PanPages Berhad (537337-M)

(Formerly known as CBSA Berhad)

DIGITISING SOUTHEAST ASIA

annual report **2014**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Ahmad Razlan Bin Ahmad Razali
Chairman and Independent Non-Executive Director

Tan Tian Sin
Group Managing Director

Fong Wai Leong
Group Chief Executive Officer

Wong Mun Wai
Independent Non-Executive Director

Wong Yee Ming
Non-Independent Non-Executive Director

Lau Kok Fui
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Wong Mun Wai (Chairman)
Dato' Ahmad Razlan Bin Ahmad Razali
Wong Yee Ming

NOMINATING COMMITTEE

Wong Mun Wai (Chairman)
Dato' Ahmad Razlan Bin Ahmad Razali
Wong Yee Ming

REMUNERATION COMMITTEE

Dato' Ahmad Razlan Bin Ahmad Razali (Chairman)
Wong Mun Wai
Tan Tian Sin
Wong Yee Ming

COMPANY SECRETARIES

Seow Fei San (MAICSA 7009732)
Mok Mee Kee (MAICSA 7029343)

REGISTERED OFFICE

802, 8th Floor, Block C, Kelana Square
17 Jalan SS 7/26
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : +603-7803 1126
Fax : +603-7806 1387

PRINCIPLE BANKERS

Ambank (M) Berhad
CIMB Bank Berhad
Malayan Banking Berhad
OCBC Al-Amin Bank Berhad
OCBC Bank (M) Berhad
Public Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Bhd

SOLICTORS

Khaw & Partners
Singara Velan & Associates
Wong Jin Nee & Teo
Sun & Michele

SHARE REGISTRAR

Symphony Share Register Sdn. Bhd.
Level 6, Symphony House
Block D 13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : +603-7841 8000
Fax : +603-7841 8151
Website : www.symphony.com.my

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name: PANPAGE
Stock Code: 0041

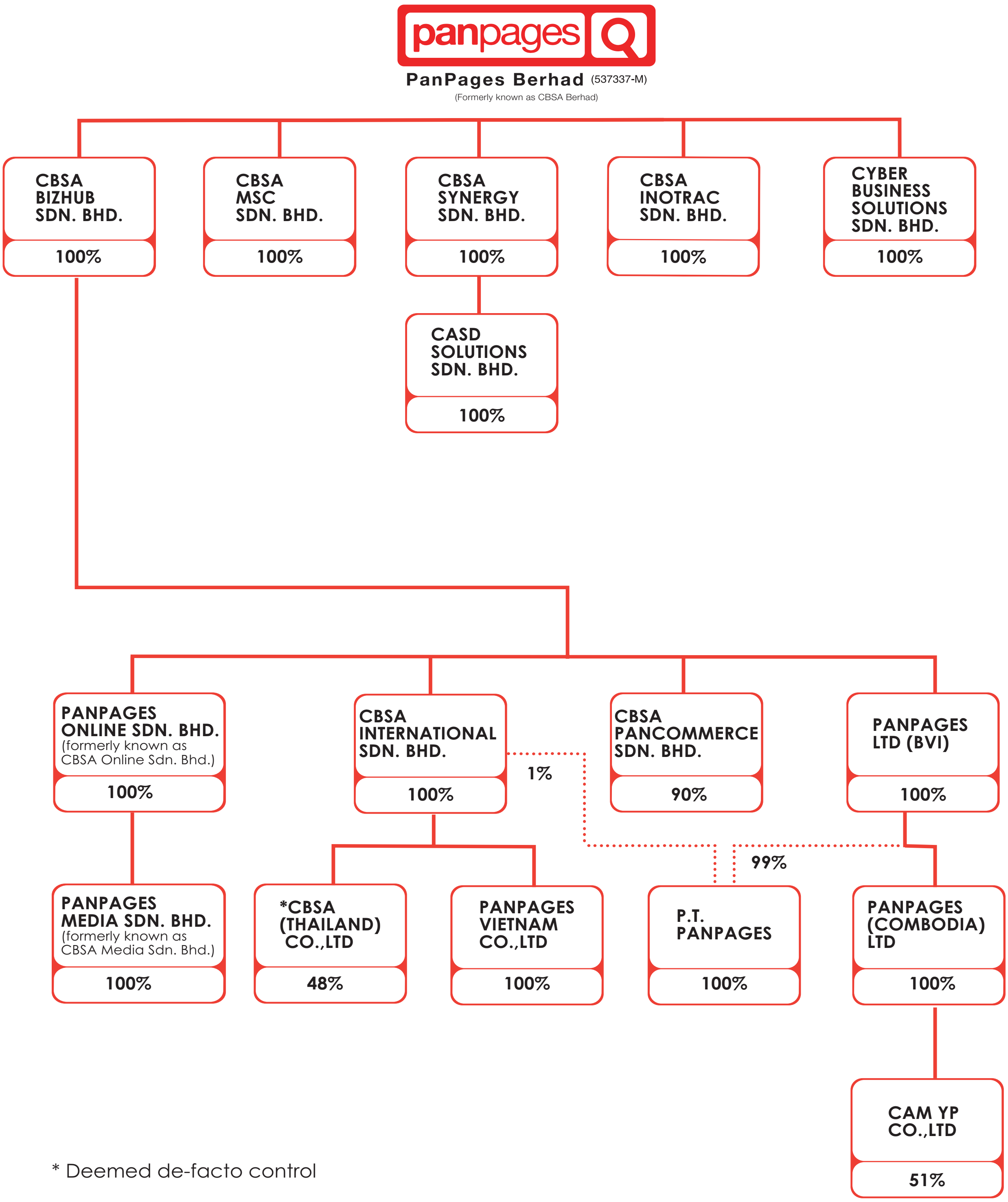
PRINCIPAL PLACE OF BUSINESS

1, Jalan PJS 11/8
Bandar Sunway
46150 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : +603-5636 9999
Fax : +603-5636 7326
Website : www.panpages.com

AUDITORS

SJ Grant Thornton
(Member of Grant Thornton International)
Chartered Accountants
Level 11,
Bangunan Sheraton Imperial Court
Jalan Sultan Ismail, 50250 Kuala Lumpur
Malaysia
Tel : +603- 2692 4022
Fax : +603- 2732 5119
Website : www.gt.com.my

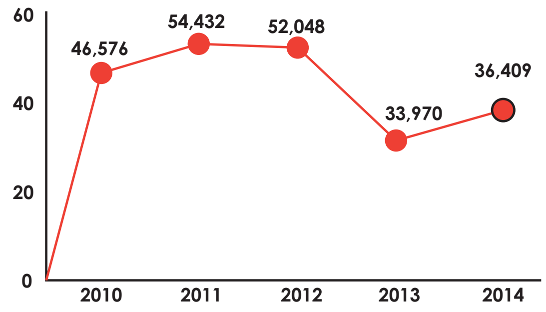
CORPORATE STRUCTURE



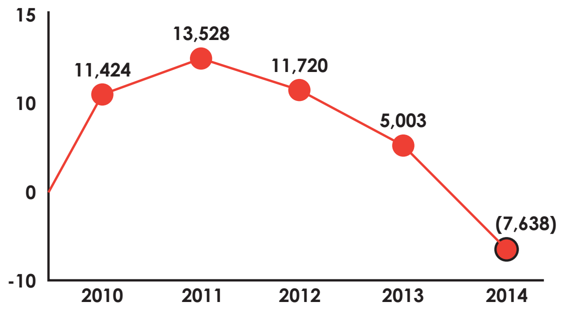
* Deemed de-facto control

FINANCIAL HIGHLIGHTS

5-YEAR REVENUE REVIEW (RM'000)



5-YEAR PROFIT/(LOSS) BEFORE TAX REVIEW (RM'000)



5-YEAR FINANCIAL HIGHTLIGHTS

		2010	2011	2012	2013	2014
Results Of Operation						
Revenue	RM'000	46,576	54,432	52,048	33,970	36,409
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)	RM'000	12,450	15,012	12,727	7,097	(3,949)
(Loss)/ Profit Before Taxation	RM'000	11,424	13,528	11,720	5,003	(7,638)
(Loss)/ Profit After Taxation	RM'000	10,628	13,210	11,685	4,923	(8,158)
Net Profit Attributable To Equity Holders	RM'000	10,516	13,039	11,925	4,336	(8,642)
Financial Position						
Total Assets	RM'000	77,810	97,903	88,777	102,388	99,678
Total Borrowings	RM'000	801	927	3,885	9,910	15,004
Shareholders' Equity	RM'000	54,438	68,135	74,551	73,826	65,286
Financial Indicators						
Return On Equity	%	19	19	16	6	(13)
Return On Total Assets	%	14	13	13	4	(9)
Gearing Ratio	times	-	-	0.1	0.1	0.2
Interest Cover	times	75.4	201.7	165.7	103.5	(46.5)
Basic Earnings Per Share	sen	4.4	5.5	5.0	1.8	(3.6)
Net Assets Per Share	sen	22.9	28.6	31.3	30.7	26.4
Tax Exempt Dividend Per Share	sen	-	-	2.5	2.0	-
Price Earnings (PE) Ratio	times	7.6	6.2	8.4	18.9	(8.4)
Dividend Yield	%	-	-	6.0	5.9	-
Share Price As At The Financial Year End	sen	33.5	34.0	42.0	34.0	30.0

CHAIRMAN'S STATEMENT

Dato' Ahmad Razlan bin Ahmad Razali

The year 2014 represented the advance stage of our business transformation plan to be more focus on search and advertising business especially Internet platforms. PanPages' vision is to be Southeast Asia's largest business search platform with the largest database of businesses and multi-channel distribution reach through partners like Google, Alibaba, Bing and Yahoo!. In parallel with our business transformation, we invested in expansion throughout Southeast Asia covering Malaysia, Indonesia, Cambodia, Thailand, Vietnam, the Philippines and Singapore.

On a macro level, the external factors provided challenges of a dampened business environment, mainly due to global macroeconomic uncertainty led by the slowing of China's economy and the weakening in Malaysian consumers' sentiment as a result of falling petroleum price and reaction to the implementation of GST in April 2015.

With China slowing down, Southeast Asia steps in to provide the growth opportunities in Asia. We are living in this disruptive era where the internet technology is changing how businesses are conducted. Southeast Asia is home to millions of SMEs which will have the opportunities to excel if they can harness the power of the Internet well. PanPages will continue to serve the SMEs, our core market, and to strengthen our flagship local business platform, PanPages.com which we have grown our business listings throughout Southeast Asia to 9 million. SMEs can showcase their products through PanPages.com and its multi-channel distribution reach to global audiences. Businesses and consumers will search and find these SMEs with ease and speed. With the size and quality of our database and content, we continue to strengthen our partnerships with Google, Alibaba, Bing and Yahoo!.

On behalf of the Board of Directors ("Board"), I am pleased to present the Annual Report and Audited Consolidated Financial Statement of PanPages Berhad ("PanPages") and its subsidiary companies ("Group") for the financial year ended 31 December 2014 ("FYE 2014").

PERFORMANCE REVIEW

In continuation of our regional expansion plan in Southeast Asia, in Thailand, we took over the management control of CBSA (Thailand) Co. Ltd., a 48% owned associate company on 1 January 2014 and in Indonesia, we commenced selling advertisement services in Jakarta in January 2014.

CHAIRMAN'S STATEMENT (cont'd)

PERFORMANCE REVIEW (cont'd)

For FYE 2014, the Group registered revenue of RM36.41 million with a growth of RM2.44 million or a 7.2% of revenue from previous financial year. The Group recorded a loss before tax of RM7.6 million for FYE 2014 compared to profit before tax of RM5.0 million in preceding year. The loss before taxation is mainly due to non-cash write-off such impairment of goodwill and intangible assets of the IT division as part of our transformation plan, write-off of pre-operating expense in Indonesia and higher allowance of doubtful debts. The weaker performance of IT division also contributed to the loss.

PROSPECTS

The Group will continue to pursue search and advertising opportunites in Southeast Asia and build SME communities on our online platform with large and accurate database that expected to create shareholders' value in the long run.

Southeast Asia with its 600 million population is expected to grow and intra-trade between the countries in ASEAN is expected to grow. Whilst the Governments are working on the removal of non-tariff barriers, enhanced regional labour mobility and financial integration in the region, the natural force of Internet will stimulate businesses to trade more with each other escpecially the SMEs.

We as a Southeast Asian Group will continue to lead and set the trend to harness the power of internet for all SMEs in the region to market their products to the whole region. With the advancement of technology and adoption of technology in Southeast Asia such as mobility technology, Southeast Asia market is expected to be the growth area in the near future. This will create vast market opportunity for the SMEs and PanPages.

We shall keep building the SMEs community based on internet platforms that will provide future growth to our business.

DIVIDEND

During the financial year of 2014, there was no dividend declared/paid.

ACKNOWLEDGEMENTS

We would like to express our warmest appreciation to all our shareholders, business partners, suppliers, customers and regulatory authorities for their continuing support and confidence in our Group. I would also like to take this opportunity to acknowledge the contributions of my fellow directors and employees for their unwavering dedication and professionalism throughout 2014, without which it would not be possible to continue to deliver growth in our shareholders' value.

DATO' AHMAD RAZLAN BIN AHMAD RAZALI
Chairman

MANAGEMENT DISCUSSION & ANALYSIS

INTRODUCTION

PanPages Berhad ("PanPages" or the "Company") is a Bursa Malaysia Securities Berhad ("Bursa Securities") listed company and its subsidiaries ("Group") are in the business of Search and Advertising ("S&A") and Information Technology ("IT").

Our S&A business segment comprise of developement and operation of online local business platforms, publication of print directories and developement of content and database. We are also reseller for third party online advertisement products, notably for Google, Alibaba, Facebook and Yahoo!.

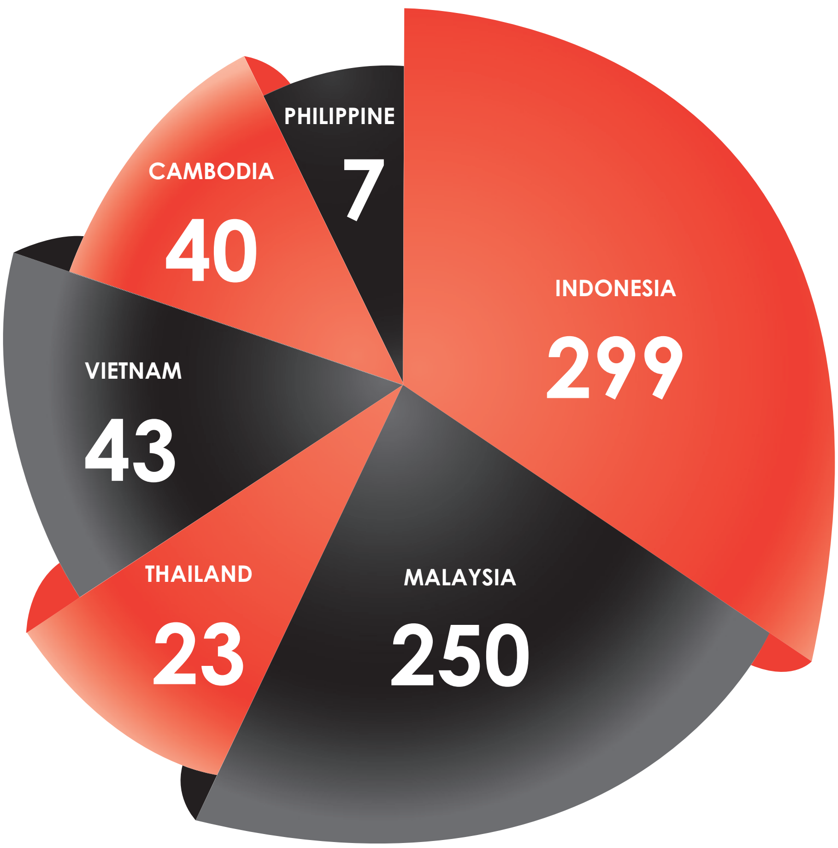
Our IT business segment comprise of developement of RFID Solutions, e-Security solutions, e-Procurement solutions, cloud computing solutions and infrastructure solutions.

BUSINESS AND OPERATIONS

OVERVIEW

Over the years, we have expanded our business throughout Southeast Asia in Malaysia, Indonesia, Cambodia, Thailand, Vietnam, the Philipines, and Singapore.

No special regulatory framework influences our business in the region save for those that apply to inter-regional trade as well as those that govern trade transactions in each respective country.



PanPages Staff Strength in Southeast Asia

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

BUSINESS AND OPERATIONS (cont'd)

SEARCH AND ADVERTISING

Our activities under S&A are numerous and conducted on both local and regional fronts. PanPages develops and operates local business platforms and internet marketing solutions, including search engine optimization (SEO) and content and database development.

i) Online Local Business Platform

Our online business platforms are a specialized internet search engine that allows users to search a structured database of local businesses using geographic parameters. These local search sites are primarily supported by advertising from businesses who wish to be prominently featured when users search for specific products and services in particular locations. Our local business platforms are available in two versions – web and mobile. PanPages.com acts as the nucleus for businesses to broadcast their content in content marketing activities.

PanPages online local business platform is branded as PanPages.com and serves SMEs throughout Southeast Asia except in Cambodia where we use the Yellow Pages branding. PanPages.com provides an easy-to-use and scalable directory catering to SME of all sizes.

(ii) Print Business Directories

Our print directories, Super Pages in Malaysia and Yellow Pages in Cambodia, are comprehensive classified directories that service both commercial and industrial business users.

(iii) Online Advertising and Marketing

The online advertising and marketing segment was expanded in 2012 following the partnership with Google. Through the use of Google's proprietary Google Adwords services, we offer our clients a targeted advertising channel. This service optimizes our customers' advertising dollars to ensure they reach the appropriate online audience.

Since 2009, we are strategic partner of Alibaba, a global leader in Business-to-Business (B2B) portal that helps millions of buyers and suppliers around the world conduct business online. This portal provides opportunities for Malaysian SMEs to increase growth through content marketing as it opens wider markets for their goods and services and offers access to overseas sales.

We also resell Facebook and Yahoo! advertisement solutions and other internet advertisement solutions.

(iv) Content and Database Development

PanPages collection of business listings is extensive and comprehensive. Our strong database is the reason Google has appointed us as their strategic partner to provide business listings for Google Maps for countries including Malaysia, Singapore, Indonesia, Thailand, the Philippines and Vietnam.

We have 9 million business listings in Southeast Asia making us the owner of largest business database in Southeast Asia. We are developing business opportunities monetise our biggest asset in database marketing.

MANAGEMENT DISCUSSION & ANALYSIS (cont'd)

BUSINESS AND OPERATIONS (cont'd)

INFORMATION TECHNOLOGY

Our IT business segment provides a range of products and services that help our clients improve their business operations, security and cost efficiency. Our products comprise RFID solutions, e-Security solutions, e-Procurement solutions, cloud computing solution, and infrastructure solution. Our IT services range from application development, customization to implementation, system integration, system and network management, and maintenance.

OBJECTIVE AND STRATEGIES

PanPages aspires to be a leading regional player in local business platform segment, and has actively establishing its presence in emerging Southeast Asian markets.

Establishment of our Brand: Panpages.com in Southeast Asia

Our S&A business segment has been growing over the last few years, and we have expanded to Indonesia, Thailand and Vietnam since 2013, with a vision to establish PanPages.com as a leading local business platform in Southeast Asia. We are actively engaging in content developement and acquisition of new customers and market shares in Southeast Asia.

Content and Database Development

We will continue to improve and expand our database of business listings in Southeast Asia, as well as continue to secure new clients for our licensed content. We strive to maintain our position as provider of largest and most updated database in Southeast Asia. Our current notable clients are Google and Microsoft.

With our large database and internet traffic, we are open to opportunities in the big data business which harvest large amount of data and deduce them to market intelligence.

REVIEW OF FINANCIAL RESULTS

REVENUE

The Group's revenue was recorded at RM36.41 million in FY2014 with a growth of 7.2% from FY2013 at RM33.97 million. The increase of revenue is mainly contributed by increase of sales from S&A division.

PROFITABILITY

Group

Despite the increase of revenue, the Group's recorded a loss of RM7.6 million in FY2014 compares to profit before tax of RM5 million in FY2013.

The total expenses for FY2014 have increased by 34.4% from FY2013 mainly due to the impairments and higher of allowance for doubtful debts.

The Group incurred higher tax expenses in current financial year due to the loss during the financial year which compared to the effective tax rate of 1.6% in FY2013. The higher of tax expenses was mainly due to tax expense in CAM YP Co., Ltd, a 51% owned subsidiary and has contributed taxable profit before tax of RM2.02 million to the Group in FY 2014.

