	Accumulated losses RM	Total equity RM
Company						
At 1 January 2017		23,946,343	826,800	3,519,617	(12,585,237)	15,707,523
Net profit for the financial year, representing total comprehensive income for the financial year		-	-	-	1,740,398	1,740,398
Transition to no-par value regime on 31 January 2017	15	826,800	(826,800)	-	-	-
Transaction with owners of the Company:						
Expiration of warrants	16	-	-	(3,519,617)	3,519,617	-
At 31 Decemebr 2017		24,773,143	-	-	(7,325,222)	17,447,921
At 1 January 2016		23,946,343	826,800	3,519,617	(2,328,341)	25,964,419
Net loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(10,256,896)	(10,256,896)
At 31 December 2016		23,946,343	826,800	3,519,617	(12,585,237)	15,707,523

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Cash Flows from Operating Activities					
Profit/(Loss) before taxation from:					
- continuing operations		3,010,557	(9,789,104)	1,740,398	(10,256,896)
- discontinued operations		(786,383)	(302,520)	-	-
Adjustments for:					
Amortisation of development costs		279	1,694	-	-
Amortisation of other intangible assets		63,042	74,059	-	-
Bad debts written off		-	59,974	-	-
Depreciation of property, plant and equipment		1,838,719	5,007,558	-	-
Impairment losses on:					
- investment in subsidiary companies		-	-	1,000,000	-
- other intangible asstes		-	33,031	-	-
- property, plant and equipment		-	2,806,651	-	-
- amount due from a subsidiary company		-	-	-	9,704,583
Interest expense		52,303	57,318	-	-
Property, plant and equipment written off		12,740	-	-	-
Gain on disposal of property, plant and equipment		-	(1,000)	-	-
Gain on disposal of subsidiary companies		-	(998)	-	-
Interest income		(159,460)	(359,466)	(188)	(160)
Provision for minimum guaranteed sum		-	1,822,500	-	-
Reversal of provision for minimum guaranteed sum		(1,822,500)	-	-	-
Reversal of impairment loss on amount due from a subsidiary company		-	-	(3,167,783)	-
Operating profit/(loss) before working capital changes		2,209,297	(590,303)	(427,573)	(552,473)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (cont'd)

		Group		Company	
	Note	2017 RM	2016 RM	2017 RM	2016 RM
Changes in working capital:					
Inventories		(59,156)	-	-	-
Trade and other receivables		(134,368)	(235,441)	-	525,057
Trade and other payables		368,608	(2,235,310)	360,556	27,416
Directors		515,630	(2)	-	-
Subsidiary companies		-	-	67,016	-
		690,714	(2,470,753)	427,572	552,473
Cash generated from/ (used in) operations		2,900,011	(3,061,056)	(1)	-
Interest paid		(52,303)	(57,318)	-	-
Interest received		159,460	359,466	188	160
Tax paid		(282)	(250)	-	-
		106,875	301,898	188	160
Net cash generated from/ (used in) operating activities		3,006,886	(2,759,158)	187	160
Cash Flows from Investing Activities					
Proceeds from disposal of property, plant and equipment		-	1,000	-	-
Proceeds from disposal of subsidiary companies		-	2	-	-
Purchase of property, plant and equipment	4	(7,508,518)	(2,575,919)	-	-
Net cash used in investing activities		(7,508,518)	(2,574,917)	-	-
Cash Flows from Financing Activity					
Repayment of short-term borrowings, representing the net cash used in financing activity	21	(1,500,000)	-	-	-

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (cont'd)

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Net (decrease)/increase in cash and cash equivalents		(6,001,632)	(5,334,075)	187	160
Cash and cash equivalents at beginning of the financial year		8,097,777	13,431,852	6,103	5,943
Cash and cash equivalents at end of the financial year		2,096,145	8,097,777	6,290	6,103
Cash and cash equivalents at end of the financial year comprise:					
Cash and bank balances		1,952,639	8,097,777	6,290	6,103
Cash and bank balances included in disposal group	14	143,506	-	-	-
		2,096,145	8,097,777	6,290	6,103

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

1. Corporate Information

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

The principal place of business of the Company is located at No. 35-1, Jalan Bandar 16, Pusat Bandar Puchong, Selangor Darul Ehsan.

The registered office of the Company is located at Level 8, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

2. Basis of Preparation

(a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to MFRSs 2014 – 2016 Cycle	Amendments to MFRS 12

The adoption of the Amendments to MFRS 107 has required additional disclosure of changes in liabilities arising from financing activities in Note 28. Other than that, the adoption of above amendments to MFRSs did not have any significant impact on the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

2. Basis of Preparation (cont'd)

(a) Statement of compliance (cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		Effective dates for financial periods beginning on or after
Annual Improvements to MFRSs 2014-2016 Cycle:		
• Amendments to MFRS 1		1 January 2018
• Amendments to MFRS 128		1 January 2018
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Shared-based Payment Transactions	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 *Financial Instruments* with MFRS 4 *Insurance Contracts*	1 January 2018*
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

2. Basis of Preparation (cont'd)

(a) Statement of compliance (cont'd)

Standards issued but not yet effective (cont'd)

		Effective dates for financial periods beginning on or after
Annual Improvements to MFRSs 2015 – 2017 Cycle:		
• Amendments to MFRS 3		1 January 2019
• Amendments to MFRS 11		1 January 2019
• Amendments to MFRS 112		1 January 2019
• Amendments to MFRS 123		1 January 2019
MFRS 17	Insurance Contracts	1 Janaury 2021
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

Note:

* *Entities that meet the specific criteria in MFRS 4, paragraph 20B, may choose to defer the application of MFRS 9 until that earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.*

The Group and the Company intend to adopt above MFRSs when they become effective.

The initial application of the abovementioned MFRSs is not expected to have any significant impacts of the financial statements of the Group and of the Company except as mentioned below:

(i) <u>MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)</u>

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. MFRS 9 when effective will replace MFRS 139 *Financial Instruments: Recognition and Measurement*.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

2. Basis of Preparation (cont'd)

(a) Statement of compliance (cont'd)

Standards issued but not yet effective (cont'd)

(i) MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014) (cont'd)

MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model ("ECL") is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Group and Company has reviewed its financial assets and liabilities and is expecting the following impact of adoption of the new standard on 1 January 2018:

- The new impairment model requiring recognition of impairment provisions to be based on ECL rather than only retrospective provisioning of credit losses as in this case under MFRS 139. It applies to financial assets classified at amortised cost. Based on the assessments taken to date, the Group expects an insignificant impact on the loss allowance for trade receivables.

2. Basis of Preparation (cont'd)

(a) Statement of compliance (cont'd)

Standards issued but not yet effective (cont'd)

(i) MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014) (cont'd)

- There will be no impact on the Group's and Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss. The Group and Company does not have any such financial liabilities. The recognition rules have been transferred from MFRS 139 and have not been changed.

- The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature of the Group's and Company's disclosures about its financial instruments particularly in the year of adoption of the new standard. Comparatives for financial year ended 31 December 2017 will not be restated.

(ii) MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related IC Interpretations. The Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the goods or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

A new five-step process is applied before the revenue can be recognised:

- Identify contracts with customers;
- Identify the separate performance obligations;
- Determine the transaction price of the contract;
- Allocate the transaction price to each of the separate performance obligations; and
- Recognise the revenue as each performance obligation is satisfied.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

2. Basis of Preparation (cont'd)

(a) Statement of compliance (cont'd)

Standards issued but not yet effective (cont'd)

(ii) MFRS 15 *Revenue from Contracts with Customers (cont'd)*

Key provisions of the new standard are as follows:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- If the consideration varies (such as for incentives, rebates, performance fees, royalties, success of an outcome etc), minimum amounts of revenue must be recognised if they are not at significant risk of reversal.
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licenses, warranties, non-refundable upfront fees, and consignment arrangements to name a few.
- As with any new standard, there are also increased disclosures.

