



PANPAGES BERHAD (537337-M)

ANNUAL REPORT 2016

A stylized map of Southeast Asia is shown in white against a background of concentric orange circles. A red dot is placed on the Malay Peninsula, indicating the location of the ASEAN eCommerce Hub.

**ASEAN
• eCOMMERCE
HUB**

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CORPORATE INFORMATION

DIRECTORS

YM TENGKU FARITH RITHAUDDEEN

Chairman and Independent Non-Executive Director

TAN TIAN SIN

Group Managing Director

FONG WAI LEONG

Group Chief Executive Officer

LAU KOK FUI

Non-Independent Non-Executive Director

WONG YEE MING

Non-Independent Non-Executive Director

WONG MUN WAI

Independent Non-Executive Director

AUDIT COMMITTEE

Wong Mun Wai (Chairman)

YM Tengku Farith Rithauddeen

Lau Kok Fui

NOMINATING COMMITTEE

YM Tengku Farith Rithauddeen (Chairman)

Wong Mun Wai

Lau Kok Fui

REMUNERATION COMMITTEE

YM Tengku Farith Rithauddeen (Chairman)

Fong Wai Leong

Lau Kok Fui

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

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.about.panpages.com

AUDITORS

SJ Grant Thornton

(Member of Grant Thornton International Ltd.)

Chartered Accountants

Level 11, Sheraton Imperial Court

Jalan Sultan Ismail

50250 Kuala Lumpur

Malaysia

Tel : 603-2692 4022

Fax : 603-2732 5119

Website : www.grantthornton.com.my

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad

Ambank (M) Berhad

Bank Mega Tbk, PT

CIMB Bank Berhad

Malayan Banking Berhad

OCBC Al-Amin Bank Berhad

OCBC Bank (M) Berhad

Public Bank Berhad

RHB Bank Berhad

United Overseas Bank (M) Bhd

Oversea - Chinese Banking Corporation Limited

SOLICITORS

Khaw & Partners

REGISTRAR

Symphony Share Registrars Sdn. Bhd.

Level 6, Symphony House

Block D13, Pusat Dagang Dana 1

Jalan PJU 1A/46

47301 Petaling Jaya

Selangor Darul Ehsan

Malaysia

Tel : 603-7841 8000

Fax : 603-7841 8151

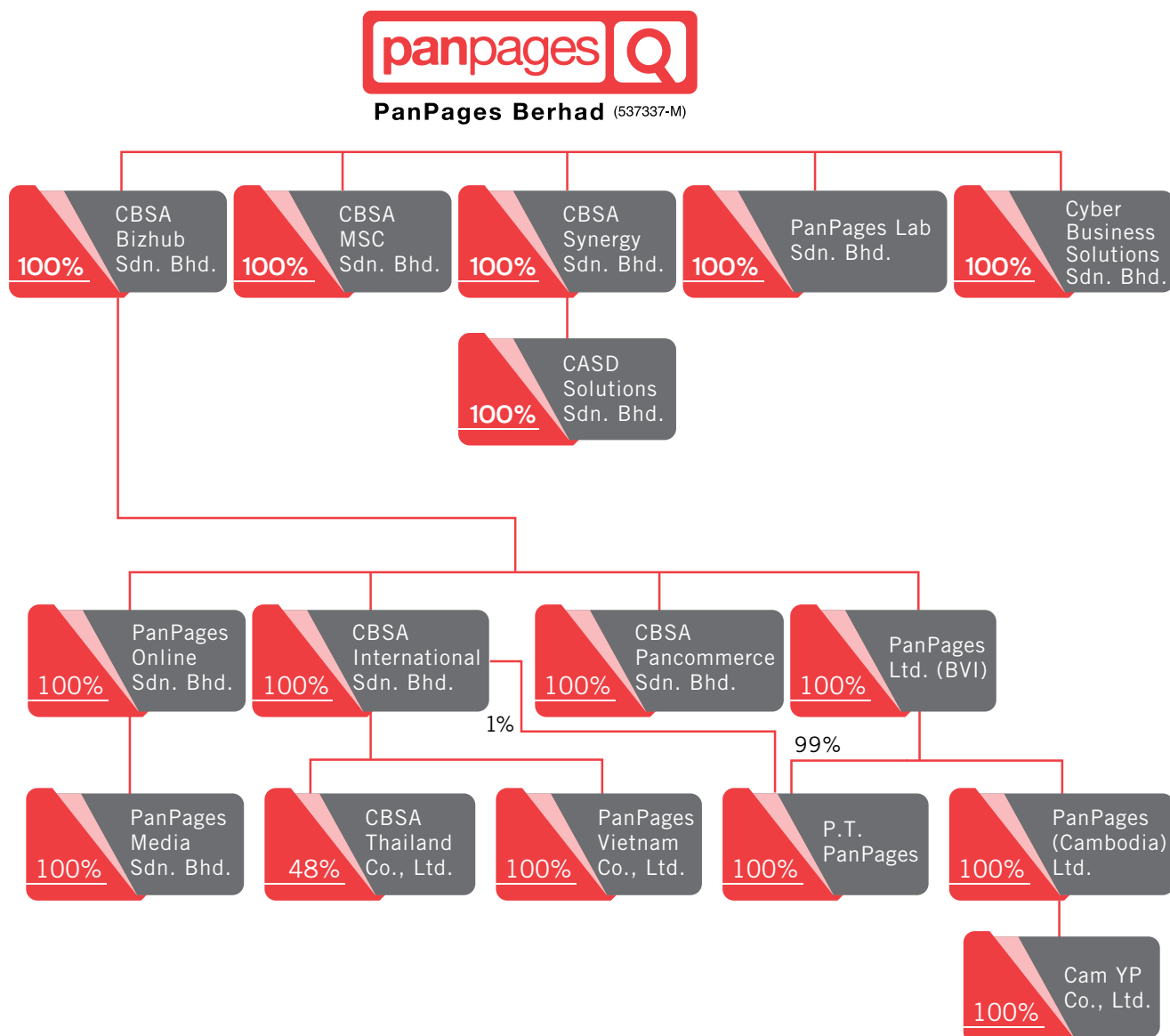
Website : www.symphony.com.my

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia

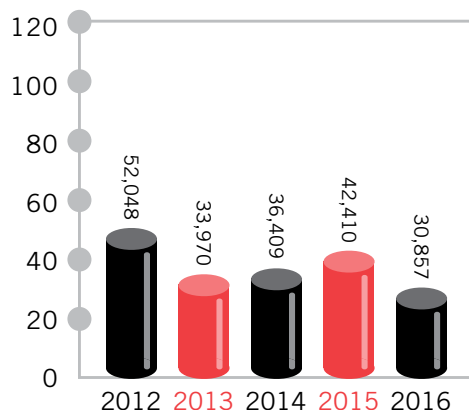
Securities Berhad

CORPORATE STRUCTURE

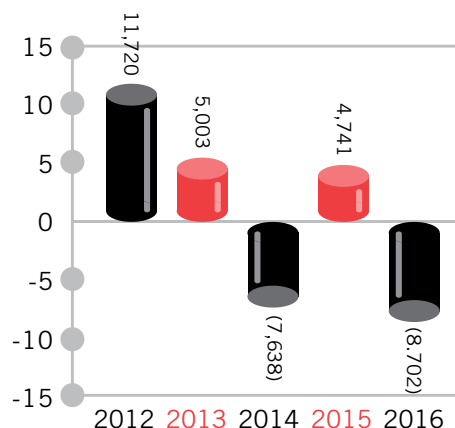


FINANCIAL HIGHLIGHTS

**5-YEAR REVENUE REVIEW
(RM'000)**



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



5-YEAR FINANCIAL HIGHLIGHTS

		2012	2013	2014	2015	2016
Results Of Operation						
Revenue	RM'000	52,048	33,970	36,409	42,410	30,857
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)	RM'000	12,727	7,097	(3,949)	10,008	(4,165)
Profit/ (Loss) Before Taxation	RM'000	11,720	5,003	(7,638)	4,741	(8,702)
Profit/ (Loss) After Taxation	RM'000	11,685	4,923	(8,158)	4,381	(7,647)
Net Profit/ (Loss) Attributable To Equity Holders	RM'000	11,925	4,336	(8,642)	4,284	(7,751)
Financial Position						
Total Assets	RM'000	88,777	102,388	99,678	78,201	68,354
Total Borrowings	RM'000	3,885	9,910	15,004	2,257	2,821
Shareholders' Equity	RM'000	74,551	73,826	65,286	62,997	55,750
Financial Indicators						
Return On Equity	%	16	6	(13)	7	(14)
Return On Total Assets	%	13	4	(9)	5	(11)
Gearing Ratio	times	0.1	0.1	0.2	-	0.1
Interest Cover	times	165.7	103.5	(46.5)	15.2	(12.3)
Basic Earnings Per Share	sen	5.0	1.8	(3.6)	1.8	(3.2)
Net Assets Per Share	sen	31.3	30.7	26.4	25.4	22.5
Tax Exempt Dividend Per Share	sen	2.5	2.0	-	-	-
Price Earnings (PE) Ratio	times	8.4	18.9	NA	17.2	NA
Dividend Yield	%	6.0	5.9	-	-	-
Share Price As At The Financial Year End	sen	42.0	34.0	30.0	30.5	29.5

* Restating of proceeding year to reflect the issuance of new ordinary shares pursuant to a bonus issue.

CHAIRMAN'S STATEMENT



YM TENGKU FARITH RITHAUDDEEN

It is our privilege and pleasure to present you the annual report of PanPages Berhad ("PanPages") for the financial year ended 31 December 2016.

The year 2016 will be remembered as a year of global economy slowdown coupled with some major and unpredictable events such as BREXIT and the American presidential election. The general confidence in business was low which led to slowed down in economic activities. In Southeast Asia where we operate, certain countries continue to grow while some faced visible slowdown. It was indeed a challenging year for PanPages.

Our main market in Southeast Asia will continue to be the region of opportunities. We have grown our footprint throughout Southeast Asia for the past few years. In 2016, we consolidated and streamlined our operations.

We streamlined our scale and type of business. We decided to shut down our physical presences in Indonesia and Philippines which led to some impairment of our investments in Indonesia and the Philippines. We refocus our resources in Malaysia and Indochina and continue to invest in Cambodia and Vietnam.

We believe the mainland of Southeast Asia (Indochina and Peninsular Malaysia) will see an increase in cross-border trade with the advancement of e-commerce and increase in foreign direct investment especially from China. China's vision of "One Belt, One Road" is expected to have a positive impact on trade in Southeast Asia.

We shall continue to strengthen our position to become ASEAN No.1 Business Platforms by developing and owning the largest business database of 9 million in ASEAN, building business portals, and provide multi-channel marketing solutions to Small Medium Enterprises ("SMEs").

Our advertising business is segmented into two main sub-businesses of Marketing as a Service ("MaaS") and Data as a Service ("DaaS"). MaaS offers Digital Solutions and Print Solutions which help SMEs to grow their businesses by generating quality leads whereby DaaS offers Data Solutions for SMEs and Corporates to reach out to potential customers. The group shall carefully invest further resources in developing these businesses into vertical business sectors, internally and through partnerships.

Our Digital Solutions allows SMEs to distribute their business content in multi-channel and multi-language covering Business Portals, Business Website, Google AdWords, Facebook, Google Maps and Alibaba.com. These solutions help SMEs to build online presences, drive traffics to their online presences and generate quality leads. We shall continue to develop attractive and suitable digital solutions to bring high quality leads to our customers across ASEAN.

Our Print Solutions help SMEs to maximize their exposure, branding and be found offline. The Print Solutions target serious audience who are sourcing for products from reputable suppliers.

CHAIRMAN'S STATEMENT

(cont'd)

Our printed directories are target-distributed to the right audience and exhibitions throughout the year.

We will continue to grow our Data Solutions business through further development of our database which is the largest in ASEAN.

PERFORMANCE REVIEW

In FYE 2016, the Group reported revenue of RM30.86 million as compared to RM42.41 million in FYE 2015. The decline in revenue was mainly attributed to lower content licensing as clients have reduced content consumption significantly during the year; and decrease in advertising revenue in Malaysia due to lower economic activities contributed by ringgit devaluation and GST effects.

As a result, the Group achieved a loss before tax ("LBT") of RM8.70 million in FYE 2016 compares to a profit before tax of RM4.74 million in FYE 2015. The decline is mainly due to loss of revenue from content licensing, lower advertising revenue in Malaysia and lower gross profit margin as the advertising sales is moving towards third parties products coupled with provision for doubtful debts and impairments.

The Group's total expenses for FYE 2016 decreased by 6% from FYE 2015, in the light of its cost controlling efforts and reduced cost in outsource development expenditure despite provision for doubtful debts and impairments.

PROSPECTS

The opportunity in digital advertising for SMEs in Southeast Asia remains to be promising. The advertising and marketing industry has become more dynamic and challenging with the changing landscape and advancement of technology.

We will refocus in our main markets in Malaysia, Cambodia, Vietnam and Thailand. We will focus our strength to connect businesses in ASEAN. We have formed ASEAN Business Community Club ("ABC") to help businesses in the region with cross-border

trade especially for Malaysian businesses to capitalise on the lower exchange rate of the Ringgit. In 2016, ABC has organized several trade missions from Malaysia to Cambodia, Vietnam and Thailand and connected more than 150 companies within these countries. We are encouraging SMEs to cross-border trade riding on the internet technology.

Our ABC's vision is align with the objective of the Digital Free Trade Zone Program ("DFTZ") in Malaysia which was launched in March 2017 aims to help SMEs facilitate cross-border transactions as well as ensure seamless logistics. The Malaysian Government has aimed to double the growth of SME exports in Malaysia with the launch of DFTZ which has added various advantages to ABC. As Malaysia is becoming ASEAN e-Commerce Hub, PanPages is in the position to ride on this trend.

DIVIDEND

During the financial year of 2016, there was no dividend declared/paid.

ACKNOWLEDGEMENT

On behalf of the directors, we would like to express our sincere gratitude to my predecessor Dato' Ahmad Razlan bin Ahmad Razali who has retired in April 2016 for his service to the Group.

We also would like to express our sincere gratitude to all our shareholders, business partners, suppliers, customers and regulatory authorities and staff for their continuing support and considerable contributions in 2016, particularly to the various improvement initiatives that have led to substantial cost reduction across the Group. These required robust challenge to historical practices, innovation and creativity, and an absolute determination to succeed. The Group will continue to seek new growth avenues both locally and overseas to enhance our shareholders' value in the coming year.

YM Tengku Farith Rithauddeen
Chairman

MANAGEMENT DISCUSSION & ANALYSIS

INTRODUCTION

PanPages Berhad (“PanPages” or “the Company”) is a Bursa Malaysia Securities Berhad (“Bursa Securities”) listed company specialising in the areas of Search and Advertising (“S&A”) and involved in Information Technology (“IT”).

Our S&A business segment comprise online business platforms, print directories and content licensing. We are also reseller to third party online advertisement products, notably Google, Alibaba and Facebook.

Our IT business segment provides cloud computing solutions and communication solutions.

BUSINESS AND OPERATIONS OVERVIEW

Presently, Panpages’ business and operations consists of two core segments, namely S&A and IT.

Our S&A business segment specialize in business platforms, print directories and content development. Our IT operations provide cloud computing and communication solutions.

Over the years, we develop our business in Malaysia as a hub and Southeast Asia.

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.

SEARCH AND ADVERTISING

Our activities under S&A are numerous and conducted on both local and regional fronts. PanPages specialises in Marketing as a Service (“MaaS”) comprising operating business platforms, print directories and internet marketing solutions and Data as a Service (“DaaS”) comprising database development and licensing.

(i) Online Business Platform

Our online business platforms are specialised search engine that allows users to search a structured database of local businesses using geographic parameters. Our platforms are supported by advertisements from businesses who wish to be prominently featured when users search for specific products and services in particular locations. Our business platforms are available in two versions – web and mobile.

Our business platforms are:

1. PanPages.my – Malaysia online business directory
2. PanPages.com.vn – Vietnam online business directory
3. PanPages.co.th – Thailand online business directory
4. PanPages.co.id – Indonesia online business directory
5. yp.com.kh – Cambodia online business directory
6. Healthbeauty.com.my – Malaysia online health and beauty vertical portal
7. Mykhtrade.com - Malaysia and Cambodia cross-border trade portal

PanPages’ online business platforms serve business throughout Southeast Asia.