REVIEW OF FINANCIAL RESULTS (cont'd)

PROFITABILITY (cont'd)

Search and Advertising division

S&A division recorded a loss of RM1.6 million in FY2014 compared to RM7.6 million profits in FY2013. Gross profit margin has decreased from preceding year of 62% to 45% mainly due to the changes in the products mix and loss leader products in new markets within the region of Southeast Asia. The loss of the year recorded for FY2014 is mainly due to the higher of allowance for doubtful debts of RM3.4 million, impairment loss on intangible assets of RM0.7 million, pre-operating expenses written off from Indonesia of RM1.5 million.

Information Technology division

A loss before tax of RM3.71 million is recorded in FY2014, compared to loss of RM1.75 million in FY2013. The loss mainly due to the decrease of revenue and impairment of goodwill during the current financial year.

CASH FLOW

For the FY2014, the Group net cash flow status has improved from negative net cash flow in preceding year of RM2.9 million to current year positive net cash flow of RM0.52 million. This is mainly due to the decreased in cash used for purchase of property, plant and equipment.

FINANCIAL POSITION

The Group's net assets has decreased from RM74.0 million FY2013 to RM63.7 million in current financial year which reason by the loss of the year.

REVIEW OF OPERATING ACTIVITIES

Southeast Asia is home to millions of SMEs which will have vast opportunities if they can harness the power of Internet well. PanPages will continue to serve the SMEs, our core market, and to strengthen our flagship local business platform, PanPages.com which we have grown our business listings throughout Southeast Asia to 9 million.

Malaysia market is volatile across the financial year due to the intensive fluctuation of global crude oil price. Meanwhile, the implementation of the Goods and Service Tax ("GST") which has been announced year ago has caused an apprehension to the economy.

S&A business has accelerated expansion into regional market in 2014. The Southeast Asia markets provide ample market opportunity especially for S&A while the immature market is in the progress of developing. We have positioned ourselves ready to capture the market in Southeast Asia when the internet driven economy grow in the future.

REVIEW OF OPERATING ACTIVITIES (cont'd)

There are no significant borrowings other than hire purchase and a loan take up to finance the purchase of property in Kota Damansara.

FUTURE EXPECTATIONS

Southeast Asia market will grow to be a major contributor due to the proliferating of the market at the pre-matured market. The Group strategies to further expand our presence in the Southeast Asia market.

PanPages recognise that the global market remains volatiles. Hence, the Group strive to adopt coucious approaches to shield us from the recession and driving growth in the meanwhile.

STATEMENT ON CORPORATE SOCIAL RESPONSIBILITY

PanPages and its subsidiaries ("Group") regards Corporate Social Responsibility ("CSR") as an integral part of business continuity and thus despite a challenging year, the Group continues to ensure its CSR is being fulfilled to the best of abilities.

CSR ACTIVITIES DURING THE YEAR

CREATING A GREAT PLACE TO WORK

The Group believes that employees' proactive participations are vital to the success of the Group. The value of its people has been recognised by the Group all along. Hence, we are committed to develop our employees to their fullest potential.

We offer a competitive remuneration package with a wide range of benefits to attract and retain the best talent. In addition to the standard benefits such as annual leave and medical coverage, we also offer career development plans for both technical and non-technical staff. This includes employee recognition and mentoring programmes.

Senior managers and those involved in certain projects can also participate in a profit-sharing programme called "Intrapreneurial" as part of their remuneration package. Trips are also organised annually to motivate employees and encourage team building efforts.

The Group strives to motivate and retain the best employees by providing activities such as in-house training programs, external training programs as well as team building excursions to upgrade their knowledge and skills within their job scope. At the same time, the Group believes that good relationships can be fostered through sports and other activities.

We also continually look for ways to engage with our employees to foster a strong sense of purpose and belonging. The Group employs an open door policy and every employee is empowered to provide suggestions or feedback on any subject matter, regardless of position or length of employment.

Our fully functional cafeteria provides an ambient for our employees to get along and relax their mind. Free healthy food is being provided to all employees on certain days.

Through PanPages's Sports Club, employees are provided with a platform to make a positive difference in the lives of their families and local community. The organisation contributed approximately RM36,000 to help the Sports Club run their activities in 2014. These range from employee outings, competitive sporting activities to charity visits.

PanPages is an equal opportunity employer and treats all employees fairly, regardless of race, religion, disability, gender, age and marital status.

CARING FOR OUR ENVIRONMENT

PanPages placed emphasis on addressing its direct operational impacts on the environment. We raised awareness and encouraged all employees to adopt recycling habits in the office. Recycling bins were also placed in our cafeteria to encourage this habit.

The Group is currently in the midst of developing a strategy to become a paperless organisation within the next few years.

IMPACTING OUR LOCAL COMMUNITIES

The Group firmly believes in impacting and investing back in the local community, especially among the poor and marginalised. The Group focused on underprivileged children and contributed through donation to provide them with basic necessities such as food and clothes, as well as access to school. During the year under review, donations have been made to various charitable organisations/ fondations including Persatuan Kebajikan Sri Eden, 1M4U which donated for the east coast relief due to the flood.

All PanPages employees are encouraged to participate in a variety of local charity events, which are often organised and driven by the Sports Club. Activities range from donation drives to visiting charity homes.

We see this as an important aspect of our work and will continue to provide the platform, support and encouragement to impact the local community as an organisation.

PROFILE OF THE BOARD OF DIRECTORS

DATO ' AHMAD RAZLAN BIN AHMAD RAZALI

Chairman / Independent Non-Executive Director

Dato' Ahmad Razlan bin Ahmad Razali, a Malaysian aged 42, was appointed to the Board on 4 October 2012. He is also a member of the Audit Committee, Nominating Committee and Remuneration Committee.

Dato' Razlan is currently the Chief Executive Officer of Sepang International Circuit and Chief Executive Officer of the Malaysia Association of Motorsports. He was formerly involved in the construction, property development and information technology industry. He also has extensive experience in event promotions and motorsports management, as well as in publishing. He started Msportbike magazine in 2008 so that motor sport enthusiasts could keep abreast with local motorsport activities.

He began his profession with PricewaterhouseCoopers after completing a degree in accounting at Edith Cowan University in Perth, Australia.

Dato' Ahmad Razlan has no family relationship with any director or major shareholder of PanPages nor any conflict of interest in any business arrangement involving the Group. He has no convictions for any offences committed within the past 10 years. He has attended four (4) out of five (5) Board meetings held during the financial year.

TAN TIAN SIN

Group Managing Director

Tan Tian Sin, a Malaysian aged 54, was appointed to the Board on 22 October 2009. He is also a member of the Remuneration Committee.

Tan Tian Sin is the founder of PanPages Online Sdn Bhd and PanPages Media Sdn Bhd. He is presently responsible for setting new business directions and expanding new businesses for Panpages and its subsidiary companies. ("Group")

He was formerly a sales engineer for Enctech Engineering Sdn Bhd and Mecomb Malaysia Sdn Bhd, as well as a sales manager at Rosemount (M) Sdn Bhd before joining the directory publishing industry.

He holds a Diploma in Electronic Engineering from Tunku Abdul Rahman College and a professional qualification in Electronic Electrical from the Engineering Council, United Kingdom.

Mr. Tan has no family relationship with any director or major shareholder of PanPages nor any conflict of interest in any business arrangement involving the Group. He has no convictions for any offences within the past 10 years. He has attended four (4) out of five (5) Board meetings held during the financial year.

FONG WAI LEONG

Group Chief Executive Officer

Fong Wai Leong, a Malaysian aged 45, was appointed to the Board on 30 January 2009. He is responsible for strategic planning and overall operation of the Group.

He has over 20 years' experience in the corporate management, investment, technology and financial sector, working in various capacities in different countries, including Southeast Asia, China, South Africa and South America.

He was formerly the General Manager of Alliance Investment Bank (formerly known as Kuala Lumpur City Securities) heading its corporate finance division. He has also worked in CIMB's corporate finance division and in KPMG as an auditor.

He is currently sits on the board of ASTI Holdings Limited.

Mr. Fong has neither family relationship with any director and/or major shareholder of PanPages nor any conflict of interest in any business arrangement involving the Group. He has no convictions for any offences within the past 10 years. He has attended all five (5) Board meetings held during the financial year.

WONG MUN WAI

Independent Non-Executive Director

Wong Mun Wai, a Malaysian aged 58, is a member of Malaysian Institute of Accountants, a fellow member of the Association of Chartered Certified Accountants and a member of the Institute of Chartered Secretaries and Aministrators (Malaysia and United Kingdom). Mr Wong was appointed to the Board on 28 May 2012. He is also a member of the Nominating Committee, Remuneration Committee as well as the Audit Committee, of which he is also the Chairman.

He is currently the head of Consultancy firm with affiliation with Nexia International and also sits on the board of Comintel Corporation Berhad as an Independent Director. He was formerly an Independent Director for a listed information technology group of companies, and sat as a chairman of their Audit Committee.

He has over 30 years experience in the commerce and accounting profession with affiliation to Horwath and Horwath International, Moore Rowland, as well as working experience in public listed companies in various sectors such as paper manufacturing and trading, health care, financial services and real estate. He has held various positions including senior finance manager cum company secretary, chief operating officer, and executive director.

He has also founded his own consultancy practice, and has carried out various due diligent and management review assignments, merger and acquisition exercises involving various industries and businesses, such as financial institutions, household appliances, biotech, fitness centres, pub and restaurant, furniture, timber and paper related industries.

Mr. Wong has neither family relationship with any director and/or major shareholder of PanPages nor any conflict of interest in any business arrangement involving the Group. He has no convictions for any offences within the past 10 years. He has attended all five (5) Board meetings held during the financial year.

PROFILE OF THE BOARD OF DIRECTORS (cont'd)

WONG YEE MING

Non-Independent Non-Executive Director

Wong Yee Ming, a Malaysian aged 34, was appointed to the Board on 4 July 2012. He is also a member of the Audit Committee, Nominating Committee and Remuneration Committee.

He is currently the Finance Director of Malinta Corporation Sdn Bhd where he first began his career as a project administrator. He was formerly attached to CIMB Investment Bank Berhad in their group treasury unit as vice-president credit and operational risk analytics. He has vast experience in project management, cash flow management, treasury and financial risk management.

He holds a Bachelor of Arts in Marketing with Business Economics & Financial Management from Middlesex University, United Kingdom. He is also certified as a Customer Relationship Management Practitioner and Direct Marketing Practitioner from the Institute of Direct Marketing, United Kingdom.

Mr. Wong has neither family relationship with any director and/or major shareholder of PanPages nor any conflict of interest in any business arrangement involving the Group. He has no convictions for any offences within the past 10 years. He has attended four (4) out of five (5) Board meetings held during the financial year.

LAU KOK FUI

Non-Independent Non-Executive Director

Lau Kok Fui, a Malaysian aged 53, was appointed to the Board on 7 March 2014.

He is currently the Regional Director of General Electric Company based in Taiwan. He has vast experience in business development and was recognised for many successful operational and business achievements.

He began his aviation career as an Aircraft Maintenance Engineer with Malaysia Airlines in 1981. He later joined Ansett Australia in 1989 at Melbourne and rose through various positions and completed his MBA thesis in third party aircraft maintenance. He joined General Electric Company in 1998 as the Managing Director of GE on Wing Support (Malaysia) Sdn Bhd, where he founded and ran a successful award winning organisation and rose to the position of Regional Leader overseeing OWS operations and business development in the Asia Pacific Region.

He holds a Master Degree in Business Administration from Henley Management College (UK). He also holds aircraft maintenance engineer licenses with Malaysia Department of Civil Aviation and Australian Civil Aviation Authority.

Mr. Lau has neither family relationship with any director and/or major shareholder of PanPages nor any conflict of interest in any business arrangement involving the Group. He has no convictions for any offences within the past 10 years. He has attended all four (4) Board meetings held during the financial year from his appointment.

Note:

The directors' holding in securities of the Company are disclosed in the Analysis of Shareholdings of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("the Board") of PanPages Berhad ("PanPages") recognises the importance of the principles and recommendations set out in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") and is fully committed to maintaining high standards of corporate governance throughout PanPages and its subsidiaries ("the Group") to safeguard the interests of the shareholders and stakeholders.

The Board especially recognises that good corporate governance encompasses four key areas namely transparency, accountability, integrity and corporate performance.

The Board is pleased to provide the following statement, which outlines the main corporate governance that has been in place throughout the financial year.

A. THE BOARD

(i) Responsibilities of the Board

The Board is entrusted with the overall management of the business affairs of the Company. The Board of Directors is responsible for determining all major policies, reviewing the system of internal control, ensuring that effective strategies and management are in place, for assessing the performance of the Company and its management team.

The Board Charter and Code of Conduct have been established and are available at the corporate website www.panpages.com. It sets out the duties and responsibilities of the Board and various legislations and regulations affecting their conduct and the principles and practices of good corporate governance that are to be applied in all their dealings in respect, and on behalf of, the Company.

The principal responsibilities of the Board outlined in the Company's Board Charter include the following:

- reviewing, approving and monitoring the overall strategies and direction of Group;
- overseeing and evaluating the conduct and performance of the Group's businesses, including its control and accountability systems;
- identifying and managing principal risks affecting the Group;
- reviewing the adequacy and integrity of the Group's internal control systems, including systems for compliance with applicable laws, regulations, rules and guidelines;
- approving major capital expenditure, capital management and acquisitions/ divestitures;
- ensuring that the statutory accounts of the Company are fairly stated and otherwise conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;
- ensuring high standards of ethics and corporate behaviour in the conduct of business;
- approving policies relating to investors relations programme and shareholder communication and overseeing stakeholders communications; and
- commitment in governing management and providing oversight of the Company, including the appointment of senior management, the implementation of appropriate policies and procedures that govern the management conduct, ensure sustainability of the Company, the monitoring of performance and succession planning.

A. THE BOARD (cont'd)

(i) Responsibilities of the Board (cont'd)

The Board is mindful of the importance of the establishment of clear roles and responsibilities in discharging its fiduciary and leadership functions as recommended by MCCG 2012. There is a clear division of responsibilities between and the Chairman and the Group Managing Director.

The Chairman represents the Board to shareholders and together with the Board, reviews and approves the strategic objectives and policies of the Group. The Chairman also ensures that management proposals are deliberated by Directors, executive and non-executive alike, and examined taking into account the interests of shareholders and other stakeholders.

The Group Managing Director is responsible for the business direction and operational decisions of the Group and ensuring the policies and corporate strategies set by the Board are effectively implemented. The non-executive Directors of calibre and experience provide the necessary balance of power and authority to the Board. The independent non-executive Directors provide unbiased and independent views to safeguard the interest of minority shareholders.

The Board delegates certain responsibilities to the Board committees, namely the Audit Committee, Nominating Committee and Remuneration Committee. The respective Committees operate within defined terms of reference to assist the Board in discharging its fiduciary duties and responsibilities and report to the Board on matters considered and their recommendation thereon. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

(ii) Board Composition

As of the date of this statement, the Board consists of six (6) members, comprising two (2) Executive Directors, two (2) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Director. This is in compliance with Paragraph 15.02 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") which requires at least two (2) or one third of the Board, whichever is the higher, are Independent Directors.

The Company does not have a formal gender diversity policy. The Board is of the opinion that it is important to recruit and retain the best available talent regardless of gender, to maximise the effectiveness of the Board, taking into account the balance of skills, experience, knowledge and independence, and based on the Group's needs and circumstances.The Company does not have a formal ethnic and age diversity policy. The Board recruits talent irregardless of the ethinicity and age with the priority of the Group's needs.

(iii) Board Meetings and Attendance

The Board meets at least once every quarter and additional meetings are convened as and when necessary. All proceedings, deliberations and conclusions of the Board meetings are duly minuted and signed by the Chairman of the meetings.

A. THE BOARD (cont'd)

(iii) Board Meetings and Attendance (cont'd)

During the financial year ended 31 December 2014, five (5) Board meetings were held. The record of attendance is as follows:

Directors	Number of Meetings Attended by Directors
Dato' Ahmad Razlan bin Ahmad Razali	4/5
Mr. Tan Tian Sin	4/5
Mr. Fong Wai Leong	5/5
Mr. Wong Mun Wai	5/5
Mr. Wong Yee Ming	4/5
Mr. Lau Kok Fui	4/4

All the Directors have complied with the minimum 50% attendance requirement as stipulated by the Listing Requirements of Bursa Securities.

(iv) Supply of Information

The Chairman ensures that each Director is provided with timely notices for each Board meeting and Board papers are issued prior to the Board meetings to enable the Directors to review and consider the agenda items to be discussed in the Board meeting and where necessary, to obtain further explanations in order to be fully briefed before the meeting.

The Board has unrestricted access to timely and accurate information in furtherance of its duties.

All Directors have full access to the advice and service of the Company Secretaries and the Management and may seek independent professional advice when necessary, at the Company's expense.

The Company Secretaries are also responsible for ensuring that Board meeting procedures are adhered to and that applicable rules and regulations are complied with. The Directors will be updated by the Company Secretaries on new statutory requirements relating to their duties and responsibilities.

(v) Directors' Training

All members of the Board have attended the Mandatory Accreditation Programme, prescribed by Bursa Securities. Directors are encouraged to attend seminars and/or conferences organised by relevant regulatory authorities and professional bodies to keep abreast with latest developments in the market place and new statutory and regulatory requirements. The training needs of each Director would be assessed and proposed by the individual Director. Each Director determines the areas of training that he may require for personal developement as a Director or as a member of a Board Committee.

A. THE BOARD (cont'd)

(v) Directors' Training (cont'd)

Details of trainings attended by the Directors during the financial year ended 31 December 2014 are as follows:

Name of Directors	**Training Programmes**
Dato' Ahmad Razlan bin Ahmad Razali	• Board Chairman Series: The Role of the Chairman
Mr. Tan Tian Sin	• Digital SME Day 2014
Mr. Fong Wai Leong	• Forbes Global CEO Conference • GST Conference
Mr. Wong Mun Wai	• Bursa Malaysia Governance in action – what every director must know • Nexia SSY GST what you need to know • Bursa Malaysia Effective Board Evaluation • Bursa Malaysia Advocacy Sessions on Corporate Disclosure for Directors
Mr. Wong Yee Ming	• Bursa Malaysia Risk Management & Internal Control Workshops for Audit Committee member
Mr. Lau Kok Fui	• Bursa Malaysia Mandatory Accreditation Programme for Directors of Public Listed Companies

The Board is also regularly updated by the Company Secretaries on the latest update and amendments to the Listing Requirements of Bursa Securities.

(vi) Appointment to the Board

The Nominating Committee is empowered to identify and recommend new appointments to the Board. In discharging its duty, the Nominating Committee will assess the suitability of an individual to be appointed to the Board by taking into consideration the individual's skills, knowledge, expertise, experience and integrity.

Besides skills and experience, the Nominating Committee would also assess whether the candidate meets the requirements for independence as defined in the Listing Requirements, the candidate's ability to make independent and analytical inquiries, ability to work as a team to support the Board, understanding of the business environment and the willingness to devote adequate time and commitment to attend to the duties/functions of the Board.

The Nominating Committee has a clear nomination process in place to facilitate and provide a guide for the Nominating Committee to identify, evaluate, select and recommend to the Board the candidate to be appointed as a Director of the Company.

A. THE BOARD (cont'd)

(vi) Appointment to the Board (cont'd)

The Director who is subject to re-election and/or re-appointment at next Annual General Meeting shall be assessed by the Nominating Committee before recommendation is made to the Board and shareholders for the re-election and/or re-appointment. Appropriate assessment and recommendation by the Nominating Committee would be based on the yearly assessment conducted. Criterias have been set to assess the independence of candidate for Directors and existing Directors based on the guidelines set out in the Listing Requirements.

On an annual basis, the Directors are required to confirm their independence by completing the independence checklist.

The Nominating Committee comprises three (3) Non-Executive Directors, majority of whom are Independent Directors. The members are:

Chairman	:	Mr. Wong Mun Wai *Independent Non-Executive Director*
Member	:	Dato' Ahmad Razlan bin Ahmad Razali *Independent Non-Executive Director*
	:	Mr. Wong Yee Ming *Non-Independent Non-Executive Director*

The functions of Nominating Committee are:

(a) recommend to the Board the nomination of a person or persons to be a Board member(s) by shareholder(s) or Director(s);
(b) recommend to the Board, Directors to fill the seats on Board Committees;
(c) assess the effectiveness of the Board as a whole, the committees of the Board and the contribution of each existing individual Director and thereafter, recommend its findings to the Board; and
(d) review the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board and thereafter, recommend its findings to the Board.

The summary of the activities of the Nominating Committee during the financial year are as follows:-

- Annual review the mix of skill and experience and other qualities of the Board.
- Assess the effectiveness of the Board as a whole, the Board committees and the Directors.
- Discuss the Directors' retirement by rotation.
- Recommend candidates for directorships.
- Recommend appointments to the Board committees.