The Group has assessed the effects of applying the new standard on the Group's financial statements and has identified the following areas:

- Accounting for multiple element arrangements in advertising contracts – where a contractual arrangement consists of two or more separate deliverables that have value to the customer on a stand-alone basis, revenue is recognised for each element as if it was an individual contract. Total contract consideration is allocated between separate deliverables based on their fair value. Identification of separate deliverables in relation to advertising contracts will affect the timing of the recognition of advertising revenue moving forward. Judgement is applied in both identifying separate deliverables and allocating the consideration between them. The impact is not expected to be material to the advertising revenue of the Group as majority of existing contracts have already incorporated these separation of deliverables into value attached to each deliverable.

2. Basis of Preparation (cont'd)

(a) Statement of compliance (cont'd)

Standards issued but not yet effective (cont'd)

(ii) MFRS 15 *Revenue from Contracts with Customers (cont'd)*

The Group has assessed the effects of applying the new standard on the Group's financial statements and has identified the following areas: (cont'd)

- The Group does not expect any material impact to the basis of recognition for its sale of production services and revenue from content sales.
- The Group intends to adopt the standard using modified retrospective approach which means that the cumulative impact to the adoption will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated.

(iii) MFRS 16 *Leases*

MFRS 16, which upon the effective date will supersede MFRS 117 *Leases*, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

2. Basis of Preparation (cont'd)

(a) Statement of compliance (cont'd)

Standards issued but not yet effective (cont'd)

(iii) MFRS 16 *Leases (cont'd)*

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The impact of the new MFRSs, amendments and improvements to published standard on the financial statements of the Group and of the Company are currently being assessed by management.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

There are no significant areas of critical judgement in applying accounting policies that have significant effect on the amounts recognised in the financial statements

2. Basis of Preparation (cont'd)

(c) Significant accounting judgements, estimates and assumptions (cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment (Note 4)

The Group regularly review the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment.

Development costs

The Company capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of development costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generations of the project, discount rates to be applied and the expected period of benefits. The carrying amount at the reporting date for development costs is disclosed in Note 6.

Impairment of property, plant and equipment and other intangible assets

The Group assesses whether there is any indication that property, plant and equipment and 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 key assumptions used to determine the recoverable amounts are disclosed in Notes 4.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

2. Basis of Preparation (cont'd)

(c) Significant accounting judgements, estimates and assumptions (cont'd)

Key sources of estimation uncertainty (cont'd)

Impairment of investment in subsidiary companies

The Company reviews its investments in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount at the reporting date for investment in subsidiary companies is disclosed in Note 7.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 9.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 December 2017, the Group has tax payable of RM417 (2016: RM699).

Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and internal and external experts to the Company for matters in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

3. Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, 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. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

3. Significant Accounting Policies (cont'd)

(a) Basis of consolidation (cont'd)

(i) Subsidiary companies (cont'd)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combinations occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement*, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statement, investment in subsidiary companies is stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(l)(i) to the financial statements on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

3. Significant Accounting Policies (cont'd)

(a) Basis of consolidation (cont'd)

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(l)(i) to the financial statements on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

3. Significant Accounting Policies (cont'd)

(b) Foreign currency translation

Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

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

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(l)(i) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

3. Significant Accounting Policies (cont'd)

(c) Property, plant and equipment (cont'd)

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use.

The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

A bearer plant is living plant that is used in the production or supply of agriculture produce, is 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.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

3. Significant Accounting Policies (cont'd)

(c) Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

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.

The new components or parts of the Transit TV System (such as LCD screens, media players, amplifiers etc.) purchased during the financial year is captured as capital work-in-progress. The said capital work-in-progress will be reclassified to Transit TV System in the subsequent financial year after proper installation and integration and become ready to use.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life. Leased assets are depreciated over the shorter of the lease term and their useful lives. Immature bearer plants and capital work-in-progress is not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Transit TV System	10%
Broadcast centre, network and SMS gateway	10% (2016: 20%)
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

3. Significant Accounting Policies (cont'd)

(c) Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

The residual values, useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(d) 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.

(e) Internally-generated intangible assets - research and development costs

Research costs are expensed 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

3. Significant Accounting Policies (cont'd)

(e) Internally-generated intangible assets - research and development costs (cont'd)

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.

(f) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as a property, plant and equipment.

3. Significant Accounting Policies (cont'd)

(f) Leases (cont'd)

(ii) Operating leases

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property and measured using fair value model.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid land lease payments.

(g) Financial assets

Financial assets are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The Group and the Company classify their financial assets depends on the purpose for which the financial assets were acquired at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

3. Significant Accounting Policies (cont'd)

(g) Financial assets (cont'd)

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the end of the reporting period which are presented as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised when the contractual rights to receive cash flows from the financial asset has expired or has been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or loss that had been recognised in equity is recognised in the profit or loss.

(h) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of financial liabilities.

Financial liabilities are recognised on the statements of financial position when, and only when the Group and the Company become a party to the contractual provisions of the financial instrument.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

3. Significant Accounting Policies (cont'd)

(h) Financial liabilities (cont'd)

The Group and the Company classify their financial liabilities at initial recognition, into the following categories:

(i) Other financial liabilities measured at amortised cost

The Group's and the Company's other financial liabilities comprise trade and other payables, amount due to Directors, amount due to a subsidiary company and loans and borrowings.

Trade and other payables, amount due to Directors and amount due to a subsidiary company are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Gains and losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

(ii) Financial guarantee contracts

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

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

3. Significant Accounting Policies (cont'd)

(h) Financial liabilities (cont'd)

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss

(i) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(j) Inventories

Consumables are stated at the lower of cost and net realisable value. Cost of consumables comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a first-in-first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

3. Significant Accounting Policies (cont'd)

(l) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and non-current assets (or disposal group) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

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 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 cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. 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 (group of cash-generating units) on a pro rata basis.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

3. Significant Accounting Policies (cont'd)

(l) Impairment of assets (cont'd)

(i) Non-financial assets (cont'd)

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 only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

All financial assets, other than those categorised as investment in subsidiary companies, are assessed at each reporting date whether there is 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.

<u>Financial assets carried at amortised cost</u>

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

3. Significant Accounting Policies (cont'd)

(l) Impairment of assets (cont'd)

(ii) Financial assets (cont'd)

<u>Financial assets carried at amortised cost</u>

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(m) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

3. Significant Accounting Policies (cont'd)

(n) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the 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.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(o) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

3. Significant Accounting Policies (cont'd)

(o) Employee benefits (cont'd)

(ii) Defined contribution plans

As required by law, companies in Malaysia contributions to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(p) Revenue

(i) Rendering services

Revenue from services rendered is recognised in the profit or loss based on the value of services performed and invoiced to customers during the reporting period.

(ii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for theirs intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

3. Significant Accounting Policies (cont'd)

(r) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

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

Deferred tax is recognised using the liability method for all 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 temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit nor loss. Deferred tax is measured at the tax rates that are expected to be applied 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 measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

3. Significant Accounting Policies (cont'd)

(s) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are recognised inclusive of GST.

The net amount of GST being the difference between output and input of GST, payable to or receivables from the authority at the reporting date, is included in other payables or other receivables in the statements of financial position.

(t) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(u) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

3. Significant Accounting Policies (cont'd)

(v) Non-current assets (or disposal groups) held for sale and discontinued operation

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets (or disposal group) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group). Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Upon classification as held for sale, non-current assets and disposal group are not depreciated and are measured at the lower of carrying amount and fair value less costs of disposal. Any differences are recognised in profit or loss.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:
- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary company acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statements of profit or loss and other comprehensive income is re-represented as if the operation had been discontinued from the start of the comparative period.