MANAGEMENT DISCUSSION & ANALYSIS

(cont'd)

SEARCH AND ADVERTISING (CONT'D)

(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 businesses. They also contain a directory of government departments and federal agencies, public services, hospitals and emergency numbers.

(iii) Online Advertising and Marketing

We provide online advertising and marketing solutions catering to different businesses by combining different products such as our proprietary products i.e. PanPages, Super Pages Malaysia, Yellow Pages Cambodia, Health and Beauty, Malaysia and Cambodia cross-border trade and partners' products i.e. Google Adwords, Google Maps Business View, Alibaba, Facebook and YouTube.

We are a Premier Partner of Google Adwords in providing Google Adwords services to our clients as a targeted advertising channel. This service optimises our clients' advertising dollars to ensure they reach the appropriate online audience.

We are also a strategic partner of Alibaba.com, 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 businesses to increase exposures through content marketing as it opens markets for their goods and services and offers access to overseas sales.

We also resell Facebook and YouTube advertisement solutions.

(iv) Content 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, Thailand and Vietnam.

We have 9 million business listings in Southeast Asia making us the owner of largest business database in Southeast Asia.

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 cloud computing solution and communication solution.

We have been streamlining this business and have sold to the management through a management buyout in March 2016. The current business is the residual of the IT business.

MANAGEMENT DISCUSSION & ANALYSIS

(cont'd)

OBJECTIVE AND STRATEGIES

PanPages aspires to be the leading regional player in Marketing as a Service (“MaaS”) and Data as a Service (“DaaS”) segments and has actively establishing its presence in emerging ASEAN markets.

Our S&A business segment has been growing over the past few years and we have expanded to Thailand, Vietnam and Cambodia with a vision to establish PanPages as leading business platforms in ASEAN. We are actively engaging in acquisition of new customers and market shares in ASEAN.

We will continue to improve and expand our database of business listings in ASEAN, as well as continue to secure new clients for our database. We strive to maintain our position as largest and most accurate database provider in ASEAN.

REVIEW OF FINANCIAL RESULTS

REVENUE

The Group's revenue was concluded at RM30.86 million with a decrease of 27.3% from FY2015 which stated at RM42.41 million. The decrease of revenue is mainly contributed by

- i. Lower content licensing as clients have reduced content consumption significantly during the year; and
- ii. Decrease in advertising revenue in Malaysia due to lower economy activities.

PROFITABILITY

Group

The Group has achieved a loss before tax (LBT) of RM8.7 million in FYE 2016 compares to a profit before tax of RM4.74 million in FYE 2015 mainly due to decrease of revenue from content licensing, lower advertising revenue in Malaysia and lower gross profit margin as the sales mix is moving towards third party products.

The total expenses for FYE 2016 decreased by 6% from FYE 2015 mainly due to positive result derived from cost cutting measures in all divisions despite allowance for doubtful debts and impairments.

The Group's effective tax was an income for FYE 2016 compared to tax expense in FYE 2015. The gain on tax in FYE 2016 was mainly due to recognition of potential deferred tax assets.

MANAGEMENT DISCUSSION & ANALYSIS

(cont'd)

PROFITABILITY (CONT'D)

Search and Advertising division

S&A division recorded a loss of RM7.1 million in FYE 2016 compared to a profit of RM4.6 million in FYE 2015. The loss in FYE 2016 was mainly due to significant decrease in content licensing and lower advertising income in Malaysia. The gross margin also suffered during the year as the sales mix is favouring third party products compared to higher margin own products which print product is on the decline and own online products are not yet mature.

Information Technology division

IT division recorded a loss before taxation of RM1.03 million in FYE 2016 compared to a profit before taxation of RM0.21 million in FYE 2015, mainly due to sale to the management through a management buyout in March 2016 for the software solution. The current business in this division is the residual of the IT business.

CASH FLOW

For the FYE 2016, the Group net cash flow was RM2.65 million. This is mainly due to negative operational cash flow during the year. The Group cash balance as at 31 December 2016 was RM5.9 million.

FINANCIAL POSITION

The Group's net assets have decreased from RM61.4million in FYE 2015 to RM54.2 million in current financial year which mainly due to current year operation losses. These losses are due to decrease of revenue from content licensing, lower advertising revenue in Malaysia and lower gross profit margin as the sales mix is moving towards third party products.

REVIEW OF OPERATING ACTIVITIES

Our S&A business have expanded to ASEAN for the past few years and to strengthen the Group footing to grow the online local business platforms business which have vast business opportunities.

However, due to the global weaker economy activities, countries such as Malaysia and Indonesia have suffered lower sales. We have streamlined the size of our Malaysia activities and closed our Indonesia and the Philippines offices.

During the FYE 2016, we have streamlined our products offerings and business operation via cost efficiency measurements taken in all division to improve efficiency to enable the Group to curb against lower economy activities in Malaysia.

We believe our efforts in laying a strong foundation in our expansion in ASEAN since the year of 2013 will provide great opportunities for us to grow in the future. The Group will focus on Indochina markets to harvest market opportunity especially from immature market with high economy developments in Vietnam and Cambodia.

The Group's gearing remains minimal. There is no borrowings other than hire purchase and a overdraft facility of RM2.9 million.

FUTURE EXPECTATIONS

PanPages recognise that business sentiments and domestic consumption in Malaysia will remain weak together with the global market remains volatiles. Hence, the Group will adopt defensive approach in Malaysia market with Thailand market remain neutral.

However, we expect the regional economy activities to rise and plan to capture bigger market share in Vietnam and Cambodia.

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 always been recognised by the Group. 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 opportunities 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 to cultivate the start-up spirit in the Group. 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 good ambient for our employees to interact with each other 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 RM22,000 to help the Sports Club run their activities in 2016. These include 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.

STATEMENT ON CORPORATE SOCIAL RESPONSIBILITY

(cont'd)

IMPACTING OUR LOCAL COMMUNITIES

The PanPages Group recognizes that its businesses have direct and indirect impact on the communities in which we operate.

With the goal of making a positive impact in the lives of the communities in which we operate in, our people at PanPages are actively engaged in activities to address appropriately the needs of 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.

In 2016, a group of PanPages employees volunteered their time to visit Handicapped and Disabled Children's Association of Klang Selangor. They spent their time cooking and preparing lunch for these children. In addition, items like rice, cooking oil, milk powder, etc. worth RM1,700 was also purchased for these children.

PanPages Group contributed RM2,250 to the Association as part of our Corporate Social Responsibility program.

There are more such activities lining up in the future.



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

YM TENGKU FARITH RITHAUDEEN

Chairman / Independent Non-Executive Director

YM Tengku Farith Rithauddeen, male, a Malaysian aged 44, was appointed to the Board on 3 May 2016. He is also a member of Audit Committee and Chairman of the Nominating Committee and Remuneration Committee.

He is currently the Group Chief Executive Officer and Co-Founder of SKALI.

In 2002, YM Tengku Farith was selected as one of the 100 Global Leaders for Tomorrow (GLT) by the World Economic Forum, Davos of Switzerland. In 2004, he was the first recipient of the Young Entrepreneur award by the Malay Chamber of Commerce, Malaysia and in 2006 was awarded the prestigious Eisenhower Fellowship for 2007 by the Eisenhower Foundation, USA. In 2008 he was awarded Most Outstanding Entrepreneur for 2008 by the Asia Pacific Entrepreneurs Award (APEA) Organization. In March 2012, YM Tengku Farith was awarded the BMW Stifung Herbert Quandt – Young Leaders. His latest recognition was a nomination by Top 10 of Malaysia Magazine for Top 10 Inspiring Technopreneurs in Malaysia.

His career began with Commerce International Merchant Bankers (CIMB) in the corporate finance division. He was a key team member in the Corporate Finance and Capital Market divisions. He has in-depth knowledge about corporate restructuring, corporate financing and financial re-engineering.

Throughout his career at CIMB, YM Tengku Farith established relationships with various investment bankers, analysts, researchers, venture capitalists and private investors, and was involved in corporate advisory services for Penang Port, agencies under the Ministry of Rural Development and KPJ Healthcare Bhd.

He then moved on to Road Builder (M) Holdings Berhad and was responsible for its business development in property and infrastructure projects. At Road Builder, he was instrumental in securing numerous privatization projects relating to property and infrastructure.

TAN TIAN SIN

Group Managing Director

Tan Tian Sin, male, a Malaysian aged 56, was appointed to the Board on 22 October 2009.

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.

PROFILE OF THE BOARD OF DIRECTORS

(cont'd)

FONG WAI LEONG

Group Chief Executive Officer

Fong Wai Leong, male, a Malaysian aged 47, was appointed to the Board on 30 January 2009. He is responsible for strategic planning and overall operation of the Group. He is also a member of the Remunerating Committee.

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.

LAU KOK FUI

Non-Independent Non-Executive Director

Lau Kok Fui, male, a Malaysian aged 55, was appointed to the Board on 7 March 2014. He is also a member of the Audit Committee, Nominating Committee and Remuneration Committee.

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 GE on Wing Support 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.

PROFILE OF THE BOARD OF DIRECTORS

(cont'd)

WONG MUN WAI

Independent Non-Executive Director

Wong Mun Wai, male, a Malaysian aged 60, 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 Administrators (Malaysia and United Kingdom). Mr Wong was appointed to the Board on 28 May 2012. He is also a member of the Nominating Committee and the Chairman of the Audit Committee.

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 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.

WONG YEE MING

Non-Independent Non-Executive Director

Wong Yee Ming, male, a Malaysian aged 36, was appointed to the Board on 4 July 2012.

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.

Notes:

1. The directors' holding in securities of the Company are disclosed in the Analysis of Shareholdings of this Annual Report.
2. None of the directors has any family relationship with each other and/or major shareholders of the Company.
3. None of the above directors has any conviction for offences other than traffic offences in the past 5 years and none of them has any public sanction or penalty imposed by relevant regulatory bodies during the financial year.
4. None of the above directors has any conflict of interest with the Company.

PROFILE OF THE KEY SENIOR MANAGEMENT

CHRISTOPHER NG KWONG EU

Chief Business Development Officer

Christopher Ng Kwong Eu, male, a Malaysian aged 38, has been with the organization for more than 14 years. He is involved in various key roles of the organization since 1 October 2002.

He was appointed Chief Business Development Officer since 1 January 2014 and is presently responsible for all business development functions as well as the overall

sales operations of the Group. He holds several professional certifications in business administration, financial accounting and digital marketing.

KOO CHEE MIN

Human Resources Director

Koo Chee Min, male, a Malaysian aged 48, has been with the organization for 4 years. He is responsible for overall HR of the Group of the organization. He was appointed Human Resources Director since 4 February 2013.

He has over 20 years' experience in both strategic and operation HR management in various industries such as banking, shared services, retail, F&B and manufacturing.

He holds a master degree in Human Resources Management.

Notes:

- 1. None of the above personnel has any family relationship with each other and/or major shareholders of the Company.*
- 2. None of the above personnel has any conviction for offences other than traffic offences in the past 5 years and none of them has any public sanction or penalty imposed by relevant regulatory bodies during the financial year.*
- 3. None of the above personnel has any conflict of interest with the Company.*

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (“Board”) of PanPages Berhad (“PanPages”) recognises the importance of the principles and recommendations set out in the Malaysian Code on Corporate Governance 2012 (“Code”) and is fully committed to maintaining high standards of corporate governance throughout PanPages and its subsidiaries (“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. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

(i) Functions and Responsibilities of the Board and Management

The Board is entrusted for the oversight and 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, which was adopted by the Board on 15 May 2013 and reviewed on 18 April 2016, sets out the roles, 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 Board Charter is available for reference at the Company’s website about.panpages.com.

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 the 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;

STATEMENT ON CORPORATE GOVERNANCE

(cont'd)

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

(i) Functions and Responsibilities of the Board and Management (cont'd)

The principal responsibilities of the Board outlined in the Company's Board Charter include the following: (cont'd)

- 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.

The Board is also ultimately responsible for the adequacy and integrity of the Company's internal control system. Details pertaining to the Company's internal control system and its effectiveness are available in the Statement on Internal Control and Risk Management of this Annual Report.

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 the Code including those reserved for the Board's approval and those which the Board may delegate to the Board Committees, the Group Managing Director and Group Chief Executive Officer and the Management. There is a clear division of responsibilities between the Chairman, the Group Managing Director and the Group Chief Executive Officer.

Key matters reserved for the Board's approval include business plan, annual budget, dividend policy, business continuity plan, new issues of securities, business restructuring and disposal and acquisition of assets/investments.

The Board Committees, namely Audit Committee, Nominating Committee and Remuneration Committee are entrusted with specific responsibilities to oversee the Group's affairs with authority to act on behalf of the Board and operate within their respective Terms of Reference. Although specific powers are delegated to the Board Committees, the Board Committees would 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. Also, the Board is informed of the key issues and recommendation/decision made by each Board Committees through the tabling of minutes of the Board Committees meetings at Board Meetings.

As regards the duties delegated to the Group Managing Director and Group Chief Executive Officer and the Management, their responsibilities are set out in the Board Charter which is available for reference at the Company's website at about.panpages.com.

STATEMENT ON CORPORATE GOVERNANCE

(cont'd)

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

(i) Functions and Responsibilities of the Board and Management (cont'd)

The principal responsibilities of the Board outlined in the Company's Board Charter include the following: (cont'd)

The Chairman provides leadership at Board level, chairing the meetings of the Company and the Board, represents the Board to shareholders and together with the Board, reviews and approves the strategic objectives and policies of the Group. The position of the Chairman is held by an Independent Director. 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 and Chief Executive Officer provide executive leadership and are accountable to the Board 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 caliber 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.

(ii) Succession Planning

At the Board Meeting held on 25 May 2015, the Board discussed about succession planning and agreed on the need to work out some thoughts to engage in planning for the succession of their board members and senior management. The Group has developed a succession plan.

(iii) Code of Conduct and Ethics

The Board commits itself and its Directors to ethical, business like and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members. The Company's Code of Conduct and Ethics for Directors are spelled out in the Board Charter which is available for reference at the Company's website at about.panpages.com.

(iv) 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 strategies to promote sustainability and its implementation can be found in the Company's website at about.panpages.com.

The CSR activities of the Group during the financial year are set out on page 11 to 12 of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE

(cont'd)

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

(v) Whistleblowing Policy and Procedure

The Board encourages employees within the Group to report suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse involving resources of the Company. The Whistleblowing Policy and Procedure adopted by the Company provides and facilitates a mechanism for any individual to report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse.

The Whistleblowing Policy and Procedure is available at the Company's website at about.panpages.com.

(vi) Corporate Disclosure Policy & Procedure

The Board places importance in ensuring disclosures made to shareholders and investors are accurate, clear, timely and comprehensive as they are critical towards building and maintaining corporate credibility and investor confidence. As such, the Board has adopted a Corporate Disclosure Policy & Procedures setting out the policies and procedures for disclosure of material information of the Group. The said Policy applies to all Directors, management, officers and employees of the Group.

(vii) Access to Information and Advice

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

All Directors have full access to the advice and services of the Company Secretaries and the Management within their respective jurisdictions to ensure effective functioning of the Board and may seek independent professional advice when necessary in discharging its various duties, at the Company's expense. The Directors may also interact directly with, or request further explanation, information or updates on any aspect of the Company's operations or business concerns from the Management.

(viii) Qualified and Competent Company Secretaries

The Company Secretaries of the Group are experienced, competent and knowledgeable, play an important role in advising the Board on issues relating to corporate compliance with the relevant laws, rules, procedures and regulations affecting the Board and the Group, as well as best practices of governance. The Directors have ready and unrestricted access to the advice and services of the Company Secretaries. The Board is regularly kept up to date on and apprised of any regulations and guidelines.

The Company Secretaries are responsible for advising the Directors of their obligations and duties to disclose their interest in securities, disclosure of any conflict of interest in a transaction involving the Group, prohibition on dealing in securities and restrictions on disclosure of price-sensitive information.

STATEMENT ON CORPORATE GOVERNANCE

(cont'd)

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

(viii) Qualified and Competent Company Secretaries (cont'd)

The Company Secretaries also safeguard all statutory books and records of the Company and maintain the statutory registers of the Company. Company Secretaries also ensure all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are recorded. In addition, the Company Secretaries also ensure that any change in the Group's statutory information should be duly completed in the relevant prescribed forms and lodged with the Registrar of Companies within the required period of time.

