



Annual Report 2009

AMTEL HOLDINGS BERHAD  
Incorporated In Malaysia (409449-A)



# Contents

2	NOTICE OF THE THIRTEENTH ANNUAL GENERAL MEETING
4	STATEMENT ACCOMPANYING NOTICE OF THE THIRTEENTH ANNUAL GENERAL MEETING
5	APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
6	CORPORATE INFORMATION
7	PROFILE OF DIRECTORS
9	STATEMENT OF CORPORATE GOVERNANCE
16	CHAIRMAN'S STATEMENT
18	AUDIT COMMITTEE
21	STATEMENT OF INTERNAL CONTROL
23	REPORTS AND FINANCIAL STATEMENTS
82	LIST OF PROPERTIES
86	ANALYSIS OF SHAREHOLDINGS
	PROXY FORM

# NOTICE OF THE THIRTEENTH Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Thirteenth (13th) Annual General Meeting (AGM) of Amtel Holdings Berhad (“the Company”) will be held at Bilik Selangor, Kelab Shah Alam Selangor, No. 1A, Jalan Aerobik 13/43, Persiaran Kayangan, 40704 Shah Alam, Selangor Darul Ehsan on Thursday, 27 May 2010 at 10.00 a.m. for the purpose of transacting the following businesses :-

## AGENDA

- |    |   |                       |
|----|---|-----------------------|
| 1. | To receive and adopt the Audited Financial Statements for the financial year ended 30 November, 2009 together with the Reports of the Directors and Auditors thereon. | Ordinary Resolution 1 |
| 2. | To approve the increase of Directors’ fees to RM170,000.00 for the financial year ended 30 November, 2009.  | Ordinary Resolution 2 |
| 3. | To re-elect as Director, YM Tunku Dato’ Seri Kamel bin Tunku Rijaludin who retires in accordance with Article 80 of the Company’s Articles of Association.            | Ordinary Resolution 3 |
| 4. | To re-elect as Director, Mr. Ng Ah Chong who retires in accordance with Article 80 of the Company’s Articles of Association.  | Ordinary Resolution 4 |
| 5. | To re-appoint Messrs. Moore Stephens AC as Auditors of the Company and to authorise the Directors to fix their remuneration.  | Ordinary Resolution 5 |

**AS SPECIAL BUSINESS** to consider and if thought fit, to pass the following resolutions:-

- |    |  |                       |
|----|--|-----------------------|
| 6. | <p><b>Authority to issue shares</b></p> <p>“<b>THAT</b>, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of relevant government/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue ordinary shares from the unissued share capital of the Company at any time at such price, upon such terms and conditions, for such purposes and to such persons whomsoever the Directors may in their discretion deem fit and that the Directors be empowered to obtain the approval for the listing and quotation of the additional shares so issued on Bursa Malaysia Securities Berhad provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10 percent of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”</p> | Ordinary Resolution 6 |
| 7. | <p><b>Proposed Amendments to Articles of Association of the Company</b></p> <p>“THAT the proposed amendments to the Articles of Association of the Company in the manner as set out in Appendix I in the Annual Report 2009 (“Proposed Amendments”) be and are hereby approved AND THAT the Directors be and are hereby authorised to sign, do and execute all relevant documents, acts and things as may be required for or in connection with and to give effect to the Proposed Amendments with full power to assent to any conditions, variations and/or amendments as may be required by the relevant authorities.”</p>   | Special Resolution    |

By Order of the Board  
**CHIA MOH MUI** (MAICSA 7009897)  
**HOH YIT FOONG** (LS 0018)  
 Secretaries  
 Petaling Jaya  
 3 May 2010

# NOTICE OF THE THIRTEENTH Annual General Meeting (continued)

## Notes:

1. *A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.*
2. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised in that behalf, and shall be deposited at the Registered Office of the Company at No. 7, Jalan PJS7/19, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding this meeting or adjourned meeting.*
3. *Where a member appoints more than one proxy, the appointment shall be invalid unless the proportions of holdings represented by each proxy is specified.*
4. *A member shall be entitled to appoint more than one proxy to attend and vote at this meeting provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with.*
5. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

## Explanatory Notes on Special Business

### 6. **Authority to issue shares - Resolution pursuant to Section 132D of the Companies Act, 1965**

*The Company had at its 12<sup>th</sup> Annual General Meeting in May 2009 obtained a mandate for the issuance of shares pursuant to Section 132D of the Companies Act, 1965 from the shareholders. The Company did not issue any shares pursuant to this mandate.*

*Ordinary Resolution No. 6 proposed under item (6) above, if passed, will be a renewal of the general mandate to the Directors of the Company to issue and allot ordinary shares from the unissued share capital of the Company up to an aggregate amount of not exceeding 10 percent of the issued share capital of the Company for the time being. This mandate shall commence from the date of the abovementioned general meeting and, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting. The Company at this juncture has no intention to issue new shares pursuant to the mandate sort. In the event that a decision to issue new shares under the mandate is made, the Company will make an announcement in respect of such proposed new issue, its purpose and utilisation of proceeds arising therefrom.*

### 7. **Proposed Amendments to the Articles of Association of the Company**

*In line with Bursa Malaysia's implementation of electronic dividend payment ("eDividend") services to be provided by listed issuers to their shareholders, the Special Resolution proposed under item (7) above, if passed, will allow the Company to effect payment of dividends by way of direct credit via electronic payment systems. eDividend refers to the payment of cash dividends by a listed issuer to its shareholders by directly crediting the shareholders' cash dividend entitlements into their respective bank accounts. The offering of eDividend services by a listed issuer will be through a service provider who would be either Bursa Depository or the listed issuer's registrar. The main objectives of implementing eDividend are, amongst others, to promote greater efficiency of the dividend payment system and to put the Malaysian market on par with practices in other regional markets in relation to receipt of dividend proceeds by shareholders.*

# STATEMENT ACCOMPANYING Notice Of The Thirteenth Annual General Meeting

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

1. Further details of Directors who are standing for re-election

The details of the two Directors seeking re-election are set out in the Profile of Directors of the Annual Report 2009 in pages 7 to 8 whilst their shareholdings in the Company are presented in the Directors' Shareholdings in page 86 of the same Annual Report.

2. No individual (other than the abovementioned Directors) is seeking election or re-election as a Director at the 13th Annual General Meeting of the Company.

# APPENDIX I

## Proposed Amendments To The Articles Of Association

	Existing Articles	Proposed Amendments
1.	<p><b>Article 145 – Payment by Cheque</b></p> <p>Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant, sent through the post directed to the registered address of the holder or, in the case of joint holder, to the registered address of that one (1) of the joint holders who is first named on the Register or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, and the payment of such cheque or warrant shall operate as good discharge to the Company in respect of the money thereby represented, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented.</p>	<p><b>Article 145 – Payment by Cheque</b></p> <p>Any dividend, interest or other money payable in cash in respect of shares or Securities may be paid by cheque or warrant, sent through the post directed to the <b>last</b> registered address of the <b>Member who is named on the Record of Depositors</b>. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, and the payment of such cheque or warrant shall operate as good discharge to the Company in respect of the money represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented. <b>No unpaid dividend or unpaid interest shall bear interest as against the Company.</b></p>
2.	<p><b>Nil</b></p>	<p><b>New Article 145A – Payment by Electronic Means</b></p> <p>Notwithstanding Article 145 and subject to the provisions of the Act, the Central Depositories Act, the Rules, the BMSB Listing Requirements and/or other regulatory authorities and upon such terms and conditions as the Directors may stipulate, payment of any dividend, interest or other money payable in cash in respect of shares or Securities may be paid by means of electronic payment systems to the bank account as provided by the Member to the Company or Bursa Depository or such entity as may be directed by the Exchange. Payments by such electronic means shall be sent at the risk of the person entitled to the money thereby represented and shall constitute a good and full discharge to the Company in respect of the money thereby represented regardless of any discrepancies given by the Member on the details of the bank account. No unpaid dividend or unpaid interest shall bear interest as against the Company.</p>

# CORPORATE Information

## BOARD OF DIRECTORS

**YM Tunku Dato' Seri Kamel bin  
Tunku Rijaludin**  
*Independent Non-Executive  
Chairman*

**Mr. Koid Hun Kian**  
*Group Managing Director*

**Mr. Ng Ah Chong**

**Mr. Siow Hock Lee**

**Mr. Wong Tuck Kuan**

**Mr. Chang Pak Hing**

## AUDIT COMMITTEE

**YM Tunku Dato' Seri Kamel bin  
Tunku Rijaludin**  
*Independent Non-Executive  
Chairman/Chairman of the  
Committee*

**Mr. Siow Hock Lee**  
*Independent Non-Executive  
Director/Member*

**Mr. Chang Pak Hing**  
*Independent Non-Executive  
Director/Member*

## COMPANY SECRETARIES

**Ms. Chia Moh Mui**  
(MIA 1886/MAICSA 7009897)

**Ms. Hoh Yit Foong**  
(LS 0018)

## AUDITORS

**Moore Stephens AC**  
A-37-1 Level 37  
Menara UOA Bangsar  
No. 5 Jalan Bangsar Utama 1  
59000 Kuala Lumpur  
Tel : (603) 23021888  
Fax : (603) 23021999

## REGISTERED OFFICE

No. 7, Jalan PJS 7/19  
Bandar Sunway  
46150 Petaling Jaya  
Selangor Darul Ehsan  
Tel : (603) 56322449  
Fax : (603) 56370042

## SHARE REGISTRARS

**Tricor Investor Services Sdn Bhd**  
(formerly known as Tenaga  
Koperate Sdn Bhd)  
Level 17, The Gardens  
North Tower, Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Tel : (603) 22643883  
Fax : (603) 22821886

## STOCK EXCHANGE LISTING

Main Market of **Bursa Malaysia  
Securities Berhad**

## WEBSITE ADDRESS

[www.amtel.com.my](http://www.amtel.com.my)



# PROFILE

## Of Directors

### **YM TUNKU DATO' SERI KAMEL BIN TUNKU RIJALUDIN**

*(Independent Non-Executive Chairman)*

YM Tunku Dato' Seri Kamel bin Tunku Rijaludin, a Malaysian aged 56, was appointed Independent Non-Executive Chairman of Amtel Holdings Berhad ("the Company") on 27 July, 2005. He was first appointed as Independent Non-Executive Director to the Board on 31 July, 1997. He is also the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committees. Tunku Dato' Seri Kamel graduated with a Bachelor of Science (Honours) degree and a Master degree in Business Administration from University of Tennessee, Knoxville, United States of America in 1977 and 1980 respectively. He began his career in Sycip Gorres and Velayos Kassim Chan Sdn Bhd, a management consultancy firm, as a management consultant in 1981. In 1983, he joined Kedah Cement Sdn Bhd, a company involved in the manufacturing and sale of cement, clinker and related products, as the International Sales Manager. In 1989, he joined Asli Jardine Insurance Brokers Sdn Bhd, an insurance brokering company, as the Principal Officer and Director. In 1990, he joined Dagang Net Technologies Sdn Bhd, an information technology company. Currently he is a director of Dwitasik Sdn Bhd, an oil palm plantation company and he is also the Chairman of QC Protection & Investigation Services Sdn Bhd which is involved in the security services industry. Tunku Dato' Seri Kamel is also on the Board of other private companies.

He does not have any conflict of interest with the Company and has not been convicted of any offence in the past ten years. He attended all six of the meetings of the Board held during the financial year ended 30 November, 2009.

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### **KOID HUN KIAN**

*(Group Managing Director)*

Mr. Koid Hun Kian, a Malaysian aged 54, is the Group Managing Director of Amtel Holdings Berhad ("the Company"). He was first appointed to the Board on 31 July, 1997 and is a member of the Remuneration Committee. He is a major shareholder of the Company. Mr. Koid is an accountant by profession, having qualified as a member of the Association of Chartered Certified Accountants (United Kingdom) since 1985 and he is a member of the Malaysian Institute of Accountants. He has wide experience in the audit, telecommunications and cables manufacturing industries. Prior to joining the Company, he was attached to various public accounting firms from 1983 to 1986. In 1986, he joined FCW Industries Sdn Bhd, a company involved in investment holding, management services and the trading of telecommunications equipment, where he was the general manager and Director until 1993.

He does not have any conflict of interest with the Company and has not been convicted of any offence in the past ten years. He attended all six of the meetings of the Board held during the financial year ended 30 November, 2009.

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### **NG AH CHONG**

*(Non-Independent Executive Director)*

Mr. Ng Ah Chong, a Malaysian aged 67, is a Director of Amtel Holdings Berhad ("the Company"). He was appointed as a Director of the Company on 31 July, 1997. Mr. Ng is also a director in a subsidiary company where he oversees the operations of this company. He has extensive experience in the telecommunications sector with more than 20 years' experience as a works contractor. He also has experience in civil and construction works.

He does not have any conflict of interest with the Company and has not been convicted of any offence in the past ten years. He attended all six of the meetings of the Board held during the financial year ended 30 November, 2009.



# PROFILE

## Of Directors (continued)

### **SIOW HOCK LEE**

*(Independent Non-Executive Director)*

Mr. Siow Hock Lee, a Malaysian aged 54, is an Independent and Non-Executive Director of Amtel Holdings Berhad (“the Company”). He has been a Director of the Company since its incorporation on 9 November, 1996. He is a member of the Association of Chartered Certified Accountants (United Kingdom) and Malaysian Institute of Accountants since 1985 and 1986 respectively. Mr. Siow was attached with various public accounting firms since 1979 before he started his own accounting practice under the name of Messrs. SC Associates in 1993. He is also a director (independent non-executive) in Caely Holdings Berhad and Green Ocean Corporation Berhad which are public companies listed on the Main Market and ACE Market of Bursa Malaysia respectively. Mr. Siow is a member of the Audit Committee and Nomination and Remuneration Committees.

He does not have any conflict of interest with the Company and has not been convicted of any offence in the past ten years. He attended all six of the meetings of the Board held during the financial year ended 30 November, 2009.

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### **WONG TUCK KUAN**

*(Non-Independent Executive Director)*

Mr. Wong Tuck Kuan, a Malaysian aged 52, is a Director of Amtel Holdings Berhad (“the Company”). He was appointed to the Board on 30 August, 2006. He is also the Senior General Manager of Amtel Holdings Berhad. Mr. Wong graduated with a Bachelor of Science degree in Electrical Engineering from the Montana State University, United States of America in 1984. He has more than 20 years of working experience in project management, systems design, marketing and distribution of telecommunications equipment. He joined Amtel Communications Sdn Bhd (“ACSB”), a subsidiary of the Company in 1993 and was responsible for ACSB’s operations. Prior to joining ACSB, he was attached to FT Radiosystems Sdn Bhd, as its Operations Manager in 1987, a company involved in the distribution of telecommunications equipment, project management and system sales for 7 years.

He does not have any conflict of interest with the Company and has not been convicted of any offence in the past ten years. He attended all of the six Board meetings held during the financial year ended 30 November, 2009.

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### **CHANG PAK HING**

*(Independent Non-Executive Director)*

Mr. Chang Pak Hing, a Malaysian aged 62, is an Independent and Non-Executive Director of Amtel Holdings Berhad (“the Company”). He was first appointed to the Board on 21 January, 2009. Mr. Chang is a member of the Audit Committee.