4. Property, Plant and Equipment

Group 2017 Cost	Transit TV system RM	Capital work in progress RM	Broadcast centre, network and SMS gateway RM	Furniture and fittings RM	Computer software RM	Motor vehicles RM	Office equipment RM	Plant and machinery RM	Renovation and signboard RM	Bearer plants RM	Total RM
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	-	5,344,759	-	480	9,737	138,400	16,962	506,591	11,780	1,479,809	7,508,518
Written off	-	-	-	-	(39,200)	-	-	-	-	-	(39,200)
Reclassified to assets of disposal group held for sale (Note 14)	-	-	-	(950)	(11,411)	(214,130)	(12,397)	(509,991)	(1,580)	(3,917,497)	(4,667,956)
At 31 December 2017	46,352,373	5,344,759	121,193,953	186,265	60,390	881,082	523,451	692,636	565,062	-	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	-	-	-	-	(26,460)	-	-	-	-	-	(26,460)
Reclassified to assets of disposal group held for sale (Note 14)	-	-	-	(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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

4. Property, Plant and Equipment (cont'd)

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

4. Property, Plant and Equipment (cont'd)

Group 2016 Cost	Transit TV system RM	Capital work in progress RM	Broadcast centre, network and SMS gateway RM	Furniture and fittings RM	Computer software RM	Motor vehicles RM	Office equipment RM	Plant and machinery RM	Renovation and signboard RM	Bearer plants RM	Total RM
At 1 January 2016	46,352,373	13,170,582	107,986,979	181,465	97,290	901,081	506,422	692,636	553,862	-	170,442,690
Additions	-	-	36,392	5,270	3,974	75,731	12,464	3,400	1,000	2,437,688	2,575,919
Disposal	-	-	-	-	-	(20,000)	-	-	-	-	(20,000)
Reclassification	-	(13,170,582)	13,170,582	-	-	-	-	-	-	-	-
At 31 December 2016	46,352,373	-	121,193,953	186,735	101,264	956,812	518,886	696,036	554,862	2,437,688	172,998,609
Accumulated depreciation											
At 1 January 2016	34,166,710	-	27,064,592	169,255	48,645	372,659	445,684	691,918	294,329	-	63,253,792
Charge for the financial year	-	-	4,715,317	10,463	10,524	179,544	36,010	754	54,946	-	5,007,558
Disposal	-	-	-	-	-	(20,000)	-	-	-	-	(20,000)
At 31 December 2016	34,166,710	-	31,779,909	179,718	59,169	532,203	481,694	692,672	349,275	-	68,241,350

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

4. Property, Plant and Equipment (cont'd)

Group 2016	Transit TV system RM	Capital work in progress RM	Broadcast centre, network and SMS gateway RM	Furniture and fittings RM	Computer software RM	Motor vehicles RM	Office equipment RM	Plant and machinery RM	Renovation and signboard RM	Bearer plants RM	Total RM
Accumulated impairment loss											
At 1 January 2016	12,185,663	9,874,961	60,673,508	-	-	-	-	-	-	-	82,734,132
Impairment loss for the year	-	-	2,806,005	2	-	-	2	642	-	-	2,806,651
Reclassification	-	(9,874,961)	9,874,961	-	-	-	-	-	-	-	-
At 31 December 2016	12,185,663	-	73,354,474	2	-	-	2	642	-	-	85,540,783
Carrying amount											
At 31 December 2016	-	-	16,059,570	7,015	42,095	424,609	37,190	2,722	205,587	2,437,688	19,216,476

4. **Property, Plant and Equipment (cont'd)**

(a) Change in estimate

During the financial year, the Group conducted a review of the useful live of broadcast centre network and SMS gateway ("Broadcast System"). In view of the renewal of the Broadcasting license become more certain in the current financial year, hence, the remaining useful life of the Broadcast System are expected to extend from 4 years as at 31 December 2016 to 9 years as at 31 December 2017.

The effect of above change on depreciation expense, recognised in administrative expenses, in the current and future period is as follows:

	2017 RM	2018 RM	2019 RM	2020 RM	2021 and After RM
Increase/ (Decrease) in depreciation expense - Administrative expenses	(2,434,544)	(2,426,966)	(2,387,117)	(2,387,117)	9,635,742

(b) Impairment losses

During the current financial year, Asia Media Sdn. Bhd., a subsidiary company carried out a review of the recoverable amounts licensing rights (Note 5), broadcasting centre, network and SMS gateway ("Broadcasting Infrastructure").

Broadcasting Infrastructure was classified as one cash-generating unit ("CGU") and tested for impairment. Following the review of projected cash flows, the Combined CGU is expected to generate sufficient cash flows in the next nine (9) years. Based on the projected cash flows, the Combined CGU is able to generate a value in use of RM17,382,000 (2016: RM16,248,700) in which the recoverable amount was in excess than its carrying amount. Therefore, there was no impairment loss recognised in the current financial year. An impairment loss of RM33,031 (Note 5) and RM2,806,005 was recognised in the previous financial year as the carrying amount was in excess than its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

4. **Property, Plant and Equipment (cont'd)**

Impairment losses (cont'd)

The recoverable amount was determined by the management based on the value in use ("VIU"). The value in use was derived based on the projected cash flows which cover a period of ten (10) years. It reflects the management's expectations of revenue growth, operating costs, and earnings before interest, taxes, depreciation and amortisation ("EBITDA") margin for the CGUs by taking into account of the market growth, industry and future business performance.

The key assumptions used in the VIU calculations are as follows:

	2017	2016
Revenue growth rate	2%	0%
EBITDA margin	22%	16%
Pre-Tax discount rate	10%	9.70%

The key assumptions represent management's assessment of future trends in the broadcasting industry and are based on both external sources and internal sources.

From the above assumptions, by their very nature are difficult to forecast, they are regarded as significant areas of uncertainty which remain a risk that the ability to achieve management's business plan will be adversely affected due to unforeseen changes in the business plan and the respective economics in which the Group and the Company operates.

The Directors are confident to achieve the business plan as per the projection based on the current business trend of broadcasting industry in Malaysia.

<u>Sensitivity to change in assumption</u>

The effect of changes in the revenue growth on impairment loss is as follows:

	Group	
	2017 RM	2016 RM
Increase in impairment loss:		
- No growth in revenue	-	1,434,800
- Revenue decrease by 50%	5,888,471	8,831,661

The above sensitivity analysis is based on a change in assumption while holding all other assumption constant. In practice, this is unlikely to occur, and changes in some of the assumption may be correlated.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

5. Other Intangible Assets

	Group	
	2017	**2016**
	RM	**RM**
Cost		
At 1 January/31 December	2,367,750	2,367,750
Accumulated amortisation		
At 1 January	1,257,934	1,183,875
Amortisation for the financial year	63,042	74,059
At 31 December	1,320,976	1,257,934
Accumulated impairment loss		
At 1 January	920,670	887,639
Impairment loss during the financial year	-	33,031
At 31 December	920,670	920,670
Carrying amount		
At 31 December	126,104	189,146

Other intangible assets principally comprise licensing rights in respect of the digital live transit-TV broadcasting. An impairment loss RM33,031 was recognised in the previous financial year as the carrying amount was in excess than its recoverable amount.