B. STRENGTHEN COMPOSITION

(i) Audit Committee

The role of the Audit Committee is to support the Board in overseeing the processes for production of the financial data, review the financial reports and the internal control of the Company. The composition and Terms of Reference of the Audit Committee together with its reports are presented in Audit Committee Report in this Annual Report.

(ii) Nominating Committee

(a) Composition of Nominating Committee

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

Chairman	: YM Tengku Farith Rithauddeen <i>Independent Non-Executive Director</i> <i>(appointed on 3/5/2016)</i>
Member	: Wong Mun Wai <i>Independent Non-Executive Director</i>
	Lau Kok Fui <i>Non-Independent Non-Executive Director</i>
	Dato' Ahmad Razlan bin Ahmad Razali <i>(resigned on 29/4/2016)</i>
	Wong Yee Ming <i>(resigned on 3/5/2016)</i>

(b) Functions of the Nominating Committee

The functions of Nominating Committee are:

- recommend to the Board the nomination of a person or persons to be a Board member(s) by shareholder(s) or Director(s);
- recommend to the Board, Directors to fill the seats on Board Committees;
- 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
- 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.

STATEMENT ON CORPORATE GOVERNANCE

(cont'd)

B. STRENGTHEN COMPOSITION (cont'd)

(ii) Nominating Committee (cont'd)

(c) Activities of the Nominating Committee

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

- (a) Reviewed the Board's composition having regards to the mix of skill and experience and other qualities of the Board.
- (b) Assessed the effectiveness of the Board as a whole, the Board Committees and the Directors.
- (c) Discussed the Directors' retirement by rotation.
- (d) Discussed new appointment to the Board.
- (d) Reviewed and restructure the composition of the Board Committees.

(d) Appointment to the Board and Gender Diversity Policy

The Board does not set specific criteria for assessment and selection of director candidate. However, consideration would be taken on the need to meet the regulatory requirements such as Companies Act, 2016 and the Bursa Securities Malaysia Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") and other criteria discussed in the following paragraphs.

The Nominating Committee is empowered to identify and recommend new appointments to the Board. The potential candidates may be proposed by existing directors, senior management staff, shareholders or third party referral. Under normal circumstances, the Nominating Committee would review new board candidates proposed by the Group Managing Director and Group Chief Executive Director to fill vacancy arises from resignation, retirement or any other reasons and make the recommendation to the Board thereon for decision. Based on the recommendation of the Nominating Committee, the Board would evaluate and decide on the appointment of the proposed candidate.

Upon receipt of the proposal, the Nominating Committee is responsible to conduct assessment and evaluation on the proposed candidate. The assessment/evaluation process may include, at the Nominating Committee's discretion, reviewing the candidate's resume, curriculum vitae, biographical information, candidate's qualifications and conducting background searches as well as formal or informal interview at the Nominating Committee's discretion.

In discharging its duty, the Nominating Committee will assess the suitability of individual to be appointed to the Board by taking into consideration the individual's skills, knowledge, expertise, experience, strength of qualities, competency and understanding of the business environment.

For appointment of Independent Directors, the Nominating Committee would also assess whether the candidate meets the requirements for independence based on criteria prescribed in the Listing Requirements.

STATEMENT ON CORPORATE GOVERNANCE

(cont'd)

B. STRENGTHEN COMPOSITION (cont'd)

(ii) Nominating Committee (cont'd)

(d) Appointment to the Board and Gender Diversity Policy (cont'd)

At present, the Company does not have a formal gender diversity policy but acknowledges the recommendation of the Code on gender diversity. At the Nominating Committee held on 13 April 2017, proposal was made for appointment of a female director. The management has received two (2) potential female candidates and is still sourcing for other talents before shortlisting the candidates for review by the Nominating Committee. The Board is of the opinion that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age with priority of the Group's need 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.

Nevertheless, the Company shall provide a suitable working environment that is free from harassment and discrimination in order to attract/retain women participation in the Board. The Group is committed to provide fair and equal opportunities and nurturing diversity with the Group. Also, the Group had zero tolerance of workplace harassment, age, religious, ethnicity, race or gender discrimination.

(e) Review of Directors Proposed for Re-election

In accordance with the Consitution of the Company, all newly appointed Directors are subject to retirement by rotation and are entitled for re-election at the first annual general meeting after their appointment.

Pursuant to Article 93 of the Company's Consitution, at each annual general meeting one-third (1/3) of the Directors for the time being or if their number is not a multiple of three (3), the number nearest to one-third (1/3) with a minimum of one (1) shall retire from office by rotation and an election of Directors shall take place provided always that each Director shall retire at least once in every three (3) years but shall be eligible for re-election.

At general meeting of the Company, the election of each Director is to be voted separately unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it as provided in Section 203 of the Companies Act, 2016.

In recommending the Directors for re-election to the Board, the Nominating Committee would also refer to the individual Directors' annual assessment result to ensure that feedback given and scoring achieved by the relevant directors who are retiring by rotation are satisfactory.

STATEMENT ON CORPORATE GOVERNANCE

(cont'd)

B. STRENGTHEN COMPOSITION (cont'd)

(ii) Nominating Committee (cont'd)

(f) Annual Assessment on the Performance of Individual Directors and Effectiveness of the Board and Board Committees

The Nominating Committee undertakes annual assessment to evaluate the performance of each individual Director, the effectiveness of the Board and the Board Committees.

The effectiveness of the Board and Board Committees are assessed in the areas of board structure/mix, decision making and boardroom participation and activities, meeting administration and conducts, skill and competencies and role and responsibilities whilst the performance of the individual Directors are assessed in the areas of contribution and interaction with peer, quality of the input of the Director, understanding of role, etc.

During the annual assessment exercise, the Directors are given a performance evaluation sheets for Individual Director Self/Peer Evaluation and Board Evaluation to complete. In addition, Directors who are members of the Board Committees are given additional performance evaluation sheets for the respective Board Committees to complete. Sufficient time is given to the Directors to complete the forms and upon completion, the forms are submitted to the Company Secretary for compilation of rating and scores which summary would then be presented to the Nominating Committee for further review and assessment.

For good corporate governance, the Nominating Committee would not review its own effectiveness and the performances of the Nominating Committee members. Instead, such review would be carried out by the Board as a whole with the members of the Nominating Committee abstained from deliberation.

In view that the Nominating Committee members are also members of the Remuneration Committee and the Audit Committee, the assessment of the effectiveness and performances of the Remuneration Committee and the Audit Committee are also carried out by the Board.

The Director who is subject to re-election and/or re-appointment at next Annual General Meeting are assessed by the Nominating Committee (with the relevant Nominating Committee member abstaining on his own re-election) before recommendation is made to the Board and shareholders for the re-election and/or re-appointment.

Outcome of the assessment and recommendation would be reported to the Board for information and decision on areas for improvement.

STATEMENT ON CORPORATE GOVERNANCE

(cont'd)

B. STRENGTHEN COMPOSITION (cont'd)

(ii) Nominating Committee (cont'd)

(g) Assessment of Independent Directors

On an annual basis, the Nominating Committee would also review the independence of the Independent Directors. More details are set out in section C(ii) of this statement.

(iii) Remuneration Committee

(a) Composition of Remuneration Committee

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

Chairman : YM Tengku Farith Rithauddeen
Independent Non-Executive Director
(Appointed on 3/5/2016)

Members : Fong Wai Leong
Chief Executive Officer

Lau Kok Fui
Non-Independent Non-Executive Director

Dato' Ahmad Razlan bin Ahmad Razali
(Resigned on 29/4/2016)

Tan Tian Sin
(Resigned on 3/5/2016)

Wong Yee Ming
(Resigned on 3/5/2016)

(b) Functions of the Remuneration Committee

The main function of the Remuneration Committee is to recommend to the Board, the remuneration packages of Executive Directors and/or other persons of the Group as the Remuneration Committee is designated to consider as and when necessary.

(c) Remuneration Policies and Procedures

Remuneration of Executive Directors

The remuneration of the Executive Directors shall be reviewed and determined by the Remuneration Committee, who makes recommendation to the Board for approval. On the recommendation of the Remuneration Committee, the Board reviews and approves the remuneration of the Executive Directors with the respective Executive Director abstained from discussions and decisions on their own remuneration. Under normal circumstances, the respective Director(s) would be excused from the relevant meetings before the deliberation on their remuneration take place.

STATEMENT ON CORPORATE GOVERNANCE

(cont'd)

B. STRENGTHEN COMPOSITION (cont'd)

(iii) Remuneration Committee (cont'd)

(c) Remuneration Policies and Procedures

Annual Bonus of Executive Directors

The Executive Directors shall be entitled to participate in the Company's annual cash bonus. The amount of bonus shall be reviewed and determined by the Remuneration Committee, who makes recommendation to the Board for approval.

Other benefits of Executive Directors

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.

Remuneration for Non-Executive Directors

The remuneration of non-executive directors, which is made up of Directors' fee, meeting allowance and other benefits, if any, proposed by the Remuneration Committee is determined by the Board.

Others Remuneration

The Directors may be remunerated by a fixed sum (for non-executive director) or by a percentage of profits (for executive directors) or otherwise as may be determined by the Board for the performance of extra services or to make any special exertions in going or residing away from his usual place of business or residence for any purpose of the Company or giving special attention to the business of the Company. Such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the directors. Such remuneration would be proposed by the Remuneration Committee to the Board for decision.

(d) Directors' Fee and meeting allowances

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.

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

At the 13th Annual General Meeting held on 26 June 2014, the Company had obtained the shareholders' approval to empower the Board to pay directors' fee of not more than RM120,000 per annum to the non-executive directors for their services as directors of the Company ("Capped Amount"). Specific Shareholders' approval is not required to be sought for the payment of Directors' fee for financial year ended 31 December 2016 because there was no increase in Directors' fee in year 2015 and 2016 and the amount of the Directors' fee paid for year ended 31 December 2016 was within the Capped Amount.

STATEMENT ON CORPORATE GOVERNANCE

(cont'd)

B. STRENGTHEN COMPOSITION (cont'd)

(iii) Remuneration Committee (cont'd)

(d) Directors' Fee and meeting allowances (cont'd)

The aggregate remuneration paid or payable to the Directors in the Company for the financial year ended 31 December 2016 is as follows:

	Fees RM	Salaries and Other Emolument RM	Benefit-in- kind RM	Total RM
Received from PanPages Berhad				
Executive Directors	-	812,602	34,500	847,102
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:

Remuneration band (RM)	Executive Directors	Non-executive Directors
Received from PanPages Berhad		
RM50,000 and below	-	4
RM350,001 – RM400,000	1	-
RM400,001 – RM450,000	1	-

At present, it is not the Company's policy of paying meeting allowances to each of the Board and Board Committee meetings.

None of the Directors received any remuneration and/or fees from any subsidiaries.

C. REINFORCE INDEPENDENCE

(i) 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 Listing Requirements which requires at least two (2) or one third of the Board, whichever is the higher, are Independent Directors.

The present size and composition of the Board is appropriate for the complexity and scale of operations of PanPages Group. As presently constituted, the Board is well balanced and has the stability, continuity and commitment as well as the capacity to discharge its responsibility effectively.

To ensure there is a strong element of independence in the Board, the positions of the Chairman and Group Managing Director and/or Group Chief Executive Officer are held by different individuals. The Chairman of the Company is an independent director and the roles of the Chairman and the Executive Directors are also separated.

STATEMENT ON CORPORATE GOVERNANCE

(cont'd)

C. REINFORCE INDEPENDENCE (cont'd)

(ii) Assessment of Independent Directors

On an annual basis, the Nominating Committee would review the independence of the Independent Directors. Criteria for assessment of independence are very much based on the requirements and definition of “independent director” as set out in the Listing Requirements.

Each Independent Directors is required to confirm their independence by giving the Board a written confirmation of their independence.

In addition, consideration would also be given to assess whether the independent directors are able to act independently of management and free from any business or other relationship.

(iii) Tenure of Independent Directors

None of the Independent Directors have served the Company exceeding a cumulative terms of nine (9) years.

At present, the Company does not have a formal policy to limit the tenure of independent directors to 9 years. However, the Board is mindful of the recommendations in the Code to ensure effectiveness of independent directors.

D. FOSTER COMMITMENT

(i) Time Commitment

The underlying factors of directors’ commitment to the Company are devotion of time and continuous improvement of knowledge and skill sets.

Except for Wong Mun Wai who holds directorship in another listed company, none of the other Board members hold directorship in other listed company.

All the Directors have full attendance at Board and Board Committee meetings held during the financial year ended 31 December 2016. Details of the attendance are set out in the relevant sections of this Statement.

To facilitate the Directors’ planning, Board and Board Committee meetings are usually fixed three (3) months in ahead.

(ii) 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.

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.

STATEMENT ON CORPORATE GOVERNANCE

(cont'd)

D. FOSTER COMMITMENT (cont'd)

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

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

During the financial year ended 31 December 2016, five (5) Board meetings were held. The record of attendance is as follows:

Directors	Number of Meetings Attended by Directors
YM Tengku Farith Rithauddeen	3/3
Tan Tian Sin	5/5
Fong Wai Leong	5/5
Wong Mun Wai	5/5
Wong Yee Ming	5/5
Lau Kok Fui	5/5
Dato' Ahmad Razlan bin Ahmad Razali (Resigned)	2/2

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

(iii) 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 development as a Director or as a member of the Board Committees.

Details of trainings attended by the Directors during the financial year ended 31 December 2016 are as follows:

Name of Directors	Training Programmes
YM Tengku Farith Rithauddeen	<ul style="list-style-type: none"> • Direction of Global Competition by PNB • Making of Customer Oriented Organisation by IMD Business School of Management
Tan Tian Sin	<ul style="list-style-type: none"> • ASEAN Business Community Seminar
Fong Wai Leong	<ul style="list-style-type: none"> • B2B Asia Conference • Disruption Technology by YPO • Technology and Disruption – How You Can Benefit • Talent Ecosystem • Cyber Security by Bursa Malaysia

STATEMENT ON CORPORATE GOVERNANCE

(cont'd)

D. FOSTER COMMITMENT (cont'd)

(iii) Directors' Training (cont'd)

Details of trainings attended by the Directors during the financial year ended 31 December 2016 are as follows:

Name of Directors	Training Programmes
Wong Mun Wai	<ul style="list-style-type: none">• GG Breakfast Series with Directors• Independent Directors – Regulator's Expectation• An Overview of Latest Developments in MFRS
Wong Yee Ming	<ul style="list-style-type: none">• Google Ads Workshop
Lau Kok Fui	<ul style="list-style-type: none">• ASEAN Business Community Seminar

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

E. UPHOLD INTEGRITY IN FINANCIAL REPORTING

(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) 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) Assessment of Suitability and Independence of External Auditors

The Audit Committee assessed the suitability and independence of external auditors for re-appointment of the external auditors at the annual general meeting of the Company. In its assessment, the Audit Committee considered several factors, which included adequacy of resources of the firm, quality of service and competency of the staff assigned to the audit, the external auditors' independence and the costing. Being satisfied with SJ Grant Thornton's performance and audit independence, the Audit Committee recommended to the Board the appointment of SJ Grant Thornton as external auditors for the financial year ending 31 December 2017. The Board at its meeting held on 13 April 2017 approved the Audit Committee's recommendation and was satisfied with SJ Grant Thornton's suitability and audit independence thus agreed to put forward a resolution on the appointment of SJ Grant Thornton to the shareholders for approval at the forthcoming annual general meeting.

STATEMENT ON CORPORATE GOVERNANCE

(cont'd)

F. RECOGNISE AND MANAGE RISKS

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 33 of this Annual Report, and this provides an overview of the state of internal controls within the Group.

G. 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 about.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:

Chaven Ng (Assistant to Group Chief Executive Officer)

Telephone number : 03-5636 9999

Fax number : 03-5635 0280

Email address : chaven@panpages.com

STATEMENT ON CORPORATE GOVERNANCE

(cont'd)

G. RELATION WITH SHAREHOLDERS AND INVESTORS (cont'd)

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.

H. COMPLIANCE WITH THE CODE

This Statement is made in compliance with relevant provisions in the Listing Requirements.

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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(cont'd)

RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

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;
- 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.

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

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.

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 13 April 2017.

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 2016, 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

Audit And Non-Audit Fees

The amount of audit fees incurred for statutory audit services rendered to the Group by the external auditors for the financial year ended 31 December 2016 amounted to RM115,000 of which RM31,000 was incurred by PanPages Berhad.

The amount of non-audit fees incurred for services rendered to PanPages Berhad by the external auditors or a company affiliated to the audit firm for the financial year ended 31 December 2016 amounted to RM5,000. The services were for review of documents. There were no non-audit fees incurred by the subsidiaries.