Mr. Chang started his career in 1967 as a trainee in the public accounting office of Coopers Brothers & Co before leaving in 1971 for other appointments as financial officer in the industrial sectors. He has extensive experience in financial and IT management of power and telecommunications cables industries. He was formerly the financial controller and director of Fujikura Federal Cables Sdn Bhd, a cable manufacturing company and subsidiary of Fujikura Ltd, Japan.

Mr. Chang does not have any conflict of interest with the Company and has not been convicted of any offence in the past ten years. As Mr. Chang was appointed on 21 January, 2009, he only attended five out of six meetings of the Board held during the financial year ended 30 November, 2009.

# STATEMENT Of Corporate Governance

## THE CODE

The Malaysian Code on Corporate Governance (“the Code”) sets out the principles of corporate governance and best practices on structures and processes that companies may use in their operations towards achieving the optimal governance framework.

## BOARD OF DIRECTORS’ COMMITMENT

The Board of Directors (“the Board”) of the Company acknowledges the importance of establishing and maintaining good corporate governance within the Group. The Board remains committed to ensure that the highest possible standards of corporate governance are practiced throughout the Group and will continually evaluate the corporate governance practices adopted to enhance its management practices and systems to be in line with the underlying tenets of the principles and best practices of the Code.

The Board is pleased to present the following statement, which summarises the manner in which the Group has applied the principles and the extent of compliance with the best practices of the Code throughout the financial year under review. The Board is satisfied that the Group has fully complied with the best practices of the Code.

### (1) THE BOARD OF DIRECTORS

#### (a) Board Balance and Composition

The Board currently has six (6) members comprising the following:-

- One (1) Independent Non-Executive Chairman;
- Three (3) Executive Directors; and
- Two (2) Independent Non-Executive Directors.

The above composition is in compliance with Bursa Malaysia Securities Berhad (“BMSB”) Main Market Listing Requirements which require one-third of the Directors to be Independent Directors.

The Board members with their different professional backgrounds and specialisations, collectively bring with them a vast range of experience in the field of trading, marketing, manufacturing, accounting, corporate affairs and management. A brief description of the background and profiles of the Directors is set out on pages 7 to 8. The Board has the overall responsibility for corporate governance, strategic direction, formulation of policies, development and control of the Group and overseeing the investments and operations of the Group.

The Board is assisted by three (3) Board Committees namely, the Audit Committee, the Nomination Committee and the Remuneration Committee all of which operate within clearly defined terms of reference.

The roles of the Chairman and Group Managing Director are distinct and separate with responsibilities clearly drawn out to ensure a balance of power and authority. The Chairman is responsible for ensuring Board effectiveness and conduct while the Group Managing Director has the overall responsibility for the operating units, organisational effectiveness and implementation of Board policies and decisions.

The Independent Non-Executive Chairman and Directors are both professionals of high calibre and credibility who play a pivotal role in corporate accountability by contributing their knowledge, advice and experience towards making independent judgement on issues of strategies, performance, resources and standards of conduct.

#### (b) Board Meetings

The Board meets at least once every quarter. Additional special meetings of the Board are convened as and when required, when warranted by situations that require deliberation on urgent proposals or matters that need the immediate approval or decision of the Board.

During the Board meetings, the Board members are encouraged to freely express their view. The Board members will discuss, deliberate and evaluate the various corporate or business proposals tabled and assess the viability and principal risks that may have an impact on the business and financial position and measures to mitigate such risks before arriving at a conclusion. Board members who have direct or deemed interests in the subject matter to be deliberated shall abstain themselves from deliberation and decision making during meetings.

# STATEMENT

## Of Corporate Governance (continued)

### (1) THE BOARD OF DIRECTORS (cont'd)

#### (b) Board Meetings (cont'd)

All proceedings of the Board meetings are minuted by the Company Secretary, which include matters discussed, the Board's deliberations, suggestions and conclusions reached. The minutes are signed by the Chairman as endorsements of records of the meetings.

During the financial year, six (6) meetings were held and the attendance of the Directors at these Board meetings was as follows:-

Name of Director	Attendance of meetings
YM Tunku Dato' Seri Kamel bin Tunku Rijaludin	6/6
Mr. Koid Hun Kian	6/6
Mr. Ng Ah Chong	6/6
Mr. Siow Hock Lee	6/6
Mr. Wong Tuck Kuan	6/6
Mr. Chang Pak Hing *	6/6
* Appointed on 21.1.2009	5/5

#### (c) Supply of Information

An agenda and Board papers will be distributed to all Directors prior to the Board meetings and sufficient time is given to enable Directors to evaluate the matters to be discussed in order to discharge their duties effectively and efficiently. The Directors are free to seek any further explanation and information they consider necessary to facilitate informed decision-making.

Board reports and meeting papers are prepared and presented by the Management in a concise format that provides adequate facts and analysis pertinent to each proposal or matter that arises. The meeting papers tabled include information on major investment and financial proposals and recommendations/decisions, material acquisitions and disposals of undertakings and properties, operational and corporate developments, current trading activities, sales performance and business issues of the Group and changes to the management and control structure within the Group. Changes and updates on Listing requirements, accounting standards and practices, other relevant laws and business matters are also included when necessary. In addition, the Board also has formal schedule of agenda reserved for its decision including approval of quarterly and annual financial results.

Where necessary the Directors may obtain independent professional advice in the furtherance of their duties, at the Company's expense if circumstances necessitate it. Prior to incurring such professional fees, the Director shall refer to the Chairman/Group Managing Director on the scope, nature and fees of the professional advice to be sought.

All Directors have unrestricted access to the information, advice and services of the Company Secretaries and the senior Management staff in the Group in carrying out their duties.

#### (d) Appointment to the Board

The Code endorses as good practice, a formal procedure for appointments to the Board.

During the financial year ended 30 November 2009 the members of the Nomination Committee comprised the following Directors:-

- i) YM. Tunku Dato' Seri Kamel bin Tunku Rijaludin (Independent Non-Executive Chairman); and
- ii) Mr. Siow Hock Lee (Independent Non-Executive Director).

The Committee held one (1) meeting for the financial year ended 30 November 2009.

# STATEMENT Of Corporate Governance (continued)

## (1) THE BOARD OF DIRECTORS (cont'd)

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

The Nomination Committee is primarily empowered by its terms of reference to perform the following:-

- To recommend to the Board, candidates for all directorships;
- To consider, in making its recommendation, candidates for directorships proposed by the Group Managing Director/Chief Executive Officer, within the bounds of practicability, by any other senior executive or any Director or shareholder; and
- To assist the Board in reviewing and assessing the effectiveness of the Board as a whole and the committees of the Board.

### (e) Retirement and Re-election of Directors

In accordance with the Company's Memorandum and Articles of Association, one-third of the Directors shall retire from office each Annual General Meeting and they could offer themselves for re-election. Directors who are appointed by the Board are eligible for election by the shareholders at the next Annual General Meeting held following their appointments.

### (f) Directors' Training

All members of the Board have completed the Mandatory Accreditation Programme and the Continuing Education Programme ("CEP") prescribed by BMSB. In line with BMSB's Main Market Listing Requirements, the Board will determine the training needs of each member of the Board to keep themselves updated and abreast of the business, economy and regulatory developments in order to discharge their duties and responsibilities more effectively.

All the Directors are encouraged to evaluate their own training needs and attend seminars, courses and conferences relevant to their skills and expertise which will help them in their duties as Directors of the Company. They are also kept informed of available training programmes by the Company Secretaries.

The seminars and training programmes attended by the Directors during the financial year ended 30 November 2009 are on areas relating to corporate governance, risk management and accounting as summarised below:-

Members of the Board	Seminars/Training Programmes
YM Tunku Dato' Seri Kamel bin Tunku Rijaludin	<ul style="list-style-type: none"> <li>• The Non-Executive Director Development Series: It is worth the risk</li> <li>• The Challenges of Implementing FRS 139</li> </ul>
Mr. Siow Hock Lee	<ul style="list-style-type: none"> <li>• The Non-Executive Director Development Series: It is worth the risk</li> <li>• FRS Reporting Course</li> <li>• The Challenges of Implementing FRS 139</li> </ul>
Mr. Koid Hun Kian	<ul style="list-style-type: none"> <li>• A Turning Point For Corporate Governance</li> </ul>
Mr. Chang Pak Hing	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme for directors of public listed company</li> <li>• A Turning Point For Corporate Governance</li> </ul>
Mr. Ng Ah Chong	<ul style="list-style-type: none"> <li>• A Turning Point For Corporate Governance</li> </ul>

# STATEMENT

## Of Corporate Governance (continued)

### (1) THE BOARD OF DIRECTORS (cont'd)

#### (g) Remuneration of Directors

The Board adopted the policy recommended by the Code. The Board ensures that the level of remuneration is sufficient to attract and retain Directors needed to run the Company successfully. The component parts of remuneration have been structured to link rewards to the Group and individual performance for the Executive Directors whilst the Non-Executive Chairman/Directors' remuneration reflects the experience and level of responsibilities undertaken by individual Non-Executive Chairman/Directors.

The Board, as a whole, determines the remuneration of each Director and the Directors do not participate in decisions regarding their own remuneration packages.

The annual fees payable to the Directors are subject to the shareholders' approval at the Annual General Meeting.

#### (i) Remuneration Committee

During the financial year ended 30 November 2009 the members of the Remuneration Committee comprised the following Directors:-

- i) YM. Tunku Dato' Seri Kamel bin Tunku Rijaludin (Independent Non-Executive Chairman);
- ii) Mr. Siow Hock Lee (Independent Non-Executive Director); and
- iii) Mr. Koid Hun Kian (Group Managing Director).

The Committee held one (1) meeting for the financial year ended 30 November 2009.

The Remuneration Committee is primarily empowered by its terms of reference to perform the following:-

- To recommend to the Board the remuneration of the Executive Directors, Group Managing Director and Non-Executive Directors in all its forms, drawing from outside advice if necessary; and
- To carry out any other responsibilities and functions as may be delegated or defined by the Board from time to time.

#### (ii) Details of the Directors' Remuneration

The aggregate remuneration of the Company's Directors comprising remuneration received from the Company and subsidiary companies for the financial year ended 30 November, 2009 is categorised into appropriate components as follows:-

	<b>Executive Directors (RM'000)</b>	<b>Non-Executive Directors (RM'000)</b>
Fees	18	185
Salaries	516	-
Other Emoluments	62	-
Benefits-in-kind	31	-
<b>Total</b>	<b>627</b>	<b>185</b>

# STATEMENT

## Of Corporate Governance (continued)

### (1) THE BOARD OF DIRECTORS (cont'd)

#### (g) Remuneration of Directors (cont'd)

##### (ii) Details of the Directors' Remuneration (cont'd)

The number of Directors of the Company whose fees and remuneration for the financial year ended 30 November 2009 falls within the following bands are:-

	Executive Directors	Non-Executive Directors
Below RM50,000	-	2
RM50,001 to RM100,000	-	1
RM100,001 to RM200,000	2	-
RM200,001 to RM300,000	-	-
RM300,001 to RM350,000	1	-
Total	3	3

### (2) RELATIONSHIP AND COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Board acknowledges the need for the shareholders and investors to be informed of the Group's business and corporate developments. This is achieved through timely release of quarterly financial results and various announcements made via the BMSB LINK, dissemination of annual reports and circulars to shareholders.

The Annual General Meeting represents the principal forum for dialogue and interaction with all shareholders. At each Annual General Meeting, the Board presents the progress and performance of the Group's business. Shareholders are given opportunity and time to participate in the open question and answer session with regards to the agenda of the general meeting or other concerns over the Group's business as a whole. The Chairman, Group Managing Director, Audit Committee members, senior management team and external auditors are available during the general meeting to respond to the shareholders' queries.

### (3) ACCOUNTABILITY AND AUDIT

#### (a) Financial Reporting

The Board assisted by the Audit Committee, ensures that the annual audited financial statements, quarterly announcements of financial results and the other financial reports of the Group and of the Company present a balanced and understandable assessment of the Group's financial position and prospects.

A statement by the Directors' of their responsibilities in the preparation of financial statements is set out in the ensuing paragraph 4.

#### (b) Internal Controls

The Board acknowledges the overall responsibility to maintain a sound system of internal control to safeguard the Group's assets and consequently, the shareholders' investment in the Company. However, such systems can only provide reasonable and not absolute assurance against material misstatements or losses.

The Internal Audit Department reports directly to the Audit Committee and assists the Board to undertake regular and systematic reviews of the systems of internal control. The scope of Internal Audit covers the audit of all units and operations, including the review of adequacy of operational controls, compliance with law and regulations and the management of assets.

The Group's Statement of Internal Control is set out on pages 21 to 22.

# STATEMENT

## Of Corporate Governance (continued)

### (3) ACCOUNTABILITY AND AUDIT (cont'd)

#### (c) Relationship with the Auditors

The appointments of the external auditors are recommended by the Audit Committee, which determines the remuneration of the external auditors. The Board through the Audit Committee, has established a formal and transparent relationship with the Group's auditors, both internal and external. From time to time, the auditors highlighted to the Audit Committee and the Board on matters that require the Board's attention. The external auditors also attend the meetings of the Audit Committee and Board upon invitation.

The Audit Committee Report and the terms of reference are set out on pages 18 to 20.

### (4) DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the Financial Reporting Standards ("FRSs") in Malaysia to give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements, the Directors have adopted appropriate accounting policies that are consistently applied and supported by reasonable as well as prudent judgements and estimates, and ensured that all applicable approved accounting standards have been followed during the preparation of the financial statements.

The Directors have the responsibility for ensuring that the Group maintains adequate accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965, BMSB's Main Market Listing Requirements and FRSs in Malaysia. In addition, the Directors have the general responsibility for taking reasonable steps to safeguard the assets of the Group and of the Company to prevent and detect fraud and other irregularities.

### (5) MATERIAL CONTRACTS INVOLVING DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Since the end of the previous financial year, the Company and its subsidiaries have not entered into any material contract involving Directors and substantial shareholders.

### (6) CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR and community welfare activities have always been part of the corporate culture and ethic of the group. The Group has been helping welfare associations to raise funds for the elderly, orphans and the handicapped.

### (7) OTHER INFORMATION

#### (a) Share Buybacks

During the financial year, there were no share buybacks by the Company.

#### (b) Issue of Shares and Utilisation of Proceeds from Private Placement

During the financial year, no new issue of share was made by the Company.

#### (c) Option, Warrants or Convertibles Securities

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

#### (d) American Depository Receipts ("ADR") or Global Depository Receipts ("GDR")

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



# STATEMENT

## Of Corporate Governance (continued)

### (7) OTHER INFORMATION (cont'd)

#### (e) Imposition of Sanctions/Penalties

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

#### (f) Non-Audit Fee

The non-audit fees paid to external auditors, Messrs Moore Stephens AC during the financial year amounted to RM5,300/-.

#### (g) Variation in Results

There is no material variance between the results for the financial year and the unaudited results previously announced.

The Company did not make any release on the profit estimate, forecast or projections for the financial year.

#### (h) Profit Guarantee

No profit guarantee was given by the Company in respect of the financial year.

#### (i) Recurrent Related Party Transactions

During the financial year, the Company did not enter into any recurrent related party transactions of a revenue/trading nature.

#### (j) Revaluation of Landed Properties

There is no revaluation policy on the Group's landed properties in respect of the financial year except for investment properties which are measured at fair value.

# CHAIRMAN'S Statement

On behalf of the Board of Directors of Amtel Holdings Berhad, it gives me great pleasure to present the Annual Report incorporating the Audited Financial Statements of the Group and of the Company for the financial year ended 30 November 2009.