A. THE BOARD (cont'd)

(vii) Re-election

In accordance with the Articles of Association of the Company, one-third (1/3) or the number nearest to one-third (1/3) with a minimum of one (1) of the Directors shall retire from office by rotation at each Annual General Meeting. A retiring Director is eligible for re-appointment. It provides that any new or additional Director appointed by the Board during the year shall hold office until the next Annual General Meeting and shall then be eligible for re-election. The election of each Director is voted separately.

B. DIRECTORS' REMUNERATION

The Board, with the assistance of the Remuneration Committee, reviews the overall remuneration policy of the Executive Directors and Non-executive Directors to attract and retain Directors with the relevant experience and expertise to manage the Group successfully.

The remuneration of the Executive Directors shall be reviewed and determined by the Remuneration Committee, who shall then make recommendation to the Board for approval. Executive Directors shall also be entitled to other benefits provided to employee of the Company and other additional benefits, if so, recommended by the Remuneration Committee to the Board for approval.

All Non-Executive Directors are paid fixed director fees as a member of the Board. The Chairman of the Board and the Chairman of the Audit Committee also receive a fixed fee for their chairmanship in the Board and the Audit Committee.

The fees payable to the Non-Executive Directors would be determined by the Board as a whole. The Directors concerned will abstain from discussion and voting of their own remuneration.

Directors' fees payable to Non-Executive Directors are subject to the approval of the Company's shareholders at annual general meetings.

The Remuneration Committee comprises mainly of non-executive directors. The members of the Remuneration Committee are:

Chairman	:	Dato' Ahmad Razlan bin Ahmad Razali *Independent Non-Executive Director*
Members	:	Mr. Wong Mun Wai *Independent Non-Executive Director*
		Tan Tian Sin *Group Managing Director*
		Mr. Wong Yee Ming *Non-Independent Non-Executive Director*

B. DIRECTORS' REMUNERATION (cont'd)

The aggregate remuneration paid or payable to the Directors in the Company for the financial year ended 31 December 2014 is as follows:

	Fees RM	Salaries and Other Emolument RM	Benefit-in-kind RM	Total RM
Executive Directors	-	780,140	56,300	830,300
Non-Executive Directors	96,000	-	-	96,000

The numbers of Directors of the Company whose total remuneration fall within the respective band are as follows:

	Number of Directors	
Remuneration band (RM)	**Executive Directors**	**Non-executive Directors**
RM50,000 and below	-	3
RM350,001 – RM400,000	1	-
RM400,001 – RM450,000	1	-
Total	2	3

C. RELATION WITH SHAREHOLDERS AND INVESTORS

The Company recognises the importance of keeping shareholders and investors informed of the Group's business and corporate developments. Such information is disseminated via the Company's annual reports, various disclosures to Bursa Securities including quarterly financial results and various announcements made from time to time.

The Group maintains a website at www.panpages.com where shareholders or investors may access information on the Group under "Investors" link encompassing corporate information, latest financial results, latest annual reports, announcements to Bursa Securities, Board Charter and code of conduct of the Board.

Shareholders and other interested parties may contact the following personnel for any enquiry regarding the Group:

Mr. Fong Wai Leong (Group Chief Executive Officer)

Telephone number	:	03-5636 9999
Fax number	:	03-5635 0280
Email address	:	wlfong@panpages.com

The Annual General Meeting remains the principal forum for dialogue with shareholders where they are provided with an opportunity to raise questions pertaining to issues in the Annual Report, Audited Financial Statements and corporate developments in the Group, the resolutions being proposed and/or on the business of the Group. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Members of the Board as well as Auditors of the Company are present to answer questions raised at the meeting.

D. ACCOUNTABILITY AND AUDIT

(i) Financial Reporting

The Board is responsible for presenting a balanced, clear and meaningful assessment of the Group's financial position and prospect to the Company's shareholders through the annual financial statements and quarterly announcements. The quarterly results and annual financial statements are reviewed by the Audit Committee and recommended to the Board for approval before its release to Bursa Securities.

(ii) Internal Control

The Board has the overall responsibility in maintaining a sound and effective system of internal controls for the Group which covers not only financial controls but also operational and compliance controls as well as risk management.

The Group outsourced its internal audit function to an external professional firm, as part of its efforts in ensuring that the Group systems of internal controls are adequate and effective.

The internal audit function adopts a risk-based approach and prepares its audit plans based on significant risks identified. The internal audit provides an assessment of the adequacy, efficiency and effectiveness of the Group's existing internal control policies and procedures and provides recommendations, if any, for the improvement of the control policies and procedures. The results of the audit reviews are presented and discussed during the Audit Committee meetings. Management is responsible for ensuring that the necessary corrective actions on reported weaknesses are taken within the required time frame. The action plans are reviewed and followed up by the internal audit function on a periodical basis to ensure the recommendations are effectively implemented.

The Statement on Risk Management and Internal Control is furnished on page 25 of this Annual Report, and this provides an overview of the state of internal controls within the Group.

(iii) Relationship with Auditors

The Board has established formal and transparent relationships with both the external and internal auditors through the Audit Committee. The relationship between the Audit Committee and both the external and internal auditors are described in the terms of reference of the Audit Committee Report.

(iii) Whistleblowing Policy

PanPages is committed to the highest standard of integrity, openness and accountability in the conduct of its businesses and operations. It aspires to conducts its affairs in an ethical, responsible and transparent manner.

The Company has put in place a whistleblowing policy and procedure which is intended to provide avenue for all employees of the PanPages Group to disclose any improper conduct in accordance with the procedure provide under the policy and to provide protection for employees who report such allegations. The Company's Whistleblowing Policy and Procedure is available for reference in the Company's website at www.panpages.com.

E. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

The Board places great importance on corporate social responsibility ("CSR") and business sustainability and embraces CSR as an integral part of the Group's business philosophy and corporate culture.

The CSR activities of the Group during the financial year are set out on page 12 of this Annual Report. The strategies to promote sustainability and its implementation can be found in the Company's corporate website www.panpages.com

F. COMPLIANCE WITH THE CODE

The Board strives to ensure that the Company complies with the Principles and Best Practices of the Code. The Board will endeavor to improve and enhance the procedures from time to time.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is pleased to present the Statement on Risk Management and Internal Control of the Group in accordance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements and in accordance with the Principles and Best Practices provisions relating to risk management and internal controls provided in the Malaysian Code on Corporate Governance ("MCCG"). This Statement is guided by the Statement on Risk Management and Internal Control: Guideline for Directors of Listed Issuers.

BOARD'S RESPONSIBILITIES

The Board recognises and affirms its overall responsibility for the Group's system of internal controls, which includes the establishment of an appropriate risk and control framework as well as the review of its effectiveness, adequacy and integrity. It should be noted, however, that such systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives. In addition, it should be noted that these systems can only provide reasonable but not absolute assurance against material misstatement or fraud and losses.

The Board is assisted by Management in implementing the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to manage and control these risks.

RISK MANAGEMENT AND INTERNAL CONTROL

The key features of the risk management and internal control systems are described below:-

Risk Management Framework

The Group has established a proper risk management framework that ensures an ongoing process for identifying, evaluating, managing and reporting risk that may affect the achievement of the Group's business objectives and strategies. The process has been in place during the year up to the date of approval of the annual report and is subject to review by the Board.

The Group has in place risk profiles of major business units. Key risks of major business units were identified, assessed and categorised to highlight the source of risk, their impacts and the likelihood of occurrence. Risk profiles for the major business units were presented to the Audit Committee and Board for deliberation and approval for adoption.

The risk profile of the major business units of the Group are being monitored by its respective key Management staff. Key risks of the Group are discussed at Management and Board Meetings on a need basis.

Management will update the results of risk assessment including preparing detailed risk registers and document all discussions at Management and Board meetings on key risks and actions plans to address the key risks.

Internal Control System

The key elements of the Group's internal control system include:

- Clear organization structure, reporting lines of responsibilities and appropriate level of delegation;
- Clearly defined roles and responsibilities, authority and accountability within the Group;
- Limit of Authority (LOA) matrix that clearly outlines Management limits and approval authority across various key processes. The LOA is duly approved by the Board;

RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

Internal Control System (cont'd)

- Recruitment of adequate experienced, skilled and professional staff with the necessary caliber to fulfill the respective responsibilities and ensuring that minimum controls are in place;
- Establishment of an effective segregation of duties via independent checks, review and reconciliation activities to prevent human errors, fraud and abuses;
- Annual budgeting process which requires all business units/divisions to prepare budget and business plan on annual basis;
- Establishment of the internal policies and procedures for key functional units within the Group and regularly update the policies and procedures to reflect changing risks and business needs or to resolve operational deficiencies;
- Operations review meetings are held by the respective business units to monitor the progress of business operations, deliberate significant issues and formulate corrective measures;
- Management meetings are held to review and discuss business performance, strategy, business development, key management issues;
- Regular review of actual sales performance against target set by the Management. This enables effective monitoring of significant variances and deviation from the target and business objectives;
- Engage and appoint solicitors, financial advisors and other competent professional as may be required in respect of any corporate exercise undertaken by the Group.
- Periodic review of the adequacy and effectiveness of the system of internal control by the internal audit function;
- The Audit Committee regularly convenes meetings to deliberate on the findings and recommendations for improvement by internal auditors, external auditors as well as regulatory authorities. The Audit Committee reviews the actions taken to rectify the findings in a timely manner, and to evaluate the effectiveness and adequacy of the Group's internal control systems.

REVIEW BY BOARD

The Board considered the adequacy and effectiveness of the risk management and internal control process in the Group during the financial year.

A review on the adequacy and effectiveness of the risk management and internal controls systems has been undertaken based on information from:

- Management within the organisation responsible for the development and maintenance of the risk management and internal control framework;
- Assessments of major business units and functional controls by respective Management to complement the above input in providing a holistic view of the Group risk and control framework effectiveness; and
- The work by the internal audit function which submitted the Internal Audit Strategy document highlighting the key processes and potential key risks for the Group and Internal Audit reports to the Audit Committee together with recommendations for improvement.

REVIEW BY BOARD (cont'd)

During the year, a number of improvements to internal controls were identified and addressed. The Board and Management will continue to take measures to strengthen the risk and control environment and monitor the health of the risk and internal controls framework.

The Audit Committee will address and monitor the implementation of key action plans and any internal control weakness and ensure continuous process improvement.

The Board also received assurance from the Group CEO of the Company that the Group's current risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

Whilst the Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system, the Board acknowledges that a sound system of internal control can reduce, but cannot eliminate, the possibility of poor judgment in decision making; human error; control processes being deliberately circumvented by employees; management overriding controls and occurrence of unforeseen circumstances.

The above statement is made in accordance with the resolution of the Board dated 27 April 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company are responsible for ensuring the financial statements of the Group and the Company are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of the results and cash flows of the Group and the Company for that period.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the year ended 31 December 2014, the Group and the Company had applied appropriate accounting policies on a consistent basis. The Directors also consider that all applicable approved accounting standards are adhered to in the preparation of the financial statement.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

OTHER COMPLIANCE INFORMATION

Share Buy-backs

The Company did not carry out any share buybacks for the financial year under review.

Options, Warrants or Convertibles Securities

The Company did not issue any option, warrants or convertible securities during the financial year.

American Depository Receipt (ADR) or Global Depository Receipt (GDR)

During the financial year, the Company did not sponsor any ADR or GDR Programme.

Imposition of Sanctions and/or Penalty

There was no sanction and/or penalty imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

Non-Audit Fees

The amount of non-audit fees incurred for services rendered to the Company and its subsidiaries by the external auditors or a company affiliated to the auditors' firm for the financial year ended 31 December 2014 was RM6,740.

Variation in Results

There was no material deviation between the audited results of the Group for the financial year ended 31 December 2014 and the unaudited results announced on 27 February 2015.

Profit Forecast / Profit Guarantee

The Company did not provide any profit forecast / guarantee in any public documents during the financial year.

Material Contracts

During the financial year, there were no material contracts entered into by the Company and its subsidiaries involving Directors and major shareholders' interests which were still subsisting at the end of the financial year.

Recurrent Related Party Transactions

During the financial year, there were no recurrent related party transactions of revenue or trading nature entered into by the Group.

Revaluation Policy

The Company has not adopted any policy of regular revaluations for its landed properties.

AUDIT COMMITTEE REPORT

COMPOSITION

As of the date of this Annual Report, the composition of the Audit Committee is as follows:

Chairman	:	Mr. Wong Mun Wai *(Independent Non-Executive Director)*
Members	:	Dato' Ahmad Razlan Bin Ahmad Razali *(Independent Non-Executive Director)*
	:	Mr. Wong Yee Ming (Non-Independent Non-Executive Director)

The composition of the Audit Committee is complied with Paragraphs 15.09 and 15.10 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

TERMS OF REFERENCE

Terms of Reference of the Committee are as follows:

1. Composition

1.1 The Committee must be composed of not fewer than 3 members;

1.2 All members must be non-executive directors, with a majority of them being independent directors; and

1.3 At least one member who is:-

(a) member of the Malaysian Institute of Accountants, or

(b) otherwise, he must have the relevant qualifications and experience as specified in the Listing Requirements of Bursa Securities.

1.4 No alternate director shall be appointed as a member of the Audit Committee.

1.5 In the event of any vacancy with the result that the number of members is reduced to below three (3), the vacancy shall be filled within two (2) months but in any case not later than three (3) months. Therefore a member of the Audit Committee who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he leaves.

2. Chairman

The Chairman, who shall be elected by the Audit Committee, shall be an independent director.

3. Secretary

The Company Secretary shall be the Secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee Members.

The Committee Members may inspect the minutes of the Audit Committee at the Registered Office or such other place as may be determined by the Audit Committee.

TERMS OF REFERENCE (cont'd)

4. Meetings

The Committee shall meet at least four (4) times in each financial year. The quorum for a meeting shall be two (2) members, provided that the majority of members present at the meeting shall be independent.

The Committee may call for a meeting as and when required with reasonable notice as the Committee Members deem fit.

All decisions at such meeting shall be decided on a show of hands on majority of votes.

The external auditors have the right to appear at any meeting of the Audit Committee and shall appear before the Committee when required to do so by the Committee. The external auditors may also request a meeting if they consider it is necessary.

Other directors or employees may attend any particular Audit Committee Meeting only at the Audit Committee's invitation, specific to the relevant meeting.

5. Rights and Authority

The Audit Committee shall:

(a) have authority to investigate any matter within its terms of reference;
(b) have the resources which are required to perform its duties;
(c) have full and unrestricted access to any information pertaining to the Company and the Group;
(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
(e) have the right to obtain independent professional or other advice at the Company's expense;
(f) have the right to convene meetings with the external auditors, excluding the attendance of the executive members of the audit committee, whenever deemed necessary;
(g) promptly report to the Bursa Securities on matters which have not been satisfactorily resolved by the Board of Directors resulting in a breach of the Listing Requirements.

6. Duties and Functions

(a) To review with the external auditors on the audit plan, audit report, the results of their evaluation of the accounting policies and systems of internal accounting controls within the Group and the assistance given by the officers of the Company to external auditors, including any difficulties or disputes with Management encountered during the audit.
(b) To review the adequacy of the scope, functions, competency and resources and setting of performance standards of the internal audit function.
(c) To provide assurance to the Board of Directors on the effectiveness of the system of internal controls and risk management practices of the Group.
(d) To review the internal audit programme, processes the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.

TERMS OF REFERENCE (cont'd)

6. Duties and Functions (cont'd)

(e) To review the audit reports and management letter issued by the external auditors and the implementation of audit recommendations, the interim financial information and the assistance given by the officers of the Company to external auditors.

(f) To meet with the external auditors and internal auditors without executive board members present whenever deemed necessary.

(g) To review any related party transactions that may arise within the Company or the Group to be undertaken on an arm's length basis and normal commercial terms and on terms not more favourable to the related parties than those generally available to the public, and to ensure that the Directors report such transactions annually to the shareholders via the annual report, and to review conflict of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

(h) To review the quarterly reports on consolidated results and annual financial statements prior to submission to the Board of Directors.

(i) To assist the Board of Directors in preparing an audit committee report at the end of each financial year, to be clearly set out in the annual report of the Company.

(j) To consider the appointment of auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person or persons as auditors.

(k) To review the allocation of options pursuant to the employees share option scheme and make such statement to be included in the annual report of the Company in relation to share scheme for employees.

(l) To review all areas of significant financial risk and to ensure that the arrangements are in place to contain these risks to acceptable levels.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The Audit Committee held four (4) meetings during the financial year ended 31 December 2014. The record of attendance by each member at the Audit Committee meetings held during the year is as follows:-

Name of Directors	Status of Directorship	Number of Meetings Attended
Mr. Wong Mun Wai (Chairman of Audit Committee)	Independent Non-Executive	4/4
Dato' Ahmad Razlan bin Ahmad Razali (Member of Audit Committee)	Independent Non-Executive Director	4/4
Mr. Wong Yee Ming (Member of Audit Committee)	Non-Independent Non-Executive Director	3/4

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (cont'd)

The Audit Committee has carried out its duties in accordance with its terms of reference during the year. These include:

- Reviewed the quarterly financial results and annual report of the Group and the Company before recommending to the Board of Directors for consideration and approval;
- Reviewed with the external auditors on the audit plan and strategy of the Group for the financial year ended 31 December 2014;
- Reviewed the fees of the external auditors;
- Reviewed with the internal auditors on the internal audit plan and programmes, the internal audit reports on findings, audit recommendations and the management's responses;
- Reviewed the follow-up audit reports to ensure the audit recommendations and action plans have been implemented;
- Reviewed and assessed the adequacy of the scope, functions and resources of the internal audit procedures in order to report any weakness or inadequacy to the Board.

STATEMENT OF EMPLOYEES' SHARE OPTION SCHEME ("ESOS") BY THE AUDIT COMMITTEE

The Company implemented a new ESOS Scheme during the financial year ended 31 December 2011. The ESOS has tenure of five (5) years which shall expire on 3 July 2016.

There were no additional options granted under the ESOS during the financial year ended 31 December 2014.

Total number of options exercised and retracted during the financial year ended 31 December 2014 are as follows:

	Granted on 4.7.2011	As at 1.1.2014	Exercised	Retracted	Redesignation/ promotion	As at 31.12.2014
Directors						
- Executive Directors	1,200,000	600,000	-	-	-	600,000
- Non-executive Directors	300,000	-	-	-	-	-
	1,500,000	600,000	-	-	-	600,000
Senior Management	4,177,000	1,840,600	-	(180,000)	-	1,660,600
Employees	6,323,000	2,321,200	-	(1,323,600)	-	997,600
Total	**12,000,000**	**4,761,800**	**-**	**(1,503,600)**	**-**	**3,258,200**

STATEMENT OF EMPLOYEES' SHARE OPTION SCHEME ("ESOS") BY THE AUDIT COMMITTEE (cont'd)

There was no review/verification on allocation of ESOS by the Audit Committee during the financial year ended 31 December 2014 because the Company did not grant any options during the financial year ended 31 December 2014.

Pursuant to the ESOS By-Laws, the aggregate maximum allocation to Directors and Senior Management under the ESOS shall not be more than 50% of the options allocated.

Actual percentage granted to the Directors and Senior Management of the Group since the commencement of the ESOS is approximately 47.3%.

There were no additional options granted to the Non-Executive Directors under the ESOS during the financial year ended 31 December 2014. Total number of options offered to, exercised and outstanding with respect the Non-Executive Directors are as follows:

Name of Directors	Status of Directorship	Granted on 4.07.2011	Exercised	As at 31.12.2014
Dato' Ahmad Razlan bin Ahmad Razali	Independent Non-Executive Director (appointed on 4.10.2012)	-	-	-
Mr. Wong Mun Wai	Independent Non-Executive Director (appointed on 28.5.2012)	-	-	-
Mr. Wong Yee Ming	Non-Independent Non-Executive Director (appointed on 4.7.2012)	-	-	-
Mr. Lau Kok Fui	Non-Independent Non-Executive Director (appointed on 7.3.2014)	-	-	-

INTERNAL AUDIT FUNCTION AND ITS ACITIVITIES

The Group outsourced its internal audit function to an external professional firm, as part of its efforts in ensuing that the Group systems of internal controls are adequate and effective. The cost incurred in relation to the internal audit function for the financial year ended 31 December 2014 is RM34,400.

Detail of the activities of the internal audit function is set out in the Statement on Corporate Governance of this Annual Report. Further, the Statement on Risk Management and Internal Control set out in this Annual report provides an overview of the risk management and internal control systems within the Group.

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DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company operates as an investment holding company.

The principal activities of its subsidiary companies are disclosed in Note 6 to the Financial Statements.

There have been no significant changes in the nature of these activities of the Company and of its subsidiary companies during the financial year.

