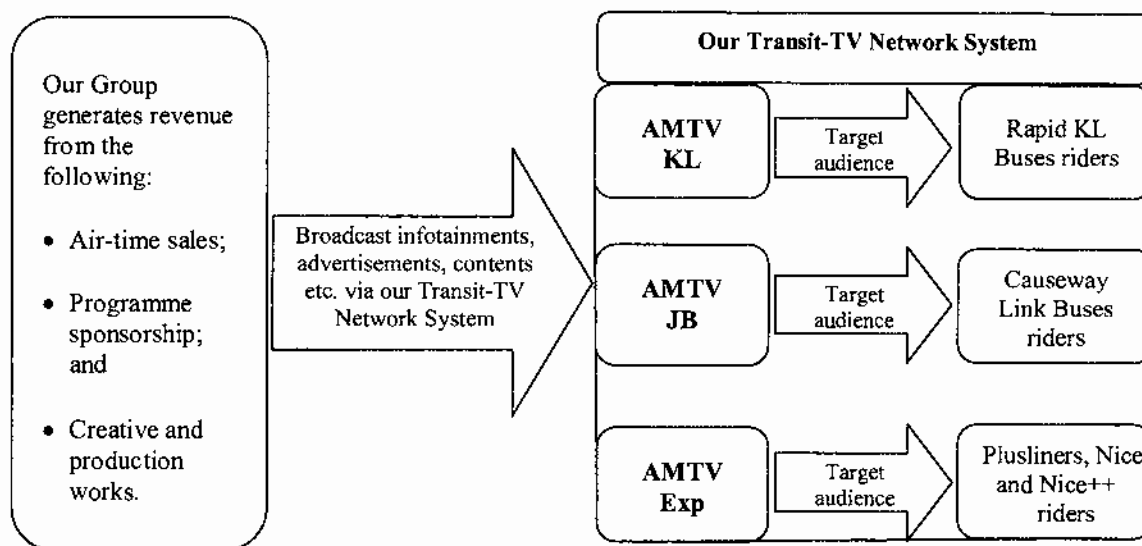


7. BUSINESS OVERVIEW

7.1 Business model

Our business model is depicted as follow:



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

7.2 Principal activities and services provided

7.2.1 Current services provided

Our Group currently provides the following services:

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

(i) Air-time sales

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

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

7. BUSINESS OVERVIEW (Cont'd)

(ii) Programme sponsorship

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

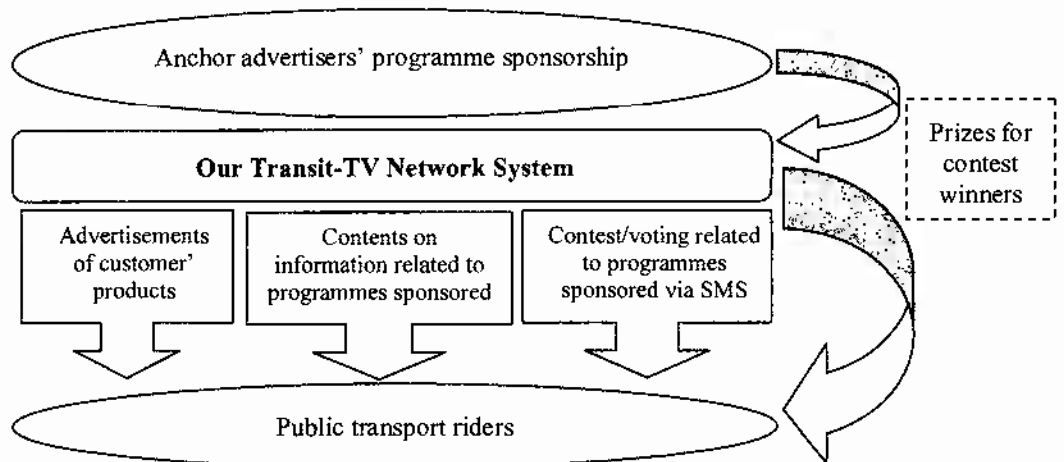
Some of the anchor advertisers that we have worked with are as follows:

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

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

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

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

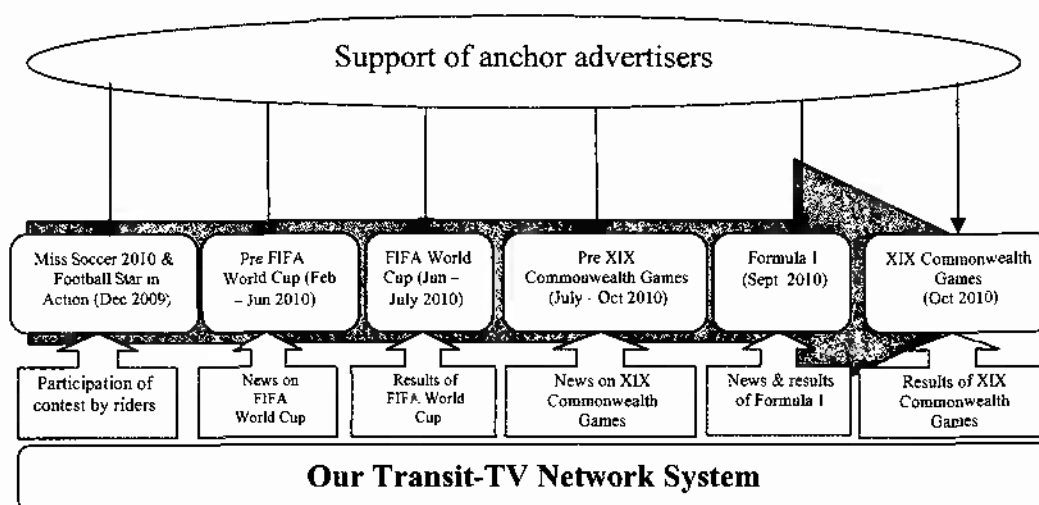


We normally provide a one-stop solution to our anchor advertisers. As part of the package, we will advertise the products of the anchor advertisers and to provide in-house or third parties contents on information related to the programmes sponsored to create awareness of the riders and contest/voting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

7. BUSINESS OVERVIEW (Cont'd)

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

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



(iii) Creative and production works

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

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

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

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

7. BUSINESS OVERVIEW (Cont'd)

7.2.2 New services to be provided

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

(i) DTTB

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

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

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

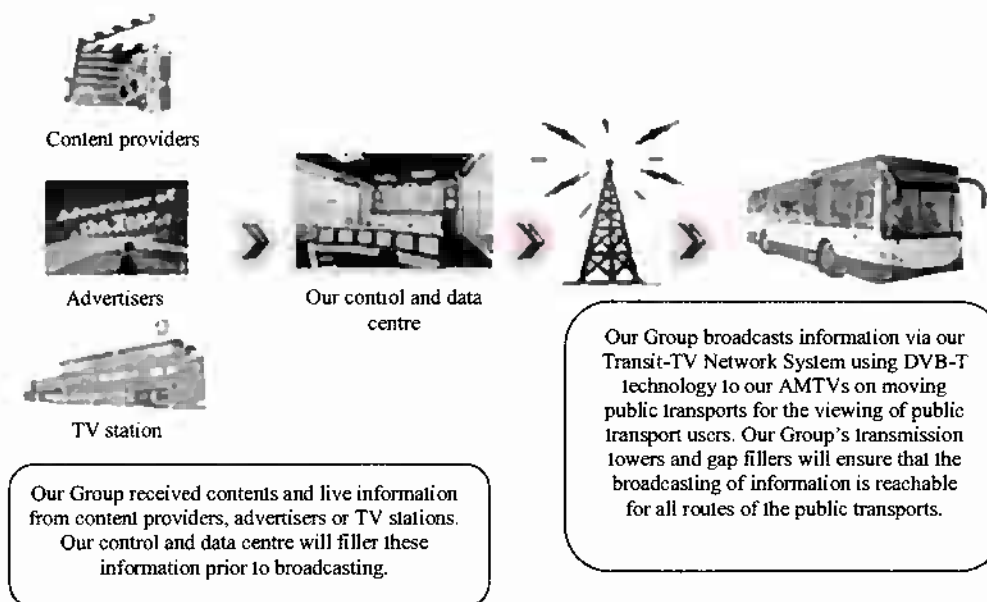
The licence is valid for a period of ten (10) years, from 21 March 2010 to 20 March 2020. In addition thereto, we are also awarded with the NSP Individual License and NFP Individual License. Please refer to Section 11.3 of the Prospectus for more information on the respective licenses.