## INDUSTRY OVERVIEW

The ongoing global financial crisis has badly affected many industries in 2009. The surge in fuel prices, inflationary pressure on material prices and interest rates, and lower spending power had adversely affected the automotive industry in the first quarter of 2009. However, our government's proactive stance and preemptive measures undertaken to tackle the economic downturn has helped to improve the sentiment in the automotive market, especially in the last quarter of 2009 which saw higher sales of vehicles. The Group is mindful of the uncertainties and difficulties in the operating environment and will stay vigilant to take the necessary measures to remain competitive for its business in the supply of navigation products to local car makers.

The transfer of our Company from the Trading Section to the Technology Section by Bursa Malaysia on 1 March 2010 could not have come at a more opportune time for us to catalyze our Telematics development and initiatives.

## FINANCIAL RESULTS

I am pleased to report that despite operating in an extremely challenging business environment, the Group managed to deliver a set of commendable results in financial year 2009. The Group registered a 34% growth in revenue to RM55.526 million for the financial year under review against RM41.354 million in the preceding financial year. The increase in revenue was mainly due to the increase in sales from the Trading and Distributions division coupled with share of higher profits of associated companies.

In tandem with the revenue increase, the Group recorded a pre-tax profit of RM3.045 million against pre-tax loss of RM4.469 million reported in preceding financial year. Following that, the Group reported net profit attributable to the shareholders of RM2.718 million.

## REVIEW OF PERFORMANCE

In financial year 2009, the Trading and Distribution business remained as the dominant driver for the Group's revenue and earnings. Revenue for the Trading and Distribution division has recorded an increase of 38% from RM33.880 million in the preceding financial year to RM46.857 million, mainly due to the increased sales from the navigation business. Correspondingly, this division has also reported a higher segmental result of RM3.456 million for the current year under review as compared to RM1.164 million for the previous year.

As part of the Group's continuous effort to liquidate non-income generating and low-yield properties to improve operating cash flows, the Group had taken the decision to dispose of two parcels of leasehold lands with factory buildings erected thereon, located at Sungai Petani, Kedah Darul Aman. The disposals allowed the Group to realise its capital investment in these properties at a fair and reasonable price and conserved cash for future business opportunities for the Group.

The ongoing difficult global market conditions have also led the management to scale down its manufacturing businesses in the assembly of electronics and agricultural related products so that it can focus its resources and manpower in the navigation related business.

## DIVIDEND

The Board of Directors does not recommend the payment of any dividend for the financial year ended 30 November 2009.

# CHAIRMAN'S Statement (continued)

## BUSINESS OUTLOOK AND PROSPECTS

The outlook for the Malaysian economy remains positive with the global markets exhibiting signs of recovery. The economy as boosted by the rising consumer sentiment, improvement in the business confidence, expected rise in commodity prices and stable interest rates would provide support to various local industries. This augurs well for the automotive industry which is looking forward to a better year in 2010 with increasing demand for new vehicles. The Malaysian Automotive Association has forecasted vehicle registration to reach 555,000 units for 2010.

The Group expects to see more activities from the Telematics (Products and Services) segment in 2010. We believe that the Group's prospects will to a great extent hinge on the performance of this segment in the future. Our first foray into Telematics four years ago was spurred by the Government's call to follow the global trend for technology based products and to turn Malaysia into a developed nation by 2020. Since then, we have developed our in-car-navigation devices, the first of our initial Telematics products for the Malaysia market with supply to major car manufacturers.

The encouraging response indicated the level of confidence and trust shown by the customers for our products and together with the experience garnered, we have recently been entrusted by a major Telco company to jointly develop a Telematics platform and system for supply of related products and services in Malaysia.

In essence, we are moving into the next engine of growth for wireless services as depicted by the wireless players worldwide. Our initial development would be an integrated Telematics Service Platform (TSP) based on an open and standardised framework architecture that can be modularly upgraded to support differing technologies including GPS, GSM, WIFI, 3G and WIMAX and that cater for next generation wireless technologies too. Moving forward the contribution to profitability from Telematics segment is expected to be substantial and we will plan strategic initiatives and channel our resources to develop this business.

## ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to take this opportunity to express my sincere appreciation to our management team and staff for their concerted efforts, commitment and contributions towards the Group.

I also wish to extend my utmost gratitude to all our valuable shareholders, customers, suppliers, financiers, local and overseas business associates and regulatory authorities for their continued support, trust and confidence in the Group.

**Tunku Dato' Seri Kamel**  
Chairman

19 April 2010

# AUDIT Committee

## COMPOSITION

The Audit Committee (“the Committee”) of Amtel Holdings Berhad (“the Company”) was established on 1 August, 1997. The Committee presently comprises the following members: -

### **YM Tunku Dato’ Seri Kamel bin Tunku Rijaludin**

Independent Non-Executive Chairman/Chairman of the Committee

### **Mr. Siow Hock Lee**

Member of the Committee/Independent Non-Executive Director\*

### **Mr. Chang Pak Hing**

Member of the Committee/Independent Non-Executive Director

\*member of Malaysian Institute of Accountants

## TERMS OF REFERENCE

### I. Membership

The Committee shall be appointed by the Board of Directors of the Company (“Board”) from among their members and shall comprise not less than three members. All members of the Committee should be non-executive directors and must not be substantial shareholders, with the majority of them being independent directors.

A member must be free from any relationships that in the opinion of the Board, may interfere with the exercise of independent judgment in carrying out the functions of the Audit Committee.

At least one member of the Committee must be a member of Malaysian Institute of Accountants or possess equivalent qualifications recognised under the Accountants Act, 1967 or fulfil such other requirements as may be prescribed by Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

No alternate director shall be appointed to the Committee. The Committee shall elect a chairman from among their number who shall be an independent director. The Board shall review the term of office and performance of the Committee and each of its members at least once every three years.

### II. Meetings

The Committee shall meet not less than four times during each financial year with a quorum of at least two members, a majority of which shall be independent directors. The Chairman of the Committee shall chair the meetings of the Committee or in the absence of the Chairman of the Committee, the members present shall elect a chairman for the meeting from amongst the members present.

The Committee may invite any member of the Board to any meeting of the Committee.

The Committee may convene meetings with any employee or head of accounts/finance at any time and also with the external auditors at least twice a year or when appropriate without the presence of executive Board members. The Secretary of the Company or her representative shall act as secretary of the Committee.

### III. Authority

The Committee is authorised by the Board to perform and investigate any activity within its Terms of Reference. The Committee shall be empowered to obtain any information from the Company and/or its employees and to procure any professional and independent advice or resources which are required to perform its duties.

The Committee shall be able to make prompt reports to Bursa Malaysia in the event that the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Malaysia.

# AUDIT

## Committee (continued)

### IV. Functions

1. Review the following and report the same to the Board :-
  - a) with the external auditor, the audit plan;
  - b) with the external auditor, his evaluation of the system of internal controls;
  - c) with the external auditor, his audit report;
  - d) the assistance given by the employees of the Company and Group to the external auditor;
  - e) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
  - f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
  - g) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-
    - i) changes in or implementation of major accounting policy changes;
    - ii) significant and unusual events; and
    - iii) compliance with accounting standards and other legal requirements;
  - h) any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
  - i) any letter of resignation from the external auditors of the Company; and
  - j) whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment.
2. Recommend the nomination of a person or persons as external auditors.
3. To consider the major findings of internal investigations and Management's response.
4. To consider other topics as defined by the Board of Directors.

### SUMMARY OF ACTIVITIES

During the financial year under review, the Committee held five meetings and details of attendance of the members of the Committee at the aforesaid meetings are as follows:-

Name	Attendance (Nos. of meetings)
YM Tunku Dato' Seri Kamel bin Tunku Rijaludin	5/5
Mr. Siow Hock Lee	5/5
Mr. Chang Pak Hing	5/5

A summary of the main activities by the Committee during the financial year 2009 were as follows:-

- a) reviewed the Group's unaudited Quarterly Reports with Management and recommend the same to the Board for approval;
- b) reviewed and discussed the audit plan with Management and the auditors;
- c) noted and discussed all the amendments to Bursa Malaysia's Listing Requirements and the Group's compliance of the relevant sections in the Group's reports and accounts and the internal controls on the Group's operations and assets;
- d) reviewed the unaudited and audited Financial Statements and Reports of the Group with Management and the auditors and recommend the same for approval by the Board;
- e) reviewed the Audit Committee Report and the Group's Annual Report (including the Statement of Corporate Governance and Directors' Responsibility Statement) and recommend the same to the Board for approval;
- f) reviewed the internal auditors' (outsourced) reports on internal control and risk management evaluations with the internal auditor and the Managing Director;
- g) reviewed the Statement on Internal Control and the auditors' opinion on the Statement; and
- h) discussed and recommended the proposed fees of the external and internal auditors to the Board.

# AUDIT

## Committee (continued)

### INTERNAL AUDIT FUNCTION

During the year, the Board outsourced the internal audit function to PKM Partners (M) Sdn Bhd, a firm of consultants to carry out detailed review of the risk management areas and also the internal controls to be implemented for the navigation and mapping business unit. They also conducted post audit review for the approved recommended action plan covered by risk management audit in previous year and compliance procedures testing for the major operating subsidiary companies as approved by the Audit Committee. They report directly to the Audit Committee and also provide the Audit Committee with the assurance on the adequacy and effectiveness of the internal control systems. The results of their review were presented to the Audit Committee. Risk areas that require immediate attention from the Management were noted and corrective actions were implemented accordingly.

# STATEMENT Of Internal Control

## INTRODUCTION

The Board of Directors is committed to maintain a sound system of internal control in the Group and is pleased to provide the following Statement of Internal Control which outlines the nature and scope of internal control of the Group during the year pursuant to paragraph 15.26(b) of the BMSB Main Market Listing Requirements. To this end, the Board of Directors also ensures that the external auditors review the Statement of Internal Control and report the results thereof to the Board of Directors annually.

## BOARD RESPONSIBILITY

The Board of Directors acknowledges the importance of sound internal controls and risk management practices for good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of those systems. The system of internal control covers risk management and financial, organisational, management information system, operational and compliance controls.

However, in view of the limitations that are inherent in any systems of internal control, it must be noted that these systems are designed to manage and not eliminate risk of failure in meeting business objectives. In other words, the internal control can only provide reasonable and not absolute assurance against material mismanagement or loss. The associated companies have not been dealt with as part of the Group for the purpose of this statement.

## INTERNAL AUDIT FUNCTION

The Internal Audit Department was established with 3 main objectives:-

- To ensure that the management of the Company maintains a sound system of internal controls to safeguard the Company's assets and the investment of shareholders;
- To ensure the quality, integrity and adequacy of the accounting, financial reporting and systems of internal controls of the Company; and
- To provide reasonable but not absolute assurance against the risk of material misstatements in the financial statements of the Company.

The duties of the Internal Auditor are as follows:-

- To audit all business units and operations, including the following: -
  - Review of the adequacy of operational controls;
  - Management of Company's assets; and
  - Quality of management information systems and other systems of accounting controls within the Group.
- To develop an audit risk profile that identifies the high risk areas categorised by the entities and its functional area;
- To provide timely and accurate information to the Audit Committee covering the financial performance of all business units and the Group as a whole;
- To carry out regular visits to operating units which aims to monitor compliance with procedures and controls and assess the integrity of financial information;
- To conduct investigations with regard to specific areas of concern as requested by the Audit Committee and the Management; and
- To document the internal control policies and procedures of all business units of the Group and set up a series of Standard Manuals, which will be subject to regular review and improvement.

Any lack of conformity together with the comments from Operations Heads will be noted in Internal Audit reports, which are to be distributed to the Audit Committee. Internal Audit reports are to be tabled at Audit Committee Meetings for review and subsequent recommendation to the Board on corrective actions to be taken. The management is responsible to ensure that the necessary corrective actions are taken.

The Board has outsourced the internal audit function of the Group to an external firm of consultants, Messrs. PKM Partners (M) Sdn Bhd ("PKM"). The main objective of PKM is to carry out review of the risk assessment of the internal control systems of the Group and provide the Audit Committee with the assurance on their adequacy and effectiveness. They report directly to the Audit Committee and carry out audits in accordance with the internal audit plans as approved by the Audit Committee.



# STATEMENT

## Of Internal Control (continued)

During the financial year, the internal audit function performed the following assignments:-

- Tests of compliance on the internal controls of sales, purchases, inventory, credit control and collection procedures;
- Detailed review of the risk management areas and also the internal controls to be implemented for the navigation and mapping business unit; and
- Post audit review for the approved action plan covered by the risk management audit in the previous year for the major operating subsidiary companies.

The results of PKM's review were presented to the Audit Committee and risk areas that required immediate attention from the management had been discussed and mitigating action plans have been or will be implemented accordingly. The outcome of the risk assessment exercise had been concluded satisfactorily. The total costs incurred by the internal audit function in respect of the financial year ended 30 November 2009 was RM42,151/-.

### RISK ASSESSMENT

In order to enhance the risk management practices, the Group had implemented a formalised risk management framework that involves identifying, evaluating, monitoring and managing significant risks affecting the achievement of its business objectives.

These initiatives will ensure that the Group has a formalised ongoing process in place to measure the significant risks affecting the achievement of its business objectives.

### KEY ELEMENTS OF INTERNAL CONTROLS

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

- Clearly defined delegation of responsibilities to committees of the Board and to management of Head Office and operating units, including authorisation levels for all aspects of the business;
- Management meetings are carried out by the Group Managing Director together with Operations Heads and the Finance Department to identify, discuss and resolve operational, financial and key management issues. Reviews are also conducted to ensure that actual performance is in compliance with the agreed targets set by the Group Managing Director and that corrective actions are taken to rectify any discrepancies in a timely and effective manner;
- Regular and comprehensive information is provided to management, covering financial performance and key business indicators, such as average collection term given to customers, average inventory holding days and cash flow performance;
- Quarterly monitoring of results by the Board of Directors, with major variances being followed up and actions taken by the management, where necessary; and
- The systems of internal controls are monitored internally by the Group Managing Director and the Finance Department.

The Group's system of internal controls does not apply to Associated Companies where the Group does not have full management and control over their operations. However, the Group's interest is served through representation on the boards of these associated companies and the boards meet regularly to discuss and review the financial performance of these associated companies when necessary. The management of the Company also receives and reviews information on the financial performance of these entities on a regular basis with the objective of safeguarding the investment of the Group.

### CONCLUSION

No significant internal control weaknesses were identified during the financial year under review that may have resulted in any material losses or uncertainties that would require disclosure in the Group's annual report. The Board and Management will continue to take appropriate measures to strengthen the control environment, as and when required.

This Statement has been reviewed by the external auditors in compliance with Paragraph 15.23 of BMSB Main Market Listing Requirements. Based on their review, the external auditors Messrs. Moore Stephens AC have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of the internal controls of the Group.

# Reports And Financial Statements

For The Year Ended 30 November 2009

- 24 DIRECTORS' REPORT
- 28 STATEMENT BY DIRECTORS
- 28 STATUTORY DECLARATION
- 29 INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
- 31 BALANCE SHEETS
- 33 INCOME STATEMENTS
- 34 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
- 35 STATEMENT OF CHANGES IN EQUITY
- 36 CASH FLOW STATEMENT
- 39 NOTES TO THE FINANCIAL STATEMENTS

# DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 30 November 2009.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services. The principal activities of the subsidiary companies are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the year other than those arising from the disposal of a subsidiary company as indicated in Note 34 to the financial statements.