RESULTS

	Group RM	Company RM
Net loss for the financial year	8,158,181	403,115
Attributable to:-		
Owners of the Company	8,642,382	403,115
Non-controlling interests	(484,201)	-
	8,158,181	403,115

RESERVES AND PROVISIONS

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

DIVIDENDS

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

DIRECTORS

The Directors in office since the date of the last report are as follows:-

Dato' Ahmad Razlan Bin Ahmad Razali
Tan Tian Sin
Fong Wai Leong
Wong Mun Wai
Wong Yee Ming
Lau Kok Fui

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests and deemed interests in the shares and options over 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) are as follows:-

	Number of ordinary shares of RM0.10 each			
	At 1.1.2014/ date of appointment	Bought	Sold	At 31.12.2014
Direct interest				
Tan Tian Sin	54,984,100	1,854,000	-	56,838,100
Fong Wai Leong	323,650	-	-	323,650
Wong Yee Ming	8,840,800	-	-	8,840,800
Lau Kok Fui	22,958,000	342,000	-	23,300,000
Indirect interest				
Lau Kok Fui (#)	8,250,00	750,000	-	9,000,000

(#) deemed interest by virtue of shares held by spouse

By virtue of his interest in the shares of the Company, Mr. Tan Tian Sin is also deemed to have interest in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 6A of the Companies Act, 1965.

	Number of ESOS options over ordinary shares of RM0.10 each				
	At 1.1.2014	Granted	Exercised	Retracted	At 31.12.2014
Tan Tian Sin	100,000	-	-	-	100,000
Fong Wai Leong	500,000	-	-	-	500,000

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

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than the share options granted pursuant to the Employee Share Option Scheme.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than as disclosed in Notes 25, 28 and 29 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 of which the Director has a substantial financial interest.

ISSUE OF SHARES AND DEBENTURES

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

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Employee Share Option Scheme ("ESOS").

On 23 May 2011, Bursa Malaysia Securities Berhad approved the Company's new ESOS. The ESOS has a tenure of five (5) years from the date of the launch or implementation of the scheme which shall expire on 3 July 2016.

The salient features and other terms of the ESOS are disclosed in the Note 28 to the Financial Statements.

As at 31 December 2014, the options offered to take up unissued ordinary shares of RM0.10 each and the exercise price are as follows:

		Number of options over ordinary shares of RM0.10 each			
Date of offer	**Exercise price RM**	**At 1.1.2014**	**Retracted ***	**Exercised**	**At 31.12.2014**
4.7.2011	0.35	4,761,800	(1,503,600)	-	3,258,200

* Due to resignation/rejected offer

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in this report the names of option holders, other than Directors, who have been granted the options during the financial year and details of their holdings as required by Section 169(11) of the Companies Act, 1965. This information has been separately filed with the Companies Commission of Malaysia.

Details of options granted to Directors are disclosed in the section of Directors' Interests in this report.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

(a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all bad debts had been written off and that adequate provision had been made for doubtful debts; and

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

At the date of this report, the Directors are not aware of any circumstances:-

(a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

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

(c) 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; or

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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

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

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

In the opinion of the Directors:-

(a) 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 their obligations as and when they fall due;

(b) 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

(c) 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 operations of the Group and of the Company for the current financial year in which this report is made.

AUDITORS

The Auditors, Messrs SJ Grant Thornton, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,

....	)	
TAN TIAN SIN	)	
	)	
	)	
	)	
	)	
	)	DIRECTORS
	)	
	)	
	)	
	)	
	)	
....	)	
FONG WAI LEONG	)	

Kuala Lumpur
27 April 2015

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 44 to 130 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 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 2014 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the supplementary information set out on page 131 has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,

………………………………………………	………………………………………………
TAN TIAN SIN	FONG WAI LEONG
Kuala Lumpur	
27 April 2015	

STATUTORY DECLARATION

I, Fong Wai Leong, being the Director primarily responsible for the financial management of PanPages Berhad (formerly known as CBSA Berhad), do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 44 to 130 and the supplementary information set out on page 131 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by	)
the abovenamed at Kuala Lumpur in	)
the Federal Territory this day of	)
27 April 2015	)
	………………………………………………
	FONG WAI LEONG

Before me:

S.ARULSAMY
License No.W490
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

PANPAGES BERHAD (formerly known as CBSA Berhad)

(Incorporated in Malaysia) Company No: 537337 M

Report on the Financial Statements

We have audited the financial statements of PanPages Berhad (formerly known as CBSA Berhad), which comprise statements of financial position as at 31 December 2014, 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 a summary of significant accounting policies and other explanatory notes, as set out on pages 44 to 130.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:-

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its Malaysian subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the accounts and the auditors' reports of all the subsidiary companies of which we have not acted as auditors, which are indicated in Note 6 to the Financial Statements.

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

d) The auditors' reports on the accounts of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

Other Reporting Responsibilities

The supplementary information set out on page 131 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

SJ GRANT THORNTON
(NO. AF: 0737)
CHARTERED ACCOUNTANTS

KHO KIM ENG
(NO.: 3137/10/16(J))
CHARTERED ACCOUNTANT
PARTNER

Kuala Lumpur
27 April 2015

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	4,679,745	20,254,930	234,283	323,255
Intangible assets	5	25,501,775	25,578,106	-	-
Investment in subsidiary companies	6	-	-	5,788,232	5,788,232
Investment in an associate company	7	-	-	-	-
Goodwill on consolidation	8	14,024,743	14,374,608	-	-
Other investments	9	55,000	55,000	-	-
Deferred tax assets	10	76,841	82,000	-	-
Total non-current assets		44,338,104	60,344,644	6,022,515	6,111,487
Current assets					
Inventories	11	34,389	386,923	-	-
Trade receivables	12	21,719,870	22,932,279	-	-
Other receivables	13	2,016,551	1,725,567	16,650	21,594
Amount due from subsidiary companies	6	-	-	33,983,736	34,549,151
Amount due from an associate company	7	-	2,062,590	-	-
Tax recoverable		42,862	400,441	-	-
Deferred expenditures	14	4,650,356	6,255,849	-	-
Other investments	9	76,887	1,661,822	13,088	268,765
Fixed deposits with licensed banks	15	558,648	1,437,330	-	-
Cash and bank balances		7,226,914	5,181,004	60,526	75,649
Total current assets		36,326,477	42,043,805	34,074,000	34,915,159
Non-current assets held for sale	16	19,013,547	-	-	-
Total assets		99,678,128	102,388,449	40,096,515	41,026,646
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	17	24,135,069	24,135,069	24,135,069	24,135,069
Share premium	18	1,231,295	1,231,295	1,231,295	1,231,295
Share option reserve		298,893	397,993	298,893	397,993
Foreign currency translation reserve		(430,965)	(633,179)	-	-
Retained earnings		40,052,084	48,694,466	1,524,742	1,927,857
		65,286,376	73,825,644	27,189,999	27,692,214
Non-controlling interests		(1,601,385)	158,545	-	-
Total equity		63,684,991	73,984,189	27,189,999	27,692,214

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014 (cont'd)

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
LIABILITIES					
Non-current liabilities					
Finance lease liabilities	19	707,021	647,839	121,853	190,886
Bank borrowings	20	11,693,354	8,503,067	-	-
Deferred tax liabilities	10	54,237	-	-	-
Total non-current liabilities		12,454,612	9,150,906	121,853	190,886
Current liabilities					
Trade payables	21	936,604	640,532	-	-
Other payables	22	10,195,071	8,794,541	74,611	65,368
Deferred income	23	9,370,383	8,748,377	-	-
Amount due to subsidiary companies	6	-	-	12,641,011	13,012,214
Finance lease liabilities	19	322,605	262,593	69,034	65,957
Bank borrowings	20	2,280,657	496,933	-	-
Tax payable		433,205	310,378	7	7
Total current liabilities		23,538,525	19,253,354	12,784,663	13,143,546
Total liabilities		35,993,137	28,404,260	12,906,516	13,334,432
Total equity and liabilities		99,678,128	102,388,449	40,096,515	41,026,646

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 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Revenue	24	36,408,905	33,969,672	1,200,380	6,248,311
Cost of sales		(20,199,245)	(12,858,259)	-	-
Gross profit		16,209,660	21,111,413	1,200,380	6,248,311
Other income		1,303,181	2,600,607	2,382	63,667
Selling and distribution expenses		(1,232,745)	(332,284)	-	-
Administration expenses		(16,299,325)	(15,318,627)	(1,596,005)	(1,811,280)
Other expenses		(7,534,113)	(2,989,896)	-	(569,289)
Finance costs		(84,911)	(68,554)	(9,872)	(12,947)
(Loss)/Profit before tax	25	(7,638,253)	5,002,659	(403,115)	3,918,462
Tax (expense)/income	26	(519,928)	(79,631)	-	2,854
(Loss)/Profit for the financial year		(8,158,181)	4,923,028	(403,115)	3,921,316
Other comprehensive income/(loss)					
Item that will be reclassified subsequently to profit or loss:					
Foreign currency translation		126,790	(583,482)	-	-
Total comprehensive (loss)/income for the financial year		(8,031,391)	4,339,546	(403,115)	3,921,316
(Loss)/Profit for the financial year attributable to:-					
Owners of the Company		(8,642,382)	4,335,970	(403,115)	3,921,316
Non-controlling interests		484,201	587,058	-	-
		(8,158,181)	4,923,028	(403,115)	3,921,316
Total comprehensive (loss)/income attributable to:-					
Owners of the Company		(8,440,168)	3,701,343	(403,115)	3,921,316
Non-controlling interests		408,777	638,203	-	-
		(8,031,391)	4,339,546	(403,115)	3,921,316
(Losses)/Earnings per share attributable to equity holders of the Company (sen)					
- Basic	27	(3.58)	1 .80		
- Diluted	27	*	1 .79		

* anti-dilutive in nature

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Attributable to owners of the Company							
		Non-distributable			Distributable			
	Share capital RM	Share premium RM	Share option reserve RM	Foreign currency translation reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Group								
Balance at 1 January 2013	24,022,889	806,169	537,849	1,448	49,182,965	74,551,320	632,379	75,183,699
Net profit for the financial year	-	-	-	-	4 ,335,970	4 ,335,970	587,058	4 ,923,028
Other comprehensive (loss)/ income for the financial year	-	-	-	(634,627)	-	(634,627)	51,145	(583,482)
Total comprehensive (loss)/ income for the financial year	-	-	-	(634,627)	4,335,970	3,701,343	638,203	4,339,546
Transactions with owners:								
Issuance of shares under ESOS	112,180	280,450	-	-	-	392,630	-	392,630
Shared based payment under ESOS	-	-	4,820	-	-	4,820	-	4,820
Single tier interim dividend of RM0.02 per ordinary share	-	-	-	-	(4,827,014)	(4,827,014)	-	(4,827,014)
Dividend to non-controlling interests	-	-	-	-	-	-	(952,395)	(952,395)
Acquisition of subsidiary companies	-	-	-	-	2,545	2,545	(159,642)	(157,097)
Transfer to share premium for share options exercised	-	144,676	(144,676)	-	-	-	-	-
Total transactions with owners	112,180	425,126	(139,856)	-	(4,824,469)	(4,427,019)	(1,112,037)	(5,539,056)
Balance at 31 December 2013	24,135,069	1,231,295	397,993	(633,179)	48,694,466	73,825,644	158,545	73,984,189

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (cont'd)

	Attributable to owners of the Company							
		Non-distributable			Distributable			
	Share capital RM	Share premium RM	Share option reserve RM	Foreign currency translation reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Balance at 31 December 2013	24,135,069	1,231,295	397,993	(633,179)	48,694,466	73,825,644	158,545	73,984,189
Group (cont'd)								
Net (loss)/profit for the financial year	-	-	-	-	(8,642,382)	(8,642,382)	484,201	(8,158,181)
Other comprehensive income/ (loss) for the financial year	-	-	-	202,214	-	202,214	(75,424)	126,790
Total comprehensive income/ (loss) for the financial year	-	-	-	202,214	(8,642,382)	(8,440,168)	408,777	(8,031,391)
Transactions with owners:								
Shared based payment under ESOS	-	-	(99,100)	-	-	(99,100)	-	(99,100)
Dividend to non-controlling interests	-	-	-	-	-	-	(907,121)	(907,121)
Acquisition of subsidiary company	-	-	-	-	-	-	(1,261,586)	(1,261,586)
Total transactions with owners	-	-	(99,100)	-	-	(99,100)	(2,168,707)	(2,267,807)
Balance at 31 December 2014	24,135,069	1,231,295	298,893	(430,965)	40,052,084	65,286,376	(1,601,385)	63,684,991

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

	Attributable to owners of the Company							
	Non-distributable				Distributable			
	Share capital RM	Share premium RM	Share option reserve RM	Foreign currency translation reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Company								
Balance at 1 January 2013	24,022,889	806,169	537,849	-	2,833,555	28,200,462	-	28,200,462
Total comprehensive income for the financial year	-	-	-	-	3,921,316	3,921,316	-	3,921,316
Transactions with owners:								
Issuance of shares under ESOS	112,180	280,450	-	-	-	392,630	-	392,630
Shared based payment under ESOS	-	-	4 ,820	-	-	4 ,820	-	4 ,820
Single tier interim dividend of RM0.02 per ordinary share	-	-	-	-	(4,827,014)	(4,827,014)	-	(4,827,014)
Transfer to share premium for share options exercised	-	144,676	(144,676)	-	-	-	-	-
Total transactions with owners	112,180	425,126	(139,856)	-	(4,827,014)	(4,429,564)	-	(4,429,564)
Balance at 31 December 2013	24,135,069	1,231,295	397,993	-	1,927,857	27,692,214	-	27,692,214
Total comprehensive loss for the financial year	-	-	-	-	(403,115)	(403,115)	-	(403,115)
Transaction with owners:								
Shared based payment under ESOS	-	-	(99,100)	-	-	(99,100)	-	(99,100)
Total transaction with owners	-	-	(99,100)	-	-	(99,100)	-	(99,100)
Balance at 31 December 2014	24,135,069	1,231,295	298,893	-	1,524,742	27,189,999	-	27,189,999

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
OPERATING ACTIVITIES					
(Loss)/Profit before tax		(7,638,253)	5,002,659	(403,115)	3,918,462
Adjustments for:-					
Amortisation of intangible assets		2,262,951	1,001,234	-	-
Bad debts written off		125,874	30,000	-	-
Depreciation		1,341,745	1,024,388	90,860	90,652
Dividend income		-	-	-	(5,000,000)
Impairment loss on trade receivables		3,402,338	2,377,978	-	-
Impairment loss on intangible assets		743,182	-	-	-
Impairment loss on goodwill		1,514,405	-	-	-
Interest expenses		84,911	68,554	9,872	12,947
Deferred expenditures written off		1,523,606	-	-	-
Interest income		(48,088)	(191,946)	(380)	(48,311)
Gain on disposal of property, plant and equipment		(62,818)	(21,073)	-	-
Gain on disposal of non-current assets held for sale		-	(855,000)	-	-
Gain on diposal of quoted investment in money market funds		(6,767)	(26,621)	-	(8,622)
Fair value gain adjustment in value of money market funds		(2,435)	(27,925)	(2,382)	(3,068)
Loss on disposal of other investment		-	577,911	-	577,911
Property, plant and equipment written off		-	10,576	-	-
Reversal of impairment loss on receivables		(893,379)	(603,690)	-	-
Share-based payment under ESOS		(99,100)	4,820	(99,100)	4,820
Unrealised gain on foreign exchange		(65,136)	(430,738)	-	-
Operating profit/(loss) before working capital changes		2,183,036	7,941,127	(404,245)	(455,209)
Changes in working capital:-					
Inventories		352,534	(260,515)	-	-
Receivables		(1,772,596)	(5,235,677)	4,944	(20,094)
Payables		953,283	(1,743,292)	9,243	(8,745)
Deferred expenditures		81,887	(4,461,616)	-	-
Deferred income		622,006	8,748,377	-	-
Cash generated from/(used in) operations		2,420,150	4,988,404	(390,058)	(484,048)
Interest paid		(84,911)	(68,554)	(9,872)	(12,947)
Tax refund		372,083	279,571	-	-
Tax paid		(352,209)	(276,547)	-	(39)
Net cash flows from/(used in) operating activities		2,355,113	4,922,874	(399,930)	(497,034)

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
INVESTING ACTIVITIES					
Acquisition of subsidiary companies, net of cash acquired	6	99,164	-	-	(2)
Acquisition of non-controlling interests		-	(157,097)	-	-
Acquisition of other investments		-	(206,660)	-	(2,751,878)
Dividend received		-	-	-	5,000,000
Interest received		48,088	191,946	380	48,311
Payment for intangible assets		(2,929,802)	(4,189,063)	-	-
Purchase of property, plant and equipment	A	(4,554,331)	(9,796,637)	(1,888)	-
Proceeds from disposal of other investment		-	2,173,967	-	2,173,967
Proceeds from disposal of non-current assets held for sale		-	1,600,000	-	-
Proceeds from disposal of property, plant and equipment		91,790	195,300	-	-
Upliftment of fixed deposits with licensed banks		878,682	1,922,529	-	-
Net cash (used in)/from investing activities		(6,366,409)	(8,265,715)	(1,508)	4,470,398
FINANCING ACTIVITIES					
Proceeds from share options exercise		-	392,630	-	392,630
Net drawndown from borrowings		4,974,011	6,300,000	-	-
Dividend paid to non-controlling interests		(421,013)	(4,827,014)	-	(4,827,014)
Net repayment of finance lease liabilities		(20,806)	(264,081)	(65,956)	(62,881)
Repayment from subsidiary companies		-	-	194,212	56,690
Advances to an associate company		-	(1,145,026)	-	-
Net cash flows from/(used in) financing activities		4,532,192	456,509	128,256	(4,440,575)
CASH AND CASH EQUIVALENTS					
Net changes		520,896	(2,886,332)	(273,182)	(467,211)
Effect of exchange translation differences on cash and cash equivalents		(69,123)	53,065	-	-
Effect of changes in money market funds		9,202	54,546	2,382	11,690
Brought forward		6,842,826	9,621,547	344,414	799,935
Carried forward	B	7,303,801	6,842,826	73,614	344,414

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

The Group acquired property, plant and equipment with aggregates costs of RM4,694,331 (2013: RM9,796,637) of which RM140,000 (2013: Nil) were acquired by means of finance lease arrangements. Cash payments of RM4,554,331 (2013: RM9,796,637) were made to purchase the property, plant and equipment.

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following :-

	Group		Company	
	2014 **RM**	**2013** **RM**	**2014** **RM**	**2013** **RM**
Other investments (Note 9)	76,887	1,661,822	13,088	268,765
Cash and bank balances	7,226,914	5,181,004	60,526	75,649
	7,303,801	6,842,826	73,614	344,414

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014

1. GENERAL INFORMATION

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

The registered office of the Company is located at 802, 8th Floor, Block C, Kelana Square, 17, Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at No. 1, Jalan PJS 11/8, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan.

The Company operates as an investment holding company.

The principal activities of its subsidiary companies are disclosed in Note 6 to the Financial Statements.

There have of no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 April 2015.

2. BASIS OF PREPARATION

2.1 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 ("IFRSs") and the requirements of the Companies Act, 1965 in Malaysia.

2.2 Basis of measurement

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2. BASIS OF PREPARATION (cont'd)

2.2 Basis of measurement (cont'd)

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

(a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

(b) Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.

(c) Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting date.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

2.4 Adoption of new and revised MFRSs, amendments/improvements to MFRSs, and IC Interpretations ("IC Int")

The Group and the Company have consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements.

At the beginning of the current financial year, the Group and the Company adopted relevant MFRSs-amendments to MFRS 132 and MFRS 136 which are mandatory for the financial periods beginning on or after 1 January 2014.

2. BASIS OF PREPARATION (cont'd)

2.4 Adoption of new and revised MFRSs, amendments/improvements to MFRSs, and IC Interpretations ("IC Int") (cont'd)

Amendments to MFRS 132 Offsetting Financial Assets And Financial Liabilities

The amendments to MFRS 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

Amendments to MFRS 136 Recoverable Amount Disclosures for Non-Financial Assets

The amendments to MFRS 136 clarify that an entity is required to disclose the recoverable amount of an asset or cash generating unit whenever an impairment loss has been recognised or reversed in the period. In addition, the amendments introduced several new disclosures required to be made when the recoverable amount of impaired assets is based on fair value less costs of disposal, including:

- Additional information about fair value measurement including the applicable level of the fair value hierarchy, and a description of any valuation techniques used and key assumptions made;

- The discount rates used if fair value less costs of disposal is measured using a present value technique.

These additional disclosures are in line with the disclosure required by MFRS 13 Fair Value Measurements.

Initial application of the relevant amendments to the standards did not have material impact on the financial statements.