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 was entered into since the end of the previous financial year and/or 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.

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	:	YM Tengku Farith Rithauddeen (Independent Non-Executive Director) (appointed on 3/5/2016)
		Mr. Lau Kok Fui (Non-Independent Non-Executive Director)
		Dato' Ahmad Razlan bin Ahmad Razali (resigned on 29/4/2016)
		Wong Yee Ming (resigned on 3/5/2016)

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

The Audit Committee had discharged its function and carried out its duties as set out in its Terms of Reference. During the Financial Year, the Terms of Reference of the Audit Committee was enhanced to be in line with the changes to the Main Market Listing Requirement on strengthening the role of the Audit Committee when reviewing financial statements.

The Terms of Reference of the Audit Committee is accessible through the Company's website at www.about.panpages.com

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The Audit Committee held five (5) meetings during the financial year ended 31 December 2016. 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
Wong Mun Wai (Chairman of Audit Committee)	Independent Non-Executive	5/5
YM Tengku Farith Rithauddeen (Member of Audit Committee) (appointed on 3/5/2016)	Independent Non-Executive Director	3/3
Wong Yee Ming (Member of Audit Committee) (resigned on 3/5/2016)	Non-Independent Non-Executive Director	2/2

AUDIT COMMITTEE REPORT

(cont'd)

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

The Audit Committee held five (5) meetings during the financial year ended 31 December 2016. The record of attendance by each member at the Audit Committee meetings held during the year is as follows (cont'd):-

Name of Directors	Status of Directorship	Number of Meetings Attended
Lau Kok Fui (Member of Audit Committee) (appointed on 3/5/2016)	Non-Independent Non-Executive Director	3/3
Dato' Ahmad Razlan bin Ahmad Razali (Member of Audit Committee) (resigned on 29/4/2016)	Independent Non-Executive Director	2/2

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 2016;
- 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; and reviewed and verified the allocation of options granted pursuant to the Employees' Shares Option Scheme of the Company.

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

The Company implemented a new ESOS Scheme during the financial year ended 31 December 2011. The ESOS had an initial tenure of five (5) years from the date of the launch or implementation of the scheme which shall expire on 3 July 2016. On 1 July 2016 the Company extended the ESOS for another five (5) years until 3 June 2021 in accordance with the terms of the ESOS By-Laws.

There were no additional options granted under the ESOS Scheme during the financial year ended 31 December 2016.

AUDIT COMMITTEE REPORT

(cont'd)

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

Total numbers of ESOS options exercised and retracted during the financial year ended 31 December 2016 are as follows:

	Granted on 4.7.2011	As at 1.1.2016	Exercised	Retracted**	Re-designation/ promotion	As at 31.12.2016
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	676,000	-	264,200	-	411,800
Employees	6,323,000	990,200	-	594,600	-	395,600
Total	12,000,000	2,266,200	-	858,800	-	1,407,400

Note:-

* Options granted to a former director of the Company

** Due to employees' resignation

Pursuant to the ESOS By-Laws, the aggregate maximum allocation to Directors and Senior Management under the ESOS Scheme 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 Scheme is approximately 47.3%.

None of the present Non-Executive Directors were granted with the ESOS options since the date of the commencement of the ESOS Scheme.

INTERNAL AUDIT FUNCTION AND ITS ACITIVITIES

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 cost incurred in relation to the internal audit function for the financial year ended 31 December 2016 is RM38,160

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.

FINANCIAL STATEMENTS

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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 2016.

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	(7,646,573)	(2,287,940)
Attributable to:-		
Owners of the Company	(7,750,604)	(2,287,940)
Non-controlling interests	104,031	-
	(7,646,573)	(2,287,940)

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' REPORT

(cont'd)

DIRECTORS

The Directors in office during the financial year and up to the date of this report are as follows:-

Tuan YM Tengku Farith Rithauddeen (appointed on 3.5.2016)
 Tan Tian Sin
 Fong Wai Leong
 Wong Mun Wai
 Wong Yee Ming
 Lau Kok Fui
 Dato' Ahmad Razlan Bin Ahmad Razali (resigned on 29.4.2016)

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 1.1.2016	Bought	Sold	At 31.12.2016
Direct interest				
Tan Tian Sin	57,358,100	-	-	57,358,100
Fong Wai Leong	323,650	-	-	323,650
Wong Yee Ming	8,840,800	-	-	8,840,800
Lau Kok Fui	26,259,800	3,538,400	-	29,798,200
Indirect interest				
Lau Kok Fui (#)	12,430,500	1,869,500	-	14,300,000

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

DIRECTORS' REPORT

(cont'd)

DIRECTORS' INTERESTS (cont'd)

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 1.1.2016	Granted	Exercised	Retracted	At 31.12.2016
Tan Tian Sin	100,000	-	-	-	100,000
Fong Wai Leong	500,000	-	-	-	500,000

Other than disclosed above, 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 those set out in Notes 22, 25 and 26 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 had an initial tenure of five (5) years from the date of the launch or implementation of the scheme which shall expire on 3 July 2016. On 1 July 2016, the Company extended the ESOS for another five (5) years until 3 July 2021 in accordance with the terms of the ESOS By-Laws.

The salient features and other terms of the ESOS are disclosed in the Note 25 to the Financial Statements.

DIRECTORS' REPORT (cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES (cont'd)

As at 31 December 2016, the options offered to take up unissued ordinary shares of RM0.10 each and the exercise price are as follows:

Date of offer	Exercise price RM	Number of options over ordinary shares of RM0.10 each			
		At 1.1.2016	Retracted *	Exercised	At 31.12.2016
4.7.2011	0.35	2,266,200	(858,800)	-	1,407,400

* Due to resignations

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 prepared, 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 known 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.

DIRECTORS' REPORT (cont'd)

OTHER STATUTORY INFORMATION (cont'd)

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.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 31 to the Financial Statements.

DIRECTORS' REPORT

(cont'd)

AUDITORS

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

The report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

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

Kuala Lumpur
13 April 2017

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 56 to 144 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 2016 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 145 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 Board of Directors.

.....
TAN TIAN SIN

.....
FONG WAI LEONG

Kuala Lumpur
13 April 2017

STATUTORY DECLARATION

I, Fong Wai Leong, being the Director primarily responsible for the financial management of PanPages Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 56 to 144 and the supplementary information set out on page 145 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)
13 April 2017)

.....
FONG WAI LEONG

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

PANPAGES BERHAD

(Incorporated in Malaysia) Company No: 537337 M

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PanPages Berhad, which comprise the statements of financial position as at 31 December 2016 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 56 to 144.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2016, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia.

Basis of Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Goodwill on consolidation and intangible assets with indefinite useful lives.

The risk – Under MFRS, the Group is required to annually test the amount of goodwill and intangible assets with indefinite useful lives for impairment. This impairment testing relies on estimates of value-in-use based on estimated future cash flows.

The annual impairment test was significant to our audit because the assessment process used in preparing the estimated future cash flows is complex and highly judgemental and is based on assumptions that are affected by expected future market or economic conditions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

PANPAGES BERHAD

(Incorporated in Malaysia) Company No: 537337 M

(cont'd)

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Goodwill on consolidation and intangible assets with indefinite useful lives (cont'd)

Our response – Our audit procedures included, among others, evaluating the assumptions and methodologies used by the Group, in particular those relating to the forecasted revenue growth, expenses and profit margins. We checked for additional impairment triggers by reading board minutes, holding regular discussions with Group, and examining the performance of each cash generating unit. We also focused on the adequacy of the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of goodwill and intangible assets with indefinite useful lives.

Whilst recognising that forecasting is inherently judgemental, we concluded that the assumptions and methodologies used by management were within an acceptable range of reasonable estimates. The Group's disclosures about goodwill and intangible assets are included in Notes 7 and 5 to the Financial Statements, which specifically explain that no reasonably possible changes in the key assumptions used except for changes in prevailing operating environments could cause the carrying amount of goodwill and intangible assets to differ materially from their recoverable amounts.

Revenue recognition

The risk – A significant amount of the Group's revenue arises from 'Search and advertising'. Search and advertising revenue mainly arises from sales of advertising space on internet and printed directories.

Revenue from internet directories is recognised when services are rendered whereas revenue from printed directories is recognised by reference to the proportion of printed directories circulated as at the financial year end. Based on the Group's business practices, sales invoices are usually issued to customers before services are rendered and before printed directories are circulated.

We identified the timing of revenue recognition as a significant risk requiring special audit consideration because of the following possibilities:

- revenue from internet directories being recognised although services have not been rendered;
- revenue from internet directories not being recognised although services have been rendered;
- revenue from printed directories being recognised although the directories have not been circulated; and
- revenue from printed directories not being recognised although the directories have been circulated.

Our response – For revenue from internet directories, we tailored our procedures to ensure that revenue was recognised only when services have been performed. Among other procedures, we traced samples of revenue and deferred income separately to supporting evidence including the original signed contracts and the advertisements in the internet portals.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

PANPAGES BERHAD

(Incorporated in Malaysia) Company No: 537337 M

(cont'd)

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Revenue recognition (cont'd)

For revenue from printed directories, we tailored our procedures to ensure that revenue was recognised only when the relevant directories were circulated. Among other procedures, we inspected a sample of items to original signed contracts, re-performed management's calculations and agreed the revenue recognised to the underlying accounting records.

We found that revenue recognised in the financial year, and deferred as at the financial year end, properly accounted for in accordance with the Group's accounting policies. We did not find material errors in the context of the financial statements as a whole. The Group's disclosures regarding revenue recognition, revenue and deferred income are included in Notes 3.14, 3.15, 3.18, 17 and 21 to the Financial Statements.

Impairment of trade receivables

The risk – Under MFRS, management is required to assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Management's assessment process is based on assumptions on the recoverability of debts from each customer, such as the probability of insolvency or significant financial difficulties are not within the control of the Group and require significant management judgement.

We identified impairment of trade receivables as a significant risk requiring special audit consideration. This is because the Group's trade receivables are material to the financial statements and that potential errors of management judgement present a risk of material misstatement due to fraud or error.

Our response – In addition to other procedures, we considered it necessary to test the trade receivables aging report, assess the reasonableness of assumptions and judgements made by the management regarding the recoverability of debts from each customer and test the recoverability of outstanding trade receivables through examination of subsequent cash collections.

We found management's assumptions and judgements regarding the adequacy of the impairment of trade receivables to be reasonable in the context of the financial statements as a whole. The Group's disclosures regarding impairment of trade receivables are included in Notes 3.9.2, 11 and 29 to the Financial Statements.

Amortisation of intangible assets

The risk – The terms and conditions of the Group's contracts relating to content development in its search and advertising segment affect the useful life of the Group's intangible assets and the amortisation of intangible assets that the Group recognises in a period, and the amortisation of intangible assets represents a material amount of the Group's cost of sales. The process to determine the useful life and amortisation rate of the intangible assets, which comprise staff costs relating to content development, involves significant management judgement.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

PANPAGES BERHAD

(Incorporated in Malaysia) Company No: 537337 M

(cont'd)

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Amortisation of intangible assets (cont'd)

We identified amortisation of intangible assets as a significant risk requiring special audit consideration. This is because the terms and conditions of the contracts best represent the useful life of the intangible assets and a mismatch of the terms and the useful life present a risk of material misstatement due to error.

Our response – In addition to other procedures, we considered it necessary to obtain and review the terms of the contracts in order to assess the reasonableness of the useful life of intangible assets. This included reviewing the tenures, contract values and other terms of the contracts. We also considered it necessary to compare the useful life to industry averages.

We found management's judgements used in determining the useful life to be reasonable in the context of the financial statements as a whole. The Group's disclosures regarding intangible assets are included Notes 3.5 and 5 to the Financial Statements.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 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 of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

PANPAGES BERHAD

(Incorporated in Malaysia) Company No: 537337 M

(cont'd)

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of the Directors for the Financial Statements (cont'd)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PANPAGES BERHAD

(Incorporated in Malaysia) Company No: 537337 M

(cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 ("the Act") 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 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 audit 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

PANPAGES BERHAD

(Incorporated in Malaysia) Company No: 537337 M

(cont'd)

Other Reporting Responsibilities

The supplementary information set out on page 147 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

Kuala Lumpur
13 April 2017

HOOI KOK MUN
(NO: 2207/01/18(J))
CHARTERED ACCOUNTANT

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

		Group		Company	
	Note	2016 RM	2015 RM	2016 RM	2015 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	2,136,357	3,498,099	56,063	148,408
Intangible assets	5	24,009,656	25,565,594	-	-
Investment in subsidiary companies	6	-	-	3,223,232	5,788,232
Goodwill on consolidation	7	16,786,396	16,406,172	-	-
Other investments	8	55,000	55,000	-	-
Deferred tax assets	9	1,755,300	187,286	-	-
Deferred expenditure	10	456,749	-	-	-
Total non-current assets		45,199,458	45,712,151	3,279,295	5,936,640
Current assets					
Trade receivables	11	12,663,507	17,625,688	-	-
Other receivables	12	1,620,686	1,770,410	17,480	15,407
Amount due from subsidiary companies	6	-	-	33,849,550	33,522,121
Deferred expenditures	10	1,926,411	4,585,084	-	-
Tax recoverable		180,429	13,566	-	-
Other investments	8	80,823	179,789	13,953	13,496
Fixed deposits with licensed banks	13	54,756	270,862	-	-
Cash and bank balances		6,627,818	8,043,607	84,261	229,802
Total current assets		23,154,430	32,489,006	33,965,244	33,780,826
Total assets		68,353,888	78,201,157	37,244,539	39,717,466
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the Company					
Share capital	14	24,135,069	24,135,069	24,135,069	24,135,069
Share premium	15	1,231,295	1,231,295	1,231,295	1,231,295
Share option reserve		130,920	205,247	130,920	205,247
Foreign currency translation reserve		1,430,654	852,677	-	-
Retained earnings		28,822,264	36,572,868	11,584,962	13,872,902
		55,750,202	62,997,156	37,082,246	39,444,513
Non-controlling interests		(1,535,500)	(1,582,006)	-	-
Total equity		54,214,702	61,415,150	37,082,246	39,444,513

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016
(cont'd)

	Note	Group		Company	
		2016 RM	2015 RM	2016 RM	2015 RM
EQUITY AND LIABILITIES (CONT'D)					
LIABILITIES					
Non-current liabilities					
Finance lease liabilities	16	341,817	414,626	-	49,743
Deferred income	17	849,916	-	-	-
Total non-current liabilities		1,191,733	414,626	-	49,743
Current liabilities					
Trade payables	18	1,038,966	673,663	-	-
Other payables	19	4,953,729	5,440,840	112,543	83,272
Deferred income	17	3,936,394	7,927,604	-	-
Amount due to subsidiary companies	6	-	-	-	67,821
Finance lease liabilities	16	170,988	341,878	49,743	72,110
Bank borrowings	20	2,308,304	1,500,000	-	-
Tax payable		539,072	487,396	7	7
Total current liabilities		12,947,453	16,371,381	162,293	223,210
Total liabilities		14,139,186	16,786,007	162,293	272,953
Total equity and liabilities		68,353,888	78,201,157	37,244,539	39,717,466

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 2016

		Group		Company	
	Note	2016 RM	2015 RM	2016 RM	2015 RM
Revenue	21	30,857,373	42,409,958	1,797,577	13,981,874
Cost of sales		(23,912,749)	(23,884,522)	-	-
Gross profit		6,944,624	18,525,436	1,797,577	13,981,874
Other income		1,258,197	4,130,966	-	-
Selling and distribution expenses		(1,153,769)	(1,167,747)	-	-
Administration expenses		(11,256,089)	(12,592,808)	(1,512,267)	(1,626,920)
Other expenses		(4,156,352)	(3,495,097)	(2,565,000)	-
Finance costs		(338,207)	(660,069)	(3,718)	(6,794)
(Loss)/Profit before tax	22	(8,701,596)	4,740,681	(2,283,408)	12,348,160
Tax income/(expense)	23	1,055,023	(359,188)	(4,532)	-
(Loss)/Profit for the financial year		(7,646,573)	4,381,493	(2,287,940)	12,348,160
Other comprehensive income					
Item that will be subsequently reclassified to profit or loss:					
Foreign currency translation differences		520,452	1,054,324	-	-
Total comprehensive (loss)/income for the financial year		(7,126,121)	5,435,817	(2,287,940)	12,348,160
(Loss)/Profit for the financial year attributable to:-					
Owners of the Company		(7,750,604)	4,283,889	(2,287,940)	12,348,160
Non-controlling interests		104,031	97,604	-	-
		(7,646,573)	4,381,493	(2,287,940)	12,348,160
Total comprehensive (loss)/income attributable to:-					
Owners of the Company		(7,172,627)	5,512,043	(2,287,940)	12,348,160
Non-controlling interests		46,506	(76,226)	-	-
		(7,126,121)	5,435,817	(2,287,940)	12,348,160
(Losses)/Earnings per share attributable to equity holders of the Company (sen)					
- Basic	24	(3.21)	1.77		
- Diluted	24	*	*		
* 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 2016