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

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

The rest of this page has been intentionally left blank

7. BUSINESS OVERVIEW (Cont'd)



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

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

(ii) Mobile interactive

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

7. BUSINESS OVERVIEW (Cont'd)

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

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

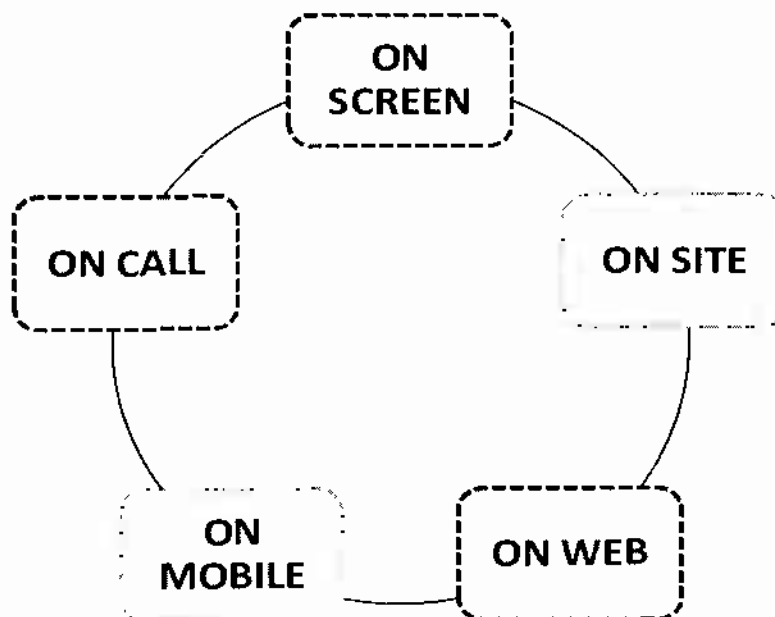
Meanwhile, we envisage that the rolling out of our DTTB and mobile interactive will be able to enhance our existing programme sponsorships as we will be able to provide additional services such as downloading ringtone, mobile games and subscription to contents apart from the basic contests and voting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

7.3 Principal markets


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

7.4 Distribution and marketing strategy

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



Note:

 To be rolled out.

7. BUSINESS OVERVIEW (Cont'd)

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

(i) On screen

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

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

(ii) On web

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

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

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

(iii) On call

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

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

The rest of this page has been intentionally left blank

7. BUSINESS OVERVIEW (*Cont'd*)

(iv) On site

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

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

(v) On mobile

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

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

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

We envisaged rolling out this strategy concurrently with our DTTB.