2.5 Standards issued but not yet effective

The Group and the Company have not applied the following MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and the Company:-

Amendments to MFRSs effective 1 July 2014 :

Amendments to MFRS 119 Employee Benefits: Defined Benefit Plans – Employee Contributions and Annual Improvements to MFRSs 2010 – 2012 Cycle, including the amendments to:
- MFRS 2 Share-based Payment: Definition of vesting condition
- MFRS 3 Business Combination: Accounting for contingent consideration in a business combination
- MFRS 8 Operating Segments: Aggregation of operating segments
- MFRS 8 Operating Segments: Reconciliation of the total of the reportable segments' assets to the entity's assets
- MFRS 13 Fair Value Measurement: Short-term receivables and payables

2. BASIS OF PREPARATION (cont'd)

2.5 Standards issued but not yet effective (cont'd)

The Group and the Company have not applied the following MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and the Company (cont'd):-

Amendments to MFRSs effective 1 July 2014 (cont'd):

Amendments to MFRS 119 Employee Benefits: Defined Benefit Plans – Employee Contributions and Annual Improvements to MFRSs 2010 – 2012 Cycle, including the amendments to (cont'd):
- MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets: Revaluation method – proportionate restatement of accumulated depreciation
- MFRS 124 Related Party Disclosures: Key Management Personnel

Annual Improvements to MFRSs 2011 – 2013 Cycle, including the amendments to:
- MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards: Meaning of "Effective MFRSs"*
- MFRS 3 Business Combinations: Scope exceptions for joint ventures*
- MFRS 13 Fair Value Measurement: Scope of paragraph 52 (portfolio exception)*
- MFRS 140 Investment Property: Clarifying the interrelationship between MFRS 3 and MFRS 140 when classifying property as investment property or owner-occupied property*

MFRS and Amendments to MFRSs effective 1 January 2016 :

- MFRS 14 Regulatory Deferral Accounts*
- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: Sale or contribution of assets between an investor and its associate or joint venture
- Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 128 Investment in Associates and Joint Ventures: Investment Entities – Applying the Consolidation Exception
- Amendments to MFRS 11 Joint Arrangements: Accounting for acquisitions of interests in joint operations*
- Amendments to MFRS 101 Presentation of Financial Statements: Disclosure Initiative
- Amendments to MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets : Clarification of acceptable methods of depreciation and amortisation
- Amendments to MFRS 116 Property, Plant and Equipment and MFRS 141 Agriculture: Agriculture - Bearer Plants*
- Amendments to MFRS 127 Consolidated and Separate Financial Statements: Equity Method in Separate Financial Statements

2. BASIS OF PREPARATION (cont'd)

2.5 Standards issued but not yet effective (cont'd)

The Group and the Company have not applied the following MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and the Company (cont'd):-

MFRS and Amendments to MFRSs effective 1 January 2016 (cont'd):

Annual Improvements to MFRSs 2012 – 2014 Cycle, including the amendments to:

- MFRS 5 Non-current Assets Held for Sale and Discontinued Operations: Changes in methods of disposal
- MFRS 7 Financial Instruments - Disclosures: Servicing contracts *
- MFRS 7 Financial Instruments - Disclosures: Applicability of the amendments to MFRS 7 to condensed interim financial statements
- MFRS 119 Employee Benefits: Discount rate – regional market issue*
- MFRS 134 Interim Financial Reporting: Disclosure of information "elsewhere in the interim financial report"

MFRS effective 1 January 2017 :

- MFRS 15 Revenue from Contracts with Customers

MFRS and Amendments to MFRS effective 1 January 2018 :

- MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)
- Amendments to MFRS 7 Financial Instruments – Disclosures: Mandatory effective date of MFRS 9 and transitional disclosures

* Not applicable to the Group's and Company's operations

The initial application of the above relevant standards, amendments and interpretation are not expected to have any financial impacts to the financial statements, except for:

MFRS 9 Financial Instruments

MFRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, thereby removing a source of complexity associated with previous accounting requirements. In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statement of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statement of financial position.

2. BASIS OF PREPARATION (cont'd)

2.5 Standards issued but not yet effective (cont'd)

The Group and the Company have not applied the following MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and the Company (cont'd):-

MFRS 9 Financial Instruments (cont'd)

MFRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model is forward-looking and it eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

The Group and the Company are currently examining the financial impact of adopting MFRS 9.

2.6 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2.6.1 Estimation uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Useful lives of depreciable assets

Management estimates the useful lives of the property, plant and equipment to be within 3 to 20 years and reviews the useful lives of depreciable assets at the end of each of the reporting year. At 31 December 2014, management assesses that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting the adjustment to the Group's assets.

2. BASIS OF PREPARATION (cont'd)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

Useful lives of depreciable assets (cont'd)

The carrying amount of the Group's property, plant and equipment at the end of the reporting year is disclosed in Note 4 to the Financial Statements.

A 5% difference in the expected useful lives of the property, plant and equipment from the management' estimates would result in approximately 3% (2013: 3%) variance in the Group's (loss)/profit for the financial year.

Amortisation of intangible assets

Intangible assets are amortised for a period of 3 to 10 years based on management estimated useful life. Changes in the expected level of usage and technological developments could impact economical useful life of the assets, therefore future amortisation charges could be revised.

A 5% difference in the expected useful lives of intangible assets from the management' estimates would result in approximately 3% (2013: 3%) variance in the Group's (loss)/profit for the financial year.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Further details of the carrying values, key assumptions applied in the impairment assessment of intangible assets and goodwill and sensitivity analysis to changes in the assumptions are disclosed in Notes 5 and 8 to the Financial Statements.

2. BASIS OF PREPARATION (cont'd)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made. The Group's core business is subject to economical and technology changes which may cause selling prices to change rapidly, and the Group's profit to change.

The carrying amount of the Group's inventories at the end of the reporting year is disclosed in Note 11 to the Financial Statements.

Impairment of loans and receivables

The Group assesses at the end of each reporting year whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtors and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience of assets with similar credit risk characteristics.

The carrying amounts of the Group's loans and receivables at the end of the reporting year are as summarised in Notes 12, 13, and 33 to the Financial Statements.

Employee share options

The Group and the Company measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and model used for estimating fair value for share-based payment transactions and the carrying amounts are disclosed in Note 28 to the Financial Statements.

2. BASIS OF PREPARATION (cont'd)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.2 Significant management judgement

The following is significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Internally generated software and research costs

Management monitors progress of internal research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as assets when all the criteria are met, whereas research costs are expensed as incurred.

To distinguish any research-type project phase from the development phase, it is the Group's accounting policy to require a detailed forecast of sales or cost savings expected to be generated by the intangible asset. The forecast is incorporated into the Group's overall budget forecast as the capitalisation of development costs commences. This ensures that managerial accounting, impairment testing procedures and accounting for internally-generated intangible assets are based on the same data.

The Group's management also monitors whether the recognition requirements for development costs continue to be met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems after the time of recognition.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all periods presented in the financial statements.

3.1 Consolidation

3.1.1 Subsidiary companies

Subsidiary companies are entities, including structured entities, controlled by the Company. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. Besides, the Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiary companies is stated at cost less any impairment losses in the Company's financial position, unless the investment is held for sale or distribution. The cost of investments includes transaction costs.

Upon the disposal of investment in a subsidiary company, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Consolidation (cont'd)

3.1.2 Basis of consolidation

The Group's financial statements consolidate the audited financial statements of the Company and all of its subsidiary companies, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiary companies have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting year.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiary companies are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Changes in the Group's ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

3.1.3 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Consolidation (cont'd)

3.1.3 Business combinations and goodwill (cont'd)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances, where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

Goodwill in initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

3.1.4 Loss of control

Upon the loss of control of a subsidiary company, the Group derecognises the assets and liabilities of the subsidiary company, any non-controlling interests and the other components of equity related to the subsidiary company. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary company, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Consolidation (cont'd)

3.1.5 Non-controlling interests

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

Losses applicable to the non-controlling interests in a subsidiary company are allocated to the non-controlling interests even if that results in a deficit balance.

3.1.6 Associate company

Associate company is entity in which the Group has significant influence, but no control, over their financial and operating policies.

The financial statements of the associate company is prepared as of the same reporting year as the Company. Where necessary, adjustments are made to bring the accounting policies of the associate company in line with those of the Group.

In the Company's separate financial statements, investment in associate company is stated at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

3.2 Foreign currency translation

The Group's consolidated financial statements are presented in RM, which is also the Group's functional currency.

3.2.1 Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the profit or loss with the exception of all monetary items that forms part of a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.2 Foreign currency translation (cont'd)

3.2.1 Foreign currency transactions and balances (cont'd)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising in translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss respectively).

3.2.2 Foreign operations

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting year. The income and expenses of foreign operations are translated to RM at exchange rates at the date of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity. However, if the operation is a non-wholly-owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in foreign currency translation reserve in equity.

3.3 Property, plant and equipment

All property, plant and equipment are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Property, plant and equipment (cont'd)

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. 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.

Depreciation is recognised on the straight line method in order to write off the cost of each asset over its estimated useful life. Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Tools and office equipment	20%
Furniture and fittings	8% - 20%
Motor vehicles	20%
Computers	5% - 33.33%
Renovations	20%

Capital work-in-progress consists of buildings under construction 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 until the property, plant and equipment are ready for their intended use. Assets under construction are not depreciated until they are completed and ready for their intended use.

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually 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 items 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.

3.4 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 fulfilment of the arrangement is dependent on the use of a specific asset or asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

3.4.1 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 Leases (cont'd)

3.4.1 Finance lease (cont'd)

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.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group or the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

3.4.2 Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases.

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 year in which they incurred.

3.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs and content database expenditure, are not capitalised and expenditure is reflected in the profit or loss in the year in which it incurred.

The useful life of intangible assets is assessed to be either finite or indefinite. Intangible assets with finite life are amortised on straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by charging the amortisation period or method, as appropriate, and is treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful life is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.5 Intangible assets (cont'd)

Intangible assets with indefinite useful life are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gain or losses arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the profit or loss when the asset is derecognised.

3.5.1 Trademarks, customer lists and relationships

These intangible assets were acquired in a business combination. The useful lives of these intangible assets are estimated to be indefinite because based on the current market share of the trademarks, management believes there is no foreseeable limit to the period over which trademarks and the customer lists and relationships are expected to generate net cash inflows for the Group.

3.5.2 Web-portal

Web-portal was acquired separately and is estimated to be indefinite because based on the current market share of the web-portal, management believes there is no foreseeable limit to the period over which the web-portal is expected to generate net cash inflows for the Group.

3.5.3 Research and development cost

Research costs are expensed as incurred.

Deferred development costs arising from development expenditures on an individual project are recognised when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability 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 expenditures during development. Deferred development costs have a finite useful life and are amortised over the period of expected sales from the related project (ranging from 3 to 10 years) on a straight line basis and assessed for impairment whenever there is an indication that the development cost may be impaired.

Development cost initially recognised as an expense is not recognised as an asset in subsequent periods.

The amortisation period and the amortisation method for the development cost with a finite useful life are reviewed at least at each financial year end.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.5 Intangible assets (cont'd)

3.5.4 Content database

Content database expenditures are recognised initially at cost when the cost incurred are directly attributable to the development of the new content database that will be available for use or sale. Following initial recognition, content database expenditures are carried at cost less accumulated amortisation and any accumulated impairment losses. Costs to update or remove the content database are not capitalised and expensed to profit or loss as incurred. The content database has a finite useful life and are amortised on a straight line basis over 3 years, being the expected useful life and assessed for impairment whenever there is an indication that the content database may be impaired.

The amortisation period and the amortisation method for the content database with a finite useful life are reviewed at least at each financial year end.

3.6 Financial instruments

3.6.1 Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group or the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets and financial liabilities are measured subsequently as described below.

3.6.2 Financial assets - categorisation and subsequent measurement

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

(a) financial assets at fair value through profit or loss;
(b) held-to-maturity investments;
(c) loans and receivables; and
(d) available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each end of the reporting year. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.6 Financial instruments (cont'd)

3.6.2 Financial assets - categorisation and subsequent measurement (cont'd)

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expired or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

At the reporting date, the Group and the Company have not designated any held to maturity investments. The Group and the Company carry only financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets on their statements of financial position.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. All derivative financial instruments (including separated embedded derivatives) which are acquired principally for the purpose of selling in the near term fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Subsequent to initial recognition, assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of derivative financial instruments are determined by reference to active market transactions or using a valuation technique where no active market exists. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other expenses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.6 Financial instruments (cont'd)

3.6.2 Financial assets - categorisation and subsequent measurement (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. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process. The Group's and the Company's cash and cash equivalents, amount due from subsidiary companies, trade and other receivables fall into this category of financial instruments.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the end of the reporting year which are classified as non-current.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets.

Available-for-sale financial assets are measured at fair value subsequent to the initial recognition. Gains and losses are recognised in other comprehensive income and reported within the available-for-sale reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

Interest calculated using the effective interest method and dividends are recognised in profit or loss. Dividends on an available-for-sale equity are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the end of the reporting year.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.6 Financial instruments (cont'd)

3.6.3 Financial liabilities - categorisation and subsequent measurement

After the initial recognition, financial liabilities are classified as:

(a) financial liabilities at fair value through profit or loss;
(b) other liabilities measured at amortised cost using the effective interest method; and
(c) financial guarantee contracts.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

At the reporting date, the Group and the Company carry only other liabilities measured at amortised cost using the effective interest method on its statement of financial position.

Other liabilities measured at amortised cost

The Group's and the Company's other liabilities include bank borrowings, finance lease liabilities, amount due to subsidiary companies, trade and other payables.

Other liabilities are 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 end of the reporting year.

3.6.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement 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.

3.6.5 Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market process or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.6 Financial instruments (cont'd)

3.6.5 Fair value of financial instruments (cont'd)

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as how they are measured are provided in Note 33 to the Financial Statements.

3.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in-first-out basis and includes all expenses incurred in bringing the inventories to their present location and condition which consists of purchase price and freight charges plus cost incurred in bringing the inventories to their present location and condition.

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

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, fixed deposits include those pledged to licensed banks, short term demand deposits, bank overdraft and highly liquid investments which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the financial position, cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the end of the reporting year are classified as non-current asset.

3.9 Non-current assets held for sale

Non-current assets held for sale comprising assets that are expected to be recovered primarily through sale rather than through continuing use.

Classification of the assets as held for sale occurs only when the assets are available for immediate sale in its present condition subject only to terms that are usual and customary and the sale must be highly probable. Management must be committed to a plan to sell the assets which are expected to qualify for recognition as a completed sale within one year from the date of classification. Action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.9 Non-current assets held for sale (cont'd)

Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale are not amortised or depreciated.

3.10 Impairment of assets

3.10.1 Non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group and the Company base its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's and the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.10 Impairment of assets (cont'd)

3.10.1 Non-financial assets (cont'd)

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's 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, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

Goodwill is tested for impairment annually as at the end of each reporting year, and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at the end of each reporting year, either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

3.10.2 Financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable date indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.10 Impairment of assets (cont'd)

3.10.2 Financial assets (cont'd)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group and the Company first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group and the Company determine that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continue to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the 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). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group and the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to profit or loss.

Available-for-sale financial assets

For available-for-sale financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investment is impaired.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.10 Impairment of assets (cont'd)

3.10.2 Financial assets (cont'd)

Available-for-sale financial assets (cont'd)

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss) is removed from other comprehensive income and recognised in the profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairments are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the profit or loss, the impairment loss is reversed through profit or loss.

Unquoted instruments carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.11 Equity, reserves and distributions to owners

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Share capital represents the nominal value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Foreign currency translation differences arising on the translation of the Group's foreign entities are included in the foreign currency translation reserve.

Retained earnings include all current and prior years' retained profits.

Dividends on ordinary shares are accounted for in shareholder's equity as an appropriation of retained earnings and recognised as a liability in the year in which they are declared.

All transactions with owners of the Company are recorded separately within equity.

3.12 Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, 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 a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

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.

Provisions are reviewed at each end of the reporting year 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. Where the effect of the time 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.13 Deferred expenditures

Deferred expenditures comprise costs incurred from the commencement of the production of the business printed directory journals and internet directory. The deferred expenditures are recognised as current assets when the costs directly attributable to the related publication or period over term of the contract can be measured reliably. The deferred expenditures are classified as non-current assets when the related publication or period over term of the contract are not expected to be completed within twelve months from the reporting date. The deferred expenditures are charged to the cost of sales when the related revenue is recognised upon the publication of the printed business directory journals and internet directory. In the event that the publication is not expected to be materialised, the expenditures incurred are written off immediately to profit or loss.

3.14 Prepayments for maintenance contracts

Maintenance contracts fees billed but not yet recognised as revenue are considered as unearned maintenance contracts fees and are taken up as prepayments for maintenance contracts. These prepayments are recorded as liabilities and recognised in other payables.

3.15 Directories income and deferred income

The directories income consists of sales of advertising space in printed directories and on internet directories.

(a) *Sales of advertising space in printed directories*

The Group uses the percentage of directory journal circularised method to determine the appropriate amount of revenue and costs to be recognised by reference to the proportion that directory journal circularised to date bear to the estimated total directory journal.

(b) *Sales of advertising space on internet directories*

The Group recognises revenue on a straight line basis over term of the contract.

Invoices billed but not yet recognised as revenue are considered as unearned income and are taken up as deferred income. Deferred income is recognised in statement of financial position as current liability, except for the sales of advertising space which are not expected to deliver within twelve months are classified as non-current liability.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.16 Employee benefits

3.16.1 Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial year in which the associated services are rendered by the employees of the Group and the Company. 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, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

A provision is made for the estimated liability for leave as a result of services rendered by the employees up to the end of the reporting year.

3.16.2 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employees services in the current and preceding financial years.

Such contributions are recognised as expenses in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies also make contributions to their respective countries' statutory pension schemes.

3.17 Share-based payment transactions

3.17.1 Equity-settled share-based payment transactions

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or income reflected in profit or loss represents the movement in cumulative expense recognised as at the beginning and the end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.17 Share-based payment transactions (cont'd)

3.17.1 Equity-settled share-based payment transactions (cont'd)

Where the terms of an equity-settled transaction award are modified, the minimum expense recognise is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.17.2 Cash-settled share-based payment transaction

The cost of cash-settled transaction is measured initially at fair value at the grant date using a binomial model. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense.

3.18 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

3.18.1 Sales of advertising space

Revenue from the sales of advertising space on the internet directory and in the printed directories is recognised as detailed in Note 3.15 to the Financial Statements.

Revenue from the sales of third parties online advertising services is recognised upon the contract signed and when services are rendered.

3.18.2 Sales of content database

Revenue from sales of content database is recognised upon delivery of content databases.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.18 Revenue recognition (cont'd)

3.18.3 Solution delivery and implementation services

Revenue for all fixed fee contracts are recognised in stages based on the achievement of the projects milestones and customers' acceptance.

3.18.4 Maintenance

Revenue from software and hardware maintenance is recognised on a straight line basis over the term of the contract.

3.18.5 Dividend income

Dividend income is recognised when the Company's right to receive such payment is established.

3.18.6 Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

3.18.7 Commission

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

3.18.8 Management fees

Management fees are recognised when services are rendered.

3.18.9 Sales of goods

Revenue from sale of goods is recognised when the risks and rewards of ownership of the goods have been transferred.

3.19 Borrowing costs

Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost of the assets during the period of time that is necessary to complete and prepare the asset for its intended use or sale.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.19 Borrowing costs (cont'd)

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.

All other borrowing costs are expensed in the year in which they incurred. Borrowing costs consist of interests and other costs that the Group incurred in connection with the borrowing of funds.

3.20 Tax expenses

Tax expenses comprise current and deferred tax. Current tax and deferred tax are 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.

3.20.1 Current tax

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

Current tax is recognised in the statement of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

3.20.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement 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 that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to 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 year.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.20 Tax expenses (cont'd)

3.20.2 Deferred tax (cont'd)

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 differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.21 Operating segments

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

3.22 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 not recognised in the statements of financial position and 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.

3.23 Related parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group; or
(ii) has significant influence over the Group; or
(iii) is a member of the key management personnel of the the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.23 Related parties (cont'd)

(b) An entity is related to the Group if any of the following conditions applies:

(i) the entity and the Group are members of the same group; or
(ii) one entity is an associate or joint venture of the other entity; or
(iii) both entities are joint ventures of the same third party; or
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
(v) the entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group; or
(vi) the entity is controlled or jointly-controlled by a person identified in (a) above; or
(vii) a person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity.