	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
Group							
Balance at 1 January 2015	24,135,069	1,231,295	298,893	(430,965)	40,052,084	65,286,376	(1,601,385)
Net profit for the financial year	-	-	-	-	4,283,889	4,283,889	97,604
Other comprehensive income/ (loss) for the financial year	-	-	-	1,228,154	-	1,228,154	(173,830)
Total							
comprehensive income/ (loss) for the financial year	-	-	-	1,228,154	4,283,889	5,512,043	(76,226)
Transactions with owners:							
Issuance of ordinary shares by a subsidiary company	-	-	-	-	-	-	185,983
Acquisition of non-controlling interests of a subsidiary company	-	-	-	55,488	(7,763,105)	(7,707,617)	(90,378)
Reversal of share-based payment under ESOS	-	-	(93,646)	-	-	(93,646)	(93,646)
	-	-	(93,646)	55,488	(7,763,105)	(7,801,263)	95,605
							(7,705,658)

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015
(cont'd)

	Attributable to owners of the Company					
	Non-distributable			Distributable		
	Share capital	Share premium	Share option reserve	Foreign currency translation reserve	Retained earnings	Total
	RM	RM	RM	RM	RM	RM
Group						
Balance at 31 December 2015	24,135,069	1,231,295	205,247	852,677	36,572,868	62,997,156
Net (loss)/profit for the financial year	-	-	-	-	(7,750,604)	(7,750,604)
Other comprehensive income/(loss) for the financial year	-	-	-	577,977	-	577,977
Total comprehensive income/(loss) for the financial year	-	-	-	577,977	(7,750,604)	(7,172,627)
Transaction with owners:						
Reversal of share-based payment under ESOS	-	-	(74,327)	-	-	(74,327)
Balance at 31 December 2016	24,135,069	1,231,295	130,920	1,430,654	28,822,264	55,750,202

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015
(cont'd)

	Attributable to owners of the Company							
	Non-distributable		Distributable					
Company	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 1 January 2015	24,135,069	1,231,295	298,893	-	1,524,742	27,189,999	-	27,189,999
Total comprehensive income for the financial year	-	-	-	-	12,348,160	12,348,160	-	12,348,160
Transaction with owners:								
Reversal of share-based payment under ESOS	-	-	(93,646)	-	-	(93,646)	-	(93,646)
Balance at 31 December 2015	24,135,069	1,231,295	205,247	-	13,872,902	39,444,513	-	39,444,513
Total comprehensive loss for the financial year	-	-	-	-	(2,287,940)	(2,287,940)	-	(2,287,940)
Transaction with owners:								
Reversal of share-based payment under ESOS	-	-	(74,327)	-	-	(74,327)	-	(74,327)
Balance at 31 December 2016	24,135,069	1,231,295	130,920	-	11,584,962	37,082,246	-	37,082,246

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

		Group		Company	
	Note	2016 RM	2015 RM	2016 RM	2015 RM
OPERATING ACTIVITIES					
(Loss)/Profit before tax		(8,701,596)	4,740,681	(2,283,408)	12,348,160
Adjustments for:-					
Amortisation of intangible assets		2,814,217	3,119,365	-	-
Depreciation		1,384,751	1,488,018	92,345	91,656
Dividend income from Malaysian subsidiary		-	-	-	(12,805,466)
Impairment loss on trade receivables		2,921,494	3,137,569	-	-
Impairment loss on property, plant and equipment		123,046	-	-	-
Impairment loss on investment in subsidiary companies		-	-	2,565,000	-
Interest expenses		338,207	660,069	3,718	6,794
Property, plant and equipment written off		299	3,149	-	-
Interest income		(36,998)	(41,928)	(457)	(408)
Gain on disposal of property, plant and equipment		(51,353)	(74,999)	-	-
Gain on disposal of non-current assets held for sale		-	(498,141)	-	-
Gain on disposal of intangible assets		(6,350)	-	-	-
Fair value gain adjustment in value of money market funds		-	(916)	-	-
Reversal of impairment loss on receivables		(147,561)	(424,762)	-	-
Reversal of share-based payment under ESOS		(74,327)	(93,646)	(74,327)	(93,646)
Unrealised gain on foreign exchange		(778,154)	(440,038)	-	-
Operating (loss)/profit before working capital changes		(2,214,325)	11,574,421	302,871	(452,910)
Changes in working capital:-					
Inventories		-	34,389	-	-
Receivables		2,628,850	2,728,001	(2,073)	1,243
Payables		190,318	(7,174,031)	29,271	8,661
Deferred expenditures		2,201,924	65,272	-	-
Deferred income		(3,141,294)	(1,442,779)	-	-
Cash (used in)/generated from operations		(334,527)	5,785,273	330,069	(443,006)
Interest paid		(338,207)	(660,069)	(3,718)	(6,794)
Dividend received		-	-	-	12,805,466
Tax refund		6,852	26,380	-	-
Tax paid		(609,844)	(629,015)	(4,532)	-
Net cash (used in)/from operating activities		(1,275,726)	4,522,569	321,819	12,355,666

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (cont'd)

		Group		Company	
	Note	2016 RM	2015 RM	2016 RM	2015 RM
INVESTING ACTIVITIES					
Interest received		36,998	41,928	457	408
Payment for intangible assets		(1,333,079)	(3,149,231)	-	-
Purchase of property, plant and equipment	A	(94,382)	(261,139)	-	(5,781)
Net proceeds from disposal of non-current assets held for sale		-	19,511,688	-	-
Proceeds from disposal of property, plant and equipment		352,595	75,000	-	-
Proceeds from disposal of intangible assets		80,000	-	-	-
Net cash (used in)/from investing activities		(957,868)	16,218,246	457	(5,373)
FINANCING ACTIVITIES					
Acquisition of non-controlling interests of a subsidiary company		-	(7,797,995)	-	-
Proceeds from issuance of shares by a subsidiary company		-	185,983	-	-
Upliftment of fixed deposits with licensed banks		161,458	287,786	-	-
Fixed deposits with a licensed bank unpledged		-	54,648	-	-
Drawdown of borrowings		6,000,000	1,000,000	-	-
Repayment of borrowings		(6,000,000)	(13,474,011)	-	-
Net repayment of finance lease liabilities		(578,588)	(331,122)	(72,110)	(69,034)
Repayment to subsidiary companies		-	-	(395,250)	(12,111,575)
Net cash used in financing activities		(417,130)	(20,074,711)	(467,360)	(12,180,609)
CASH AND CASH EQUIVALENTS					
Net changes		(2,650,724)	666,104	(145,084)	169,684
Effect of foreign currency translation differences on cash and cash equivalents		273,017	307,223	-	-
Effect of changes in money market funds		-	916	-	-
Brought forward		8,278,044	7,303,801	243,298	73,614
Carried forward	B	5,900,337	8,278,044	98,214	243,298

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016
(cont'd)

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

The Group acquired property, plant and equipment with aggregate costs of RM429,271 (2015: RM319,139) of which RM334,889 (2015: RM58,000) were acquired by means of finance lease arrangements. Cash payments of RM94,382 (2015: RM261,139) 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	
	2016 RM	2015 RM	2016 RM	2015 RM
Other investments (Note 8)	80,823	179,789	13,953	13,496
Fixed deposits with licensed banks (Note 13)	-	54,648	-	-
Bank overdrafts (Note 20)	(808,304)	-	-	-
Cash and bank balances	6,627,818	8,043,607	84,261	229,802
	5,900,337	8,278,044	98,214	243,298

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

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 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 been no significant changes in the nature of these activities of the Company and of 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 13 April 2017.

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 ("MFRS"), International Financial Reporting Standards ("IFRS") 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

2. BASIS OF PREPARATION (cont'd)

2.2 Basis of measurement (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016
(cont'd)

2. BASIS OF PREPARATION (cont'd)

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 Amendments to MFRSs

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 amendments/improvements to MFRS which are mandatory for the financial periods beginning on or after 1 January 2016.

Initial application of the amendments/improvements to the standards did not have material impact to the financial statements.

2.5 Standards issued but not yet effective

The following are standards, amendments and interpretation which are not yet effective and have not been early adopted by the Group and the Company:-

Amendments to MFRSs effective 1 January 2017:

MFRS 12	Disclosure of Interests in Other Entities (under Annual Improvements to MFRS Standards 2014 – 2016 Cycle)
MFRS 107	Statement of Cash Flows: Disclosure Initiative
MFRS 112*	Income taxes: Recognition of Deferred Tax Assets for Unrealised Losses

MFRSs, Amendments to MFRSs and IC Interpretation effective 1 January 2018:

MFRS 9	Financial Instruments (International Financial Reporting Standards ("IFRS") 9 issued by International Accounting Standards Board ("IASB") in July 2014)
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2	Share-based Payment: Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4*#	Insurance Contracts: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 140*#	Investment Property: Transfers of Investment Property
Annual Improvements to MFRS Standards 2014 – 2016 Cycle (except for Amendments to MFRS 12 Disclosure of Interests in Other Entities)	
IC Interpretation Foreign Currency Transactions and Advance Consideration 22	

MFRS effective 1 January 2019:

MFRS 16*	Leases
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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

2. BASIS OF PREPARATION (CONT'D)

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

The following are standards, amendments and interpretation which are not yet effective and have not been early adopted by the Group and the Company (cont'd):-

Amendments to MFRSs - effective date deferred indefinitely:

MFRS 10 and 128*#	Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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* Not applicable to the Company's operations

Not applicable to the Group's operations

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

MFRS 9 Financial Instruments

MFRS 9 replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The new standard introduces extensive requirements and guidance for classification and measurement of financial assets and financial liabilities which fall under the scope of MFRS 9, new "expected credit loss model" under the impairment of financial assets and greater flexibility has been allowed in hedge accounting transactions. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost.

The adoption of MFRS 9 will result in changes in accounting policies in the period of initial application, the possible financial impact of which cannot be determined at present.

Amendments to MFRS 107 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

2. BASIS OF PREPARATION (CONT'D)

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

The initial application of the above standards, amendments and interpretation are not expected to have any significant financial impacts to the financial statements, except for (cont'd):-

MFRS 15 Revenue from Contracts with Customers

MFRS 15 presents new requirements for the recognition of revenue, replacing the guidance of MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Interpretation 13 Customer Loyalty Programmes, IC Interpretation 15 Agreements for Construction of Real Estate, IC Interpretation 18 Transfers of Assets from Customers and IC Interpretation 131 Revenue – Barter Transaction Involving Advertising Services. The principles in MFRS 15 provide a more structured approach to measuring and recognising revenue.

It establishes a new five-step model that will apply to revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The adoption of MFRS 15 will result in a change in accounting policy. The Group and the Company are currently assessing the financial impact of adopting MFRS 15.

MFRS 16 Leases

MFRS 16 replaces MFRS 117 Leases. MFRS 16 eliminates the distinction between finance and operating leases for lessees. As off-balance sheet will no longer be allowed except for some limited practical exemptions, all leases will be brought onto the statement of financial position by recognising a “right-of-use” asset and a lease liability. In other words, for a lessee that has material operating leases, the assets and liabilities reported on its statement of financial position are expected to increase substantially.

MFRS 16 also:

- Changes the definition of a lease,
- Sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and option periods,
- Changes the accounting for sale and leaseback arrangements,
- Largely retains MFRS 117's approach to lessor accounting, and
- Introduces new disclosure requirements.

The adoption of MFRS 16 will result in a change in accounting policy. The Group is currently assessing the financial impact of adopting MFRS 16.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

2. BASIS OF PREPARATION (cont'd)

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 2016, 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.

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's estimates would result in approximately 3% (2015: 5%) 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's estimates would result in approximately 15% (2015: 26%) variance in the Group's (loss)/profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

2. BASIS OF PREPARATION (cont'd)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

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.

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 11, 12, and 29 to the Financial Statements.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

2. BASIS OF PREPARATION (cont'd)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

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 25 to the Financial Statements.

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 intangible assets

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

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.

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.

3.1.2 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 subsidiary companies 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Consolidation (cont'd)

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.

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 is 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Consolidation (cont'd)

3.1.3 Business combinations and goodwill (cont'd)

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.

3.1.5 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016
(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.2 Foreign currency translation (cont'd)

3.2.2 Foreign operations (cont'd)

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.

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%

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Property, plant and equipment (cont'd)

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 in the financial year in which the asset is derecognised

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 leases

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. 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.

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 leases

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.5 Intangible assets (cont'd)

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.

3.5.4 Content databases

Content database expenditures are recognised initially at cost when the cost incurred are directly attributable to the development of the new content databases 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 databases are not capitalised and expensed to profit or loss as incurred. The content databases have 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 databases may be impaired.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.6 Financial instruments (cont'd)

3.6.2 Financial assets - categorisation and subsequent measurement

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016
(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.6 Financial instruments (cont'd)

3.6.2 Financial assets - categorisation and subsequent measurement

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.

3.6.3 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.6 Financial instruments (cont'd)

3.6.3 Financial liabilities - categorisation and subsequent measurement

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.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, fixed deposits, 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.

3.8 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016
(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.8 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.

3.9 Impairment of assets

3.9.1 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.9 Impairment of assets (cont'd)

3.9.1 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.

3.9.2 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 data 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.9 Impairment of assets (cont'd)

3.9.2 Financial assets

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.9 Impairment of assets (cont'd)

3.9.2 Financial assets

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.10 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' 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.

3.11 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.12 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.

3.13 Prepayments for maintenance contracts

Maintenance contracts fees received in advance 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.

3.14 Directories 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 when services are rendered.

3.15 Deferred income

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

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.

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 Employees 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

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 recognised 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.

3.18 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 3.14 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 databases

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016
(cont'd)

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 fee

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 Management fees

Management fees are recognised when services are rendered.

3.18.8 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.

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 are incurred. Borrowing costs consist of interests and other costs that the Group incurred in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.20 Tax expenses (cont'd)

3.20.3 Goods and service tax

Goods and services tax ("GST") is a consumption tax based on value-added concept. GST is imposed on goods and services at every production and distribution stage in the supply chain including importation of goods and services, at the applicable tax rate of 6%. Input GST that the Group paid on purchases of business inputs can be deducted from output GST.