6. Development Costs

	Group	
	2017	**2016**
	RM	**RM**
Cost		
At 1 January/31 December	141,937	141,937
Accumulated amortisation		
At 1 January	141,655	139,961
Amortisation for the financial year	279	1,694
At 31 December	141,934	141,655
Carrying amount		
At 31 December	3	282

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

7. Investment in Subsidiary Companies

	Company 2017 RM	Company 2016 RM
In Malaysia:		
At cost		
Unquoted share	17,999,998	17,999,998
Less: Impairment loss	(1,000,000)	-
	16,999,998	17,999,998
Reclassified to non-current assets held for sale	(4,000,000)	-
	12,999,998	17,999,998

Details of the subsidiary companies are as follows:

Name of company	Country of incorporation	Effective equity interest 2017 %	Effective equity interest 2016 %	Principal activities
Direct subsidiary company				
Asia Media Sdn. Bhd.	Malaysia	100	100	Business of multimedia advertising services, media communications, commercialisation of narrowcasting network solutions, and dynamic, and automation contents, and provision ofintergration, maintenance and support services relating to the above products.
DPO Plantations Sdn. Bhd.	Malaysia	100	100	Cultivation of oil palm

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

7. Investment in Subsidiary Companies (cont'd)

Details of the subsidiary companies are as follows: (cont'd)

Name of company	Country of incorporation	Effective equity interest 2017 %	2016 %	Principal activities
Indirect subsidiary companies held under Asia Media Sdn. Bhd.				
Transnet Express Sdn. Bhd.*	Malaysia	100	100	Voluntary wind up
Asia Media Broadcasting Sdn. Bhd.	Malaysia	70	70	Dormant
Indirect subsidiary company held under DPO Plantations Sdn. Bhd.				
DPO Pelita Bintangor Sdn. Bhd.	Malaysia	60	60	Cultivation of oil palm

* *Subsidiary company not audited by UHY, and in Member's Voluntary Liquidation.*

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

7. Investment in Subsidiary Companies (cont'd)

(a) Material partly-owned subsidiary companies

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

Name of Company	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
	2017 %	2016 %	2017 RM	2016 RM	2017 RM	2016 RM
Asia Media Broadcasting Sdn. Bhd.	30	30	54,549	54,038	183,875	129,326
Individually immaterial subsidiaries with non-controlling interests					3,993	1,799
Total non-controlling interest					187,868	131,125

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. 2017 RM	Asia Media Broadcasting Sdn. Bhd. 2016 RM
Current assets	6,929	5,878
Current liabilities	619,844	436,963
Net liabilites	(612,915)	(431,085)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

7. Investment in Subsidiary Companies (cont'd)

(a) Material partly-owned subsidiary companies (cont'd)

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

	Asia Media Broadcasting Sdn. Bhd.	
	2017 RM	2016 RM
Loss for the financial year, representing total comprehensive loss for the financial year	(181,829)	(180,127)

(iii) Summarised statement of cash flows

Net cash generated from operating activities, representing net increase in cash and cash equivalents	152	155

(b) Changes in group structure

(i) On 2 February 2016, DPO Plantations Sdn. Bhd. ("DPO"), a wholly owned subsidiary company of the Company, entered into a joint venture agreement ("JVA") with Pelita Holdings Sdn. Bhd. ("PHSB") to develop parcel of native customary rights ("NCR") land situated at Loba Bunut, Bintangor, Sarikei Division, Sarawak, into an oil palm plantation via a joint venture company ("JVC") which to be formed by DPO and PHSB.

The JVC shall be incorporated with an initial authorised share capital of RM100,000 and issued and paid-up share capital of RM100, comprising ordinary shares of RM1.00 each. The ordinary shares will be subscribed by DPO and PHSB in the agreed proportions of 60% and 40% respectively. Out of the 40% proportion which will be held by PHSB, 30% will be held in trust for the NCR owners.

On 4 March 2016, the JVC was incorporated under the name of DPO Pelita Bintangor Sdn. Bhd. ("DPB"). The authorised share capital of DPB as at this date was RM400,000 divided into 400,000 ordinary shares of RM1.00 each, and the total issued and paid-up shares allotted was 2 shares of RM1.00 each.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

7. Investment in Subsidiary Companies (cont'd)

(b) Changes in group structure (cont'd)

(i) On 9 March 2016, DPB increased its issued and paid-up share capital from RM2 to RM100 by issuance of 98 new ordinary shares at par value of RM1.00 each.

Subsequently, on 22 December 2017, the Company entered into a Shares Sale Agreement ("SSA") with a third party to dispose the entire equity shares in DPO Plantation Sdn. Bhd. ("DPO") for a total consideration of RM4 million. In addition, the purchaser principally agreed to repay the amount due to the Company as at the financial year end of RM915,906.

In this regard, an impairment loss on the cost of investment of RM1 million is recognised in profit or loss in the current financial year. And, the Directors are of the view that there is no impairment necessary in the consolidated financial statements.

As at 31 December 2017, the conditions precedent as set out in the SSA have yet to be fulfilled. Impact of disposal is disclosed in Note 14.

(ii) On 5 January 2018, Transnet Express Sdn. Bhd. (In Member's Voluntary Liquidation) ("Transnet"), a wholly-owned indirect subsidiary company of the Company convened a final meeting to conclude the winding up proceedings. The Transnet shall be deemed dissolved on the expiration of three (3) months after lodgement of statutory return with the Companies Commission of Malaysia.

8. Goodwill on Consolidation

	Group	
	2017 RM	2016 RM
Cost		
At 1 January/31 December	2,612,310	2,612,310
Accumulated impairment loss		
At 1 January/31 December	(2,612,310)	(2,612,310)
Carrying amount		
At 31 December	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

9. Inventories

	Group 2017 RM	Group 2016 RM
Consumables	59,156	-
Reclassified to assets of disposal group held for sale (Note 14)	(59,156)	-
	-	-

10. Trade Receivables

	Group 2017 RM	Group 2016 RM
Trade receivables	770,700	603,000
Less: Accumulated impairment loss	-	-
	770,700	603,000

Trade receivables are non-interest bearing and are generally on 30 days (2016: 30 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance for impairment loss of trade receivables are as follows:

	Group 2017 RM	Group 2016 RM
At 1 January	-	(648,173)
Written off during the financial year	-	648,173
At 31 December	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

10. Trade Receivables (cont'd)

Analysis of the trade receivables ageing as at the end of the financial year is as follow:

	Group	
	2017	2016
	RM	RM
Neither past due nor impaired	770,700	603,000

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

11. Other Receivables

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Other receivables	21,043	66,172	-	-
Deposits	102,625	96,870	1,308	1,308
Prepayments	8,436	2,394	-	-
Reclassified to assets of disposal group classified held for sale (Note 14)	(89,632)	-	-	-
	42,472	165,436	1,308	1,308

12. Amount Due from Subsidiary Companies

	Company	
	2017	2016
	RM	RM
Amount due from subsidiary companies	108,702,706	110,954,583
Less: Accumulated impairment loss	(107,786,800)	(110,954,583)
At 31 December	915,906	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

12. Amount Due from Subsidiary Companies (cont'd)

Movements in the allowance for impairment loss of amount due from subsidiary companies are as follows:

	Company	
	2017	**2016**
	RM	**RM**
At 1 January	110,954,583	101,250,000
Impairment loss recognised	-	9,704,583
Impairment loss reversed	(3,167,783)	-
At 31 December	107,786,800	110,954,583

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

13. Non-Current Assets Classified as Held for Sale

On 22 December 2017, the Company entered into a Shares Sales Agreement ("SSA") with a third party to dispose the entire equity shares in DPO Plantation Sdn. Bhd. ("DPO"). As at 31 December 2017, the conditions precedent as set out in the SSA have yet to be fulfilled.