4. PROPERTY, PLANT AND EQUIPMENT

Group Cost	Tools and office equipment RM	Furniture and fittings RM	Motor vehicles RM	Computers RM	Renovations RM	Capital work-in-progress RM	Total RM
At 1 January 2013	1,225,819	256,819	2,171,892	1,545,130	1,065,368	8,338,072	14,603,100
Additions	372,684	135,839	-	448,728	1,372,154	7,467,232	9,796,637
Disposals	(8,453)	-	(296,740)	(1,800)	-	-	(306,993)
Written off	(918,934)	(29,177)	-	(4,994)	(373,052)	-	(1,326,157)
Translation adjustment	(4,935)	(16,114)	-	(68,488)	(1,560)	-	(91,097)
At 31 December 2013	666,181	347,367	1,875,152	1,918,576	2,062,910	15,805,304	22,675,490
Acquisition through business combination	125,305	-	-	2,391	-	-	127,696
Additions	115,020	35,468	495,679	674,433	165,488	3,208,243	4,694,331
Disposals	(17,108)	-	(215,319)	(4,904)	-	-	(237,331)
Translation adjustment	15,679	4,306	-	13,675	2,485	-	36,145
Reclassified as non-current assets held for sale	-	-	-	-	-	(19,013,547)	(19,013,547)
At 31 December 2014	905,077	387,141	2,155,512	2,604,171	2,230,883	-	8,282,784
Accumulated depreciation							
At 1 January 2013	1,039,393	102,638	616,592	651,385	463,469	-	2,873,477
Charge for the financial year	133,455	29,485	356,082	211,653	293,713	-	1,024,388
Disposals	(8,453)	-	(124,073)	(240)	-	-	(132,766)
Written off	(912,862)	(29,144)	-	(4,862)	(368,713)	-	(1,315,581)
Translation adjustment	(1,430)	(5,137)	-	(21,278)	(1,113)	-	(28,958)
At 31 December 2013	250,103	97,842	848,601	836,658	387,356	-	2,420,560
Acquisition through business combination	38,324	-	-	847	-	-	39,171
Charge for the financial year	193,803	47,028	386,373	298,522	416,019	-	1,341,745
Disposals	(9,540)	-	(198,819)	-	-	-	(208,359)
Translation adjustment	3,583	1,227	-	4,463	649	-	9,922
At 31 December 2014	476,273	146,097	1,036,155	1,140,490	804,024		3,603,039
Net carrying amount							
31 December 2014	428,804	241,044	1,119,357	1,463,681	1,426,859	-	4,679,745
31 December 2013	416,078	249,525	1,026,551	1,081,918	1,675,554	15,805,304	20,254,930

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company

	Motor vehicle RM	Computer RM	Total RM
Cost			
At 1 January 2013/31 December 2013	449,070	2,539	451,609
Additions	-	1,888	1,888
At 31 December 2014	449,070	4,427	453,497
Accumulated depreciation			
At 1 January 2013	37,423	279	37,702
Additions	89,814	838	90,652
At 31 December 2013	127,237	1,117	128,354
Charge for the financial year	89,814	1,046	90,860
At 31 December 2014	217,051	2,163	219,214
Net carrying amount			
31 December 2014	232,019	2,264	234,283
31 December 2013	321,833	1,422	323,255

The details of assets under finance lease are:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Motor vehicles				
Net carrying amount	1,119,357	996,850	232,019	321,833

Leased assets are pledged as security for the related finance lease liabilities.

Capital work-in-progress consist of industrial building under construction started since August 2011. The construction has been completed in October 2014. The carrying amount of the industrial building as at 31 December 2014 is RM19,013,547 (2013: RM15,805,304) and is pledged as security for a credit facility granted by a licensed bank to finance the construction.

The amount of borrowing costs capitalised during the financial year is RM533,231 (2013: RM267,228). The rate used to determine the amount of borrowing costs eligible for capitalisation is 4.60% (2013: 4.60%), which is the effective interest rate of the specific borrowing.

5. INTANGIBLE ASSETS

Group

	Trademarks RM	Customer list and relationships RM	Web-portal RM	Content databases RM	Development costs RM	Total RM
At cost						
At 1 January 2013	9,322,657	11,539,503	500,000	-	2,373,583	23,735,743
Additions	-	-	-	3,888,682	300,381	4,189,063
Transferred to an associate company	-	-	-	-	(360,325)	(360,325)
At 31 December 2013	9,322,657	11,539,503	500,000	3,888,682	2,313,639	27,564,481
Additions	-	-	-	2,929,802	-	2,929,802
At 31 December 2014	9,322,657	11,539,503	500,000	6,818,484	2,313,639	30,494,283
Accumulated amortisation and impairment loss						
At 1 January 2013	-	-	-	-	1,344,391	1,344,391
Amortisation for the financial year	-	-	-	806,906	194,328	1,001,234
Transferred to an associate company	-	-	-	-	(359,250)	(359,250)
At 31 December 2013	-	-	-	806,906	1,179,469	1,986,375
Amortisation for the financial year	-	-	-	2,115,570	147,381	2,262,951
Impairment loss	-	-	500,000	-	243,182	743,182
At 31 December 2014	-	-	500,000	2,922,476	1,570,032	4,992,508
Net carrying amount						
31 December 2014	9,322,657	11,539,503	-	3,896,008	743,607	25,501,775
31 December 2013	9,322,657	11,539,503	500,000	3,081,776	1,134,170	25,578,106

Trademarks

The trademarks relate to 'Superpages' directory journal and were acquired together with customer list and relationships in a business combination.

5. INTANGIBLE ASSETS (cont'd)

Group (cont'd)

Computer equipments and related software programming

The development costs were incurred for developing new products and enhancement of the existing products. The development costs are amortised on straight-line basis over 3 to 10 years after the content is updated to its databases.

Content databases consist of corporation information that the Group has accumulated in its databases. These records have been digitised and indexed to allow subscribers to search and view the content online. The costs incurred related to the employees' remuneration to scan, key and index the content to content databases. Content databases are amortised on straight-line basis over 3 years after the content is updated to its databases.

Impairment loss review of intangible assets

For the purpose of impairment testing, these intangible assets have been allocated to a cash generating units ("CGU") according to respective subsidiary company's operation. The recoverable amounts of the CGU have been determined based on value in use calculations using cash flows projections from financial budgets approved by management covering a five-year period. The detail on the growth rate and discount rate for search and advertising, computer equipment and related software programming cash generating units are disclosed in Note 8 to the Financial Statements.

6. INVESTMENT IN SUBSIDIARY COMPANIES

Company

	2014 RM	2013 RM
Unquoted shares:-		
At cost	5,788,232	5,788,232

The particulars of subsidiary companies are as follows:-

Name of company	Place of incorporation	Effective interest 2014 %	Effective interest 2013 %	Principal activities
Cyber Business Solutions Sdn. Bhd.	Malaysia	100	100	Provision of software solutions.
CBSA MSC Sdn. Bhd.	Malaysia	100	100	Development and provision of software applications.
CBSA Synergy Sdn. Bhd.	Malaysia	100	100	Investment holding.
CBSA Bizhub Sdn. Bhd.	Malaysia	100	100	Investment holding.
CBSA Inotrac Sdn. Bhd.	Malaysia	100	100	Computer programming, software development and acting as systems integrator.

6. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Company (cont'd)

The particulars of subsidiary companies are as follows (cont'd):-

Name of company	Place of incorporation	Effective interest 2014 %	Effective interest 2013 %	Principal activities
Subsidiary company of CBSA Synergy Sdn. Bhd.:-				
CASD Solutions Sdn. Bhd.	Malaysia	100	100	Distribution of software products and provision of related maintenance services.
Subsidiary companies of CBSA Bizhub Sdn. Bhd.:-				
CBSA International Sdn. Bhd.	Malaysia	100	100	Investment holding, development and provision of content products and operation of internet community portals for overseas market.
PanPages Online Sdn. Bhd.	Malaysia	100	100	Research and development of local business platform, provision of content marketing and advertisement solutions and provision of online and mobile location based solutions.
CBSA Pancommerce Sdn. Bhd.	Malaysia	90	90	Developer and provider of e-commerce software, applications and websites and provision of internet and e-commerce related services.
PanPages Ltd.*	British Virgin Islands	100	100	Investment holding.
Subsidiary company of PanPages Online Sdn. Bhd.:-				
PanPages Media Sdn. Bhd.	Malaysia	100	100	Engaging in publishing business directory journals.

6. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Company (cont'd)

The particulars of subsidiary companies are as follows (cont'd):-

Name of company	Place of incorporation	Effective interest 2014 %	2013 %	Principal activities
Subsidiary companies of PanPages Ltd.:-				
PanPages (Cambodia) Ltd.*	Cambodia	100	100	Investment holding.
PT Panpages >	Indonesia	100^	100^	Development of web portal.
Subsidiary company of PanPages (Cambodia) Ltd.:-				
Cam YP Co. Ltd.#	Cambodia	51	51	Publication of business directory journals.
Subsidiary companies of CBSA International Sdn. Bhd.:-				
PanPages Vietnam Co. Ltd.>	Vietnam	100	100	Engaging in computer programming service and marketing management consulting services.
CBSA (Thailand) Co. Ltd.< >	Thailand	48	48	Development and provision of content product and operator of internal communication.

Audited by member firm of Grant Thornton International Ltd.

* Not required to be audited in the country of incorporation. The Directors have consolidated the results of these subsidiary companies based on its management financial statements which have been audited by SJ Grant Thornton for consolidation purpose.

^ Included herein is an 1% of equity interest held by CBSA International Sdn. Bhd.

< On 22 May 2014, the Group deemed to have de-facto control over such company.

> Not audited by SJ Grant Thornton

6. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

(i) Non-controlling interests in subsidiary companies

The Group's subsidiary companies that have material non-controlling interests are as follows:-

Group

2014

	CBSA Pancommerce Sdn. Bhd.	Cam YP Co. Ltd.	CBSA (Thailand) Co. Ltd.	Total
Pecentage of ownership interest and voting interest (%)	10%	49%	52%	
Carrying amount of non-controlling interests (RM)	(286,503)	279,334	(1,594,216)	(1,601,385)
(Loss)/Profit allocated to non-controlling interests (RM)	(127,416)	858,801	(247,184)	484,201

2013

	CBSA Pancommerce Sdn. Bhd.	Cam YP Co. Ltd.	Total
Pecentage of ownership interest and voting interest (%)	10%	49%	
Carrying amount of non-controlling interests (RM)	(159,087)	317,632	158,545
(Loss)/Profit allocated to non-controlling interests (RM)	(101,567)	688,625	587,058

6. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

(i) Non-controlling interests in subsidiary companies (cont'd)

Group (cont'd)

The summary of financial information before intra-group elimination for the Group's subsidiary companies that have material non-controlling interests are as below:-

2014

	CBSA Pancommerce Sdn. Bhd.	Cam YP Co. Ltd.	CBSA (Thailand) Co. Ltd.
	RM	RM	RM
Financial position as at 31 December			
Non-current assets	49,794	111,914	57,207
Current assets	40,778	4,056,395	124,606
Current liabilities	(2,970,173)	(4,045,820)	(3,248,083)
Net (liabilities)/assets	(2,879,601)	122,489	(3,066,270)
Summary of financial performance for the financial year ended 31 December			
(Loss)/Profit for the financial year	(1,274,162)	1,752,655	(475,353)
Other comprehensive income/(loss)	-	20,453	(164,320)
Total comprehensive (loss)/income	(1,274,162)	1,773,108	(639,673)
Included in the total comprehensive income is:			
Revenue	64,191	3,582,644	198,289
Summary of cash flows for the financial year ended 31 December			
Net cash (outflows)/inflows from operating activities	(713,634)	1,100,299	108,390
Net cash (outflows)/inflows from investing activities	(4,019)	(6,354)	1,154
Net cash inflows/(outflows) from financing activities	679,211	(908,700)	-
Net cash (outflows)/ inflows	(38,442)	185,245	109,544

6. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

(i) Non-controlling interests in subsidiary companies (cont'd)

Group (cont'd)

The summary of financial information before intra-group elimination for the Group's subsidiary companies that have material non-controlling interests are as below (cont'd):-

2013

	CBSA Pancommerce Sdn. Bhd. RM	Cam YP Co. Ltd. RM
Financial position as at 31 December		
Non-current assets	563,238	42,262
Current assets	84,645	3,008,004
Current liabilities	(2,253,322)	(2,849,618)
Net (liabilities)/assets	(1,605,439)	200,648
Summary of financial performance for the financial year ended 31 December		
(Loss)/Profit for the financial year	(1,015,672)	1,405,357
Other comprehensive income	-	104,377
Total comprehensive (loss)/income	(1,015,672)	1,509,734
Included in the total comprehensive income is:		
Revenue	-	3,190,196
Summary of cash flows for the financial year ended 31 December		
Net cash (outflows)/inflows from operating activities	(740,636)	216,838
Net cash outflows from investing activities	(21,744)	(26,928)
Net cash inflows from financing activities	619,091	-
Net cash (outflows)/ inflows	(143,289)	189,910

6. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

(ii) Acquisition of subsidiary companies

Group

2014

On 22 May 2014, CBSA International Sdn. Bhd., a wholly-owned subsidiary company of the Company deemed to have de-facto control over CBSA (Thailand) Co. Ltd. The purchase consideration for the acquisition consists of:-

Consideration transferred, assets recognised and liabilities assumed

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:-

	RM
Fair value of consideration transferred:	
Cash consideration	-
Fair value of identifiable assets acquired and liabilities assumed:	
Property, plant and equipment	88,525
Trade and other receivables	105,286
Cash and cash equivalents	99,164
Trade and other payables	(333,011)
Long term loans from related parties	(2,348,612)
Employee benefit obligations	(37,478)
Total net identifiable liabilities	(2,426,126)

Net cash inflow arising from acquisition of a subsidiary company

	RM
Cash and cash equivalents acquired	99,164

6. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

(ii) Acquisition of subsidiary companies (cont'd)

Group (cont'd)

2014 (cont'd)

Goodwill arising from business combination

Goodwill was recognised as a result of the acquisition as follows:-

	RM
Fair value of consideration transferred	-
Fair value of net identifiable liabilities	2,426,126
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	(1,261,586)
Goodwil	1,164,540

2013

On 5 September 2013, CBSA Synergy Sdn. Bhd., a wholly-owned subsidiary company of the Company, acquired additional 4,900 ordinary shares of RM1 each in CASD Solutions Sdn. Bhd. ("CASD") representing 49% of the issued and paid-up capital of CASD for a cash consideration of RM157,097. Accordingly, the Company's equity interest in CASD increased from 51% to 100%.

(iii) Amounts due from/to subsidiary companies

Company

The amounts due from/to subsidiary companies are non-trade in nature, unsecured, bear no interest and repayable on demand.

7. INVESTMENT IN AN ASSOCIATE COMPANY

Group

	2014 RM	**2013 RM**
Unquoted shares, at cost	-	473
Share of post-acquisition reserve	-	(473)
	-	-

7. INVESTMENT IN AN ASSOCIATE COMPANY (cont'd)

Group (cont'd)

Amount due from an associate company

The amount due from an associate company is non-trade in nature, unsecured, bears no interest and repayable on demand.

8. GOODWILL ON CONSOLIDATION

Group

	2014 RM	2013 RM
At 1 January	14,374,608	14,374,608
Acquisition through business combinations	1,164,540	-
Impairment loss on goodwill	(1,514,405)	-
At 31 December	14,024,743	14,374,608

The recoverable amount of the cash generating unit is determined based on value in use calculation using cash flows projections based on financial budgets approved by the management covering a five-year period. The key assumptions used for value in use calculations are:-

	Growth rate		Discount rate	
	2014 %	2013 %	2014 %	2013 %
Computer equipment and software	5	5	8	8
Software programming	-	8	-	8
Search and advertising	7	9	11	11

The following describes each key assumption on which management has based its cash flows projections to undertake impairment testing of goodwill:-

(i) Growth rate

The weighted average growth rate used is consistent with the long-term average growth rate for the industry.

(ii) Discount rate

The basis used to determine the discount rate is based on the borrowing rate.

With regards to the assessments of value-in-use of these CGU, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying values of these units to differ materially from their recoverable amounts except for the changes in prevailing operating environment which is not ascertainable.

9. OTHER INVESTMENTS

Group

	2014 RM	2013 RM
Non-current		
Available for sale financial asset:-		
- Unquoted investment	55,000	55,000
Current		
Financial assets at fair value through profit or loss:-		
- Quoted investment in money market funds	76,887	1,661,822
Representing items:-		
- At amortised cost	55,000	55,000
- At fair value	76,887	1,661,822
	131,887	1,716,822
Market value of quoted investment	76,887	1,661,822

Company

	2014 RM	2013 RM
Current		
Financial assets at fair value through profit or loss:-		
- Quoted investment in money market funds	13,088	268,765
Representing item:-		
- At fair value	13,088	268,765
Market value of quoted investment	13,088	268,765

10. DEFERRED TAX ASSETS/ (LIABILITIES)

Group

Deferred tax assets

	2014 RM	2013 RM
At 1 January	82,000	(70,000)
Recognised in profit or loss (Note 26)	(5,482)	152,000
Foreign exchange difference	323	-
At 31 December	76,841	82,000

10. DEFERRED TAX ASSETS/ (LIABILITIES) (cont'd)

Group (cont'd)

Deferred tax assets (cont'd)

The balance in the deferred tax assets is made up of tax impact on temporary differences arising from:-

	2014 RM	2013 RM
The tax effect of the excess of property, plant and equipment's carrying value over its tax base	(80,000)	(80,000)
Unabsorbed tax losses	104,000	104,000
Unutilised capital allowances	58,000	58,000
Others	(5,159)	-
	76,841	82,000

Deferred tax liabilities

	2014 RM	2013 RM
At 1 January	-	-
Recognised in profit or loss (Note 26)	(54,078)	-
Foreign exchange difference	(159)	-
At 31 December	(54,237)	-

The balance in the deferred tax liabilities is made up of tax impact on temporary differences arising from:-

	2014 RM	2013 RM
Others	(54,237)	-

11. INVENTORIES

Group

	2014 RM	2013 RM
Raw materials	27,406	376,616
Trading goods	6,983	10,307
At carrying amount	34,389	386,923
Recognised in profit or loss:-		
Inventories recognised as cost of sales	400,603	558,378

12. TRADE RECEIVABLES

Group

	2014 RM	2013 RM
Trade receivables	30,398,907	29,102,357
Less: Impairment loss		
At 1 January	(6,170,078)	(4,395,790)
Recognised	(3,402,338)	(2,377,978)
Reversed	893,379	603,690
At 31 December	(8,679,037)	(6,170,078)
	21,719,870	22,932,279

Trade receivables are non-interest bearing and are generally on 30 to 60 days (2013: 30 to 60 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

13. OTHER RECEIVABLES

Group

	2014 RM	2013 RM
Prepayments to maintenance suppliers	589,884	606,283
Advances to staff	4,511	-
Deposits	564,353	332,246
Prepayments	489,944	305,685
Non-trade receivables	367,859	481,353
	2,016,551	1,725,567

13. OTHER RECEIVABLES (cont'd)

Company

	2014 RM	2013 RM
Deposits	1,500	1,500
Prepayments	15,150	20,094
	16,650	21,594

14. DEFERRED EXPENDITURES

Group

The nature of the deferred expenditures is explained in Note 3.13 to the Financial Statements.

15. FIXED DEPOSITS WITH LICENSED BANKS

Group

The fixed deposits with licensed banks are pledged as security for bank guarantee facility granted to certain subsidiary companies.

The effective interest rates for fixed deposits with licensed banks range from 1.65% to 3.00% (2013: 1.65% to 2.75%) per annum.

16. NON-CURRENT ASSETS HELD FOR SALE

Group

	2014 RM	2013 RM
Transferred from property, plant and equipment	19,013,547	-

On 22 December 2014, one of the subsidiary companies entered into a sale and purchase agreement with a third party for the disposal of its three storey detached industrial building for a cash consideration of RM20,800,000. The transaction has yet to be completed as at reporting date.

17. SHARE CAPITAL

Group and Company

	Number of ordinary shares of RM0.10 each 2014	2013	Amount 2014 RM	2013 RM
Authorised:-				
At 1 January/31 December	500,000,000	500,000,000	50,000,000	50,000,000
Issued and fully paid:-				
At 1 January	241,350,685	240,228,885	24,135,069	24,022,889
Share options exercised	-	1,121,800	-	112,180
At 31 December	241,350,685	241,350,685	24,135,069	24,135,069

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.