7.5 Competitive strengths and advantages

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

(i) Early market presence

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

(ii) Large scale that attracts advertising customers

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

7. BUSINESS OVERVIEW (Cont'd)

(iii) Exclusive agreements with certain bus companies

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

(iv) Effective advertising solutions with contents

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

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

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

(v) Bridge between advertisers and riders

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

(vi) Strong management and sales teams

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

7. BUSINESS OVERVIEW (Cont'd)

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

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

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

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

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

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

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

7.6 Technology used

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

Production Equipment

- Application servers
- Web server
- Database server

Development Equipment

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

Network Equipment

- Switches
- Router
- Firewall

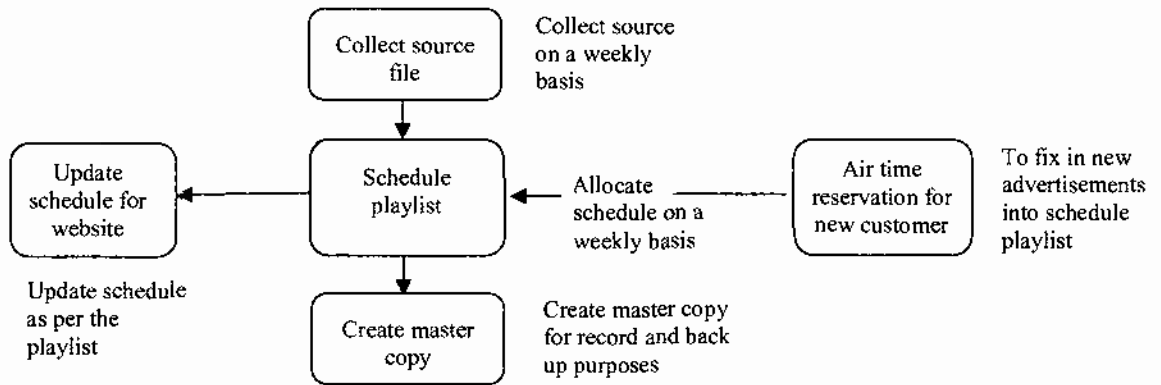
7. BUSINESS OVERVIEW (Cont'd)