The non-current asset classified as held for sale on the Company's statements of financial position as at 31 December 2017 is as follows:

	Company RM
Non-Current Asset	
Investment in a subsidiary company	4,000,000

14. Disposal Group Held for Sale

As at 31 December 2017, the assets and liabilities of DPO Plantation Sdn. Bhd. ("DPO") have been presented on the statements of financial position as a disposal group held for sale and results from this subsidiary company is presented separately on the statements of profit or loss and other comprehensive income as discontinued operation.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

14. Disposal Group Held for Sale (cont'd)

Statement of financial position

	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 assets held for sale	4,616,370

Statement of profit or loss and other comprehensive income

	Group 2017 RM	Group 2016 RM
Revenue	-	-
Cost of sales	(88,950)	(84,750)
Gross loss	(88,950)	(84,750)
Other income	117,021	111,278
Administrative expenses	(814,454)	(329,048)
Loss before tax	(786,383)	(302,520)
Taxation	-	-
Loss for the financial year, representing total comprehensive income for the financial year	(786,383)	(302,520)
Total comprehensive loss attributable to:		
Owners of the parent	(784,189)	(300,201)
Non-controlling interests	(2,194)	(2,319)
	(786,383)	(302,520)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

14. Disposal Group Held for Sale (cont'd)

Statement cash flows

	Group	
	2017 RM	2016 RM
Net cash generated from operating activities	2,175,693	1,623,633
Net cash used in investing activities	(2,136,862)	(2,528,502)
Effect on cash flows	38,831	(904,869)

15. Share Capital

	Group and Company			
	Number of shares		Amount	
	2017 RM	2016 RM	2017 RM	2016 RM
Authorised:				
At 1 January	200,000,000	200,000,000	2,000,000,000	2,000,000,000
Abolishment of the concept of authorised share capital on 31 January 2017	(200,000,000)	-	(2,000,000,000)	-
At 31 December	-	200,000,000	-	2,000,000,000
Issued and fully paid:				
At 1 January	239,463,426	239,463,426	23,946,343	23,946,343
Transition to no-par value regime on 31 January 2017 - Share premium (Note 17)	-	-	826,800	-
At 31 December	239,463,426	239,463,426	24,773,143	23,946,343

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

15. Share Capital (cont'd)

The new Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. There is no impact on the numbers of ordinary shares in issues to the relative entitlement of any of the members as a result of this transition.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

16. Reserves

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Non-distributable					
Share premium	(a)	-	826,800	-	826,800
Warrant reserve	(b)	-	3,519,617	-	3,519,617
		-	4,346,417	-	4,346,417
Distributable					
Retained earnings/ (accumulated losses)		414,591	(5,385,943)	(7,325,222)	(12,585,237)
		414,591	(1,039,526)	(7,325,222)	(8,238,820)

The nature of reserves of the Group and of the Company is 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.

Prior to 31 January 2017, the application of the share premium account was governed by Sections 60 and 61 of the Companies Act, 1965. In accordance with the transitional provisions set out in Section 618(2) of the new Companies Act, 2016 (the "Act"), on 31 January 2017, the amounts standing to the credit of the share premium account become part of the Company's share capital (Note 15). 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 Sections 618(3) of the Act.

16. Reserves (cont'd)

(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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

17. Trade Payables

The normal trade credit terms of the Group ranged from 30 to 90 days (2016: 30 to 90 days) depending on the terms of the contracts.

18. Other Payables

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Current				
Other payables	543,291	143,902	18,479	79,723
Deposit received	400,000	-	400,000	-
Accruals	172,950	306,709	57,100	35,300
Provision for minimum guaranteed sum (Note 33)	-	1,822,500	-	-
Reclassified to assets of disposal group held for sale (Note 14)	(81,550)	-	-	-
	1,034,691	2,273,111	475,579	115,023

Deposit received of the Group and of the Company amounted to RM400,000 (2016: Nil) is relating to the disposal of subsidiary as disclosed in Notes 7, 13 and 14.

The provision for minimum guaranteed sum was provided in the previous financial year for the claim against the Group in relation to the material litigation as disclosed in Note 33. In the current financial year, the management decides to reverse the said provision after the trial being concluded, whereby the Group's lawyer is of the view that the subsidiary company has a high likelihood of success in this case.

19. Amount due to Directors

Amount due to Directors is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

20. Amount due to a Subsidiary Company

Amount due to a subsidiary Company is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

21. Bank Borrowings

	Group	
	2017	2016
	RM	RM
Secured		
Revolving credit	-	1,500,000

The above banking facility obtained from licensed bank is secured by the following:

(a) First party legal charge over properties owned by one of the Directors of the Company; and

(b) Corporate guaranteed by the Company.

The effective interest rates of the bank borrowings ranged from 3.77% to 4.38% (2016: 3.39% to 4.38%).

22. Revenue

Revenue of the Group and the Company represent the invoiced value of services rendered net of discount and allowance.

	Group	
	2017	2016
	RM	RM
Continuing operations		
Airtime advertising	15,384,112	9,584,946

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

23. Profit/(Loss) Before Tax

Profit/(Loss) before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Amortisation of:				
- Development costs	279	1,694	-	-
- Other intangible assets	63,042	74,059	-	-
Auditors' remuneration:				
- Statutory audit:				
- Current year	83,000	60,000	40,000	34,000
- Continuing	73,500	55,500	-	-
- Discontinuing	9,500	4,500	-	-
- Under provision in prior year	-	10,000	-	7,000
- Non-statutory audit	6,000	8,000	6,000	8,000
Bad debts written off	-	59,974	-	-
Depreciation of property, plant and equipment	1,838,719	5,007,558	-	-
- Continuing	1,783,947	4,915,511	-	-
- Discontinuing	54,772	92,047	-	-
Impairment losses on:				
- Amount due from a subsidiary company	-	-	-	9,704,583
- Investment in a subsidiary company	-	-	1,000,000	-
- Other intangible assets	-	33,031	-	-
- Property, plant and equipment	-	2,806,651	-	-
- Continuing	-	2,806,005	-	-
- Discontinuing	-	646	-	-
Non-Executive Directors' fees	86,817	-	86,817	-
Property, plant and equipments written off	12,740	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

23. Profit/(Loss) Before Tax (cont'd)

Profit/(Loss) before tax is determined after charging/(crediting) amongst other, the following items: (cont'd)

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Provision of minimum guaranteed sum	-	1,822,500	-	-
Rental of premises	227,600	548,395	-	-
- Continuing	207,600	519,195	-	-
- Discontinuing	20,000	29,200	-	-
Revolving credit interest	52,303	57,318	-	-
Gain on disposal of property, plant and equipment	-	(1,000)	-	-
Gain on disposal of subsidiary companies	-	(998)	-	-
Interest income	(159,460)	(359,466)	(188)	(160)
- Continuing	(157,748)	(352,939)	-	-
- Discontinuing	(1,712)	(6,527)	-	-
Reversal of impairment loss on amount due from subsidiary companies	-	-	(3,167,783)	-
Reversal of provision for minimum guaranteed sum	(1,822,500)	-	-	-
Unrealised gain on foreign currency exchange	(3,761)	-	-	-

24. Taxation

Malaysian income tax is calculated at the statutory tax rate of 24% (2016: 24%) of the estimated assessable profits for the financial year.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

24. Taxation (cont'd)

A reconciliation of income tax expense applicable profit/(loss) 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 is as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Profit/(Loss) before tax				
- From continuing operations	3,010,557	(9,789,104)	1,740,398	(10,256,896)
- From discontinued operations	(786,383)	(302,520)	-	-
Profit/(Loss) before tax	2,224,174	(10,091,624)	1,740,398	(10,256,896)
At Malaysian statutory tax rate of 24% (2016: 24%)	533,802	(2,421,990)	417,696	(2,461,655)
Expenses not deductible for tax purposes	758,523	2,340,105	342,572	2,461,655
Income not subject to tax	(497,835)	(86,676)	(760,268)	-
Utilisation of current year capital allowances	(1,155,057)	-	-	-
Deferred tax assets not recognised	360,567	168,561	-	-
Tax expenses for the financial year	-	-	-	-

The Group has unabsorbed capital allowances and unutilised tax losses of approximately RM71,754,478 and RM3,474,148 respectively (2016: RM58,714,404 and RM2,765,870 respectively) to carry forward to offset against future taxable profit. The said amounts are subject to approval by the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

25. Deferred Tax Liabilities/(Assets)

The net deferred tax assets and liabilities after appropriate offsetting are as follows:

	Group	
	2017	**2016**
	RM	**RM**
Deferred tax liabilities	448,676	276,095
Deferred tax assets	(448,676)	(276,095)
	-	-

The components and movements of deferred tax liabilities and assets are as follows:

	Group	
	2017	**2016**
	RM	**RM**
Deferred tax liabilities Accelerated capital allowances		
At 1 January	276,095	276,095
Recognised in profit or loss	172,581	-
At 31 December	448,676	276,095
Deferred tax assets		
Unutilised capital allowances		
At 1 January	(276,095)	(276,095)
Recognised in profit or loss	(172,581)	-
At 31 December	(448,676)	(276,095)

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

	Group	
	2017	**2016**
	RM	**RM**
Accelerated capital allowances	35,619,113	47,146,015
Unabsorbed capital allowances	70,957,837	57,983,242
Unutilised tax losses	2,401,305	2,346,635
	108,978,255	107,475,892

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

26. Earnings/(Loss) per Share

(a) Basic earnings/(loss) per share

The basic earnings/(loss) per share are calculated based on the consolidated profit/(loss) for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2017 RM	**2016 RM**
Profit/(Loss) attributable to owners of the parent		
- from continuing operations	3,065,106	(9,735,546)
- from discontinued operations	(784,189)	(300,201)
Profit/(Loss) attributsble to owners of the parent for the basic earnings	2,280,917	(10,035,747)
Weighted average number of ordinary shares in issue (unit)	239,463,426	239,463,426
Basic earnings/(loss) per ordinary shares (in sen)		
- from continuing operations	1.28	(4.07)
- from discontinued operations	(0.33)	(0.13)
	0.95	(4.19)

(b) Diluted earnings/(loss) per share

The Group has no dilution in their earnings/(loss) per ordinary share as the exercise price of the warrants has exceeded the average market price of ordinary shares during the financial year, the warrants do not have any dilutive effect on the weighted average number of ordinary shares.

All unexercised warrants were expired as at the financial year end.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

27. Staff Costs

	Group 2017 RM	Group 2016 RM
Salaries, wages and other emoluments	1,270,263	1,146,748
Social security contributions	10,770	8,797
Defined contribution plans	83,528	76,154
	1,364,561	1,231,699

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

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Executive Directors				
Existing Directors of the Company				
Fee	200,000	200,000	-	-
Other emoluments	2,550	400	-	-
	202,550	200,400	-	-
Non-Executive Directors' fees				
Existing Directors of the Company	52,150	-	52,150	-
Past Director of the Company*	34,667	-	34,667	-
	86,817	-	86,817	-
	289,367	200,400	86,817	-

* This represents the fee paid to a Director until his resignation on 14 April 2017.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

27. Staff Costs (cont'd)

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:

	Group Number of Directors		Company Number of Directors	
	2017	**2016**	**2017**	**2016**
Executive Directors:				
RM200,001 - RM300,000	1	1	-	-
Non - Executive Directors:				
Below RM50,000	4	2	4	2
RM100,001 - RM200,000	-	1	-	1
	5	4	4	3

28. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the liabilities of the Group arising from financing activities:

	At 1 January 2017 RM	Financing cash flows RM	At 31 December 2017 RM
Group			
Revolving credit (Note 21)	1,500,000	(1,500,000)	-

29. Related Party Disclosure

(a) Identifying related parties

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

29. Related Party Disclosure (cont'd)

(a) Identifying related parties (cont'd)

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

The related party and its relationship with the Group are as follows:

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

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances as disclosed in Notes 12, 19 and 20, the significant related party transactions of the Group are as follows:

	Group	
	2017	**2016**
	RM	**RM**
Transactions with the related party		
Rental of premises	111,600	111,600

(c) Compensation of key management personnel

Included in key management personnel of the Group are the Directors of the Company and their remuneration as disclosed in Note 27.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

30. Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has four reportable segments as follows:

(i) Investment holding;
(ii) Multimedia advertising services, media communications, etc;
(iii) Production and marketing of electronic audio and visual media; and
(iv) 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.

30. Segment Information (cont'd)

	Investment Holding RM	Multimedia advertising services, media communications, etc. RM	Production and marketing of electronic audio and visual media RM	Oil palm plantation (Discontinued) RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
Group							
2017							
Revenue							
External customers	-	15,384,112	-	-	15,384,112	-	15,384,112
Results							
(Loss)/Profit from operations	(427,573)	3,366,432	-	(733,323)	2,205,536	-	2,205,536
Interest income	188	157,560	-	1,712	159,460	-	159,460
Interest expenses	-	(52,303)	-	-	(52,303)	-	(52,303)
Depreciation and amortisation	-	(1,847,268)	-	(54,772)	(1,902,040)	-	(1,902,040)
Other non-cash items	2,167,783	1,813,521	-	-	3,981,304	(2,167,783)	1,813,521
Segment profit/(loss) before tax	1,740,398	3,437,942	-	(786,383)	4,391,957	(2,167,783)	2,224,174
Segment assets	17,923,502	23,318,166	25,000	4,895,323	46,161,991	(18,104,244)	28,057,747
Included in the measurement of segment assets are:							
Capital expenditure	-	5,371,656	-	2,136,862	7,508,518	-	7,508,518

30. Segment Information (cont'd)

	Investment Holding RM	Multimedia advertising services, media communications, etc. RM	Production and marketing of electronic audio and visual media RM	Oil palm plantation (Discontinued) RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
Group							
2017							
Segment liabilities	475,581	110,712,514	-	1,194,799	112,382,894	(109,325,013)	3,057,881
Other non-cash items:							
Impairment loss on investment in subsidiary companies	(1,000,000)	-	-	-	(1,000,000)	1,000,000	-
Property, plant and equipments written off	-	(12,740)	-	-	(12,740)	-	(12,740)
Reversal of impairment loss on amount due from subsidiary companies	3,167,783	-	-	-	3,167,783	(3,167,783)	-
Reversal of provision for minimum guaranteed sum	-	1,822,500	-	-	1,822,500	-	1,822,500
Unrealised gain on foreign exchange	-	3,761	-	-	3,761	-	3,761

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

30. Segment Information (cont'd)

	Investment Holding RM	Multimedia advertising services, media communications, etc. RM	Production and marketing of electronic audio and visual media RM	Oil palm plantation (Discontinued) RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
Group							
2016 (Restated)							
Revenue							
External customers	-	9,584,946	-	-	9,584,946	-	9,584,946
Results							
(Loss)/Profit from operations	(552,473)	(1,431,786)	311,878	3,493,135	1,820,754	(4,233,557)	(2,412,803)
Interest income	160	352,778	-	6,528	359,466	-	359,466
Interest expenses	-	(57,318)	-	-	(57,318)	-	(57,318)
Depreciation and amortisation	-	(5,083,311)	-	-	(5,083,311)	-	(5,083,311)
Other non-cash items	(9,704,583)	(3,765,054)	1,000	-	(13,468,637)	10,570,979	(2,897,658)
Segment profit/(loss) before tax	(10,256,896)	(9,984,691)	312,878	3,499,663	(16,429,046)	6,337,422	(10,091,624)
Segment assets	18,007,409	25,499,173	25,000	4,930,353	48,461,935	(20,189,818)	28,272,117
Included in the measurement of segment assets are:							
Capital expenditure	-	47,417	-	2,528,502	2,575,919	-	2,575,919

30. Segment Information (cont'd)

	Investment Holding RM	Multimedia advertising services, media communications, etc. RM	Production and marketing of electronic audio and visual media RM	Oil palm plantation (Discontinued) RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
Group							
2016 (Restated)							
Segment liabilities	2,299,886	116,332,459	-	443,445	119,075,790	(113,579,365)	5,496,425
Other non-cash items:							
Bad debts written off	-	(491,347)	-	-	(491,347)	431,373	(59,974)
Impairment loss on amount due from subsidiary company	(9,704,583)	(434,027)	-	-	(10,138,610)	10,138,610	-
Impairment loss on property, plant and equipment	-	(2,806,651)	-	-	(2,806,651)	-	(2,806,651)
Impairment loss on other intangible assets	-	(33,031)	-	-	(33,031)	-	(33,031)
Gain on disposal of property, plant and equipment and	-	-	1,000	-	1,000	-	1,000
Gain on disposal of subsidiary companies	-	2	-	-	2	996	998

Geographic information

No disclosure on geographical segment information as the Group operates predominantly in Malaysia.