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 Group.
- (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;
 - (ii) one entity is an associate or joint venture of the other entity;
 - (iii) both entities are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (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;
 - (vi) the entity is controlled or jointly-controlled by a person identified in (a) above;
 - (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; or
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

Group	Tools and office equipment RM	Furniture and fittings RM	Motor vehicles RM	Computers RM	Renovations RM	Total RM
Cost						
At 1 January 2015	905,077	387,141	2,155,512	2,604,171	2,230,883	8,282,784
Additions	105,266	2,129	145,318	66,426	-	319,139
Disposals	-	-	(149,907)	(3,600)	-	(153,507)
Written off	(3,907)	-	-	(5,627)	-	(9,534)
Foreign currency translation differences	27,169	15,876	-	49,475	17,247	109,767
At 31 December 2015	1,033,605	405,146	2,150,923	2,710,845	2,248,130	8,548,649
Additions	33,121	-	345,000	51,150	-	429,271
Disposals	(31,433)	(2,553)	(1,115,214)	-	-	(1,149,200)
Written off	(597)	-	-	(4,722)	-	(5,319)
Foreign currency translation differences	15,868	12,747	11,748	28,936	7,576	76,875
At 31 December 2016	1,050,564	415,340	1,392,457	2,786,209	2,255,706	7,900,276
Accumulated depreciation						
At 1 January 2015	476,273	146,097	1,036,155	1,140,490	804,024	3,603,039
Charge for the financial year	191,795	38,442	406,726	412,622	438,433	1,488,018
Disposals	-	-	(149,906)	(2,100)	-	(152,006)
Written off	(2,927)	-	-	(3,458)	-	(6,385)
Foreign currency translation differences	24,515	30,383	-	53,414	9,572	117,884
At 31 December 2015	689,656	214,922	1,292,975	1,600,968	1,252,029	5,050,550
Charge for the financial year	187,861	39,957	315,792	412,074	429,067	1,384,751
Disposals	(20,730)	(1,923)	(825,305)	-	-	(847,958)
Written off	(298)	-	-	(4,722)	-	(5,020)
Foreign currency translation differences	12,323	10,442	1,865	20,134	4,983	49,747
At 31 December 2016	868,812	263,398	785,327	2,028,454	1,686,079	5,632,070

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

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

Group (cont'd)	Tools and office equipment RM	Furniture and fittings RM	Motor vehicles RM	Computers RM	Renovations RM	Total RM
Accumulated impairment						
At 1 January 2015/31 December 2015	-	-	-	-	-	-
Impairment loss	21,530	25,430	-	49,378	26,708	123,046
Foreign currency transaction differences	1,540	1,819	-	3,533	1,911	8,803
At 31 December 2016	23,070	27,249	-	52,911	28,619	131,849
Net carrying amount						
31 December 2016	158,682	124,693	607,130	704,844	541,008	2,136,357
31 December 2015	343,949	190,224	857,948	1,109,877	996,101	3,498,099

During the financial year, one of the subsidiary companies with operations solely in the search and advertising segment relocated its office. Consequently, assets relating to the old office were disposed after the reporting date. The Group tested all assets relating to the old office for impairment and recognised an impairment loss of RM123,046.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

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

Company

	Motor vehicle RM	Computer RM	Total RM
Cost			
At 1 January 2015	449,070	4,427	453,497
Additions	-	5,781	5,781
At 31 December 2015/31 December 2016	449,070	10,208	459,278
Accumulated depreciation			
At 1 January 2015	217,051	2,163	219,214
Charge for the financial year	89,814	1,842	91,656
At 31 December 2015	306,865	4,005	310,870
Charge for the financial year	89,814	2,531	92,345
At 31 December 2016	396,679	6,536	403,215
Net carrying amount			
31 December 2016	52,391	3,672	56,063
31 December 2015	142,205	6,203	148,408

The details of assets under finance lease are:-

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Motor vehicles				
Net carrying amount	534,276	786,561	52,391	142,205

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016
(cont'd)

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 2015	9,322,657	11,539,503	500,000	6,820,513	2,311,610	30,494,283
Additions	-	-	-	3,149,231	-	3,149,231
Foreign currency translation differences	-	-	-	-	33,953	33,953
At 31 December 2015	9,322,657	11,539,503	500,000	9,969,744	2,345,563	33,677,467
Additions	-	-	-	1,333,079	-	1,333,079
Disposal	-	-	-	-	(1,107,224)	(1,107,224)
Foreign currency translation differences	-	-	-	-	6,571	6,571
At 31 December 2016	9,322,657	11,539,503	500,000	11,302,823	1,244,910	33,909,893
Accumulated amortisation and impairment loss						
At 1 January 2015	-	-	500,000	2,624,045	1,868,463	4,992,508
Amortisation for the financial year	-	-	-	2,774,796	344,569	3,119,365
At 31 December 2015	-	-	500,000	5,398,841	2,213,032	8,111,873
Amortisation for the financial year	-	-	-	2,760,912	53,305	2,814,217
Disposal	-	-	-	-	(1,033,574)	(1,033,574)
Foreign currency translation differences	-	-	-	-	7,721	7,721
At 31 December 2016	-	-	500,000	8,159,753	1,240,484	9,900,237
Net carrying amount						
31 December 2016	9,322,657	11,539,503	-	3,143,070	4,426	24,009,656
31 December 2015	9,322,657	11,539,503	-	4,570,903	132,531	25,565,594

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016
(cont'd)

5. INTANGIBLE ASSETS (cont'd)

Group (cont'd)

Trademarks

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

Development costs

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 they are capitalised.

The disposal during the financial year relates to the significant events as described in Note 31 to the Financial Statements.

Content databases

Content databases comprise corporation information that the Group has accumulated in its databases. These records have been digitised and indexed. 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 they are capitalised.

Impairment loss review of trademarks and customer relationships

For the purpose of impairment testing, trademarks and customer relationships have been allocated to cash generating units ("CGU") according to respective subsidiary companies' operations. 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 details on the growth rate and discount rate for the search and advertising cash generating unit is disclosed in Note 7 to the Financial Statements.

6. INVESTMENT IN SUBSIDIARY COMPANIES

Company

	2016 RM	2015 RM
Unquoted shares:-		
At cost	5,788,232	5,788,232
Less: Impairment loss		
At 1 January	-	-
Recognised	(2,565,000)	-
At 31 December	(2,565,000)	-
	<u>3,223,232</u>	<u>5,788,232</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

6. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The particulars of subsidiary companies are as follows:-

Name of company	Place of incorporation	Effective interest		Principal activities
		2016 %	2015 %	
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.
PanPages Lab Sdn. Bhd.	Malaysia	100	100	Development of content databases.
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.
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	Inactive.
PanPages Ltd.*	British Virgin Islands	100	100	Investment holding.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

6. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

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

Name of company	Place of incorporation	Effective interest		Principal activities
		2016 %	2015 %	
Subsidiary company of PanPages Online Sdn. Bhd.:-				
PanPages Media Sdn. Bhd.	Malaysia	100	100	Engaging in publishing business directory journals.
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	100	100	Sale of advertising space, publication of telephone directories and the provision of electronic based information and related services.
Subsidiary companies of CBSA International Sdn. Bhd.:-				
PanPages Vietnam Co. Ltd.>	Vietnam	100	100	Provision of advertisement solutions.
CBSA (Thailand) Co. Ltd.< >	Thailand	48	48	Provision of online advertising services.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

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

2016

	CBSA Pancommerce Sdn. Bhd.	CBSA (Thailand) Co. Ltd.	Total
Percentage of ownership interest and voting interest (%)	10%	52%	
Carrying amount of non- controlling interests (RM)	(291,026)	(1,244,474)	(1,535,500)
(Loss)/Profit allocated to non- controlling interests (RM)	(2,823)	106,854	104,031

2015

	CBSA Pancommerce Sdn. Bhd.	Cam YP Co. Ltd.	CBSA (Thailand) Co. Ltd.	Total
Percentage of ownership interest and voting interest (%)	10%	-	52%	
Carrying amount of non- controlling interests (RM)	(288,203)	-	(1,293,803)	(1,582,006)
(Loss)/Profit allocated to non-controlling interests (RM)	(1,700)	(181,885)	281,189	97,604

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

6. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

(i) Non-controlling interests in subsidiary companies

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

2016	CBSA Pancommerce Sdn. Bhd. RM	CBSA (Thailand) Co. Ltd. RM
Financial position as at 31 December		
Non-current assets	14,797	45,007
Current assets	14,722	610,341
Current liabilities	(2,954,345)	(3,049,037)
Net liabilities	(2,924,826)	(2,393,689)
Summary of financial performance for the financial year ended 31 December		
(Loss)/Profit for the financial year	(28,228)	205,488
Other comprehensive loss	-	(110,624)
Total comprehensive (loss)/ income	(28,228)	94,864
Included in the total comprehensive income is:		
Revenue	-	1,104,137
Summary of cash flows for the financial year ended 31 December		
Net cash outflows from operating activities	(16,509)	(187,416)
Net cash outflows from investing activities	-	(21,079)
Net cash inflows from financing activities	7,796	284,274
Net cash (outflows)/inflows	(8,713)	75,779
2015		
Financial position as at 31 December		
Non-current assets	32,295	53,417
Current assets	23,435	479,578
Current liabilities	(2,952,328)	(3,021,548)
Net liabilities	(2,896,598)	(2,488,553)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

6. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

(i) Non-controlling interests in subsidiary companies (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):-

2015	CBSA Pancommerce Sdn. Bhd. RM	CBSA (Thailand) Co. Ltd. RM
Summary of financial performance for the financial year ended 31 December		
(Loss)/Profit for the financial year	(16,997)	540,748
Other comprehensive loss	-	(320,691)
Total comprehensive (loss)/income	(16,997)	220,057
Included in the total comprehensive income is:		
Revenue	1,010	1,325,047
Summary of cash flows for the financial year ended 31 December		
Net cash (outflows)/inflows from operating activities	(53,859)	38,567
Net cash outflows from investing activities	-	(18,945)
Net cash inflows/(outflows) from financing activities	43,129	(3,318)
Net cash (outflows)/inflows	(10,730)	16,304

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

6. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

(ii) Acquisition of subsidiary companies

Group

2015

The additional investment in subsidiary companies and acquisition of non-controlling interests during the financial year 2015 were as follows:-

- (a) On 15 June 2015, PanPages (Cambodia) Ltd., a wholly-owned subsidiary company acquired 490 ordinary shares of approximately USD1,100 each in Cam YP Co. Ltd. ("Cam YP") for a total cash consideration of USD2,059,964 (approximately RM7,797,995). As such, the Group acquired an additional 49% equity interest in Cam YP, increasing its ownership from 51% to 100% and Cam YP became a wholly-owned subsidiary company of the Group.

The carrying amount of Cam YP's net liabilities in the Group's financial statements on the date of acquisition was RM346,832. The Group recognised a decrease in non-controlling interests of RM90,378, an increase in foreign currency translation reserve of RM55,488 and a decrease in retained earnings of RM7,763,105.

- (b) On 20 December 2015, CBSA International Sdn. Bhd., a wholly-owned subsidiary company acquired 14,400 ordinary shares of Baht 100 each in CBSA (Thailand) Co. Ltd. for a total cash consideration of Baht 1,440,000 (approximately RM171,677). There was no change in the Group's equity interest resulting from this transaction.

(iii) Amount due from/to subsidiary companies

Company

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016
(cont'd)

7. GOODWILL ON CONSOLIDATION

Group

	2016 RM	2015 RM
At 1 January	16,406,172	14,024,743
Foreign currency translation differences	380,224	2,381,429
At 31 December	16,786,396	16,406,172

The recoverable amount of the cash generating unit is determined based on value in use calculation using discounted 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	
	2016 %	2015 %	2016 %	2015 %
Search and advertising	5	2	9	8

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

(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 discount rate was estimated based on the weighted average cost of capital of the Group.

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 environments which are not ascertainable.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

8. OTHER INVESTMENTS

Group

	2016 RM	2015 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	80,823	179,789
Representing items:-		
- At amortised cost	55,000	55,000
- At fair value	80,823	179,789
	135,823	234,789
Market value of quoted investment	80,823	179,789

Company

	2016 RM	2015 RM
Current		
Financial assets at fair value through profit or loss:-		
- Quoted investment in money market funds	13,953	13,496
Representing item:-		
- At fair value	13,953	13,496
Market value of quoted investment	13,953	13,496

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

9. DEFERRED TAX

Group

Deferred tax assets

	2016 RM	2015 RM
At 1 January	187,286	76,841
Recognised in profit or loss (Note 23)	1,550,101	89,850
Foreign currency translation differences	17,913	20,595
At 31 December	1,755,300	187,286

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

	2016 RM	2015 RM
The tax effect of the excess of property, plant and equipment's carrying value over its tax base	(2,000)	-
Unabsorbed tax losses	1,408,000	-
Unutilised capital allowances	29,000	-
Others	320,300	187,286
	1,755,300	187,286

Deferred tax liabilities

	2016 RM	2015 RM
At 1 January	-	54,237
Recognised in profit or loss (Note 23)	-	(54,237)
At 31 December	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016
(cont'd)

10. DEFERRED EXPENDITURE

Group

Deferred tax assets

	2016 RM	2015 RM
Deferred expenditure for:		
- printed directories	1,864,798	3,386,601
- internet directories	518,362	1,198,483
	2,383,160	4,585,084
Represented as:		
Current assets	1,926,411	4,585,084
Non-current assets	456,749	-

11. TRADE RECEIVABLES

Group

Deferred tax assets

	2016 RM	2015 RM
Accrued billings	1,321,127	-
Trade receivables	25,477,913	28,987,288
Less: Impairment loss		
At 1 January	(11,361,600)	(8,679,037)
Recognised	(2,921,494)	(3,137,569)
Reversed	147,561	424,762
Written off	-	30,244
At 31 December	(14,135,533)	(11,361,600)
	12,663,507	17,625,688

Trade receivables are non-interest bearing and are generally on 30 to 60 days (2015: 30 to 60 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The impairment loss on trade receivables was reversed during the financial year as a result of credit notes issued and receipts.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016
(cont'd)

12. OTHER RECEIVABLES

Group

	2016 RM	2015 RM
Prepayments to maintenance suppliers	2,705	85,471
Advances to staff	21,754	-
Deposits	411,811	489,258
Prepayments	465,070	848,016
Non-trade receivables	719,346	347,665
	1,620,686	1,770,410

Company

	2016 RM	2015 RM
Advances to staff	100	-
Deposits	1,850	1,850
Prepayments	15,530	13,557
	17,480	15,407

13. FIXED DEPOSITS WITH LICENSED BANKS

Group

Certain fixed deposits with licensed banks of RM54,756 (2015: RM216,214) are pledged as security for bank guarantee facilities granted to certain subsidiary companies.

The effective interest rates for fixed deposits with licensed banks range from 2% to 3.15% (2015: 1.65% to 2.75%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

14. SHARE CAPITAL

Group and Company

	Number of ordinary shares of RM0.10 each		Amount	
	2016 %	2015 %	2016 %	2015 %
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/ 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.

15. SHARE PREMIUM

Group and Company

	2016 RM	2015 RM
Non-distributable:-		
At 1 January/31 December	1,231,295	1,231,295

16. FINANCE LEASE LIABILITIES

Group

	2016 RM	2015 RM
Minimum lease payments		
- within 1 year	193,516	371,676
- after 1 year but not later than 5 years	367,270	427,758
- more than 5 years	-	14,730
	560,786	814,164
Less: Future finance charges on finance lease	(47,981)	(57,660)
Present value of finance lease liabilities	512,805	756,504

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016
(cont'd)

16. FINANCE LEASE LIABILITIES (cont'd)

Group

	2016 RM	2015 RM
Present value of finance lease liabilities		
- within 1 year	170,988	341,878
- after 1 year but not later than 5 years	341,817	400,317
- more than 5 years	-	14,309
Total finance lease liabilities	512,805	756,504

Company

	2016 RM	2015 RM
Future minimum lease payments		
- within 1 year	50,512	75,828
- after 1 year but not later than 5 years	-	50,512
	50,512	126,340
Less: Future finance charges on finance lease	(769)	(4,487)
Present value of minimum lease payments	49,743	121,853
Present value of minimum lease payments		
- within 1 year	49,743	72,110
- after 1 year but not later than 5 years	-	49,743
	49,743	121,853

The Group's effective interest rates range from 2.35% to 3.83% (2015: 2.35% to 3.83%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016
(cont'd)

17. DEFERRED INCOME

Group

	2016 RM	2015 RM
Deferred income for:		
- printed directories	3,464,443	5,489,299
- internet directories	918,416	2,438,305
- others	403,451	-
	4,786,310	7,927,604
Represented as:		
Current liabilities	3,936,394	7,927,604
Non-current liabilities	849,916	-

18. TRADE PAYABLES

Group

Trade payables are non-interest bearing and are generally on 30 to 60 days (2015: 30 to 60 days) term.

19. OTHER PAYABLES

Group

	2016 RM	2015 RM
Accrual of expenses	873,490	1,185,798
Dividend payable	1,121,186	1,072,700
Prepayments for maintenance contracts	259,023	352,894
Prepayments from project customers	173,922	61,406
Non-trade payables	2,513,908	2,768,042
Deposit received	12,200	-
	4,953,729	5,440,840

Company

	2016 RM	2015 RM
Accrual of expenses	73,849	66,127
Non-trade payables	38,694	17,145
	112,543	83,272

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016
(cont'd)

20. BANK BORROWINGS

Group

Current	2016 RM	2015 RM
Revolving credit	1,500,000	1,500,000
Bank overdraft	808,304	-
	2,308,304	1,500,000

The bank borrowings are secured by fresh corporate guarantees issued by the Company.

The bank borrowings obtained from local banks bear interest of 5.36% to 8.35% (2015: 5.66% to 5.82%) per annum.