7.7 Products development process

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

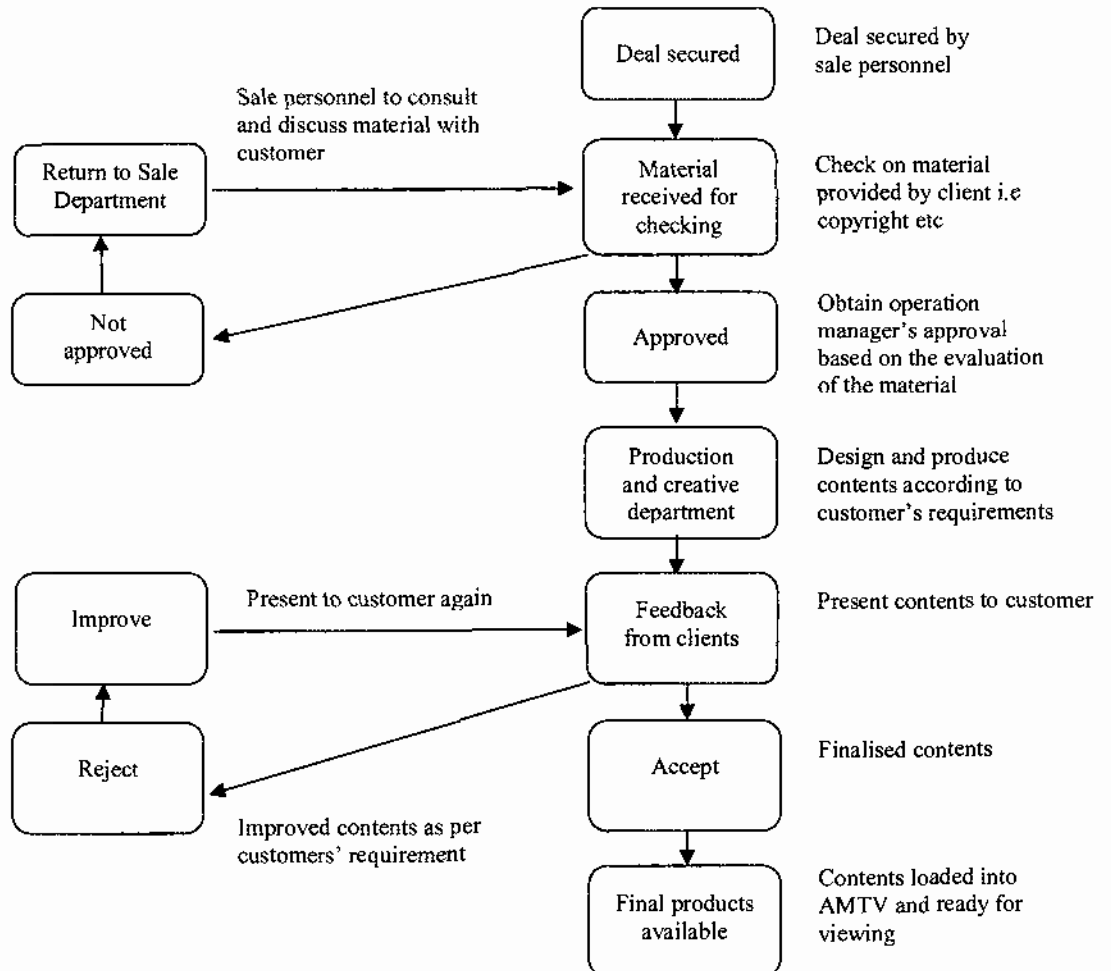
(i) Advertisements airing process

Our advertisements airing process is as follow:



(ii) Contents development process

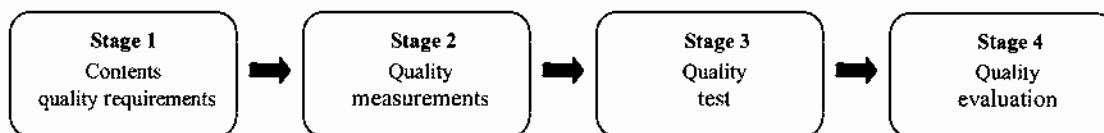
Our content development process is as follow:



7. BUSINESS OVERVIEW (Cont'd)

7.8 Quality control procedures

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



Stage I : Contents quality requirements

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

Stage 2 : Quality measurement

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

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

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

Stage 3 : Quality test

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

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

Stage 4 : Quality evaluation

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

7. BUSINESS OVERVIEW (Cont'd)

7.9 R&D

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

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

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

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

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

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

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


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

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

7.10 Trademark

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

7. BUSINESS OVERVIEW (Cont'd)

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

Note:

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

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

7.11 Interruptions to business

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

7.12 Seasonality

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

7.13 Major customers

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

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

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

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

(ii) FYE 2008

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

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

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

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

7.14 Major suppliers

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

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

7. BUSINESS OVERVIEW (Cont'd)

(i) 3-month FPE 2007

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

(ii) FYE 2008

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

(iii) FYE 2009

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

(iv) 6-month period ended 30 June 2010

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

7. BUSINESS OVERVIEW (Cont'd)

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

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

7.15 Future plans, strategies and prospects**7.15.1 Future plans and strategies**

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

(i) Expand coverage

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

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

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

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

(ii) Maximised average revenue per hour

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

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

7. BUSINESS OVERVIEW (Cont'd)

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

(iii) Overseas expansion

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

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

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

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

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

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

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

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

7. BUSINESS OVERVIEW (Cont'd)



Disaster management centre



Content providers



Advertisers



TV station



Our control and data centre



Our Group received contents and live information from disasters management centre, content providers, advertisers or TV stations. Our control and data centre will fill these information prior to broadcasting.

Our Group broadcasts information via our Transit-TV Network System using DVB-T technology to our AMTVs on moving public transports, cars, TV, mobile phone, personal digital assistant, personal computers etc. Our Group's transmission towers and gap fillers will ensure that the broadcasting of information is reachable throughout Malaysia.

7.15.2 Prospects of our Group

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

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

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

7. BUSINESS OVERVIEW (Cont'd)

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

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

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

(Source: IMR Report)

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

The rest of this page has been intentionally left blank