Major customers

Revenue from one major customer amount to RM1,811,712 (2016: RM7,209,000), arising from sales in the multimedia advertising segment.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

31. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

Group	Loans and receivables RM	Other financial liabilities at amortised cost RM	Total RM
2017			
Financial Assets			
Trade receivables	770,700	-	770,700
Other receivables	39,478	-	39,478
Cash and bank balances	1,952,639	-	1,952,639
	2,762,817	-	2,762,817
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
2016			
Financial Assets			
Trade receivables	603,000	-	603,000
Other receivables	163,042	-	163,042
Cash and bank balances	8,097,777	-	8,097,777
	8,863,819	-	8,863,819

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

31. Financial Instruments (cont'd)

(a) Classification of financial instruments (cont'd)

Group	Loans and receivables RM	Other financial liabilities at amortised cost RM	Total RM
2016			
Financial Liabilities			
Trade payables	-	955,210	955,210
Other payables	-	450,611	450,611
Amount due to Directors	-	767,405	767,405
Bank borrowings	-	1,500,000	1,500,000
	-	3,673,226	3,673,226
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 a Director	-	2	2
	-	475,581	475,581
2016			
Financial Assets			
Other receivables	1,308	-	1,308
Cash and bank balances	6,103	-	6,103
	7,411	-	7,411

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

31. Financial Instruments (cont'd)

(a) Classification of financial instruments (cont'd)

Company	Loans and receivables RM	Other financial liabilities at amortised cost RM	Total RM
2016			
Financial Liabilities			
Other payables	-	115,023	115,023
Amount due to a subsidiary company	-	2,184,861	2,184,861
Amount due to a Director	-	2	2
	-	2,299,886	2,299,886

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group operations whilst managing its financial risks, including credit, liquidity, foreign currency, interest rate and market price risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

31. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiary companies. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks for banking facilities granted to certain subsidiary companies. The Company's maximum exposure in this respect is Nil (2016: RM1,500,000), representing the outstanding banking facilities of the subsidiary companies as at the end of the reporting period. There was no indication that any subsidiary company would default on repayment as at the end of the reporting period.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credits risks except for advances to its subsidiary companies where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk is managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

31. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk (cont'd)

All financial liabilities of the Group and of the Company are assessed as current and correspondingly, no detailed maturity analysis is deemed necessary.

(iii) Market risk

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has minimal currency transaction exposures. Such exposure mainly arises from cash and cash equivalents which are denominated in foreign currency. As such, the Group is not sensitive to foreign currency risk.

(b) Interest rate risk

The Group's borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

31. Financial Instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risk (cont'd)

(b) Interest rate risk (cont'd)

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2017 RM	2016 RM
Group		
Floating rate instruments		
Financial liability		
Revolving credit	-	1,500,000

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group' profit before tax by RM nil (2016: RM15,000) respectively, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Fair values of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

32. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	Group	
	2017 RM	2016 RM
Total borrowings (Note 21)	-	1,500,000
Less: Cash and bank balances	(1,952,639)	(8,097,777)
Net cash	(1,952,639)	(6,597,777)
Total equity	24,999,866	22,775,692
Gearing ratio	NA	NA

There were no changes in the Group's approach to capital management during the financial year.

33. Material Litigation

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 the Writ and Statement of Claim against the Defendant seeking, inter alia:

(i) Payment of Minimum Guaranteed Sum ("MGS") amounting to RM 1,215,000 for Year 5 of the Licence Agreement;
(ii) Payment of cumulative MGS for the extended period amounting to RM607,500; and
(iii) Costs and interests.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017 (cont'd)

33. Material Litigation (cont'd)

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. Trial took place on 14 June 2016, and 11 to 13 July 2016.

After trial concluded, the Defendant filed an application to amend its Counterclaim in July 2016, but the same was dismissed with costs of RM2,500. The Defendant filed an appeal against the decision to the Court of Appeal in October 2016.

The hearing for the same took place on 10 July 2017, and our appeal was allowed, where costs was ordered to be in the cause.

Rapid Rail then filed an application 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 and the Defendant has filed an appeal on 2 April 2018. An application was also filed for the appeal to be heard on an urgent basis.

The High Court also set 24 April 2018 for parties' oral submissions on the main suit. The Defendant has requested from the High Court Judge for a stay of the same pending the hearing of its appeal regarding its application for extension of time to file its Amended Defence and Counterclaim, and will be filing a formal application in this regard.

Our lawyer is of the view that the Group has a high likelihood of success in defending itself against the Rapid Rail's claim and establishing its counterclaim against Rapid Rail.

34. Comparative Figures

(a) The financial statements of the Group and of the Company for the financial year ended 31 December 2016 were audited by another auditor who expressed an unmodified opinion on those statements on 24 March 2017.

34. Comparative Figures (cont'd)

(b) Reclassification

Plantation development expenditure has been reclassified to property, plant and equipment on the statements of financial position.

The following comparative information was reclassified to conform with MFRS 141 *Agriculture* and MFRS 116 *Property, plant and equipment* requirements:

	As previously reported RM	Adjustment RM	Restated RM
Statements of Cash Flows			
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	(138,231)	(21,437,688)	(21,575,919)
Additions to plantation development expenditure	(2,437,688)	2,437,688	-
Statements of Financial Position			
Non-Current Assets			
Property, plant and equipment	16,778,788	2,437,688	19,216,476
Plantation development expenditure	2,437,688	(2,437,688)	-

3.5 Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 23 April 2018.

ANALYSIS OF SHAREHOLDINGS
AS AT 2 APRIL 2018

Issued and Fully Paid-up Capital	:	RM23,946,342.74
Class of shares	:	Ordinary shares
Voting rights	:	One vote per shareholders on a show of hands One vote per share on a poll

Size of Shareholdings	Number of Shareholders	% of Shareholders	Number of Shares	% of Issued Share Capital
Less than 100	156	4.620	5,874	0.002
100 – 1,000	261	7.731	146,913	0.061
1,001 – 10,000	1,390	41.172	7,329,119	3.060
10,001 – 100,000	1,357	40.195	47,192,000	19.707
100,001 – 11,973,170*	211	6.250	119,662,020	49.970
11,973,171 and above **	1	0.029	65,127,500	27.197
Total	3,376	100.000	239,463,426	100.000

Notes:
* Less than 5% of issued shares
** 5% and above of issued shares

LIST OF SUBSTANTIAL SHAREHOLDERS

	Direct interest		Deemed interest	
Name	No. of Shares	%	No. of Shares	%
WONG SK HOLDINGS SDN BHD	65,127,500	27.197	-	-
DATO' WONG SHEE KAI [(i)]	-	-	65,127,500	27.197
TEH SEW WAN [(i)]	-	-	65,127,500	27.197

[(i)] *Deemed interested by virtue of his/her shareholdings in Wong SK Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016*

ANALYSIS OF SHAREHOLDINGS
AS AT 2 APRIL 2018 (cont'd)

DIRECTORS' SHAREHOLDINGS AS AT 2 APRIL 2018

Name	Direct interest		Deemed interest	
	No. of Shares	%	No. of Shares	%
Dato' Wong Shee Kai	-	-	65,127,500	27.197
Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee (resigned14 April 2017)	40,000	0.017	-	-
Paul Jong Jun Hian	-	-	-	-
Yeong Siew Lee	-	-	-	-
Ong Chooi Lee (appointed w.e.f. 17 April 2017)	-	-	-	-

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

No.	Shareholders	No. of Shares	% of issued share capital
1.	WONG SK HOLDINGS SDN BHD	65,127,500	27.197
2.	LYE JUN FEI	10,422,000	4.352
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.	SUNGAI KASA SDN. BHD.	8,263,500	3.450
6.	HII HIENG HUI	4,000,000	1.670
7.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SEOW YONG CHIN	3,850,000	1.607
8.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN BOON GUAT (028)	3,500,000	1.461
9.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM LEE FOON (E-SS2)	2,670,000	1.114