## RESULTS

	<b>Group RM</b>	<b>Company RM</b>
Profit for the year	2,772,652	2,082,021
Attributable to:-		
Equity holders of the Company	2,717,610	
Minority interests	55,042	
	<u>2,772,652</u>	

## DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year and the Directors do not recommend any dividend payment for the current financial year.

## RESERVES AND PROVISIONS

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

## BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and, the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off as bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

## CURRENT ASSETS

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

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

# DIRECTORS' REPORT (continued)

## VALUATION METHODS

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

## CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person, or
- (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

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

## CHANGE OF CIRCUMSTANCES

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

## ITEMS OF AN UNUSUAL NATURE

In the opinion of the Directors:-

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## ISSUE OF SHARES

During the financial year, no new issue of shares was made by the Company.

## DIRECTORS OF THE COMPANY

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

TUNKU DATO' SERI KAMEL BIN TUNKU RIJALUDIN  
KOID HUN KIAN  
NG AH CHONG  
SIOW HOCK LEE  
WONG TUCK KUAN  
CHANG PAK HING

# DIRECTORS' REPORT (continued)

The interest of the Directors in office as at the end of the financial year in the shares of the Company and its subsidiary companies during the financial year according to the registers required to be kept under Section 134 of the Companies Act, 1965 are as follow:-

	Number of Ordinary Shares of RM1 each			
	At 1.12.08	Bought	Sold	At 30.11.09
<b>Interest in the Company</b>				
<b>Direct interest</b>				
Koid Hun Kian	6,679,899	2,587,400	-	9,267,299
Ng Ah Chong	1,066,666	-	-	1,066,666
Siow Hock Lee	65,333	-	-	65,333
Wong Tuck Kuan	61,666	-	-	61,666
<b>Indirect interest</b>				
Koid Hun Kian *	5,000	434,000	-	439,000
Ng Ah Chong *	55,300	-	-	55,300
Siow Hock Lee *	33,333	-	-	33,333
<b>Being shares held through a company in which the Director is deemed interested</b>				
Koid Hun Kian	3,217,937	-	-	3,217,937

\* Pursuant to Section 134(12)(c) of the Companies Act, 1965 on disclosure of interests held by spouse.

By virtue of his interest in the shares of the Company, Koid Hun Kian is also deemed interested in the shares of the subsidiary companies to the extent the Company has an interest.

In accordance with Article 80 of the Company's Articles of Association, Tunku Dato' Seri Kamel Bin Tunku Rijaludin and Ng Ah Chong retire by rotation at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than the benefits included in the aggregate amount of remuneration received or due and receivable by the directors and the estimated value of benefit-in-kind shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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

## SIGNIFICANT EVENTS

Significant events arising during the financial year are disclosed in Note 41 to the financial statements.

# **DIRECTORS' REPORT** (continued)

## **AUDITORS**

The auditors, Messrs. Moore Stephens AC., have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 18 March 2010.

**TUNKU DATO' SERI KAMEL BIN TUNKU RIJALUDIN**

**KOID HUN KIAN**

# STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, Tunku Dato' Seri Kamel bin Tunku Rijaludin and Koid Hun Kian, being two of the Directors of the AMTEL HOLDINGS BERHAD, do hereby state that in the opinion of the Directors, the accompanying financial statements as set out on pages 31 to 81, are drawn up in accordance with the Companies Act, 1965 and the Financial Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 November 2009 and of the results and the cash flows of the Group and of the Company for the year ended on that date.

Signed on behalf of the Board of Directors in accordance with their resolution dated 18 March 2010.

**TUNKU DATO' SERI KAMEL BIN TUNKU RIJALUDIN**

**KOID HUN KIAN**

# STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Koid Hun Kian, being the Director primarily responsible for the financial management of the AMTEL HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements as set out on pages 31 to 81, are to the best of my knowledge and belief, 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 at  
Puchong in the state of Selangor Darul Ehsan  
On 18 March 2010

Before me

**KOID HUN KIAN**

Cheong Lak Hoong (B-232)  
Commissioner for Oaths



# INDEPENDENT AUDITORS' REPORT

To The Members Of Amtel Holdings Berhad  
(Incorporated in Malaysia)

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of AMTEL HOLDINGS BERHAD., which comprise the balance sheets as at 30 November 2009, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes as set on pages 31 to 81.

## DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## AUDITORS' RESPONSIBILITY

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

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

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

## OPINION

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and 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 of 30 November 2009 and of its financial performance and cash flows for the financial year then ended.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the Act.
- b) We have considered the accounts and the auditor's report of the subsidiary 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 subsidiaries 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 subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

# INDEPENDENT AUDITORS' REPORT

To The Members Of Amtel Holdings Berhad  
(Incorporated in Malaysia) (continued)

## 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.

### MOORE STEPHENS AC

Chartered Accountants  
AF 001826

### AU TAI WEE

1551/01/11 (J)  
Partner

Kuala Lumpur  
18 March 2010

# BALANCE SHEETS

As at 30 November 2009

ASSETS	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
<b>Non-current assets</b>					
Property, plant and equipment	4	2,843,971	3,628,843	10,713	7,512
Prepaid land lease payments	5	31,224	964,358	-	-
Investment in subsidiary companies	6	-	-	26,040,207	27,401,509
Interest in associated companies	7	73,051	4,489,321	-	4,477,250
Intangible assets	8	506,939	697,040	-	-
Other investments	9	5,035,742	2,478,238	2,322,086	331,618
Other receivables	15	983,650	-	983,650	-
Investment properties	10	13,514,280	13,514,280	-	-
Deferred tax assets	11	900,000	854,000	-	-
		<b>23,888,857</b>	26,626,080	<b>29,356,656</b>	32,217,889
<b>Current assets</b>					
Inventories	12	2,749,305	4,226,856	-	-
Short term investments	13	426,996	219,600	-	-
Trade receivables	14	11,977,722	7,315,597	-	-
Other receivables, deposits and prepayments	15	2,379,700	663,052	1,111,271	11,879
Tax assets	16	57,311	111,128	2,746	2,746
Amount owing by subsidiary companies	17	-	-	4,506,617	4,403,400
Amount owing by associated companies	18	538,436	696,941	32,011	12,429
Cash deposits with licensed banks	19	3,706,074	3,526,136	-	-
Cash and bank balances		2,004,404	1,911,345	10,586	23,010
		<b>23,839,948</b>	18,670,655	<b>5,663,231</b>	4,453,464
Non-current assets held for sale	20	2,155,526	2,155,526	-	-
		<b>25,995,474</b>	20,826,181	<b>5,663,231</b>	4,453,464
<b>TOTAL ASSETS</b>		<b>49,884,331</b>	47,452,261	<b>35,019,887</b>	36,671,353

# BALANCE SHEETS

As at 30 November 2009 (continued)

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	21	49,277,066	49,277,066	49,277,066	49,277,066
Reserves		(15,780,447)	(18,498,057)	(22,493,872)	(24,575,893)
<b>Equity attributable to equity holders of the Company</b>					
		33,496,619	30,779,009	26,783,194	24,701,173
Minority interests		654,951	740,431	-	-
		<b>34,151,570</b>	<b>31,519,440</b>	<b>26,783,194</b>	<b>24,701,173</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Hire purchase payables	22	846,699	249,950	-	37,988
Term loans	23	-	1,416,000	-	-
Deferred tax liabilities	24	12,876	12,307	-	-
		<b>859,575</b>	<b>1,678,257</b>	<b>-</b>	<b>37,988</b>
<b>Current liabilities</b>					
Trade payables	25	6,413,111	4,495,821	-	-
Other payables, deposits and accruals	26	3,927,254	3,310,203	202,964	193,930
Amount owing to subsidiary companies	17	-	-	7,937,468	11,601,475
Provisions	27	826,318	720,942	96,261	82,415
Bank borrowings	28	3,213,385	5,393,989	-	-
Hire purchase payables	22	219,081	143,275	-	54,372
Tax liabilities		274,037	190,334	-	-
		<b>14,873,186</b>	<b>14,254,564</b>	<b>8,236,693</b>	<b>11,932,192</b>
<b>Total liabilities</b>		<b>15,732,761</b>	<b>15,932,821</b>	<b>8,236,693</b>	<b>11,970,180</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>49,884,331</b>	<b>47,452,261</b>	<b>35,019,887</b>	<b>36,671,353</b>

The annexed notes from an integral part of, and should be read in conjunction with, these financial statements.

# INCOME STATEMENTS

For the year ended 30 November 2009

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Operating revenue	29	<b>55,525,614</b>	41,353,835	<b>976,147</b>	1,264,246
Cost of sales	30	<b>(43,112,113)</b>	(32,424,226)	-	-
<b>Gross profit</b>		<b>12,413,501</b>	8,929,609	<b>976,147</b>	1,264,246
Other operating revenue		<b>830,943</b>	807,132	<b>3,729,631</b>	12,363
Distribution costs		<b>(1,409,836)</b>	(1,391,036)	-	-
Administrative costs		<b>(5,279,691)</b>	(5,081,518)	<b>(967,743)</b>	(915,480)
Other operating costs		<b>(3,012,040)</b>	(6,304,944)	<b>(1,653,625)</b>	(24,816,668)
		<b>(9,701,567)</b>	(12,777,498)	<b>(2,621,368)</b>	(25,732,148)
<b>Profit/(Loss) from operations</b>		<b>3,542,877</b>	(3,040,757)	<b>2,084,410</b>	(24,455,539)
Finance costs		<b>(559,351)</b>	(679,523)	<b>(2,389)</b>	(7,332)
		<b>2,983,526</b>	(3,720,280)	<b>2,082,021</b>	(24,462,871)
Share of associated companies' results		<b>60,980</b>	(748,712)	-	-
<b>Profit/(Loss) before taxation</b>	31	<b>3,044,506</b>	(4,468,992)	<b>2,082,021</b>	(24,462,871)
Taxation	32	<b>(271,854)</b>	(66,426)	-	-
<b>Profit/(Loss) for the year</b>		<b>2,772,652</b>	(4,535,418)	<b>2,082,021</b>	(24,462,871)
Attributable to:-					
Equity holders of the Company		<b>2,717,610</b>	(4,484,718)		
Minority interests		<b>55,042</b>	(50,700)		
		<b>2,772,652</b>	(4,535,418)		
<b>Earnings per share attributable to equity holders of the Company</b>					
Profit/(Loss) per ordinary share (sen)	33	<b>5.51</b>	(9.10)		

The annexed notes from an integral part of, and should be read in conjunction with, these financial statements.

# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 November 2009

## Attributable to Equity Holders of the Company

	Share Capital RM	Non- Distributable Share Premium RM	Accumulated Losses RM	Sub-total RM	Minority Interests RM	Total Equity RM
<b>At 1.12.07</b>	49,277,066	4,798,840	(18,788,004)	35,287,902	791,131	36,079,033
Shares issue expenses *	-	(24,175)	-	(24,175)	-	(24,175)
Loss for the year	-	-	(4,484,718)	(4,484,718)	(50,700)	(4,535,418)
Total recognised expenses for the year	-	(24,175)	(4,484,718)	(4,508,893)	(50,700)	(4,559,593)
<b>At 30.11.08</b>	49,277,066	4,774,665	(23,272,722)	30,779,009	740,431	31,519,440
Acquisition from minority interests	-	-	-	-	(140,522)	(140,522)
Profit for the year	-	-	2,717,610	2,717,610	55,042	2,772,652
Total recognised expenses for the year	-	-	2,717,610	2,717,610	(85,480)	2,632,130
<b>At 30.11.09</b>	49,277,066	4,774,665	(20,555,112)	33,496,619	654,951	34,151,570

\* Expense recognised directly in equity.

The annexed notes from an integral part of, and should be read in conjunction with, these financial statements.

# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 November 2009

	Share Capital RM	Non- Distributable Share Premium RM	Accumulated Losses RM	Total Equity RM
<b>At 1.12.07</b>	49,277,066	4,798,840	(4,887,687)	49,188,219
Shares issue expenses *	-	(24,175)	-	(24,175)
Loss for the year	-	-	(24,462,871)	(24,462,871)
Total recognised expenses for the year	-	(24,175)	(24,462,871)	(24,487,046)
<b>At 30.11.08</b>	49,277,066	4,774,665	(29,350,558)	24,701,173
Profit for the year	-	-	2,082,021	2,082,021
Total recognised income for the year	-	-	2,082,021	2,082,021
<b>At 30.11.09</b>	49,277,066	4,774,665	(27,268,537)	26,783,194

\* Expense recognised directly in equity.

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



# CASH FLOW STATEMENT

For the year ended 30 November 2009

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
<b>Cash Flows from Operating Activities</b>					
Profit/(Loss) before taxation		3,044,506	(4,468,992)	2,082,021	(24,462,871)
Adjustments for:-					
Amortisation of intangible assets		190,101	190,100	-	-
Amortisation of prepaid land lease payments		13,207	28,108	-	-
Bad debts written off		15,193	83,470	-	5,036
Depreciation of property, plant and equipment		683,128	534,249	6,534	58,237
Inventories written down		-	51,408	-	-
Inventories written off		12,941	-	-	-
Property, plant and equipment written off		178,222	-	-	-
Net provision for employee benefits		(4,365)	31,792	13,846	(4,460)
Net provision for warranty costs		109,741	226,096	-	-
(Reversal of)/Write down of short term investment		(198,810)	253,065	-	-
Allowance for doubtful debts due from subsidiary companies		-	-	155,000	14,734,665
Reversal of allowance for doubtful debts		(21,476)	(30,849)	-	-
Impairment loss on investment in subsidiary companies		-	-	500,000	7,239,166
Impairment loss on investment in associated companies		-	4,119,949	-	2,492,751
Waiver of debt from a subsidiary company		-	-	(3,691,631)	-
Unrealised (gain)/loss on foreign exchange		(5,459)	22,846	-	-
Gain on disposal of property, plant and equipment		(153,129)	(53,799)	(38,000)	-
Gain on disposal of leasehold land		(54,943)	-	-	-
Loss/(Gain) on disposal of investment in a subsidiary company		66,700	786	660,964	(12,353)
Interest expenses		508,346	617,993	1,998	6,975
Interest income		(135,589)	(200,583)	-	-
Dividend revenue		(26,548)	(29,920)	(23,017)	(24,076)
Share of results of associated companies		(60,980)	748,712	-	-
Operating profit/(loss) before working capital changes carried down		4,160,786	2,124,431	(332,285)	33,070

# CASH FLOW STATEMENT

For the year ended 30 November 2009 (continued)