21. REVENUE

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Software solutions and license	515,872	1,312,125	-	-
Enhancement and maintenance	828,764	1,450,937	-	-
Sales of hardware products	-	1,680,228	-	-
Search and advertising	25,060,942	20,949,480	-	-
Content databases	4,451,338	17,016,780	-	-
Interest income	457	408	457	408
Dividend income	-	-	-	12,805,466
Management fee	-	-	1,797,120	1,176,000
	30,857,373	42,409,958	1,797,577	13,981,874

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

22. (LOSS)/PROFIT BEFORE TAX

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

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
After charging:-				
Auditors' remuneration				
- company's auditors				
- statutory audit	115,000	102,500	31,000	28,000
- non statutory audit	5,000	5,000	5,000	5,000
- other external auditors				
- statutory audit	36,832	31,841	-	-
Amortisation of intangible assets	2,814,217	3,119,365	-	-
Depreciation	1,384,751	1,488,018	92,345	91,656
Directors' remuneration	877,518	1,418,359	812,602	809,509
Directors' fee	96,000	96,000	96,000	96,000
Impairment loss on trade receivables	2,921,494	3,137,569	-	-
Impairment loss on property, plant and equipment	123,046	-	-	-
Impairment loss on investment in subsidiary companies	-	-	2,565,000	-
Interest expenses				
- bank overdraft	180,092	-	-	-
- finance lease	40,651	46,957	3,718	6,794
- revolving credit	117,464	137,178	-	-
- term loan	-	475,934	-	-
Property, plant and equipment written off	299	3,149		-
Realised loss on foreign exchange	828,067	23,495	-	-
Rental of			-	
- office	1,587,967	1,586,608		-
- IT infrastructure facilities	8,380	-	-	-
- accomodation	67,690	-	-	-
- motor vehicles	24,450	40,640	-	-
- storage	16,981	1,706	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

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

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

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
And crediting:-				
Dividend income from Malaysian subsidiary	-	-	-	12,805,466
Gain on disposal of non-current assets held for sale	-	498,141	-	-
Gain on disposal of property, plant and equipment	51,353	74,999	-	-
Gain on disposal of intangible assets	6,350	-	-	-
Fair value gain adjustment in value of money market funds	-	916	-	-
Reversal of impairment loss on receivables	147,561	424,762	-	-
Interest income	36,998	41,928	457	408
Reversal of share-based payment under ESOS	74,327	93,646	74,327	93,646
Rental income	14,802	-	-	-
Unrealised gain on foreign exchange	778,154	440,038	-	-

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

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Executive Directors:-				
<u>Existing Directors of the Company</u>				
Salaries and other emoluments	696,000	791,472	696,000	696,000
Defined contribution plan	115,860	112,920	115,860	112,920
SOCSO	742	589	742	589
	812,602	904,981	812,602	809,509

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

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

The details of Directors' remuneration of the Group and of the Company are as follows (cont'd):-

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
<u>Existing Directors of the subsidiary companies</u>				
Salaries and other emoluments	62,909	429,587	-	-
Defined contribution plan	1,937	51,553	-	-
SOCSSO	70	775	-	-
	64,916	481,915	-	-
<u>Past Director of a subsidiary company</u>				
Salaries and other emoluments	-	28,000	-	-
Defined contribution plan	-	3,360	-	-
SOCSSO	-	103	-	-
	-	31,463	-	-
Total Executive Directors' remuneration	877,518	1,418,359	812,602	809,509
Non - executive Directors:-				
Fee	96,000	96,000	96,000	96,000
Total Directors' remuneration	973,518	1,514,359	908,602	905,509

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

23. TAX INCOME/(EXPENSE)

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Current year				
- Current tax	(510,970)	(503,275)	-	-
- Deferred tax	1,566,101	144,087	-	-
(Over)/Under provision in prior years				
- Current tax	15,892	-	(4,532)	-
- Deferred tax	(16,000)	-	-	-
	1,055,023	(359,188)	(4,532)	-

Malaysian income tax is calculated at the statutory tax rate of 24% (2015: 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	
	2016	2015	2016	2015
	RM	RM	RM	RM
(Loss)/Profit before tax	(8,701,596)	4,740,681	(2,283,408)	12,348,160
At Malaysian statutory tax rate of 24% (2015: 25%)	2,088,383	(1,185,170)	548,018	(3,087,040)
Adjustments:-				
- Effect of tax rates differences in foreign jurisdictions	121,689	101,976	-	-
- Expenses not deductible for tax purposes	(1,117,240)	(1,076,475)	(652,018)	(9,429)
- Income not subject to tax	223,149	641,658	-	3,201,469
- Tax saving from pioneer status	-	1,446,103	-	-
- Movement in deferred tax assets not recognised	(260,850)	(287,280)	104,000	(105,000)
- Under provision in prior years	(108)	-	(4,532)	-
	1,055,023	(359,188)	(4,532)	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016
(cont'd)

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

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

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Property, plant and equipment	(280,000)	(611,000)	(8,000)	(20,000)
Unabsorbed tax losses	13,675,000	12,909,000	310,000	758,000
Unutilised capital allowances	873,000	887,000	50,000	50,000
Others	6,000	6,000	-	-
	14,274,000	13,191,000	352,000	788,000

The potential deferred tax assets of the Group have not been recognised in respect of these items as it is not probable that sufficient taxable profits will be available in which the respective subsidiary companies can utilise those benefits.

The unabsorbed tax losses and unutilised capital allowances of the Group amounting to RM19,542,000 (2015: RM12,909,000) and RM994,000 (2015: RM887,000) respectively can be carried forward to offset against future taxable profit of the respective subsidiary companies.

The unabsorbed tax losses and unutilised capital allowances of the Company can be carried forward to offset against future taxable profit of the Company.

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

24. (LOSSES)/EARNINGS PER SHARE

Group

Basic (losses)/earnings per ordinary share

Basic (losses)/earnings per ordinary 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 in issue during the financial year.

	2016 RM	2015 RM
(Loss)/Profit attributable to ordinary equity holders of the Company	(7,750,604)	4,283,889

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

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

Group (cont'd)

Basic (losses)/earnings per ordinary share (cont'd)

	Number of shares	Number of shares
Ordinary shares issued as at 1 January/Weighted average number of ordinary shares issued as at 31 December	241,350,685	241,350,685
	Sen	Sen
Basic (losses)/earnings per ordinary share	(3.21)	1.77

Diluted (losses)/earnings per ordinary share

Diluted (losses)/earnings 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 being below the exercise price of share options.

25. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Directors' remuneration	877,518	1,418,359	812,602	809,509
Directors' fee	96,000	96,000	96,000	96,000
Salaries, allowances and bonuses	11,837,027	15,955,626	21,000	20,400
Defined contribution plans	849,804	1,230,087	1,452	1,388
Social security contributions	81,664	139,407	479	-
Reversal of share-based payment under ESOS	(74,327)	(93,646)	(74,327)	(93,646)
Other staff related expenses	623,725	359,456	93,799	133,034
	14,291,411	19,105,289	951,005	966,685
Add:				
Staff costs charged out from deferred expenditures	4,380,964	4,650,356	-	-
Less:				
Staff cost capitalised under				
- deferred expenditures	(2,179,040)	(4,585,084)	-	-
- intangible assets	(336,996)	(1,072,296)	-	-
	16,156,339	18,098,265	951,005	966,685

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

25. EMPLOYEE BENEFITS EXPENSE (cont'd)

Employee share option scheme ("ESOS")

On 23 May 2011, Bursa Malaysia Securities Berhad approved the Company's new ESOS. The ESOS had an initial tenure of five (5) years from the date of the launch or implementation of the scheme which shall expire on 3 July 2016. On 1 July 2016, the Company extended the ESOS for another five (5) years until 3 July 2021 in accordance with the terms of the ESOS By-Laws.

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 (5) years (subject to the approval of the Board).
- (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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

25. EMPLOYEE BENEFITS EXPENSE (cont'd)

Employee share option scheme ("ESOS") (cont'd)

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

	2016		2015	
	Number of share options	WAEP	Number of share options	WAEP
	RM	RM	RM	RM
At 1 January	2,266,200	0.35	3,258,200	0.35
Retracted*	(858,800)	0.35	(992,000)	0.35
At 31 December	1,407,400	0.35	2,266,200	0.35

* Due to resignations

During the financial year, Nil (2015: Nil) shares options were exercised.

The options outstanding at 31 December 2016 have an exercise price of RM0.35 (2015: RM0.35) and a weighted average contractual life of 4.5 years (2015: 0.5 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 (%)	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

26. RELATED PARTY DISCLOSURES

26.1 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	
	2016	2015	2016	2015
	RM	RM	RM	RM
Dividend income from Malaysian subsidiary company	-	-	-	12,805,466
Management fee charged to subsidiary companies	-	-	1,797,120	1,176,000
Rental charged paid to a company in which a Director has interest	783,000	786,000	-	-
Consultation fee paid to a Director	50,000	120,000	50,000	120,000
Proceeds from disposal of motor vehicle to past Director of a subsidiary company	59,296	-	-	-

26.2 Compensation of key management personnel

The key management personnel compensation is as follows:-

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Directors' remuneration	877,518	1,418,359	812,602	809,509
Directors' fee	96,000	96,000	96,000	96,000
Consultation fee paid to a Director	50,000	120,000	50,000	120,000
	1,023,518	1,634,359	958,602	1,025,509

Key management personnel are all the Directors of the Company and all the Directors of the subsidiaries, who have authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, either directly or indirectly.

26.3 Related party balances

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016
(cont'd)

27. COMMITMENTS

(i) Capital commitment

	2016 RM	2015 RM
Group		
Authorised and contracted for:		
- Property, plant and equipment	-	295,420

(ii) Operating lease commitments

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

	2016 RM	2015 RM
Group		
Within 1 year	550,641	925,686
More than 1 year but less than 2 years	157,018	410,722
	707,659	1,336,408

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.

28. OPERATING SEGMENTS

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

The Group has aggregated certain operating segments to form a reportable segment due to the similar nature and operational characteristics of the products.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

28. OPERATING SEGMENTS (cont'd)

Business segments (cont'd)

Group

2016

		Information technology RM	Search and advertising RM	Others RM	Eliminations RM	Total as per consolidated financial statements RM
	Note					
Revenue :						
External revenue	(i)	1,344,636	29,512,280	457	-	30,857,373
Inter-segment revenue		-	-	2,116,630	(2,116,630)	-
		1,344,636	29,512,280	2,117,087	(2,116,630)	30,857,373
Results :						
Interest income		3,993	32,516	489	-	36,998
Finance costs		-	(334,489)	(3,718)	-	(338,207)
Depreciation and amortisation		(272,665)	(3,833,958)	(92,345)	-	(4,198,968)
Tax (expense)/ income		(2,645)	1,062,200	(4,532)	-	1,055,023
Other non- cash income/ (expenses)	(ii)	6,350	(2,243,737)	(2,490,673)	2,740,966	(1,987,094)
Segment profit/ (loss)	(iii)	(1,025,015)	(7,077,854)	(1,965,160)	2,421,456	(7,646,573)
Assets :						
Additions to non-current assets other than financial instruments	(iv)	-	1,762,350	-	-	1,762,350
Segment assets	(v)	5,255,276	67,508,729	37,439,137	(41,849,254)	68,353,888
Liabilities						
Segment liabilities	(vi)	1,078,491	51,652,071	205,514	(38,796,890)	14,139,186

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

28. OPERATING SEGMENTS (cont'd)

Business segments (cont'd)

Group (cont'd)

2015

		Information technology RM	Search and advertising RM	Others RM	Eliminations RM	Total as per consolidated financial statements RM
	Note					
Revenue :						
External revenue	(i)	4,442,280	37,967,270	408	-	42,409,958
Inter-segment revenue		-	-	13,981,466	(13,981,466)	-
		4,442,280	37,967,270	13,981,874	(13,981,466)	42,409,958
Results :						
Interest income		16,957	24,563	408	-	41,928
Finance costs		(476,021)	(177,254)	(6,794)	-	(660,069)
Depreciation and amortisation		(397,112)	(4,118,615)	(91,656)	-	(4,607,383)
Tax expense		-	(359,188)	-	-	(359,188)
Other non- cash income/ (expenses)	(ii)	574,056	(2,275,918)	93,646	-	(1,608,216)
Segment profit	(iii)	209,494	4,635,550	12,341,915	(12,805,466)	4,381,493
Assets :						
Additions to non-current assets other than financial instruments	(iv)	-	3,462,589	5,781	-	3,468,370
Segment assets	(v)	6,292,680	74,332,265	39,719,205	(42,142,993)	78,201,157
Liabilities						
Segment liabilities	(vi)	1,176,770	51,512,805	446,095	(36,349,663)	16,786,007

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

28. OPERATING SEGMENTS (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:-

	2016 RM	2015 RM
Impairment loss on trade receivables	(2,921,494)	(3,137,569)
Impairment loss on property, plant and equipment	(123,046)	-
Fair value gain adjustment in value of money market funds	-	916
Reversal of impairment loss on trade	147,561	424,762
	51,353	74,999
Gain on disposal of property, plant and equipment receivables	6,350	-
Gain on disposal of intangible assets	(299)	(3,149)
Property, plant and equipment written off	778,154	440,038
Unrealised gain on foreign exchange		
Gain on disposal of non-current assets held for sale	-	498,141
Reversal of share-based payment under ESOS	74,327	93,646
	(1,987,094)	(1,608,216)

- (iii) The following items are eliminated from segment profit to arrive at "Profit/(Loss) for the financial year" presented in the consolidated statement of profit or loss and other comprehensive income:-

	2016 RM	2015 RM
(Loss)/Profit from inter-segment sales	(319,510)	12,805,466
Impairment loss on inter-segment balances	175,966	-
Impairment loss on inter-segment investment in subsidiary companies	2,565,000	-
	2,421,456	12,805,466

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

28. OPERATING SEGMENTS (cont'd)

Business segments (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd):-

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

	2016 RM	2015 RM
Property, plant and equipment	429,271	319,139
Intangible assets	1,333,079	3,149,231
	<hr/>	<hr/>
	1,762,350	3,468,370

(v) The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:-

	2016 RM	2015 RM
Inter-segment investment in subsidiary companies	(3,228,330)	(5,793,330)
Inter-segment balances	(38,620,924)	(36,349,663)
	<hr/>	<hr/>
	(41,849,254)	(42,142,993)

(vi) The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:-

	2016 RM	2015 RM
Inter-segment balances	38,796,890	36,349,663

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

28. OPERATING SEGMENTS (cont'd)

Business segments (cont'd)

Geographical information

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

Group	Revenue		Non-current assets	
	2016 RM	2015 RM	2016 RM	2015 RM
Malaysia	19,133,778	16,403,693	43,212,041	44,827,906
Thailand	727,664	1,325,047	45,007	53,417
Vietnam	2,690,692	2,352,802	19,516	72,288
Ireland	2,139,913	15,458,684	-	-
Cambodia	3,810,989	3,917,826	96,480	284,424
Indonesia	42,911	122,474	71,114	286,830
United States of America	2,311,426	2,829,432	-	-
	30,857,373	42,409,958	43,444,158	45,524,865

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

	2016 RM	2015 RM
Property, plant and equipment	2,136,357	3,498,099
Intangible assets	24,009,656	25,565,594
Goodwill on consolidation	16,786,396	16,406,172
Deferred expenditure	456,749	-
Other investments	55,000	55,000
	43,444,158	45,524,865

Information about major customer

Revenue from one major customer amounted to RMNil (2015: RM15,458,684), arising from the search and advertising segment.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

29. FINANCIAL INSTRUMENTS

29.1 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 are the areas where the Group and the Company are 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016
(cont'd)

29. FINANCIAL INSTRUMENTS (cont'd)

29.1 Financial risk management (cont'd)

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 (cont'd):-

Credit risk (cont'd)

Following are the areas where the Group and the Company are 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 Group's trade-receivables that are past due but not impaired have been renegotiated during the financial year.

As at 31 December 2016, trade receivables of RM8,812,789 (2015: RM12,352,302) 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
2016			
Not past due	3,850,718	-	3,850,718
Past due 1 to 30 days	194,670	-	194,670
Past due 31 to 60 days	2,994,586	(93,757)	2,900,829
Past due 61 to 90 days	233,008	-	233,008
Past due more than 91 days	19,526,058	(14,041,776)	5,484,282
	26,799,040	(14,135,533)	12,663,507

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

29. FINANCIAL INSTRUMENTS (cont'd)

29.1 Financial risk management (cont'd)

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 (cont'd):-

Credit risk (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk (cont'd):-

i. Receivables (cont'd)

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

Group

	Gross RM	Individually impaired RM	Net RM
2015			
Not past due	5,273,386	-	5,273,386
Past due 1 to 30 days	587,026	-	587,026
Past due 31 to 60 days	2,497,283	-	2,497,283
Past due 61 to 90 days	616,714	-	616,714
Past due more than 91 days	20,012,879	(11,361,600)	8,651,279
	28,987,288	(11,361,600)	17,625,688

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.