ANALYSIS OF SHAREHOLDINGS
AS AT 2 APRIL 2018 (cont'd)

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS (CONT 'D)

No.	Shareholders	No. of Shares	% of issued share capital
10.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHIA HONG @ GAN CHIA HONG(E-TMR)	2,669,000	1.114
11.	SEIK THYE KONG	2,265,300	0.945
12.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ROSLAN BIN ARIFFIN (6000062)	1,713,000	0.715
13.	WONG KOK SIN	1,604,400	0.669
14.	WONG AH NGAN	1,599,100	0.667
15.	NG YOKE SUN	1,500,000	0.626
16.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH SIEW KONG	1,400,000	0.584
17.	SIM MUI KHEE	1,394,900	0.582
18.	GAN CHIA SHONG	1,111,100	0.463
19.	NG AH GUAN	1,100,000	0.459
20.	NG AH MOI	1,100,000	0.459
21.	YEOH YEAM LIM	1,100,000	0.459
22.	GAN CHIA WONG	1,092,000	0.456
23.	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR BEH MENG LIAT	1,000,000	0.417
24.	WARISAN SERANTAU SDN. BHD.	1,000,000	0.417
25.	YEOH SOOI BAR	1,000,000	0.417
26.	LIM TEIK HONG	959,900	0.400
27.	SEE CHOO AUN @ MARCUS	910,000	0.380
28.	CHEONG SAU WAH	900,000	0.375
29.	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN NOGH ENG (B TINGGI-CL)	866,320	0.361
30.	LUWEE PEI FERN	840,000	0.350

NOTICE OF TENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of Asia Media Group Berhad ("the Company") will be convened and held at Tioman Room, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Monday, 21 May 2018 at 9.00 a.m. for the following purposes :-

AGENDA

As Ordinary Businesses:-

1.	To receive the Statutory Financial Statements for the year ended 31 December 2017 together with the Directors' and Auditors' Reports thereon.	Refer to Explanatory Note 1
2.	To approve the payment of Directors' Fees of RM86,816.67 for the year ended 31 December 2017.	Refer to Explanatory Note 2 (Resolution 1)
3.	To approve the payment of Directors' Fees of up to RM85,000.00 from 1 January 2018 until the next Annual General Meeting of the Company.	Refer to Explanatory Note 3 (Resolution 2)
4.	To approve the payment of Directors' remuneration (excluding Directors' fees) up to an amount of RM202,550 from 1 May 2018 of Asia Media Sdn Bhd, wholly owned subsidiary of the Company until the next Annual General Meeting of the Company.	(Resolution 3)
5.	To re-elect Mr Paul Jong Jun Hian who retires in accordance with Article 70 of the Company's Constitution.	(Resolution 4)
6.	To re-elect Mr Ong Chooi Lee who retires in accordance with Article 75 of the Company's Constitution.	(Resolution 5)
7.	To re-appoint Messrs UHY [AF1411] as Auditors of the Company and to authorise the Directors to fix their remuneration.	(Resolution 6)

NOTICE OF TENTH ANNUAL GENERAL MEETING
(cont'd)

As Special Business:-

8. To consider and if thought fit, to pass the following resolutions:-

   Ordinary Resolution
   Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

   "THAT, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016 (the "Act"), to issue and allot shares in the Company, at any time, to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit including in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force and that the Directors be and are hereby further authorised to make or grant offers, agreements or options in respect of shares in the Company including those which would or might require shares in the Company to be issued after the expiration of the approval hereof provided that the aggregate number of shares to be issued pursuant to this approval does not exceed ten (10) percent of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company, subject always to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of all relevant regulatory bodies being obtained (if required)." (Resolution 7)

9. 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
28 April 2018

NOTICE OF TENTH ANNUAL GENERAL MEETING
(cont'd)

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 Ground Floor, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan no later than 20 May 2018 at 9.00 a.m.

5. Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in the Notice of Tenth Annual General Meeting will be put to vote by poll.

6. Only members whose names appear in the Record of Depositors on 11 May 2018 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 2017

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 1 – To approve the payment of Directors' Fees of RM86,816.67 for the financial year ended 31 December 2017

The breakdown of the Directors' Fees of RM86,816.67 are as below:-

Director	Directors' Fees (RM)
Datuk Seri Syed Ali Bin Tan Sri Abbas Alhabshee (Resigned w.e.f. 14 April 2017)	34,666.67
Yeong Siew Lee	21,500.00
Paul Jong Jun Hian	18,000.00
Ong Chooi Lee (Appointed w.e.f. 17 April 2017)	12,650.00
Total	86,816.67

NOTICE OF TENTH ANNUAL GENERAL MEETING
(cont'd)

3. **Resolution 2 – To approve the payment of Directors' Fees of upto RM85,000.00 from 1 January 2018 until the next Annual General Meeting of the Company**

   The breakdown of the Directors' Fees of RM85,000.00 are as below:-

Director	Directors' Fees (RM)
Yeong Siew Lee	34,000.00
Paul Jong Jun Hian	25,500.00
Ong Chooi Lee	25,500.00
Total	85,000.00

4. **Resolution 7 - Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016**

   The proposed Ordinary Resolution 7 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 Ninth Annual General Meeting held on 24 April 2017 and which will lapse at the conclusion of the Tenth 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.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Berhad

1. Details of individuals who are standing for election as Directors

   No individual is seeking election as a Director at the forthcoming Tenth Annual General Meeting of the Company ("10th 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 76 of the Companies Act 2016 are set out in Explanation Note (4) of the Notice of Tenth Annual General Meeting.

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

PROXY FORM

I/We ______________________________ (NRIC/Company No.) ______________________
(Full Name in Block Letters)
of ____
(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 Tenth Annual General Meeting of the Company to be held at Tioman Room, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Monday, 21 May 2018 at 9.00 a.m. and at any adjournment thereof on the following resolutions in the manner indicated below:-

		FOR	AGAINST
	Ordinary Resolution:-		
Resolution 1	To approve the payment of Directors' Fees of RM86,816.67 for the year ended 31 December 2017		
Resolution 2	To approve the payment of Directors' Fees of upto RM85,000.00 from 1 January 2018 until the next Annual General Meeting of the Company		
Resolution 3	To approve the payment of Directors' remuneration (excluding Directors' fees) up to an amount of RM202,500 from 1 May 2018 of Asia Media Sdn Bhd, wholly owned subsidiary of the Company until the next Annual General Meeting of the Company.		
Resolution 4	To re-elect Mr Paul Jong Jun Hian who retires in accordance with Article 70 of the Company's Constitution.		
Resolution 5	To re-elect Mr Ong Chooi Lee who retires in accordance with Article 75 of the Company's Constitution.		
Resolution 6	To re-appoint Messrs UHY [AF1411] as Auditors of the Company and to authorise the Directors to fix their remuneration.		
Resolution 7	Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.		

(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).

No. of Shares held	

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* __________ *2018*

____
Signature of Shareholder or Common Seal

Please fold here

Affix stamp

The Secretary
ASIA MEDIA GROUP BERHAD *813137-V*
Level 8, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Please fold here

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 Ground Floor, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan no later 20 May 2018 at 9.00 a.m.
5. Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in the Notice of Tenth Annual General Meeting will be put to vote by poll.
6. Only members whose names appear in the Record of Depositors on 11 May 2018 shall be entitled to attend, speak and vote at the Annual General Meeting.

ASIA MEDIA GROUP BERHAD (813137-V)
No. 35, 1st Floor, Jalan Bandar 16, Pusat Bandar Puchong
47100 Puchong, Selangor Darul Ehsan,Malaysia
Tel : +603 5882 7788 Fax : +603 5882 6622

www.asiamedia.net.my