18. SHARE PREMIUM

Group and Company

	2014 RM	2013 RM
Non-distributable:-		
At 1 January	1,231,295	806,169
Increase on exercise of employee share options	-	280,450
Transfer from share option reserve pursuant to the exercise of ESOS	-	144,676
At 31 December	1,231,295	1,231,295

19. FINANCE LEASE LIABILITIES

Group

	2014 RM	2013 RM
Minimum lease payments		
- within 1 year	359,905	297,817
- after 1 year but not later than 5 years	749,922	684,282
- more than 5 years	14,730	-
	1,124,557	982,099
Less: Future finance charges on finance lease	(94,931)	(71,667)
Present value of finance lease liabilities	1,029,626	910,432
Present value of finance lease liabilities		
- within 1 year	322,605	262,593
- after 1 year but not later than 5 years	692,547	647,839
- more than 5 years	14,474	-
Total finance lease liabilities	1,029,626	910,432

Company

	2014 RM	2013 RM
Future minimum lease payments		
- within 1 year	75,828	75,828
- after 1 year but not later than 5 years	126,340	202,168
	202,168	277,996
Less: Future finance charges on finance lease	(11,281)	(21,153)
Present value of minimum lease payments	190,887	256,843
Present value of minimum lease payments		
- within 1 year	69,034	65,957
- after 1 year but not later than 5 years	121,853	190,886
	190,887	256,843

The Group's effective interest rates range from 2.65% to 5.64% (2013: 2.65% to 5.79%) per annum.

20. BANK BORROWINGS

Group

	2014 RM	2013 RM
Current		
Term loan	780,657	496,933
Revolving credit	1,500,000	-
	2,280,657	496,933
Non-current		
Term loan	11,693,354	8,503,067
	13,974,011	9,000,000

Term loan is secured by:-

(a) Facility agreement for RM12,600,000 together with interest, commission and all other charges thereon;
(b) Deed of assignment over the rights, titles and interest under the Sales and Purchase Agreement dated 3 August 2011 with respect to the subject property;
(c) A first party first fixed charge over the subject property upon issuance of individual/strata title;
(d) A power of attorney by the beneficial owner of the subject property; and
(e) Corporate guarantee by the Company.

The term loan is repayable by way of 144 equal monthly principal and interest installments of RM114,025 each, and will begin upon full drawndown of RM12,600,000 or 12 October 2015 whichever is earlier.

The term loan facility bears interest of 2% per annum above bank's base lending rate.

Revolving credit is secured by:-

(a) All monies facilities agreement executed and stamped for RM5,000,000; and

(b) Fresh corporate guarantee for RM5,000,000 by the Company.

Revolving credit obtained from local bank bears interest of 1.75% per annum above the effective costs of funds.

21. TRADE PAYABLES

Group

Trade payables are non-interest bearing and are generally on 30 to 60 days (2013: 30 to 60 days) term.

22. OTHER PAYABLES

Group

	2014 RM	2013 RM
Accrual of expenses	2,510,472	2,749,406
Dividend payable	1,467,653	952,395
Prepayments for maintenance contracts	814,825	221,764
Prepayments from project customers	774,794	419,850
Non-trade payables	3,238,177	3,156,271
Provision of cost	141,150	1,294,855
Deposit received	1,248,000	-
	10,195,071	8,794,541

Company

	2014 RM	2013 RM
Accrual of expenses	49,350	56,329
Non-trade payables	25,261	9,039
	74,611	65,368

23. DEFERRED INCOME

The nature of the deferred income is explained in Note 3.15 to the Financial Statements.

24. REVENUE

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Software solutions and license	129,221	344,316	-	-
Enhancement and maintenance	1,741,454	2,416,935	-	-
Sales of hardware products	63,991	350,000	-	-
Search and advertising	23,146,995	18,558,821	-	-
Content databases	11,326,864	12,251,289	-	-
Interest income	380	48,311	380	48,311
Dividend income	-	-	-	5,000,000
Management fee	-	-	1,200,000	1,200,000
	36,408,905	33,969,672	1,200,380	6,248,311

25. (LOSS)/PROFIT BEFORE TAX

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
After charging:-				
Auditors' remuneration				
Company's auditor				
- statutory audit	100,500	87,000	28,000	22,000
- non statutory audit	5,000	5,000	5,000	5,000
Other external auditors'				
- statutory audit	33,833	30,140	-	-
- non statutory audit	1,740	1,576	-	-
Amortisation of intangible assets	2,262,951	1,001,234	-	-
Bad debts written off	125,874	30,000	-	-
Depreciation	1,341,745	1,024,388	90,860	90,652
Directors' remuneration	780,140	1,096,144	780,140	818,740
Directors' fee	96,000	96,000	96,000	96,000
Impairment loss on trade receivables	3,402,338	2,377,978	-	-
Impairment loss on intangible assets	743,182	-	-	-
Impairment loss on goodwill	1,514,405	-	-	-
Interest expenses				
- bank overdraft	13,844	20,425	-	-
- finance lease	46,437	48,129	9,872	12,947
- revolving credit	24,630	-	-	-
Loss on disposal of other investment	-	577,911	-	577,911
Property, plant and equipment written off	-	10,576	-	-
Realised loss on foreign exchange	25,393	-	-	-
Rental of				
- office	2,471,087	2,011,527	-	-
- IT infrastructure facilities	18,600	44,013	-	-
- accomodation	30,291	30,291	-	-
Share-based payment under ESOS	-	4,820	-	4,820
Deferred expenditures written off	1,523,606	-	-	-
And crediting:-				
Dividend income	-	-	-	5,000,000
Gain on disposal of non-current assets held for sale	-	855,000	-	-
Gain on disposal of quoted investment in money market funds	6,767	26,621	-	8,622

25. (LOSS)/PROFIT BEFORE TAX (cont'd)

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

And crediting:- (cont'd)

	Group		Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Gain on disposal of property, plant and equipment	62,818	21,073	-	-
Fair value gain adjustment in value of money market funds	2,435	27,925	2,382	3,068
Reversal of impairment loss on receivables	893,379	603,690	-	-
Interest income	48,088	191,946	380	48,311
Realised gain on foreign exchange	-	189,082	-	60,599
Reversal of share-based payment under ESOS	99,100	-	99,100	-
Unrealised gain on foreign exchange	65,136	430,738	-	-

The details of Directors' remuneration of the Group and of the Company are as follows:-

	Group		Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Executive:-				
Salaries and other emoluments	696,000	948,376	696,000	726,000
Defined contribution plan	83,520	142,148	83,520	87,120
SOCSO	620	620	620	620
	780,140	1,091,144	780,140	813,740
Non - Executive:-				
Other emoluments	-	5,000	-	5,000
Fee	96,000	96,000	96,000	96,000
	96,000	101,000	96,000	101,000
Total	876,140	1,192,144	876,140	914,740

The estimated monetary value of benefit-in-kind received and receivable by the Directors other than cash from the Group and the Company amounted to Nil (2013: RM75,850 and RM26,001) respectively.

26. TAX (EXPENSE)/INCOME

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Current year				
- Current tax	(443,634)	(313,154)	-	-
- Deferred tax	22,440	152,000	-	-
(Under)/ over provision in prior years				
- Current tax	(16,734)	81,523	-	2,854
- Deferred tax	(82,000)	-	-	-
	(519,928)	(79,631)	-	2,854

Malaysian income tax is calculated at the statutory tax rate of 25% (2013: 25%) of the estimated taxable profits for the financial year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
(Loss)/ Profit before tax	(7,638,253)	5,002,659	(403,115)	3,918,462
At Malaysian statutory tax rate of 25% (2013: 25%)	1,909,563	(1,250,665)	100,779	(979,616)
Adjustments:-				
- Effect of tax rates in foreign jurisdiction	55,779	85,001	-	-
- Expenses not deductible for tax purposes	(2,556,855)	(969,224)	(100,779)	(283,222)
- Income not subject to tax	257,458	240,679	-	1,262,838
- Tax saving from pioneer status	1,327,611	2,319,628	-	-
- Deferred tax assets not recognised	(1,414,750)	(586,573)	-	-
- Deferred tax assets previously over recognised, now reversed out	(82,000)	-	-	-
- (Under)/ over provision in prior years	(16,734)	81,523	-	2,854
	(519,928)	(79,631)	-	2,854

26. TAX (EXPENSE)/INCOME (cont'd)

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

Group

	2014 RM	2013 RM
Property, plant and equipment	(231,000)	(21,000)
Unabsorbed tax losses	8,970,000	3,466,000
Unutilised capital allowances	530,000	165,000
	9,269,000	3,610,000

However, the above amounts are subject to the approval of the Inland Revenue Board of Malaysia.

27. (LOSSES)/ EARNINGS PER SHARE

Group

Basic (losses)/ earnings per ordinary share

Basic (losses)/ earnings per share are calculated by dividing net (loss)/ profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares issued during the financial year.

	2014 RM	2013 RM
(Loss)/Profit attributable to ordinary equity holders of the Company	(8,642,382)	4,335,970

	Number of shares	Number of shares
Ordinary shares issued as at 1 January	241,350,685	240,228,885
Weighted average ordinary shares issued during the financial year	-	897,353
Weighted average number of ordinary shares issued as at 31 December	241,350,685	241,126,238

	Sen	Sen
Basic (losses)/ earnings per ordinary share	(3.58)	1.80

27. (LOSSES)/ EARNINGS PER SHARE (cont'd)

Group (cont'd)

Diluted (losses)/ earnings per ordinary share

For the purpose of calculating diluted (losses)/ earnings per share, the (loss)/ profit for the financial year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares issued during the financial year have been adjusted for the dilutive effects of all potential ordinary shares, i.e. share options granted to employees.

	2014 RM	2013 RM
(Loss)/Profit attributable to ordinary equity holders of the Company	*	4,335,970

	Number of shares	Number of shares
Weighted average number of ordinary shares in issue as at 31 December (basic)	*	241,126,238
Effect of share options	*	925,001
Weighted average number of ordinary shares in issue as at 31 December (diluted)	*	242,051,239

	Sen	Sen
Diluted (losses)/earnings per ordinary share	*	1.79

* Diluted loss per ordinary share is not applicable for the current financial year as the unexercised share options were anti-dilutive in nature, this is due to the average market share price of the Company is below the exercise price of share option.

28. EMPLOYEES BENEFITS EXPENSES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Directors' remuneration	780,140	1,096,144	780,140	818,740
Directors' fee	96,000	96,000	96,000	96,000
Salaries, allowances and bonuses	22,615,221	16,856,242	20,400	17,400
Defined contribution plans	1,742,853	1,315,518	2,698	2,262
Social security contributions	197,919	132,175	480	467
Share options granted under ESOS	(99,100)	4,820	(99,100)	4,820
Other staff related expenses	571,498	2,224,157	170,248	116,064
	25,904,531	21,725,056	970,866	1,055,753
Less:				
Staff cost capitalised under				
- deferred expenditures	(4,600,756)	(5,644,335)	-	-
- intangible assets	(860,758)	(2,405,275)	-	-
	20,443,017	13,675,446	970,866	1,055,753

Employee Share Option Scheme ("ESOS")

The main features of the ESOS are as follows:-

(i) an eligible person for the ESOS is (i) an employee whose employment has been confirmed in writing; or (ii) an employee who have served the Group for a continuous period of at least 12 full months where he or she is employed by the Group on a contract basis; or (iii) a Director who is duly elected as a member of the Board of Directors of the companies within the Group.

(ii) the aggregate number of shares to be offered shall not exceed 10% of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company at any point of time during the existence of the ESOS.

(iii) not more than 50% of the ESOS shares shall be allocated, in aggregate to the Directors and senior management of the Group; not more than 10% of the ESOS share shall be allocated to any eligible person who either singly or collectively, through persons connected to him/her, holds 20% or more in the issued and paid-up capital (excluding treasury shares) of the Company.

(iv) the option price for the new shares under the ESOS shall be the higher of (i) the weighted average market price of the shares for the 5 market days immediately preceding the date of offer, subject to a discount of not more than 10%; or (ii) the par value of the shares.

(v) the ESOS shall be in force for a period of five (5) years from the effective date for the implementation of the ESOS and renewable for a further five years (subject to the approval of the Board).

28. EMPLOYEES BENEFITS EXPENSES (cont'd)

Employee Share Option Scheme ("ESOS") (cont'd)

The main features of the ESOS are as follows (cont'd):-

(vi) the option granted to an employee under the ESOS is exercisable only during his/her employment with the Group and within the exercisable period. The option granted is non assignable or transferable.

(vii) the movements of options over unissued shares of the Company granted under the ESOS during the financial year are as follows:-

A summary of the movements in the number of ESOS and the weighted average exercise prices ("WAEP") is as follow:

	2014		2013	
	Number of share option	WAEP RM	Number of share option	WAEP RM
At 1 January	4,761,800	0.35	7,134,600	0.35
Retracted*	(1,503,600)	0.35	(1,251,000)	0.35
Exercised	-	0.35	(1,121,800)	0.35
At 31 December	3,258,200	0.35	4,761,800	0.35

* Due to resignation/rejected offer

During the financial year, Nil (2013: 1,121,800) shares options were exercised. The weighted average market price at the date of exercise for the year was Nil (2013: RM0.43).

The options outstanding at 31 December 2014 have an exercise price of RM0.35 (2013: RM0.35) and a weighted average contractual live of 1.5 years (2013: 2.5 years).

The fair value of scheme options granted was estimated using a Binomial Model, taking into account the terms and conditions upon which the options were granted. The fair values of share options measured at various grant dates and the assumptions are as follows:-

Fair values of share option (RM)	0.06 - 0.14
Weighted average share price (RM)	0.355
Weighted average exercise price (RM)	0.35
Expected volatility (%)	37.8%
Risk free rate (%)	3.57%
Expected average dividend yield (%)	-

29. RELATED PARTY DISCLOSURES

29.1 Related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Dividend income from subsidiary companies	-	-	-	5,000,000
Management fee charged to subsidiary companies	-	-	1,200,000	1,200,000
Rental charged paid to a company in which a Director has interest	751,500	726,000	-	-
Consultation fee paid to a Director	120,000	120,000	120,000	120,000
Portal services charged by a company in which a Director has interest	-	104,866	-	-
Development costs transferred to an associate company	-	1,075	-	-
Other investments transferred from a subsidiary company	-	-	-	2,751,878

29.2 Compensation of key management personnel

The key management personnel compensation is as follows:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Directors' remuneration	780,140	1,096,144	780,140	818,740
Directors' fees	96,000	96,000	96,000	96,000
Salaries, allowances and bonuses	604,200	713,646	-	-
Defined contribution plans	70,560	119,598	-	-
Social security contributions	1,240	-	-	-
	1,552,140	2,025,388	876,140	914,740

Key management personnel are those persons including Directors of the Company, having authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

The Directors' remuneration is disclosed in Note 25 to the Financial Statements.

29. RELATED PARTY DISCLOSURES (cont'd)

29.3 Related parties balances

The outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 6 and 7 to the Financial Statements.

30. CONTINGENT LIABILITIES

	2014 RM	2013 RM
(i) Litigation:-		
Group		
Claims of loss by a supplier on unilateral termination of e-commerce promotion by a subsidiary company without any prior notification	-	59,250
(ii) Corporate guarantee		
Company		
Corporate guarantee to secure bank facilities granted to subsidiary companies		
- term loan	12,474,011	9,000,000
- bank guarantee	503,082	691,779
- revolving credit	1,500,000	-
	14,477,093	9,691,779

The corporate guarantees do not have a determinable effect on the terms of the credit facilities due to the financial institutions requiring parent guarantee as a pre-condition for approving the credit facilities granted to the subsidiary company. The actual terms of the credit facilities are likely to be the best indicator of "at market" terms and hence the fair value of the credit facilities are equal to the credit facilities amount received by the subsidiary companies. As such, there is no value on the corporate guarantee to be recognised in the financial statements.

31. COMMITMENTS

(i) Capital commitment

	2014 RM	2013 RM
Group		
Authorised and contracted for:		
- Property, plant and equipment	-	2,750,000

31. COMMITMENTS (cont'd)

(ii) Operating lease commitments

The future minimum lease payments under non-cancellable operating leases as at reporting date are as follow:-

	2014 RM	2013 RM
Group		
Within 1 year	848,101	550,000
More than 1 year but less than 2 years	1,218,438	-
	2,066,539	550,000

Operating lease commitments represent rental payable for the rent of office premises. These leases have an average tenure of between 1 to 2 years with renewal option.

32. OPERATING SEGMENT

Business segments

For the management purposes, the Group is organised into business units based on their products and services, which comprises the following:-

i) Information technology	:	Development and provision of software solutions/ applications
ii) Search and advertising	:	Developer and provider of online presence and advertising solutions and operator of search platforms; publishing business directory journals, content development and database marketing
iii) Others	:	Investment holding and other dormant companies

Management monitors the operating results of its business units separately for the purpose of decisions making about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on negotiated basis.

32. OPERATING SEGMENT (cont'd)

Business segments (cont'd)

Group

2014

	Note	Information technology RM	Search and advertising RM	Others RM	Eliminations RM	Total as per consolidated financial statements RM
Revenue :						
External revenue	(i)	1,870,475	34,538,050	380	-	36,408,905
Inter-segment revenue		-	-	1,200,000	(1,200,000)	-
		1,870,475	34,538,050	1,200,380	(1,200,000)	36,408,905
Results :						
Interest income		40,500	7,208	380	-	48,088
Finance costs		(14,939)	(60,101)	(9,871)	-	(84,911)
Depreciation and amortisation		(321,762)	(3,192,074)	(90,860)	-	(3,604,696)
Tax expense		-	(519,928)	-	-	(519,928)
Other non-cash income/ (expenses)	(ii)	(1,507,718)	(4,079,976)	2,382	(693,558)	(6,278,870)
Segment loss		(3,706,709)	(1,591,751)	(408,576)	(2,451,145)	(8,158,181)
Assets :						
Additions to non-current assets other than financial instruments	(iii)	3,784,800	3,837,445	1,888	-	7,624,133
Segment assets		35,147,661	80,597,161	40,255,352	(56,322,046)	99,678,128
Liabilities :						
Segment liabilities		17,427,758	53,303,592	13,073,412	(47,811,625)	35,993,137

32. OPERATING SEGMENT (cont'd)

Business segments (cont'd)

Group (cont'd)

2013

	Note	Information technology RM	Search and advertising RM	Others RM	Eliminations RM	Total as per consolidated financial statements RM
Revenue :						
External revenue	(i)	3,111,251	30,810,110	48,311	-	33,969,672
Inter-segment revenue		-	-	6,200,000	(6,200,000)	-
		3,111,251	30,810,110	6,248,311	(6,200,000)	33,969,672
Results :						
Interest income		134,480	9,155	48,311	-	191,946
Finance costs		(22,771)	(32,836)	(12,947)	-	(68,554)
Depreciation and amortisation		(345,649)	(1,589,321)	(90,652)	-	(2,025,622)
Tax income/(expense)		102,675	(185,160)	2,854	-	(79,631)
Other non-cash (expenses)/income	(ii)	886,487	(1,351,684)	(566,221)	-	(1,031,418)
Segment profit		(1,645,274)	7,653,479	3,914,823	(5,000,000)	4,923,028
Assets :						
Additions to non-current assets	(iii)	7,519,614	6,466,086	-	-	13,985,700
Segment assets		33,245,744	46,217,996	41,185,483	(18,260,774)	102,388,449
Liabilities :						
Segment liabilities		12,771,529	49,671,109	13,495,867	(47,534,245)	28,404,260

32. OPERATING SEGMENT (cont'd)

Business segments (cont'd)

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

(i) Inter-segment revenues are eliminated on consolidation.

(ii) Other material non-cash (expenses)/income consist of the following items:-

	2014 RM	2013 RM
Impairment loss on trade receivables	(3,402,338)	(2,377,978)
Impairment loss on intangible assets	(743,182)	-
Impairment loss on goodwill	(1,514,405)	-
Bad debts written off	(125,874)	(30,000)
Deferred expenditures written off	(1,523,606)	-
Fair value gain adjustment in value of money market funds	2,435	27,925
Reversal on impairment loss on receivables	893,379	603,690
Gain on disposal of property, plant and equipment	62,818	21,073
Property, plant and equipment written off	-	(10,576)
Unrealised gain on foreign exchange	65,136	430,738
(Loss)/Gain on disposal of investments		
- Quoted investment in money market funds	6,767	26,621
- Investment in bonds	-	(577,911)
Gain on disposal of non-current assets held for sale	-	855,000
	(6,278,870)	(1,031,418)

(iii) Additions to non-current assets consist of:-

	2014 RM	2013 RM
Property, plant and equipment	4,694,331	9,796,637
Intangible assets	2,929,802	4,189,063
	7,624,133	13,985,700

32. OPERATING SEGMENT (cont'd)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follow:-

Group

	Revenue		Non-current assets	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Malaysia	19,975,100	18,479,731	43,333,878	59,413,717
Thailand	198,289	-	57,207	-
Vietnam	639,823	48,456	161,715	251,342
Ireland	10,257,459	11,878,114	-	-
Cambodia	3,582,644	3,190,196	111,914	42,262
Indonesia	148,539	-	596,549	555,323
United states	1,607,051	373,175	-	-
	36,408,905	33,969,672	44,261,263	60,262,644

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:-

	2014	**2013**
	RM	**RM**
Property, plant and equipment	4,679,745	20,254,930
Intangible assets	25,501,775	25,578,106
Goodwill on consolidation	14,024,743	14,374,608
Other investments	55,000	55,000
	44,261,263	60,262,644

Information about major customer

Revenue from one major customer amounts to RM10,257,459 (2013: RM11,878,114), arising from sales by search and advertising segment.