Trade receivables that are individually determined to be impaired at 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

29. FINANCIAL INSTRUMENTS (cont'd)

29.1 Financial risk management (cont'd)

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 (cont'd):-

Credit risk (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk (cont'd):-

ii. Investments 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 their 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.

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 amounted to RM2,308,304 (2015: RM1,500,000), represented by the outstanding banking facilities of a subsidiary company at the end of the reporting year.

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

iv. Intercompany loan and advances

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

29. FINANCIAL INSTRUMENTS (cont'd)

29.1 Financial risk management (cont'd)

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 (cont'd):-

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 the reporting date, the contractual undiscounted repayment obligations (including interest payments) of the Group's and the Company's non-derivative financial liabilities are summarised below:-

	Carrying amount RM	Contractual cash flows RM	Maturity		
			Less than 1 year RM	Between 1 and 5 years RM	More than 5 years RM
Group					
2016					
Secured:					
Bank					
borrowings	2,308,304	2,308,304	2,308,304	-	-
Finance					
lease					
liabilities	512,805	560,786	193,516	367,270	-
	2,821,109	2,869,090	2,501,820	367,270	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016
(cont'd)

29. FINANCIAL INSTRUMENTS (cont'd)

29.1 Financial risk management (cont'd)

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 (cont'd):-

Liquidity risk

As at the reporting date, the contractual undiscounted repayment obligations (including interest payments) of the Group's and the Company's non-derivative financial liabilities are summarised below:-

	Carrying amount RM	Contractual cash flows RM	Maturity		
			Less than 1 year RM	Between 1 and 5 years RM	More than 5 years RM
Group (cont'd)					
2016 (cont'd)					
Unsecured:					
Trade payables	1,038,966	1,038,966	1,038,966	-	-
Other payables	4,520,784	4,520,784	4,520,784	-	-
	5,559,750	5,559,750	5,559,750	-	-
Total	8,380,859	8,428,840	8,061,570	367,270	-
2015					
Secured:					
Bank borrowings	1,500,000	1,500,000	1,500,000	-	-
Finance lease liabilities	756,504	814,164	371,676	427,758	14,730
	2,256,504	2,314,164	1,871,676	427,758	14,730

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

29. FINANCIAL INSTRUMENTS (cont'd)

29.1 Financial risk management (cont'd)

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 (cont'd):-

Liquidity risk

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

	Carrying amount RM	Contractual cash flows RM	Maturity		
			Less than 1 year RM	Between 1 and 5 years RM	More than 5 years RM
Group (cont'd)					
2015 (cont'd)					
Unsecured:					
Trade payables	673,663	673,663	673,663	-	-
Other payables	5,026,540	5,026,540	5,026,540	-	-
	5,700,203	5,700,203	5,700,203	-	-
Total	7,956,707	8,014,367	7,571,879	427,758	14,730
Company					
2016					
Secured:					
Finance lease liabilities	49,743	50,512	50,512	-	-
Unsecured:					
Other payables	112,543	112,543	112,543	-	-
Total	162,286	163,055	163,055	-	-
Financial guarantees	Nil	2,308,304	2,308,304	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

29. FINANCIAL INSTRUMENTS (cont'd)

29.1 Financial risk management (cont'd)

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 (cont'd):-

Liquidity risk

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

	Carrying amount RM	Contractual cash flows RM	Maturity		
			Less than 1 year RM	Between 1 and 5 years RM	More than 5 years RM
Company (cont'd)					
2015					
Unsecured:					
Finance lease liabilities	121,853	126,340	75,828	50,512	-
Unsecured:					
Other payables	83,272	83,272	83,272	-	-
Amount due to subsidiary companies	67,821	67,821	67,821	-	-
	151,093	151,093	151,093	-	-
Total	272,946	277,433	226,921	50,512	-
Financial guarantees	Nil	1,500,000	1,500,000	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

29. FINANCIAL INSTRUMENTS (cont'd)

29.1 Financial risk management (cont'd)

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 (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.

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

Group

	2016 RM	2015 RM
Denominated in USD:		
- Trade receivables	1,896,960	6,110,859
- Trade payables	(27,038)	(22,652)
- Cash and bank balances	2,606,419	252,639
	<hr/> 4,476,341	<hr/> 6,340,846

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:-

	2016 Increase/(decrease) Loss for the year RM	2015 Increase/(decrease) Profit for the year RM
USD/RM		
- Strengthened 10.28% (2015: 8.22%)	(460,168)	521,218
- Weakened 10.28% (2015: 8.22%)	460,168	(521,218)

Exposures 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016
(cont'd)

29. FINANCIAL INSTRUMENTS (cont'd)

29.1 Financial risk management (cont'd)

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 (cont'd):-

Interest rate risk

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

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

	2016 RM	2015 RM
Group		
Fixed rate instruments		
Fixed deposits with licensed banks	54,756	270,862
Finance lease liabilities	(512,805)	(756,504)
	(458,049)	(485,642)
Floating rate instrument		
Bank borrowings	(2,308,304)	(1,500,000)
Company		
Fixed rate instrument		
Finance lease liabilities	(49,743)	(121,853)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

29. FINANCIAL INSTRUMENTS (cont'd)

29.1 Financial risk management (cont'd)

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 (cont'd):-

Interest rate risk

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 Group's and the Company's exposure to changes in cash flows due to interest rate risk is minimal as at the end of the reporting year.

29.2 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.

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 below.

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).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016
(cont'd)

29. FINANCIAL INSTRUMENTS (cont'd)

29.2 Fair value of financial instruments

Fair value hierarchy

- 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
2016				
Financial assets at FVTPL				
Quoted investments in money market funds	80,823	-	-	80,823
2015				
Financial assets at FVTPL				
Quoted investments in money market funds	179,789	-	-	179,789
Company				
2016				
Financial assets at FVTPL				
Quoted investments in money market funds	13,953	-	-	13,953
2015				
Financial assets at FVTPL				
Quoted investments in money market funds	13,496	-	-	13,496

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

30. 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

30. CAPITAL MANAGEMENT

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.

31. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) On 15 March 2016, the wholly-owned subsidiary companies, namely Cyber Business Solutions Sdn. Bhd. ("Cyber") and CBSA MSC Sdn. Bhd. ("CBSA MSC") entered into the following agreements:

- Cyber entered into a Sale and Purchase Agreement for the disposal of all the existing business undertakings of selling licenses of a software branded as "Paymate" for a cash consideration of RM20,000; and
- CBSA MSC entered into a Sale and Assignment Agreement for the sale and assignment of Paymate for a cash consideration of RM80,000.

The transactions were completed in March 2016.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

(cont'd)

32. 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	
	2016	2015	2016	2015
	RM	RM	RM	RM
Total retained earnings of the Company and its subsidiary companies:				
- Realised	28,500,860	46,689,261	11,584,962	13,872,902
- Unrealised	2,533,454	628,240	-	-
	31,034,314	47,317,501	11,584,962	13,872,902
Consolidation adjustments	(2,212,050)	(10,744,633)	-	-
	28,822,264	36,572,868	11,584,962	13,872,902

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.

ANALYSIS OF SHAREHOLDINGS

As at 28 March 2017

Share Capital

Issued : RM24,135,068.50 represented by 241,350,685 ordinary shares
 Class of Shares : Ordinary Shares
 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	113	6.84	4,842	0.00
100 - 1,000	68	4.12	34,405	0.01
1,001 - 10,000	565	34.22	3,423,842	1.42
10,001 - 100,000	742	44.94	26,429,771	10.95
100,001 - 12,067,533*	159	9.63	112,218,925	46.50
12,067,534 and above**	4	0.24	99,238,900	41.12
Total	1,643	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 28 March 2017

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	29,861,200	12.37	-	-
Teh Chai Leng	14,300,000	5.92	-	-
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 8 of the Companies Act, 2016.

ANALYSIS OF SHAREHOLDINGS

As at 28 March 2017

(cont'd)

Directors' Shareholdings

as per the Register of Directors' Shareholding as at 28 March 2017

Name of Directors	← Ordinary Shares →				← ESOS →	
	Direct Interest No. of Shares held	%	Indirect Interest No. of Shares held	%	No. of Options [^] Held	% [#]
YM Tengku Farith Rithauddeen	-	-	-	-	-	-
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	29,861,200	12.37	14,300,000	5.92 [*]	-	-

* Deemed interested by virtue of his spouse, Teh Chai Leng's interest

[^] Employees' share options scheme ("ESOS")

[#] Based on outstanding unexercised ESOS options as at 28/3/2017

ANALYSIS OF SHAREHOLDINGS

As at 28 March 2017

(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. Pledge Securities Account for Tan Tian Sin	39,698,400	16.45
2	Maybank Securities Nominees (Asing) Sdn. Bhd. Exempt AN for Maybank Kim Eng Securities Pte. Ltd (A/C 648849)	27,580,800	11.43
3	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Tan Tian Sin (MY0027)	17,659,700	7.32
4	Teh Chai Leng	14,300,000	5.92
5	Lau Kok Fui	9,861,200	4.09
6	Wong Yee Ming	8,840,800	3.66
7	Chaw Ming Seng	8,455,000	3.50
8	Malinta Corporation Sdn. Bhd.	8,000,000	3.31
9	Wong Kim Sun	8,000,000	3.31
10	JF Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ooi Siew Looi (STA 2)	6,354,800	2.63
11	Chin Chin Seong	5,550,000	2.30
12	M & A Nominee (Tempatan) Sdn. Bhd. Pledged Securities Account for Tee Jit Woei (M&A)	3,587,900	1.49
13	Yuen Thui Yang	3,075,000	1.27
14	Chong Tong Siew	2,050,000	0.85
15	Liaw Kong Wah	1,975,500	0.82
16	M & A Nominee (Tempatan) Sdn. Bhd. Pledged Securities Account for Chew Fei Meng (M&A)	1,386,500	0.57

ANALYSIS OF SHAREHOLDINGS

As at 28 March 2017

(cont'd)

No.	Name of Shareholders	No of Shares held	%
17	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Liaw Jing Ta (LIA0290C)	1,237,200	0.51
18	Ng Inn Jwee	1,149,750	0.48
19	Niranpal Singh a/l Ajmer Singh	1,120,000	0.46
20	Yong Yee Wan	1,080,000	0.45
21	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Batu Bara Resources Corporation Sdn. Bhd.	1,064,250	0.44
22	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Liaw Jing Xian (LIA0253C)	997,900	0.41
23	Ooi Cheng Bok	960,000	0.40
24	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Seng Beng (7000027)	890,000	0.37
25	Lim Seng Hock	747,800	0.31
26	Mak Lye Woh	710,000	0.29
27	K. G. Saw Holdings Sdn. Bhd.	690,000	0.29
28	Song Hock Koon	676,075	0.28
29	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Anna Ng Ah Lek (PB)	663,400	0.27
30	Gan Lien Keng	660,000	0.27
TOTAL		179,021,975	74.18

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixteenth 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 Thursday, 25 May 2017 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 2016 and the Reports of Directors and Auditors thereon. (Please refer Note 1)
2. To approve the payment of Directors' fees and benefits of up to RM244,000 to the non-executive directors for their services from 1 January 2017 until the next annual general meeting of the Company. Ordinary Resolution 1
3. To re-elect the following Directors retiring in accordance with the Company's Articles of Association:-
(i) Mr. Wong Mun Wai (Article 93) Ordinary Resolution 2
(ii) Mr. Lau Kok Fui (Article 93) Ordinary Resolution 3
4. To appoint Messrs SJ Grant Thornton as Auditors of the Company and authorise the Directors to determine their remuneration. Ordinary Resolution 4
5. To consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications:-

AUTHORITY TO ALLOT SHARES

Ordinary Resolution 5

"THAT subject always to the Companies Act, 2016 and the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Section 75 of the Companies Act, 2016, to allot shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being."

6. 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
28 April 2017

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING

(cont'd)

Notes:

1. The shareholders' approval on the Audited Financial Statements are not required pursuant to the provisions of Section 340(1) of the Companies Act, 2016 ("Act"), hence, the matter will not be put for voting.
2. Only depositors whose names appear in the Record of Depositors as at 18 May 2017 shall be regarded as members and entitled to attend, speak and vote at the meeting.
3. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint up to two proxies. A proxy may but need not be a member of the Company and a member may appoint any persons to be his proxy.
4. 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.
5. 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.
6. 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.
7. 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.

8. Explanatory notes:

Resolution 1

Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the Sixteenth Annual General Meeting ("AGM") on the Directors' fees and benefits.

The shareholders, at the Thirteenth AGM held on 26 June 2014, has approved the annual limit of the Directors' fee up to RM120,000 from financial year commencing 1 January 2014. The actual Directors' fees amount paid to the non-executive directors (excluding Lau Kok Fui) for the financial year ending 31 December 2016 was RM96,000.

The Directors' fees and benefits from 1 January 2017 until the conclusion of the next AGM (i.e. 17 months) is estimated not to exceed RM204,000 and RM40,000 (being premium paid/payable for Directors and Officers Liability Insurance), respectively.

The Board will seek shareholders' approval at the next AGM in the event the amount of the Directors' fees and benefits are insufficient due to an increase in the Board size and/or increase in the amount of premium payable for the Directors' and Officers Liability Insurance.

Details of the fees paid to the non-executive directors for the financial year ended 31 December 2016 are disclosed in the Statement on Corporate Governance in the 2016 Annual Report.

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING

(cont'd)

Notes (cont'd):

8. Explanatory notes (cont'd):

Resolution 5

The Proposed Ordinary Resolution No. 5, if passed, will give the Directors of the Company, from the date of the Sixteenth 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 ("Renewed General Mandate"). 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.

The Renewed General Mandate 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.

On 30 December 2016, the Company announced its proposed private placement which will be undertaken in accordance with the general mandate pursuant to Section 132D of the Companies Act, 1965 ("Proposed Private Placement") obtained from the shareholders in its Fifteenth Annual General Meeting held on 26 May 2016 ("2016 General Mandate").

On 12 January 2017, the Company announced that Bursa Malaysia Securites Berhad had vide its letter dated 12 January 2017, approved the listing and quotation of up to 24,135,000 Placement Shares to be issued pursuant to the Proposed Private Placement.

As at the date of printing of this Annual Report (i.e. 19 April 2017), no new shares in the Company were issued pursuant to the 2016 General Mandate.



PanPages Berhad (537337-M)

PROXY FORM

CDS Account No.

I/We (FULL NAME IN CAPITAL LETTERS)

NRIC No./Company No. of

being (a) Member(s) of **PANPAGES BERHAD (537337-M)** hereby appoint

..... (NRIC:) of
(FULL NAME IN CAPITAL LETTERS)

or failing him, (NRIC:) of
(FULL NAME IN CAPITAL LETTERS)

as my/our proxy to vote for me/us on my/our behalf at the Sixteenth 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 Thursday, 25 May 2017 at 10.00 a.m. and at any adjournment thereof and to vote as indicated below:-

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	To approve Directors' fees and benefit		
2.	To re-elect Wong Mun Wai as a Director of the Company		
3.	To re-elect Lau Kok Fui as a Director of the Company		
4.	To appoint Messrs SJ Grant Thornton as Auditors of the Company		
5.	To approve authority to allot shares		

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 _____ 2017.

No. of ordinary shares held

Signature/Common Seal

Notes :-

- Only depositors whose names appear in the Record of Depositors as at 18 May 2017 shall be regarded as members and entitled to attend, speak and vote at the meeting.
- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint up to two proxies. A proxy may but need not be a member of the Company and a member may appoint any persons to be his proxy.
- 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.
- 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.
- 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.
- 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)
802, 8th Floor, Block C
Kelana Square, 17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

Fold here

OUR AFFILIATED BRANDS





MALAYSIA



THAILAND



VIETNAM



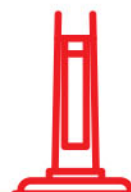
CAMBODIA



INDONESIA



SINGAPORE



PHILIPPINES

PANPAGES BERHAD
(537337-M)

No 1, Jalan PJS 11/8, Bandar Sunway
46150 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Phone +6 03 5636 9999
Fax +6 03 5635 0280

<http://about.panpages.com>