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Operating profit/(loss) before working capital changes brought down		4,160,786	2,124,431	(332,285)	33,070
Decrease/(Increase) in inventories		1,114,023	(29,611)	-	-
(Increase)/Decrease in trade and other receivables		(5,330,368)	2,387,559	(5,792)	1,790
Increase/(Decrease) in trade and other payables		2,618,948	(6,237,887)	9,034	72,524
Cash generated from/(used in) operations		2,563,389	(1,755,508)	(329,043)	107,384
Interest paid		(508,346)	(617,993)	(1,998)	(6,975)
Interest received		135,589	200,583	-	-
Income tax refunded		-	64,999	-	-
Income tax paid		(184,989)	(188,850)	-	-
Net cash generated from/(used in) operating activities		2,005,643	(2,296,769)	(331,041)	100,409
<b>Cash Flows from Investing Activities</b>					
Acquisition of short term investments		(8,586)	(472,665)	-	-
Repayment from/(Advances to) associated company		158,505	2,855	(19,582)	(2,116)
Advances to subsidiary companies		-	-	(258,217)	(1,162,900)
Acquisition of minority interests		(140,522)	-	(140,522)	-
Dividend received		26,548	29,920	23,017	24,076
Proceeds from disposal of property, plant and equipment		1,662,661	180,300	38,000	-
Proceeds from disposal of leasehold land		974,870	-	-	-
Proceeds from disposal of a subsidiary company, net of cash disposed of	34	329,051	(15,013)	340,860	12,353
Proceeds from disposal of unquoted shares in an associated company		1,200,000	-	1,200,000	-
Drawdown/(Placement) of pledged fixed deposits		210,210	(4,085)	-	-
Proceeds from disposal of other investments		-	1,023,055	-	1,867,206
Purchase of property, plant and equipment	35	(483,620)	(517,911)	(9,735)	(650)
Purchase of other investments		(1,357,504)	-	(790,468)	-
Net cash generated from investing activities carried down		2,571,613	226,456	383,353	737,969

# CASH FLOW STATEMENT

For the year ended 30 November 2009 (continued)

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Net cash generated from investing activities carried down		2,571,613	226,456	383,353	737,969
<b>Cash Flows from Financing Activities</b>					
Advances from/(Repayment to) subsidiary companies		-	-	27,624	(765,868)
Net repayment of bills payable		(250,063)	(18,500)	-	-
(Repayment of)/Proceeds from term loans		(2,751,961)	1,374,304	-	-
Payment of hire purchase payables		(497,445)	(191,965)	(92,360)	(51,213)
Share issue expenses incurred		-	(24,175)	-	(24,175)
Net proceeds from/(Repayment of) bankers' acceptances		118,126	(82,275)	-	-
Net cash (used in)/generated from financing activities		(3,381,343)	1,057,389	(64,736)	(841,256)
<b>Net increase/(decrease) in cash and cash equivalents</b>		1,195,913	(1,012,924)	(12,424)	(2,878)
Cash and cash equivalents at beginning of the year		3,146,741	4,159,665	23,010	25,888
<b>Cash and cash equivalents at end of the year</b>	36	4,342,654	3,146,741	10,586	23,010

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

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009

## 1. CORPORATE INFORMATION

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

The registered office and principal place of business of the Company is located at No. 7, Jalan PJS 7/19, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and the provision of management services. The principal activities of the subsidiary companies are set out in Note 6. There have been no significant changes in the nature of these activities during the year other than those arising from the disposal of a subsidiary company as indicated in Note 34.

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 18 March 2010.

## 2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with the Companies Act, 1965 and Financial Reporting Standards issued by the Malaysian Accounting Standards Board ("MASB").

The measurement bases applied in the presentation of the financial statement of the Group and of the Company included cost, recoverable amount and net realisable value. Estimates are used in measuring these values.

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency. All financial information presented in RM has been rounded to nearest RM, unless otherwise stated.

The preparation of financial statements of the Group and of the Company requires management to make assumptions, estimates and judgements that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Assumptions and estimates are reviewed on an ongoing basis and are recognized in the period in which the assumption or estimate is revised.

Significant areas of estimation, uncertainty and critical judgements used in applying accounting principles that have significant effect on the amount recognised in the financial statements are as follows:-

- i. Amortisation of intangible assets (Note 8) – the cost of intangible assets is amortised using on the straight line method over the assets' useful lives. Management estimates the useful lives of these intangible assets to be within 2 – 5 years of their expected benefit. The amortisation period and amortisation method are reviewed at each balance sheet date.
- ii. Deferred tax asset (Note 11) – deferred tax asset is recognised for all unutilised tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the unutilised tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax asset that can be recognised, based on the expected future financial performance of the Group.
- iii. Depreciation of property, plant and equipment (Note 4) - the cost of property, plant and equipment is depreciated using the straight line method over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 50 years. These are common life expectancies applied generally. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.
- iv. Provision of warranty costs (Note 27) – provision for warranty costs is in respect of products sold under warranty by subsidiary companies. A provision is recognised for expected warranty claims on products sold based on past experience. The assumptions used to calculate the provision for warranties were based on the sales made and warranty claims received.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 2. BASIS OF PREPARATION (cont'd)

- v. Non-current receivables (Note 15) – Non-current receivables are stated at fair value of deferred consideration which was determined by discounting all future receipts using effective interest method. Management estimates the interest rate that discounts all future receipts to the current consideration to be received from the Purchasers.

The MASB has also issued the following new and revised FRSs, Amendments to FRSs and Interpretations that have not been early adopted in preparing these financial statements:-

		<b>For financial periods beginning on or after</b>
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3	Business Combinations	1 July 2010
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 101	Presentation of Financial Statements	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 127	Consolidated and Separate Financial Statements	1 July 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2	Share-based Payments	1 July 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 132	Financial Instruments: Presentation	1 January 2010
Amendments to FRS 138	Intangible Assets	1 July 2010
Amendments to FRS 139	Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives Amendments to FRSs contained in the document entitled "Improvements to FRSs (2009)"	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 13	Customer Loyalty Programmers	1 January 2010
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15	Arrangements for the Construction of Real Estate	1 July 2010
IC Interpretation 16	Hedges of a net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010

By virtue of the exemption in FRS 4, 7 and 139, the impact of applying the respective FRSs on these financial statements upon their first adoption as required by paragraph 30(b) of FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* is not disclosed.

The adoption of the other FRSs, Amendments to FRSs and Interpretations is not expected to have any significant impact on the results and financial position of the Group and of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 3. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Consolidation

The consolidated financial statements incorporated the audited financial statements of the Company and all its subsidiary companies which are disclosed in Note 6 to the financial statements made up to the end of the financial year.

All intra-group balances, transactions and resulting unrealised profits and losses (unless cost cannot be recovered) are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

Subsidiary companies are consolidated using the purchase method, from the date of acquisition being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. The assets, liabilities and contingent liabilities assumed of a subsidiary company are measured at their fair values at the date of acquisition and these values are reflected in the consolidated financial statements. Uniform accounting policies are adopted in the consolidated financial statements for transactions and events in similar circumstances.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interest represents the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minority interests' share of the fair value of net assets at the acquisition date and the (minorities' share of) changes in the equity since then.

The consolidated financial statements are prepared on the basis that the excess of the losses attributable to minority shareholders over their equity interest will be absorbed by the Group. All profits subsequently reported by the subsidiary company will be allocated to the Group until the minority shareholders' share of losses previously absorbed by the Group has been recovered.

### (b) Subsidiary Companies

A subsidiary company is an enterprise in which the Group has the power to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Investments in subsidiary companies, which are eliminated on consolidation, are stated at cost less accumulated impairment losses, if any, in the Company's financial statements. Impairment loss is determined on individual basis.

Gains or losses arising from the disposal of an investment is determined as the difference between the estimated net disposal proceeds and the carrying amount of the investment, and is recognised in the income statement.

### (c) Associated Companies

Associated companies are entities in which the Group has significant influence and that is neither a subsidiary company nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not to have control over those policies.

Investment in associated companies is accounted for in the Group's consolidated financial statements using the equity method. The Group's investment in associated companies is recognised in the consolidated balance sheet at cost plus the Group's share of post-acquisition net results of the associated company less impairment loss, if any, determined on an individual basis. The Group's share of results of the associated company is recognised in the consolidated income statement from the date that significant influence commences until the date that significant influence ceases. Unrealised gains and losses on transactions between the Group and the associated companies are eliminated to the extent of the Group's interest in the associated company.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (c) Associated Companies (cont'd)

When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company. Consistent accounting policies are applied for transactions and events in similar circumstances.

Goodwill relating to an associated company is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the fair value of the associated company's net identifiable assets and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the results of the associated company in the period in which the investment is acquired.

Investments in associated companies are stated at cost, less impairment losses, if any, in the Company's financial statements.

On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is included in the income statement.

### (d) Intangible Assets

#### i. Goodwill

Goodwill acquired in a business combination represents the difference between the purchase consideration and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities in the subsidiary companies at the date of acquisition.

Goodwill is allocated to cash generating units and is stated at cost at balance sheet date less accumulated impairment losses, if any. Impairment test is performed annually at balance sheet date. Goodwill is also tested for impairment when any indication of impairment exists. Impairment losses recognised are not reversed in subsequent periods.

Upon the disposal of an interest in a subsidiary company, the related goodwill will be included in the computation of gain or loss on disposal of the interest in the subsidiary company in the consolidated income statement.

#### ii. Research and Development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development.

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

Development costs which are considered to have finite useful lives, are stated at cost less any impairment losses and are amortised over the expected commercial lives of the underlying products. Amortisation is provided from the commencement of the commercial production of the product on the straight line basis over a period of 2 – 5 years. Impairment is assessed whenever there is an indication of impairment. The amortisation period and method are also reviewed at each balance sheet date.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (d) Intangible Assets (cont'd)

#### iii. License Rights

License rights that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

License rights which include intellectual property, will be amortised over the estimated useful life and assessed for impairment annually and whenever there is an indication that the intangible asset may be impaired. Amortisation is provided from the commencement of the commercial production of the related product on the straight line basis over a period of 2 – 5 years. The amortisation period and amortisation method are reviewed at each balance sheet date.

### (e) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that are directly attributable to the acquisition of the asset. Subsequent costs are included in the assets' carrying amount or recognised as separate assets as appropriate, only when 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. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as and when they are incurred.

Freehold land is not depreciated and all other property, plant and equipment are depreciated to write off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rates used for this purpose are:-

Apartment and buildings	2%
Plant and machinery, factory equipment and tools	10% - 33.33%
Renovation, furniture, fixture, fittings, office equipment and electrical installation	10% - 33.33%
Motor vehicles	20%

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the income statement.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

### (f) Investment Properties

Investment properties consist of land and buildings held for long term purposes for capital appreciation or rental income or both. The Group has adopted the cost method in measuring investment property. Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land included in investment properties are not amortised.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the income statement.



# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (g) Impairment of Assets

The carrying amounts of assets other than inventories, deferred tax assets, assets arising from employee benefits and financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less cost of sales and the value in use, which is measured by reference to discounted future cash flows and is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs to. An impairment loss is recognised whenever the carrying amount of an item of assets exceeds its recoverable amount. An impairment loss is recognised as an expense in the income statement.

The reversal of impairment loss recognised on an asset, other than goodwill due to a subsequent increase in recoverable amount is restricted to the carrying amount that would have been determined (net of accumulated depreciation, where applicable) had no impairment loss been recognised in prior years. The reversal is recognised in the income statement. However, the reversal of impairment losses recognised on a revalued asset will be treated as revaluation surplus to the extent that the reversal does not exceed the amount previously held in revaluation reserve in respect of the same asset.

### (h) Non-current Assets Held for Sale

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

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

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

### (i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis. Cost includes the actual cost of materials and incidentals in bringing the inventories into store and for manufactured inventories, it also includes a portion of labour and relevant production overheads.

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

### (j) Employee Benefits

#### i. Short Term Employee Benefits

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

#### ii. Defined Contribution Plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund. Such contributions are recognised as an expense in the income statement as incurred.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (k) Foreign Currencies

#### Transactions in Foreign Currencies

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the income statement for the year.

### (l) Taxation

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on the initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting nor taxable profit or tax 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 by the balance sheet date.

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that there are sufficient taxable temporary differences relating to the same taxation authority to offset or when it is probable that future taxable profit will be available against which 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.

Additional taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

### (m) Revenue Recognition

#### i. Goods Sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

#### ii. Services

Revenue from services is recognised when the services are rendered.

#### iii. Revenue from Contracts

Revenue from contracts is recognised on the percentage of completion method when the outcome of the contracts can be reliably estimated, in the proportion which total costs incurred to date bear to the total estimated costs of the contracts.

#### iv. Rental Income

Rental income is recognised in the income statement on the straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

#### v. Dividend Income

Dividend income is recognised when the right to receive payment is established.

#### vi. Interest Income

Interest income is recognised on a time apportionment basis that reflects the effective yield of the asset.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (n) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation. The increase in the provision due to the passage of time is recognised as finance costs.

### (o) Borrowing Costs

Borrowing costs in respect of expenditure incurred on acquisition of property, plant and equipment are capitalised during the period when activities to plan, develop and construct these assets are undertaken. Capitalisation of borrowing costs ceases when these assets are ready for their intended use or sale.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

### (p) Lease Payments

#### i. Finance Leases

Assets acquired by way of hire purchase or finance lease where the Group assumes substantially all the benefits and risks of ownership are classified as property, plant and equipment.

The finance lease is capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the remaining balance. The corresponding rental obligations, net of finance charges, are included in borrowings. The finance charge is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of the estimated useful life of the asset and the lease term.

#### ii. Operating Leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on the straight-line basis over the lease period.

### (q) Due from Customer on Contract

Where the outcome of a contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total costs incurred on the contracts plus, recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (r) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

### (s) Financial Instruments

Financial instruments are classified as assets, liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to financial instruments classified as assets or liabilities are reported as expense or revenue. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

The recognised financial instruments comprise cash and cash equivalents, pledged cash deposits, trade and other receivables, trade and other payables, bank borrowings, ordinary shares and other investments. These instruments are recognised in the financial statements when contracts or contractual arrangements are entered into with the counter-parties.

The unrecognised financial instruments are financial guarantees given to subsidiary companies. The financial guarantees would be recognised as liabilities when obligations to pay the counter-parties are assessed as being probable.

#### i. Receivables

Receivables are stated at cost less allowance for doubtful debts, if any, which is the anticipated realisable values. Known bad debts are written off and specific allowance is made for those debts considered to be doubtful of collection.

Non-current receivables are stated at fair value of deferred consideration which was determined by discounting all future receipts using effective interest method. The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue in the income statement.

#### ii. Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

#### iii. Interest Bearings Bank Borrowings

Interest bearing bank borrowings which include term loans, suppliers credit financing scheme and bank overdrafts are stated at the amount of proceeds received, net of transaction costs.