33. FINANCIAL INSTRUMENTS

33.1 Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's and the Company's business whilst managing their risks. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:-

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 primarily from trade receivables. It is the Group's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instrument is broadly diversified along industry, product and geographical lines, and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group does not offer credit terms without the approval of the head of credit control.

Following is the area where the Group is exposed to credit risk:-

i. Receivables

As at the end of the reporting date, the maximum exposure to credit risk arising from receivables is limited to the carrying amounts in the statements of financial position.

With a credit policy in place to ensure the credit risk is monitored on an on-going basis, management has taken reasonable steps to ensure that receivables that are past due but not impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses aging analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

33. FINANCIAL INSTRUMENTS (cont'd)

33.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group, the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

Credit risk (cont'd)

Following is the area where the Group is exposed to credit risk (cont'd):-

i. Receivables (cont'd)

Trade receivables that are past due but not impaired are creditworthy debtors with good payment records with the Group. None of the Company's trade-receivables that are past due but not impaired have been renegotiated during the financial year.

As at 31 December 2014, trade receivables of RM16,873,493 (2013: RM17,570,040) were past due but not impaired. These relate to number of independent customers for whom there is no recent history of defaults.

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

Group

	Gross RM	Individually impaired RM	Net RM
2014			
Not past due	4,846,377	-	4,846,377
Past due 1 to 30 days	1,737,762	-	1,737,762
Past due 31 to 120 days	2,208,201	(10,788)	2,197,413
Past due more than 121 days	21,606,567	(8,668,249)	12,938,318
	30,398,907	(8,679,037)	21,719,870

	Gross RM	Individually impaired RM	Net RM
2013			
Not past due	5,362,239	-	5,362,239
Past due 1 to 30 days	1,539,124	-	1,539,124
Past due 31 to 120 days	2,825,421	-	2,825,421
Past due more than 121 days	19,375,573	(6,170,078)	13,205,495
	29,102,357	(6,170,078)	22,932,279

The net carrying amount of trade receivables is considered a reasonable approximate of fair value. The maximum exposure to credit risk is the carrying value of each class of receivables mentioned above.

33. FINANCIAL INSTRUMENTS (cont'd)

33.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group, the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

Credit risk (cont'd)

Following is the area where the Group is exposed to credit risk (cont'd):-

i. Receivables (cont'd)

Trade receivables that are individually determined to be impaired at the end of the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas.

ii. Investment and other financial assets

At end of the reporting year, the Group and the Company have only invested in domestic securities. The maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group and the Company. Transactions involving derivative financial instruments are with approved financial institutions.

In the view of sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations.

iii. Financial guarantees

The maximum exposure to credit risk by the Company is amounted to RM14,477,093 (2013: RM9,691,779), represented by the outstanding banking facilities of the subsidiary companies at the end of the reporting date.

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to subsidiary companies. The Company monitors on an on-going basis the results of the subsidiary companies and repayments made by the subsidiary companies. At the end of the reporting date, there was no indication that the subsidiary companies would default on repayment.

33. FINANCIAL INSTRUMENTS (cont'd)

33.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group, the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

Credit risk (cont'd)

Following is the area where the Group is exposed to credit risk (cont'd):-

iv. Intercompany loan and advances

The Company provides unsecured advances to subsidiary companies and associate company and monitors the results of the subsidiary companies and associate company regularly.

As at the end of the reporting year, there was no indication that the net carrying amount of amount due from subsidiary companies and associate company are not recoverable.

Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due, due to shortage of funds.

In managing its exposures to liquidity risk arises principally from its various payables, loans and borrowings, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as and when they fall due.

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

As at reporting date, the Group's and the Company's non-derivative financial liabilities which have contractual maturities (including interest payments) are summarised below:-

			Maturity		
Group	**Carrying amount RM**	**Contractual cash flows RM**	**Less than 1 year RM**	**Between 2 to 5 years RM**	**More than 5 years RM**
2014					
Secured:					
Bank borrowings	13,974,011	17,752,184	2,866,300	14,885,884	-
Finance lease liabilities	1,029,626	1,124,557	359,905	749,922	14,730
	15,003,637	18,876,741	3,226,205	15,635,806	14,730

33. FINANCIAL INSTRUMENTS (cont'd)

33.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group, the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

Liquidity risk (cont'd)

As at reporting date, the Group's and the Company's non-derivative financial liabilities which have contractual maturities (including interest payments) are summarised below (cont'd):-

			Maturity		
Group (cont'd)	**Carrying amount RM**	**Contractual cash flows RM**	**Less than 1 year RM**	**Between 2 to 5 years RM**	**More than 5 years RM**
2014 (cont'd)					
Unsecured:					
Trade payables	936,604	936,604	936,604	-	-
Other payables	8,605,452	8,605,452	8,605,452	-	-
	9,542,056	9,542,056	9,542,056	-	-
Total	24,545,693	28,418,797	12,768,261	15,635,806	14,730
2013					
Secured:					
Bank borrowings	9,000,000	11,120,339	992,450	10,127,889	-
Finance lease liabilities	910,432	982,099	297,817	684,282	-
	9,910,432	12,102,438	1,290,267	10,812,171	-
Unsecured:					
Trade payables	640,532	640,532	640,532	-	-
Other payables	8,152,927	8,152,927	8,152,927	-	-
	8,793,459	8,793,459	8,793,459	-	-
Total	18,703,891	20,895,897	10,083,726	10,812,171	-

33. FINANCIAL INSTRUMENTS (cont'd)

33.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group, the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

Liquidity risk (cont'd)

As at reporting date, the Group's and the Company's non-derivative financial liabilities which have contractual maturities (including interest payments) are summarised below (cont'd):-

			Maturity		
Company	**Carrying amount RM**	**Contractual cash flows RM**	**Less than 1 year RM**	**Between 2 to 5 years RM**	**More than 5 years RM**
2014					
Secured:					
Finance lease liabilities	190,887	202,168	75,828	126,340	-
Unsecured:					
Other payables	74,611	74,611	74,611	-	-
Amount due to subsidiary companies	12,641,011	12,641,011	12,641,011	-	-
	12,715,622	12,715,622	12,715,622	-	-
Total	12,906,509	12,917,790	12,791,450	126,340	-
2013					
Secured:					
Finance lease liabilities	256,843	277,996	75,828	202,168	-
Unsecured:					
Other payables	65,368	65,368	65,368	-	-
Amount due to subsidiary companies	13,012,214	13,012,214	13,012,214	-	-
	13,077,582	13,077,582	13,077,582	-	-
Total	13,334,425	13,355,578	13,153,410	202,168	-

33. FINANCIAL INSTRUMENTS (cont'd)

33.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group, the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in foreign exchange rates.

To mitigate the Group's exposure to foreign currency risk, the Group is exposed to foreign currencies risk on sales and purchases that are denominated in a currency other than the respective functional currency of the Group. The currency giving rise to this risk is primarily United States Dollar ("USD").

Group

	USD RM
2014	
Trade receivables	3,534,731
Trade payables	(542,233)
Cash and bank balances	718,794
	3,711,292
2013	
Trade receivables	6,286,725
Trade payables	(19,142)
Cash and bank balances	559,870
	6,827,453

The following table demonstrates the sensitivity of the Group's (loss)/profit for the financial year to a reasonably possible change in USD against the functional currency of the Group with all other variables held constant:-

Group

	(Increase)/ Decrease loss for the year 2014 RM	Increase/ (Decrease) profit for the year 2013 RM
USD/RM		
- Strengthened 3% (2013:2%)	111,339	136,549
- Weakened 3% (2013:2%)	(111,339)	(136,549)

33. FINANCIAL INSTRUMENTS (cont'd)

33.1 Financial risk management (cont'd)

Exposure to foreign exchange rates vary during the financial year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposures to foreign currency risk.

The main areas of financial risks faced by the Group, the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

Interest rate risk

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

The Group's fixed rate 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. Investments in equity securities and short term receivables and payables are not significantly exposed to interest rate risk.

The Group's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group targets a mix of fixed and floating debts based on assessment of its existing exposure and desired interest rate profile.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting year is as follows:

Group

	2014 RM	2013 RM
Fixed rate instruments		
Fixed deposits with licensed banks	558,648	1,437,330
Finance lease liabilities	(1,029,626)	(910,432)
	(470,978)	526,898
Floating rate instrument		
Bank borrowings	(13,974,011)	(9,000,000)

33. FINANCIAL INSTRUMENTS (cont'd)

33.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group, the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

Interest rate risk (cont'd)

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting year is as follows (cont'd):

Company

	2014 RM	2013 RM
Fixed rate instrument		
Finance lease liabilities	(190,887)	(256,843)

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The following table illustrates the sensitivity of loss to a reasonably possible change in interest rates of +/- 0.5%. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

Group

	(Increase)/Decrease loss for the year 2014		Increase/(Decrease) profit for the year 2013	
	RM +0.5%	RM -0.5%	RM +0.5%	RM -0.5%
Floating rate instruments	(69,870)	69,870	(45,000)	45,000

33.2 Fair value of financial instruments

The carrying amounts of receivables and payables, cash and cash equivalents and bank borrowings approximate their fair value due to the relatively short term nature of these financial instruments or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date or insignificant impact of discounting.

33. FINANCIAL INSTRUMENTS (cont'd)

33.2 Fair value of financial instruments (cont'd)

It was not practicable to estimate the fair value of the Group's investment in unquoted instrument due to the lack of comparable quoted prices in active market. In addition, it is impracticable to use valuation technique to estimate the fair value reliably as a result of significant variability in the inputs of the valuation technique. The Group does not intend to dispose of these investments in the near future.

The fair value of financial assets at FVTPL are detailed as belows.

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2014				
Financial assets at FVTPL				
Quoted investments in money market funds	76,887	-	-	76,887
2013				
Financial assets at FVTPL				
Quoted investments in money market funds	1,661,822	-	-	1,661,822
Company				
2014				
Financial assets at FVTPL				
Quoted investments in money market funds	13,088	-	-	13,088
2013				
Financial assets at FVTPL				
Quoted investments in money market funds	268,765	-	-	268,765

There were no transfers between level 1 and level 2 during the financial year.

34. CAPITAL MANAGEMENT

The Group's objective when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. 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 debts.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25% of the issued and paid-up capital (excluding treasury shares), the Company has complied with this requirement.

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

35. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 22 December 2014, one of the subsidiary companies entered into a sale and purchase agreement with a third party for the disposal of a property for a cash consideration of RM20,800,000. The transaction has yet to be completed as at reporting date.

36. DISCLOSURE OF REALISED AND UNREALISED PROFITS

Bursa Malaysia Securities Berhad has on 25 March 2010 and 20 December 2010, issued directives requiring all listed corporations to disclose the breakdown of retained earnings or accumulated losses into realised and unrealised on Group and Company basis, as the case may be, in quarterly reports and annual audited financial statements.

The breakdown of retained earnings as at the reporting date which has been prepared by the Directors in accordance with the directives from Bursa Malaysia Securities Berhad stated above and Guidance on Special Matter No. 1 issued on 20 December 2010 by the Malaysian Institute of Accountants are as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Total retained earnings of the Company and its subsidiary companies:				
- Realised	42,332,192	51,224,948	1,522,360	1,924,789
- Unrealised	90,175	540,663	2,382	3,068
	42,422,367	51,765,611	1,524,742	1,927,857
Consolidation adjustments	(2,370,283)	(3,071,145)	-	-
	40,052,084	48,694,466	1,524,742	1,927,857

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

LIST OF PROPERTIES
AS AT 31 DECEMBER 2014

Location	Description	Current use	Age of Building (Year)	Date of Acquisition	Tenure	Land Area	Carrying Amount (RM)
HS (D) 241033 PT9922 Pekan Baru Sungai Buloh Daerah Petaling Negeri Selangor	3 Storey Light Industrial Building	Held for Sale	1/2	3 August 2011	Leasehold	14,842 sq.m	19,013,547

ANALYSIS OF SHAREHOLDINGS
AS AT 16 APRIL 2015

Share Capital

Authorised Capital	:	RM50,000,000
Issued and Fully Paid-up Capital	:	RM24,135,068.50
Class of Shares	:	Ordinary Shares of RM0.10 each
Voting Rights	:	One vote per shareholder on a show of hands or one vote per ordinary share on a poll

Distribution of Shareholdings

Size of Shareholdings	No. of shareholders	%	No. of Shares	%
1 – 99	100	5.40	4,246	0.00
100 – 1,000	61	3.30	30,851	0.01
1,001 - 10,000	676	36.52	4,241,892	1.76
10,000 - 100,000	821	44.36	29,496,630	12.22
100,001 – 12,067,533 (*)	190	10.26	136,058,866	56.38
12,067,534 and above (**)	3	0.16	71,518,200	29.63
Total	1,851	100.00	241,350,685	100.00

Remarks:
* - less than 5% of issued shares
** - 5% and above of issued shares

Substantial Shareholders' Shareholdings
as per the Register of Substantial Shareholders' as at 16 April 2015

Name of shareholders	Direct Interest No. of Shares held	%	Indirect Interest No. of Shares held	%
Tan Tian Sin	57,358,100	23.76	-	-
Lau Kok Fui	24,200,000	10.03	10,000,000	4.14
Wong Kim Sun	8,000,000	3.31	8,000,000*	3.31*

* Deemed interested by virtue of his interest in Malinta Corporation Sdn Bhd. pursuant to Section 6A of the Companies Act, 1965.

Directors' Shareholdings
as per the Register of Directors' Shareholding as at 16 April 2015

	Ordinary Shares				ESOS	
Name of Directors	**Direct Interest No. of Shares held**	**%**	**Indirect Interest No. of Shares held**	**%**	**No. of Option Held**	**%**
Dato Ahmad Razlan bin Ahmad Razali	-	-	-	-	-	-
Tan Tian Sin	57,358,100	23.76	-	-	100,000	0.04
Fong Wai Leong	323,650	0.13	-	-	500,000	0.21
Wong Mun Wai	-	-	-	-	-	-
Wong Yee Ming	8,840,800	3.66	-	-	-	-
Lau Kok Fui	24,200,000	10.03	10,000,000	4.14	-	-

ANALYSIS OF SHAREHOLDINGS
AS AT 16 APRIL 2015 (cont'd)

30 Largest Securities Account Holders
(without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name of Shareholders	No of Shares held	%
1	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Tian Sin	29,464,000	12.21
2	Maybank Securities Nominees (Asing) Sdn. Bhd. Exempt an for Maybank Kim Eng Securities Pte. Ltd (A/C 648849)	24,394,500	10.11
3	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Tan Tian Sin (MY0027)	17,659,700	7.32
4	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Tian Sin (Margin)	10,234,400	4.24
5	Teh Chai Leng	10,000,000	4.14
6	Wong Yee Ming	8,840,800	3.66
7	Malinta Corporation Sdn. Bhd.	8,000,000	3.31
8	Wong Kim Sun	8,000,000	3.31
9	Chaw Ming Seng	6,417,900	2.66
10	JF Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ooi Siew Looi (STA 2)	6,214,800	2.58
11	Chin Chin Seong	5,550,000	2.30
12	Lau Kok Fui	4,200,000	1.74
13	Gan Lien Keng	3,993,400	1.65
14	Yuen Thui Yang	3,075,000	1.27
15	Chong Tong Siew	2,050,000	0.85
16	Lee Siew Ken	1,929,750	0.80
17	M & A Nominee (Tempatan) Sdn. Bhd. Pledged Securities Account for Chew Fei Meng (M&A)	1,769,900	0.73
18	Wang Sui Sang	1,300,000	0.54
19	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kwong Ming Kwei (08KW032ZQ-008)	1,271,900	0.53
20	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Rahimah Stephens (CEB)	1,200,000	0.50

30 Largest Securities Account Holders (cont'd)
(without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name of Shareholders	No of Shares held	%
21	Ng Inn Jwee	1,149,750	0.48
22	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Salbiah Binti Shuib (CEB)	1,100,000	0.46
23	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Batu Resources Corporation Sdn. Bhd.	1,064,250	0.44
24	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Lim Ka Kian (PB)	1,054,300	0.44
25	CIMSEC Nominees (Tempatan) Sdn. Bhd. Exempt An For CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)	1,000,000	0.41
26	Ooi Cheng Bok	1,000,000	0.41
27	Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. Inter-Pacific Asset Management Sdn. Bhd. for Lee Peng Leong	997,625	0.41
28	Song Hock Koon	938,275	0.39
29	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tong Lain Chai (E-JAH/MUA)	863,500	0.36
30	Niranpal Singh A/L Ajmer Singh	776,000	0.32
	TOTAL	**165,509,750**	**68.57**

NOTICE OF FOURTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourteenth Annual General Meeting of the Company will be held at 1 Jalan PJS 11/8, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Monday, 22 June 2015 at 10.00 a.m. to transact the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2014 and the Reports of Directors and Auditors thereon. **Ordinary Resolution 1**

2. To re-elect the following Directors retiring in accordance with the Company's Articles of Association:-

   (i) Dato' Ahmad Razlan bin Ahmad Razali (Article 93) **Ordinary Resolution 2**
   (ii) Mr. Tan Tian Sin (Article 93) **Ordinary Resolution 3**

3. To appoint Messrs SJ Grant Thornton as Auditors of the Company and authorise the Directors to determine their remuneration. **Ordinary Resolution 4**

4. As Special Business to consider and if thought fit, to pass the following Resolutions, with or without modifications: -

   ORDINARY RESOLUTION - AUTHORITY TO ISSUE SHARES

   "THAT subject always to the Companies Act, 1965 and the approvals of the relevant authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." **Ordinary Resolution 5**

5. To transact any other business of which due notice shall have been received.

BY ORDER OF THE BOARD

SEOW FEI SAN
MOK MEE KEE
Secretaries

Petaling Jaya
27 May 2015

NOTICE OF FOURTEENTH ANNUAL GENERAL MEETING
(cont'd)

Notes:

1. Only depositors whose names appear in the Record of Depositors as at 15 June 2015 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint up to two (2) proxies. There shall be no restriction as to the qualification of the proxy. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

3. When a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

4. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if such appointor is a Corporation, either under its common seal or under the hand of an officer or attorney duly authorized.

6. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan at least forty eight (48) hours before the time for holding the Meeting or any adjournment thereof.

7. Explanatory notes on Special Business:

   Ordinary Resolution 5 – Authority to Issue Shares

   The Proposed Ordinary Resolution 5, if passed, will give the Directors of the Company, from the date of the Fourteenth Annual General Meeting, authority to issue shares from the unissued capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next 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 Thirteenth Annual General Meeting held on 26 June 2014 and which will lapse at the conclusion of the Fourteenth Annual General Meeting.

   The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

PanPages Berhad (537337-M)
(Formerly known as CBSA Berhad)

PROXY FORM

CDS Accunt No.

I/We ______________________________ (BLOCK LETTERS)

NRIC No./Company No. ______________________________ of

being (a) Member(s) of **PANPAGES BERHAD (537337-M)** (formerly known as CBSA Berhad) hereby appoint

______________________________ (NRIC: ____________________) of

____

or failing him ______________________________ (NRIC: ____________________) of

____

as my/our proxy to vote for me/us on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held at 1 Jalan PJS 11/8, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Monday, 22 June 2015 at 10.00 a.m. and at any adjournment thereof and to vote as indicated below:-

ORDINARY RESOLUTION		**For**	**Against**
1.	ORDINARY RESOLUTION 1		
2.	ORDINARY RESOLUTION 2		
3.	ORDINARY RESOLUTION 3		
4.	ORDINARY RESOLUTION 4		
5.	ORDINARY RESOLUTION 5		

Please indicate with an "X" in the space above on how you wish to cast your vote. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Signed this _______ day of ____________ 2015

No. of ordinary shares held

____
Signature/Common Seal

Notes :-

1. *Only depositors whose names appear in the Record of Depositors as at 15 June 2015 shall be regarded as members and entitled to attend, speak and vote at the Meeting.*
2. *A member entitled to attend and vote at the Annual General Meeting is entitled to appoint up to two (2) proxies. There shall be no restriction as to the qualification of the proxy. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
3. *When a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.*
4. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if such appointor is a Corporation, either under its common seal or under the hand of an officer or attorney duly authorized.*
6. *The instrument appointing a proxy must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan at least forty eight (48) hours before the time for holding the Meeting or any adjournment thereof.*

Lastly, fold this flap for sealing

Fold here

Affix Stamp Here

The Company Secretary
PANPAGES BERHAD (537337-M)
(formerly known as CBSA Berhad)
802, 8th Floor, Block C
Kelana Square, 17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

Fold here

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PanPages Berhad (537337-M)
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