#### iv. Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

#### v. Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

#### vi. Other Non-current Investments

Non-current investments other than investments in subsidiary companies, associated companies, jointly controlled entities and investment properties are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

#### vii. Short term investments

Short term investments are carried at the lower of cost and market value. Increases or decreases in the carrying amount of short term investments are recognised in the income statement. On disposal of short term investments, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land RM	Apartment and Buildings RM	Plant and Machinery, Factory Equipment and Tools RM	Renovation, Furniture, Fixture, Office Fittings, Office Equipment and Electrical Installation RM	Motor Vehicles RM	Total RM
<b>Cost</b>						
At 1.12.08	803,023	2,176,114	3,715,172	3,022,020	2,184,117	11,900,446
Additions	-	-	19,611	270,362	1,363,647	1,653,620
Disposals	-	(1,689,828)	(1,906,682)	(38,838)	(1,123,879)	(4,759,227)
Written off	-	-	(706,630)	(634,041)	-	(1,340,671)
Reclassification	-	-	(12,117)	12,117	-	-
Disposal of a subsidiary company	-	(90,100)	(339,900)	(295,376)	-	(725,376)
At 30.11.09	803,023	396,186	769,454	2,336,244	2,423,885	6,728,792
<b>Accumulated Depreciation and Impairment Losses</b>						
At 1.12.08	12,365	548,198	3,401,222	2,553,487	1,756,331	8,271,603
Charge for the year	-	19,699	47,015	358,935	257,479	683,128
Disposals	-	(510,985)	(1,836,511)	(38,293)	(863,906)	(3,249,695)
Written off	-	-	(572,858)	(589,591)	-	(1,162,449)
Reclassification	-	-	(12,117)	12,117	-	-
Disposal of a subsidiary company	-	(23,400)	(339,900)	(294,466)	-	(657,766)
At 30.11.08	12,365	33,512	686,851	2,002,189	1,149,904	3,884,821
<b>Net Book Value</b>						
At 30.11.09	790,658	362,674	82,603	334,055	1,273,981	2,843,971

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

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

Group	Freehold Land RM	Apartment and Buildings RM	Plant and Machinery, Equipment and Tools RM	Renovation, Furniture, Fixture, Fittings, Office Equipment and Electrical Installation RM	Motor Vehicles RM	Total RM
<b>Cost</b>						
At 1.12.07	803,023	2,162,914	3,885,949	2,771,368	2,125,889	11,749,143
Additions	-	13,200	27,286	327,197	410,228	777,911
Disposals	-	-	(61,459)	(29,485)	(352,000)	(442,944)
Disposal of a subsidiary company	-	-	(136,604)	(47,060)	-	(183,664)
At 30.11.08	803,023	2,176,114	3,715,172	3,022,020	2,184,117	11,900,446
<b>Accumulated Depreciation and Impairment Losses</b>						
At 1.12.07	12,365	512,658	3,513,847	2,391,849	1,801,769	8,232,488
Charge for the year	-	35,540	81,050	236,964	180,695	534,249
Disposals	-	-	(61,443)	(28,867)	(226,133)	(316,443)
Disposal of a subsidiary company	-	-	(132,232)	(46,459)	-	(178,691)
At 30.11.08	12,365	548,198	3,401,222	2,553,487	1,756,331	8,271,603
<b>Net Book Value</b>						
At 30.11.08	790,658	1,627,916	313,950	468,533	427,786	3,628,843

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

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

Company	Furniture, Fixture, Fittings and Office Equipment RM	Motor Vehicles RM	Renovation RM	Total RM
<b>Cost</b>				
At 1.12.08	90,845	639,049	63,787	793,681
Additions	9,735	-	-	9,735
Disposal	-	(639,049)	-	(639,049)
At 30.11.09	100,580	-	63,787	164,367
<b>Accumulated Depreciation and Impairment Losses</b>				
At 1.12.08	83,333	639,049	63,787	786,169
Charge for the year	6,534	-	-	6,534
Disposal	-	(639,049)	-	(639,049)
At 30.11.09	89,867	-	63,787	153,654
<b>Net Book Value</b>				
At 30.11.09	10,713	-	-	10,713
<b>Cost</b>				
At 1.12.07	90,195	639,049	63,787	793,031
Additions	650	-	-	650
At 30.11.08	90,845	639,049	63,787	793,681
<b>Accumulated Depreciation and Impairment Losses</b>				
At 1.12.07	77,755	586,390	63,787	727,932
Charge for the year	5,578	52,659	-	58,237
At 30.11.08	83,333	639,049	63,787	786,169
<b>Net Book Value</b>				
At 30.11.08	7,512	-	-	7,512

- (a) In previous financial year, certain buildings of the Group with net book value of RM1,191,644 are pledged as securities for banking facilities of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

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

(b) The property, plant and equipment under hire purchase instalment plans are as follow:-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
<b>Cost</b>				
Motor vehicles	<b>1,685,615</b>	1,221,330	-	421,838
<b>Net Book Value</b>				
Motor vehicles	<b>1,461,665</b>	425,525	-	-

## 5. PREPAID LAND LEASE PAYMENTS

	2009 RM	Group 2008 RM
At cost,		
At beginning of the year	<b>1,042,367</b>	1,042,367
Less: Disposal during the year	<b>(1,010,147)</b>	-
At end of the year	<b>32,220</b>	1,042,367
Less: Accumulated amortisation		
At beginning of the year	<b>78,009</b>	49,901
Amortisation	<b>13,207</b>	28,108
Less: Disposal during the year	<b>(90,220)</b>	-
At end of the year	<b>(996)</b>	(78,009)
	<b>31,224</b>	964,358

The leasehold land of the Group has an unexpired lease period of more than 50 years. In previous financial year, certain leasehold land is pledged as securities for banking facilities of the Group with net book value of RM932,802.



# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 6. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2009 RM	2008 RM
Unquoted shares, at cost		
At 1 December	<b>34,640,675</b>	34,640,675
Addition	<b>140,522</b>	-
Disposal	<b>(1,001,824)</b>	-
At 30 November	<b>33,779,373</b>	34,640,675
Less: Impairment loss		
At 1 December	<b>(7,239,166)</b>	-
Addition	<b>(500,000)</b>	(7,239,166)
	<b>(7,739,166)</b>	(7,239,166)
At 30 November	<b>26,040,207</b>	27,401,509

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 6. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The details of the subsidiary companies are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2009	2008	
<b>Held by the Company</b>				
Amtel Cellular Sdn. Bhd.	Malaysia	100%	100%	Distribution of navigation products and trading of electronic and telecommunications related products.
Amtel Communications Sdn. Bhd.	Malaysia	100%	100%	Import, distribution and servicing of two way radio communications products and the design, implementation and management of telecommunications projects.
Amtel Group Sdn. Bhd.	Malaysia	100%	100%	Investment holding and provision of management services to its related companies.
Ideal Move Capital Sdn. Bhd.	Malaysia	100%	100%	Money lending.
Metrarama Sdn. Bhd.	Malaysia	100%	100%	Property investment.
* Amtel Resources Sdn. Bhd.	Malaysia	100%	100%	Contractors for installation, jointing and testing of utilities, telecommunications and fibre optic cables and associated civil works.
AAV Industries Sdn. Bhd.	Malaysia	100%	50.10%	Manufacturing and assembling of electronic and telecommunications products.
Topweb Sdn. Bhd.	Malaysia	50.25%	50.25%	General trading and distribution of telecommunication products.
Amtel Technology Sdn. Bhd.	Malaysia	100%	100%	Product design, development consultancy, full turnkey product development and supplies.
Viva-World Industries Sdn. Bhd.	Malaysia	# -	100%	Manufacturing of agricultural testing products for export.
<b>Held through Amtel Communications Sdn. Bhd.</b>				
Damansara Duta Sdn. Bhd.	Malaysia	50.8%	50.8%	General trading and marketing of alternate telephony charges services.
<b>Held through Damansara Duta Sdn. Bhd.</b>				
Talk Connect Sdn. Bhd.	Malaysia	50.8%	50.8%	General trading and marketing of alternate telephony charges services.
<b>Held through Amtel Cellular Sdn. Bhd.</b>				
AmNavi Sdn. Bhd.	Malaysia	68%	68%	Geographical Information System (GIS) development and research business and related products.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 6. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

On 3 July 2009, the Company entered into a Share Sale Agreement with AE Multi Holdings Berhad for the acquisition of 499,000 ordinary shares of RM1 each representing 49.9% equity interest in AAV Industries Sdn Bhd ("AAV") for a cash consideration of RM140,522. AAV becomes a wholly-owned subsidiary of the Company upon completion of the acquisition on the same date.

\* Audited by firms of auditors other than Moore Stephens AC.

# The investment in this company was disposed of as disclosed in Note 34 to the financial statements.

## 7. INTEREST IN ASSOCIATED COMPANIES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unquoted shares, at cost	<b>4,536,352</b>	4,536,352	<b>6,970,000</b>	6,970,000
Less: Disposal during the year	<b>(2,886,139)</b>	-	<b>(4,460,800)</b>	-
Less: Transfer to other investment (Note 9)	<b>(1,623,454)</b>	-	<b>(2,509,200)</b>	-
At end of the year	<b>26,759</b>	4,536,352	-	6,970,000
Share of results of associated companies				
At beginning of the year	<b>4,072,918</b>	4,821,630	-	-
Current year share of results	<b>60,980</b>	(748,712)	-	-
Disposal during the year	<b>(2,616,070)</b>	-	-	-
Transfer to other investment (Note 9)	<b>(1,471,536)</b>	-	-	-
At end of the year	<b>46,292</b>	4,072,918	-	-
Less: Impairment loss				
At beginning of the year	<b>4,119,949</b>	-	<b>2,492,750</b>	-
Impairment during the year	-	4,119,949	-	2,492,750
Reversal arising from disposal	<b>(2,224,959)</b>	-	<b>(1,183,550)</b>	-
Transfer to other investment (Note 9)	<b>(1,894,990)</b>	-	<b>(1,309,200)</b>	-
	-	(4,119,949)	-	(2,492,750)
	<b>73,051</b>	4,489,321	-	4,477,250

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 7. INTEREST IN ASSOCIATED COMPANIES (cont'd)

The summarised financial information of the associates are as follows:

	2009 RM	2008 RM
<b>Assets and liabilities</b>		
Current assets	1,840,950	16,771,431
Non-current assets	248,681	8,267,084
Total assets	2,089,631	25,038,515
<b>Liabilities</b>		
Current liabilities	1,836,869	11,249,999
Non-current liabilities	8,814	1,948,319
Total liabilities	1,845,683	13,198,318
<b>Results</b>		
Revenue	3,100,893	19,114,252
Profit/(Loss) for the year	206,414	(1,369,806)

The associated companies are as follow:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2009	2008	
* Permata Makmur Sdn. Bhd. ("PMSB")	Malaysia	# -	50%	Manufacturer and trading in semi-processed timber.
* Amtel Networks Sdn. Bhd.	Malaysia	40%	40%	Contractors for installation, jointing and testing of utilities, telecommunications and fibre optic cables and associated civil works.
<b>Held through Amtel Cellular Sdn. Bhd.</b>				
Milan Utama Sdn. Bhd.	Malaysia	30%	30%	Trading and distribution of products, project implementation and management for telecommunication products, software, radio frequency, identification detector, navigation products and information computer technology products.

# On 5 December 2008, the Company entered into a sale and purchase agreement with Mdm. Cheah See Mooi @ Cheah Seow Lan, Mr. Ching Ngau and Mr. Ching Jze Haur ("Purchaser") for the disposal of 736,000 ordinary shares of RM1 each representing 32% equity interest in the associated company, Permata Makmur Sdn Bhd ("PMSB") for a cash consideration of RM3.6 million payable in nine (9) installments over three (3) years, the last installment being payable on 2 December 2011. The Disposal was completed on 31 December 2008.

On 27 February 2009, the Company entered into an Option Agreement with the Purchaser that grants the Company a Put Option to require the Purchaser to purchase 414,000 ordinary shares of RM1 each representing the remaining 18% equity interest still held by the Company in PMSB from the Company for a cash consideration of RM1.2 million. The remaining 18% equity interest has been transferred to other investment during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 7. INTEREST IN ASSOCIATED COMPANIES (cont'd)

On 31 March 2009, the Company's wholly-owned subsidiary companies, Amtel Cellular Sdn Bhd ("AMCSB") and Amtel Communications Sdn Bhd ("ACSB") entered into a Shares Sale Agreement whereby AMCSB acquired from ACSB the 30% equity interest in the associate company, Milan Utama Sdn Bhd comprising 18,000 ordinary shares of RM1 each for a cash consideration of RM351,000.

\* Audited by firms of auditors other than Moore Stephens AC.

## 8. INTANGIBLE ASSETS

	Group	
	2009 RM	2008 RM
<b>Cost</b>		
At 1.12.08	950,504	950,504
Addition	-	-
At 30.11.09	950,504	950,504
<b>Accumulated Amortisation</b>		
At 1.12.08	253,464	63,364
Addition	190,101	190,100
At 30.11.09	(443,565)	(253,464)
<b>Net Book Value</b>	<b>506,939</b>	697,040
	-	-

This is in respect of purchase of license rights on the Global Positioning System Software Engine and costs incurred on the development of the In-Car Navigation System.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 9. OTHER INVESTMENTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unit trusts quoted in Malaysia	<b>3,744,742</b>	2,387,238	<b>1,031,086</b>	240,618
Transferable club membership	<b>91,000</b>	91,000	<b>91,000</b>	91,000
At cost	<b>3,835,742</b>	2,478,238	<b>1,122,086</b>	331,618
Unquoted shares transferred from interest in associated companies (Note 7)				
- At cost	<b>1,623,454</b>	-	<b>2,509,200</b>	-
- Share of results of associated company	<b>1,471,536</b>	-	-	-
- Impairment loss	<b>(1,894,990)</b>	-	<b>(1,309,200)</b>	-
	<b>1,200,000</b>	-	<b>1,200,000</b>	-
	<b>5,035,742</b>	2,478,238	<b>2,322,086</b>	331,618
Market value of unit trusts	<b>3,744,742</b>	2,387,238	<b>1,031,086</b>	240,618

The Company has transferred 414,000 units of unquoted shares (representing 18% interest of investment in an associate company – Permata Makmur Sdn. Bhd.) from interest in associated companies during the financial year.

## 10. INVESTMENT PROPERTIES

	Group	
	2009 RM	2008 RM
Freehold land, at cost		
At beginning of the year	<b>12,701,041</b>	12,701,041
Less: Impairment loss	<b>(48,642)</b>	(48,642)
At end of the year	<b>12,652,399</b>	12,652,399
Land improvement costs	<b>861,881</b>	861,881
	<b>13,514,280</b>	13,514,280
Fair value	<b>14,367,176</b>	14,367,176

On 19 July 2005, a subsidiary company, Metrarama Sdn. Bhd. ("MSB") entered into a Project Management Agreement to appoint Concrete Idea Sdn. Bhd. as the project manager with respect to the subdivision of the said development land held under Lot Nos. 41, 80 and 4154-4165, Mukim 1, District of Province Wellesley Central, State of Penang into individual lots and to sell the individual lots with the necessary infrastructure to purchasers for the development of residential houses and shop/office units.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 10. INVESTMENT PROPERTIES (cont'd)

On 11 May 2006, MSB entered into a Sales and Purchase Agreement to dispose of a portion of the above mentioned investment properties as disclosed in Note 20.

The fair value of the investment property is assessed by the management based on a valuation by an independent valuer with relevant professional qualifications and experience.

## 11. DEFERRED TAX ASSETS

	Group	
	2009 RM	2008 RM
At beginning of the year	854,000	827,500
Transfer from income statement (Note 32)	46,000	26,500
At end of the year	900,000	854,000

Represented by :-

	Group	
	2009 RM	2008 RM
Deferred tax assets	900,000	869,400
Deferred tax liabilities	-	(15,400)
	900,000	854,000

This is in respect of estimated deferred tax assets/(liabilities) arising from the following temporary differences :-

	Group	
	2009 RM	2008 RM
Differences between the carrying amounts of property, plant and equipment and their tax base	12,900	(15,400)
Deductible temporary differences in respect of expenses	112,400	68,800
Unutilised tax losses	774,700	800,600
	900,000	854,000

The deferred tax assets recognised in the financial statements is in respect of unutilised tax losses which can be utilised to set-off against probable future taxable income based on profit forecast for the next three financial years.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 11. DEFERRED TAX ASSETS (cont'd)

The estimated temporary differences for which no deferred tax asset has been recognised in the financial statements are as follow:-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unutilised tax losses	<b>(10,050,032)</b>	(15,793,300)	<b>(744,200)</b>	-
Unabsorbed capital allowances	<b>(5,834,944)</b>	(2,409,500)	<b>(911,300)</b>	(901,000)
Deductible temporary differences in respect of expenses	<b>(257,096)</b>	(115,400)	<b>(91,700)</b>	(86,900)
	<b>(16,142,072)</b>	(18,318,200)	<b>(1,747,200)</b>	(987,900)

The estimated unutilised tax losses and unabsorbed capital allowances are not available for set-off within the Group.

## 12. INVENTORIES

	Group	
	2009 RM	2008 RM
At cost,		
Finished goods	<b>1,146,065</b>	1,652,318
Raw materials and consumables	<b>20,507</b>	185,080
Work-in-progress	-	54,778
	<b>1,166,572</b>	1,892,176
At net realisable value,		
Finished goods	<b>1,582,733</b>	2,334,680
	<b>2,749,305</b>	4,226,856



# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 13. SHORT TERM INVESTMENTS

	2009 RM	Group 2008 RM
Shares quoted in Malaysia, at cost		
At beginning of the year	472,665	-
Additions	8,586	472,665
At end of the year	481,251	472,665
Less: Write down to market value		
At beginning of the year	253,065	-
Reversal of write down	(198,810)	-
Written down	-	253,065
At end of the year	(54,255)	(253,065)
	<b>426,996</b>	219,600
Market value of quoted shares	<b>426,996</b>	219,600

## 14. TRADE RECEIVABLES

	2009 RM	Group 2008 RM
Trade receivables	12,325,345	6,933,621
Due from customer on contract	-	751,075
Less: Allowance for doubtful debts	(347,623)	(369,099)
	<b>11,977,722</b>	7,315,597
Due from customer on contract comprise:		
Contract costs incurred to date	1,420,000	1,248,075
Less: progress billings	(1,420,000)	(497,000)
	-	751,075

The Group's normal trade credit term is 90 days or less.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 14. TRADE RECEIVABLES (cont'd)

The foreign currency exposure profile of trade receivables is as follows:-

	Group	
	2009 RM	2008 RM
United States Dollar	1,594,317	776,858
Euro Dollar	-	85,958
Singapore Dollar	959	5,740
	<b>1,595,276</b>	868,556

Included in trade receivable of the Group is an amount owing by an associated company amounting to RM234,685 (2008 : RM497,000).

## 15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
<b>Non-current asset</b>				
Other receivables	983,650	-	983,650	-
<b>Current assets</b>				
Other receivables	1,390,184	151,063	1,101,115	221
Deposits	244,199	263,465	2,280	2,280
Prepayments	745,317	248,524	7,876	9,378
	<b>2,379,700</b>	663,052	<b>1,111,271</b>	11,879

Included in other receivables of the Group and of the Company for current financial year is an amount of RM 2,077,250 receivable from the Purchasers for the disposal of 32% equity interest in an associated company, Permata Makmur Sdn Bhd as disclosed in Note 7 to the financial statements. The amount due from Purchasers of RM2,077,250 consists of RM983,650 (due after 1 year) and RM1,093,600 (due within 1 year) respectively.

## 16. TAX ASSETS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Tax recoverable	46,886	75,374	1,446	1,446
Tax paid in advance	10,425	35,754	1,300	1,300
	<b>57,311</b>	111,128	<b>2,746</b>	2,746

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 17. AMOUNT OWING BY/ (TO) SUBSIDIARY COMPANIES

These amounts owing by/(to) subsidiary companies are non-trade in nature, unsecured, interest free, and repayable on demand in cash. The amount owing by subsidiary companies comprise:

	Company	
	2009 RM	2008 RM
Amount owing by subsidiary companies	19,396,282	19,138,065
Less: Allowance for doubtful debts		
At the beginning of the year	14,734,665	-
Addition	155,000	14,734,665
At the end of the year	(14,889,665)	(14,734,665)
	4,506,617	4,403,400

## 18. AMOUNT OWING BY ASSOCIATED COMPANIES

The amount is non-trade in nature, unsecured, interest free and repayable on demand in cash.

## 19. CASH DEPOSITS WITH LICENSED BANKS

The cash deposits with licensed banks of the Group amounting to RM1,138,396 (2008 : RM1,348,606) have been pledged as securities for bank guarantee facilities and banking facilities of the Group as disclosed in Note 28.

The effective interest rates range from 1.5% - 3.4% (2008 : 2.4% - 3.7%) per annum.

## 20. NON-CURRENT ASSETS HELD FOR SALE

	Group	
	2009 RM	2008 RM
Freehold land	2,016,318	2,016,318
Land improvement costs	139,208	139,208
	2,155,526	2,155,526

On 11 May 2006, a subsidiary company, Metrarama Sdn. Bhd. entered into a Sales and Purchase Agreement ("SPA") to dispose of the freehold land together with the land improvement costs for a cash consideration of RM3.6 million. The completion of the sale is pending the fulfilment of certain terms and conditions of the SPA by July 2010.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 21. SHARE CAPITAL

	Group/Company			
	Number of shares		Amount	
	2009 RM	2008 RM	2009 RM	2008 RM
Ordinary shares of RM1 each				
<b>Authorised</b>	<b>100,000,000</b>	100,000,000	<b>100,000,000</b>	100,000,000
<b>Issued and fully paid:</b>				
At beginning of the year/ end of the year	<b>49,277,066</b>	49,277,066	<b>49,277,066</b>	49,277,066

## 22. HIRE PURCHASE PAYABLES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Gross instalments payments	<b>1,225,207</b>	425,025	-	96,966
Less: Future finance charges	<b>(159,427)</b>	(31,800)	-	(4,606)
Total present value of hire purchase payables	<b>1,065,780</b>	393,225	-	92,360
<b>Current Liabilities</b>				
Payable within 1 year				
Gross instalments payments	<b>280,817</b>	156,585	-	58,188
Less: Future finance charges	<b>(61,736)</b>	(13,310)	-	(3,816)
Total present value of hire purchase payables	<b>219,081</b>	143,275	-	54,372
<b>Non-current liabilities</b>				
Payable after 1 year but not later than 5 years				
Gross instalments payments	<b>944,390</b>	268,441	-	38,778
Less: Future finance charges	<b>(97,691)</b>	(18,491)	-	(790)
Present value of hire purchase payables	<b>846,699</b>	249,950	-	37,988
Total present value of hire purchase payables	<b>1,065,780</b>	393,225	-	92,360

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 22. HIRE PURCHASE PAYABLES (cont'd)

The maturity profile of the hire purchase payables are as follows:-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Payable within 1 year	<b>219,081</b>	143,275	-	54,372
Payable after 1 year but not later than 2 years	<b>233,728</b>	120,130	-	37,988
Payable after 2 years but not later than 3 years	<b>248,341</b>	65,147	-	-
Payable after 3 years but not later than 4 years	<b>211,146</b>	56,391	-	-
Payable after 4 years but not later than 5 years	<b>153,484</b>	8,282	-	-
	<b>1,065,780</b>	393,225	-	92,360

The hire purchase payables of the Group and of the Company bear effective interest at rates ranging from 2.38% - 7.35% (2008 : 4.33% - 7.35%) and 6.27% (2008: 6.27%) per annum respectively.

## 23. TERM LOANS

	Group	
	2009 RM	2008 RM
<b>Secured</b>		
<b>Term Loan I</b>		
Repayable in 36 monthly instalments over a period of 3 years commencing April 2008 and bears interest at 7.25% per annum	<b>1,080,000</b>	2,784,000
<b>Term Loan II</b>		
Repayable within 6 months from the date of each drawdown commencing December 2007 and bears interest at 7.0% per annum	<b>818,106</b>	1,866,067
Balance carried down	<b>1,898,106</b>	4,650,067
Repayment more than 1 year but not more than 2 years	-	1,416,000
	-	(1,416,000)
Repayment within 1 year (Note 28)	<b>1,898,106</b>	3,234,067

The term loans facilities are secured and supported as disclosed in Note 28 to the financial statements.

The term loans bear effective interest at rates ranging from 6.1% - 8.0% (2008 : 6.1% - 8.0%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 24. DEFERRED TAX LIABILITIES

	Group	
	2009 RM	2008 RM
At beginning of the year	12,307	11,980
Transfer from income statement (Note 32)	569	327
At end of the year	<b>12,876</b>	12,307

This is in respect of estimated tax liabilities arising from temporary differences as follows:-

	Group	
	2009 RM	2008 RM
Differences between the carrying amount of property, plant and equipment and its tax base	<b>12,876</b>	12,307

## 25. TRADE PAYABLES

The normal trade credit term granted to the Group is 120 days or less (2008 : 120 days or less).

The foreign currency exposure profile of trade payables is as follows:-

	Group	
	2009 RM	2008 RM
Thai Baht	-	128,708
Australian Dollar	-	910
United States Dollar	<b>768,578</b>	987,888

Included in trade payables of the Group is an amount owing to an associated company of RM200,736 in previous financial year.

## 26. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Other payables	<b>449,351</b>	290,562	-	-
Deposits	<b>1,551,300</b>	1,619,350	-	-
Accruals	<b>1,926,603</b>	1,400,291	<b>202,964</b>	193,930
	<b>3,927,254</b>	3,310,203	<b>202,964</b>	193,930

Included in deposits is an amount of RM1,550,000 (2008 : RM1,550,000) being deposits received upon execution of the Sales and Purchase Agreement to dispose of the freehold land as disclosed in Note 20.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 27. PROVISIONS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Provision for warranty costs				
At beginning of the year	534,394	308,298	-	-
Additions	380,660	295,466	-	-
Reversals/utilisation	(270,919)	(69,370)	-	-
At end of the year	644,135	534,394	-	-
Provision for employee benefits				
At beginning of the year	186,548	154,756	82,415	86,875
Additions	174,343	197,767	32,954	32,954
Utilisation	(178,708)	(165,975)	(19,108)	(37,414)
At end of the year	182,183	186,548	96,261	82,415
	826,318	720,942	96,261	82,415

Provision for warranty cost is in respect of products sold under warranty by subsidiary companies. A provision is recognised for expected warranty claims on products sold based on past experience. Assumptions used to calculate the provision for warranties were based on the sales made and warranty claims received.

Provision for employee benefits is in respect of provision for short term accumulated compensated absences for employees.

## 28. BANK BORROWINGS

	Group	
	2009 RM	2008 RM
<b>Unsecured</b>		
Bank overdrafts (Note 36)	229,428	942,134
Bills payable	211,000	382,000
Bankers' acceptances	874,851	756,725
	1,315,279	2,080,859
<b>Secured</b>		
Term loans repayable within twelve months (Note 23)	1,898,106	3,234,067
Bills payable	-	79,063
	3,213,385	5,393,989

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 28. BANK BORROWINGS (cont'd)

The bank overdrafts, bills payable and bankers' acceptances facilities are repayable within one year, and bear interest at rates ranging from 6.15 % to 9.05% (2008 : 6.25 % to 9.75%) per annum.

These facilities together with the secured term loans facilities as mentioned in Note 23 are secured and supported by the following:-

- (a) debentures comprising fixed and floating charges over all present and future assets and undertakings of subsidiary companies;
- (b) cash deposits with licensed banks of subsidiary companies, and
- (c) a deed of assignment of all contract proceeds receivable from an associated company of a subsidiary company, under a contract for the development of Digitised Navigation Capable Maps.

## 29. OPERATING REVENUE

Operating revenue of the Group and of the Company comprise of the following:-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Sales of goods and services	<b>48,317,680</b>	34,474,560	-	-
Contract revenue	<b>5,277,760</b>	5,377,339	-	-
Commission revenue	<b>1,903,626</b>	1,472,016	-	-
Management fees	-	-	<b>953,130</b>	1,240,170
Dividend revenue	<b>26,548</b>	29,920	<b>23,017</b>	24,076
	<b>55,525,614</b>	41,353,835	<b>976,147</b>	1,264,246

## 30. COST OF SALES

Cost of sales of the Group comprise of the following:-

	Group	
	2009 RM	2008 RM
Cost of sales of goods and services	<b>39,236,492</b>	29,260,566
Contract costs	<b>3,875,621</b>	3,163,660
	<b>43,112,113</b>	32,424,226



# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 31. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation is arrived at after charging/(crediting):

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Amortisation of prepaid land lease payments	<b>13,207</b>	28,108	-	-
Amortisation of intangible assets	<b>190,101</b>	190,100	-	-
Auditors' remuneration:				
- current year	<b>72,600</b>	73,518	<b>20,000</b>	20,000
- other services	<b>5,000</b>	5,000	<b>5,000</b>	5,000
Allowance for doubtful debts due from subsidiary companies	-	-	<b>155,000</b>	14,734,665
Bad debts written off	<b>15,193</b>	83,470	-	5,036
Depreciation of property, plant and equipment	<b>683,128</b>	534,249	<b>6,534</b>	58,237
Hire of machinery	-	200	-	-
Impairment loss on investment in subsidiary companies	-	-	<b>500,000</b>	7,239,166
Impairment loss on investment in associated companies	-	4,119,949	-	2,492,751
Interest expenses	<b>508,346</b>	617,993	<b>1,998</b>	6,975
Inventories written down	-	51,408	-	-
Inventories written off	<b>12,941</b>	-	-	-
Personnel expenses (including key management personnel):				
- Contribution to Employees Provident Fund and social security contribution	<b>482,483</b>	362,912	<b>66,491</b>	70,234
- Salaries and others	<b>4,158,934</b>	3,919,280	<b>529,626</b>	577,370
Property, plant and equipment written off	<b>178,222</b>	-	-	-
Rental of premises	<b>415,087</b>	512,527	<b>75,000</b>	75,000
Waiver of debt from a subsidiary company	-	-	<b>(3,691,631)</b>	-
Net provision for employee benefits	<b>(4,365)</b>	31,792	<b>13,846</b>	(4,460)
Net provision for warranty costs	<b>109,741</b>	226,096	-	-
(Reversal of)/Write down of short term investments	<b>(198,810)</b>	253,065	-	-
Reversal of allowance for doubtful debts	<b>(21,476)</b>	(30,849)	-	-
Dividend revenue	<b>(26,548)</b>	(29,920)	<b>(23,017)</b>	(24,076)
(Gain)/Loss on foreign exchange:				
- realised	<b>16,095</b>	(200,588)	-	-
- unrealised	<b>(5,459)</b>	22,846	-	-
Gain on disposal of property, plant and equipment	<b>(153,129)</b>	(53,799)	<b>(38,000)</b>	-
Gain on disposal of leasehold land	<b>(54,943)</b>	-	-	-
Loss/(Gain) on a disposal of investment in a subsidiary company	<b>66,700</b>	786	<b>660,964</b>	(12,353)
Interest income	<b>(135,589)</b>	(200,583)	-	-
Rental income	<b>(34,050)</b>	(15,000)	-	-

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 31. PROFIT/(LOSS) BEFORE TAXATION (cont'd)

Included in personnel expenses are:

(i) Directors' remuneration

The aggregate amounts of emoluments receivable by directors of the Company during the financial year are as follows:-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Executive Directors				
- fees	<b>18,000</b>	18,000	<b>18,000</b>	18,000
- other emoluments	<b>578,056</b>	579,384	<b>474,328</b>	467,160
Independent Non-executive Directors				
- fees	<b>185,000</b>	80,000	<b>152,000</b>	80,000

The aggregate amount of emoluments receivable by directors of the subsidiary companies during the financial year are as follows:-

	Group	
	2009 RM	2008 RM
Directors of the subsidiary companies		
- fee	<b>96,000</b>	96,000
- other emoluments	<b>924,804</b>	790,460

Directors' benefits-in-kind in respect of utilisation of the Group's and of the Company's property, plant and equipment are as follows:-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Executive Directors	<b>62,366</b>	48,200	<b>30,900</b>	30,900

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 32. TAXATION

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Based on results for the year	<b>323,052</b>	129,256	-	-
Reversal of temporary differences (Note 11)	<b>(46,000)</b>	(26,500)	-	-
Origination/(Reversal) of temporary differences (Note 24)	<b>569</b>	327	-	-
	<b>(45,431)</b>	(26,173)	-	-
Over provision in prior years	<b>(5,767)</b>	(36,657)	-	-
Tax expense	<b>271,854</b>	66,426	-	-

The reconciliation from the tax amount at statutory tax rate to the Group's and the Company's tax expense are as follows:-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Profit/ (Loss) before taxation	<b>3,044,506</b>	(4,468,992)	<b>2,082,021</b>	(24,462,871)
Tax at the Malaysian statutory income tax rate of 25% (2008 : 26%)	<b>761,100</b>	(1,161,900)	<b>520,500</b>	(6,360,300)
Effects of lower tax rate for Malaysian subsidiary companies with issued and paid-up share capital of RM2.5 million and below	-	(34,600)	-	-
Tax effect of non taxable revenue	<b>(225,289)</b>	(34,700)	<b>(928,700)</b>	(9,500)
Tax effect of non-deductible expenses	<b>285,810</b>	1,568,683	<b>218,400</b>	6,419,100
Deferred tax assets not recognised during the year	<b>238,000</b>	51,800	<b>189,800</b>	-
Utilisation of previously unrecognised deferred tax assets	<b>(782,000)</b>	(286,200)	-	(49,300)
Over provision in prior years -taxation	<b>(5,767)</b>	(36,657)	-	-
Tax expense	<b>271,854</b>	66,426	-	-

The Company has an estimated unabsorbed capital allowances and unutilised tax losses of RM911,300 (2008 : RM901,000) and RM744,200 (2008 : Nil) available for set-off against future taxable profits.

The Company has an estimated balance in the tax exempt income account of RM1,639,000 (2008 : RM1,675,000) available for distribution by way of tax exempt dividend which arose from the following:-

- (i) chargeable income amounted to RM617,000 (2008 : RM653,000) of which tax had been waived in accordance with the Income Tax (Amendment) Act, 1999; and
- (ii) tax exempt dividends received amounted to approximately RM1,022,000 (2008 : RM1,022,000).

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 32. TAXATION (cont'd)

The Group has an estimated unutilised tax losses and unabsorbed capital allowances of RM16,693,800 (2008 : RM18,995,700) and RM2,289,900 (2008 : RM2,409,500) respectively, available for set-off against future taxable profits.

## 33. PROFIT/ (LOSS) PER ORDINARY SHARE (SEN)

The profit/ (loss) per ordinary share of the Group is calculated based on the profit/ (loss) after taxation and minority interests of RM2,717,610 (2008 : (RM4,484,718)) divided by the number of ordinary shares of RM1 each in issue during the year of 49,277,066 (2008 : divided by 49,277,066 weighted average number of ordinary shares of RM1 each in issue).

## 34. DISPOSAL OF A SUBSIDIARY COMPANY

In previous financial year, the Company disposed of 300,000 ordinary shares of RM1 each representing 60% equity interests in Amtel Network Sdn. Bhd. ("ANTSB") for a cash consideration of RM12,353 on 17 December 2007.

On 25 June 2009, the Company disposed of 600,000 ordinary shares of RM1 each representing 100% equity interests in Viva-World Industries Sdn. Bhd. ("VWISB") for a cash consideration of RM340,860.

### (i) Effect On Consolidated Income Statements

The effect on the consolidated results of the Group from their effective date of disposal were as follows:-

	<b>Group 2009 RM VWISB</b>
Revenue	-
Cost of sales	(45,295)
<hr/>	
Gross profit	(45,295)
Other operating revenue	67,943
Selling and distribution costs	(667)
Administrative costs	(106,692)
Other operating costs	(3,702,780)
	(3,810,139)
<hr/>	
Loss from operations	(3,787,491)
Finance costs	(78)
<hr/>	
Loss for the year	(3,787,569)
<hr/>	

In previous financial year, ANTSB was disposed of on 17 December 2007. The results of ANTSB disposed of from 1 December 2007 up to the date of disposal were not material.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 34. DISPOSAL OF A SUBSIDIARY COMPANY(cont'd)

### (ii) Effect On Consolidated Financial Positions

The financial positions of the subsidiary companies as at the effective date of disposal were as follow:-

	Group	
	2009 RM	2008 RM
	VWISB	ANTSB
Property, plant and equipments	67,610	4,973
Fixed deposit	6,249	-
Cash and bank balances	11,809	27,366
Inventories	350,587	-
Other receivables	5,347	22
Tax assets	5,224	-
Other payables and accruals	(39,266)	(9,515)
Deferred tax liability	-	(948)
Net assets of subsidiary company	407,560	21,898
Reclassified to interest in associated companies	-	(8,759)
Net cash disposed of	407,560	13,139
Loss on disposal of subsidiary company	(66,700)	(786)
Proceeds from disposal of subsidiary company	340,860	12,353
Less: Cash and bank balances of subsidiary companies disposed of	(11,809)	(27,366)
Cash flow on disposal, net of cash disposed of	329,051	(15,013)

## 35. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM1,653,620 (2008 : RM777,911) and RM9,735 (2008 : RM650) respectively which are satisfied by the following:-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Hire purchasing financing	1,170,000	260,000	-	-
Cash payments	483,620	517,911	9,735	650
	1,653,620	777,911	9,735	650

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 36. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash and bank balances	<b>2,004,404</b>	1,911,345	<b>10,586</b>	23,010
Cash deposits with licensed banks	<b>3,706,074</b>	3,526,136	-	-
Bank overdrafts (Note 28)	<b>(229,428)</b>	(942,134)	-	-
	<b>5,481,050</b>	4,495,347	<b>10,586</b>	23,010
Cash deposits with licensed banks under lien (Note 19)	<b>(1,138,396)</b>	(1,348,606)	-	-
	<b>4,342,654</b>	3,146,741	<b>10,586</b>	23,010

## 37. CONTINGENT LIABILITIES - UNSECURED

	Company	
	2009 RM	2008 RM
In respect of corporate guarantees given by the Company to financial institutions and trade creditors for banking and credit facilities granted to the subsidiary companies	<b>3,200,037</b>	6,795,212

## 38. INTER-COMPANY TRANSACTIONS

The transactions with related companies are as follows:-

	Company	
	2009 RM	2008 RM
Management fees charged to subsidiary companies	<b>(953,130)</b>	(1,240,170)
Waiver of debts from a subsidiary company	<b>(3,691,631)</b>	-
Rental of premises payable to a subsidiary company	<b>75,000</b>	75,000
Allowance for doubtful debts due from a subsidiary company	<b>155,000</b>	14,734,665

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 39. RELATED PARTY TRANSACTIONS

(i) The transactions with an associated company are as follows:-

	Group	
	2009 RM	2008 RM
Purchases from an associated company	2,659,500	1,156,500
Management fee paid to an associated company	80,763	-
Management fee received from an associated company	-	(42,961)
Sales to an associated company	-	(497,000)
Rental of premises received from an associated company	(14,800)	(9,600)
Disposal of property, plant and equipment to an associated company	(15,000)	-

Information regarding outstanding balances arising from related party transactions as at 30 November 2009 are disclosed in Notes 14, 18 and 25 to the financial statements.

(ii) Compensation of key management personnel

Key management personnel includes personnel having authority and responsibility for planning, directing and controlling the activities of the entity.

The remuneration of key management is disclosed as follows:-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Short term employee benefits	2,171,498	1,765,621	538,560	527,700
Post-employment benefit	211,118	197,102	66,491	58,578

## 40. SEGMENTAL ANALYSIS - GROUP

The primary segment reporting format is determined by business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. As the Group's businesses are solely operated in Malaysia only, geographical segment in respect of segment revenue based on geographical location of its customers is presented.

Segment results, assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing loans and expenses and tax assets, liabilities and expense.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

### Business Segments

The Group comprises the following main business segments:-

Investment holding	Investment holding and provision of management services.
Infrastructure	Contractors for installation, jointing and testing of utilities, telecommunications and fibre optic cables and associated civil works.
Manufacturing and services	Manufacturing and assembling of electronic and telecommunications products, money lending activities and GIS development and research business and related products.
Trading and distribution	Trading and distribution of navigation products, telecommunication products and accessories, the design, implementation and management of telecommunications projects, marketing of alternate telephony charges services and trading of electronic products.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 40. SEGMENTAL ANALYSIS – GROUP (cont'd)

### (a) By Business Segment

2009	Investment Holding RM	Infrastructure RM	Manufacturing and Services RM	Trading and Distribution RM	Eliminations RM	Consolidated RM
<b>Revenue</b>						
External revenue	26,548	5,277,760	4,685,101	45,536,205	-	55,525,614
Inter-segment revenue	1,277,130	-	162,038	1,320,340	(2,759,508)	-
Total revenue	1,303,678	5,277,760	4,847,139	46,856,545	(2,759,508)	55,525,614
<b>Result</b>						
Segment result	1,914,291	541,509	(3,367,082)	3,456,041	878,224	3,422,983
Gain on disposal of subsidiary company						(66,700)
Interest income						135,589
Interest expenses						(508,346)
Share of results of associated companies						60,980
Taxation						(271,854)
Net Profit after taxation						2,772,652
<b>Other Information</b>						
Segment assets	47,318,447	7,085,960	3,714,058	24,794,751	(37,765,321)	45,147,895
Interest in associated companies	-	-	-	73,051	-	73,051
Deferred tax assets	-	-	-	900,000	-	900,000
Cash deposits with licensed banks	-	3,452,043	54,031	200,000	-	3,706,074
Tax assets	9,425	-	63,873	(15,987)	-	57,311
Consolidated total assets						49,884,331



# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 40. SEGMENTAL ANALYSIS – GROUP (cont'd)

### (a) By Business Segment (cont'd)

2009	Investment Holding RM	Infrastructure RM	Manufacturing and Services RM	Trading and Distribution RM	Eliminations RM	Consolidated RM
<b>Other Information</b>						
Segment liabilities	21,818,875	1,643,526	2,163,012	15,387,244	(26,632,589)	14,380,068
Taxation	-	48,039	-	225,998	-	274,037
Deferred tax liabilities	-	12,876	-	-	-	12,876
Unallocated corporate liabilities	331,580	138,006	-	596,194	-	1,065,780
Consolidated total liabilities						15,732,761
Capital expenditure	259,842	161,683	113,368	1,118,727	-	1,653,620
Depreciation of property, plant and equipment	133,315	42,414	110,282	397,117	-	683,128
Amortisation of prepaid land lease payments	-	332	12,875	-	-	13,207
Amortisation of intangible assets	-	-	64,000	126,101	-	190,101
Reversal of allowance for doubtful debts	-	-	(1,921)	(19,555)	-	(21,476)
Bad debts written off	-	-	1,891	13,302	-	15,193
Provision/(Utilisation) for employee benefits	8,180	6,507	(12,962)	(6,090)	-	(4,365)
Provision/(Utilisation) for warranty costs	-	-	(31,232)	140,973	-	109,741
Property, plant and equipment written off	-	-	178,222	-	-	178,222

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 40. SEGMENTAL ANALYSIS – GROUP (cont'd)

### (a) By Business Segment (cont'd)

2008	Investment Holding RM	Infrastructure RM	Manufacturing and Services RM	Trading and Distribution RM	Eliminations RM	Consolidated RM
<b>Revenue</b>						
External revenue	29,920	4,129,264	3,832,276	33,362,375	-	41,353,835
Inter-segment revenue	1,969,050	-	2,794,749	517,287	(5,281,086)	-
Total revenue	1,998,970	4,129,264	6,627,025	33,879,662	(5,281,086)	41,353,835
<b>Result</b>						
Segment result	(24,850,396)	107,142	(159,452)	1,164,096	20,435,740	(3,302,870)
Interest income						200,583
Interest expenses						(617,993)
Share of results of associated companies						(748,712)
Taxation						(66,426)
Net loss for the year						(4,535,418)
<b>Other Information</b>						
Segment assets	44,161,016	5,133,865	5,389,129	16,255,875	(32,468,209)	38,471,676
Interest in associated companies	4,489,321	-	-	-	-	4,489,321
Deferred tax assets						854,000
Cash deposit with licensed banks						3,526,136
Tax recoverable and paid in advance						111,128
Consolidated total assets						47,452,261

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 40. SEGMENTAL ANALYSIS – GROUP (cont'd)

### (a) By Business Segment (cont'd)

2008	Investment Holding RM	Infrastructure RM	Manufacturing and Services RM	Trading and Distribution RM	Eliminations RM	Consolidated RM
<b>Other Information</b>						
Segment liabilities	2,004,525	1,282,344	2,084,694	4,565,487	(1,410,084)	8,526,966
Taxation						190,334
Deferred tax liabilities						12,307
Unallocated corporate liabilities						7,203,214
Consolidated total liabilities						15,932,821
Capital expenditure	350,283	2,505	50,238	374,885	-	777,911
Depreciation of property, plant and equipment	142,330	40,890	148,246	202,783	-	534,249
Amortisation of prepaid land lease payments	-	332	27,776	-	-	28,108
Amortisation of intangible assets	-	-	64,000	126,100	-	190,100
Write-back of allowance for doubtful debts	-	-	1,449	(32,298)	-	(30,849)
Bad debts written off/(recovered) (Utilisation)/provision for employee benefit	(6,798)	-	218,368	(134,898)	-	83,470
Provision for warranty costs	-	-	31,593	6,997	-	31,792
Impairment loss on investment in associated companies	4,119,949	-	82,388	143,708	-	226,096
			-	-	-	4,119,949

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 40. SEGMENTAL ANALYSIS – GROUP (cont'd)

### (a) By Business Segment (cont'd)

Inter-segment revenue of investment holding segment is in respect of fee revenue received.

All other inter-segment revenue are in respect of sales between the segments which are charged at cost plus a percentage profit mark-up.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

### (b) By Geographical Segments

Segment revenue based on geographical location of its customers are as follows:-

	2009 RM	2008 RM
Asia	55,510,295	39,706,798
Europe	15,319	1,647,037
	<b>55,525,614</b>	41,353,835

## 41. SIGNIFICANT EVENTS

- (i) On 17 April 2009, the Company via its subsidiary company, namely AAV Industries Sdn Bhd entered into a conditional Sale and Purchase Agreement with Bamboo Gate Sdn Bhd to disposed of a piece of leasehold land together with industrial building erected thereon for a total cash consideration of RM1.6 million. The Disposal was completed on 4 June 2009; and
- (ii) On 20 May 2009, the Company via its subsidiary company, namely Viva World Industries Sdn Bhd completed the sale of a piece of leasehold land together with buildings erected thereon comprising a 1 ½ storey detached light industrial factory building and a single storey detached guard house for a cash consideration of RM630,500.

## 42. FINANCIAL INSTRUMENTS

### (a) Financial Risk Management Policies

The Group is exposed to a variety of risks in the normal course of business. The Group's risk management seeks to minimize the potential adverse effects from these exposures. The management reviews and agrees policies for managing each of these risks as follows:-

#### i. Foreign currency Risk

The Group is exposed to foreign currency risk as a result of its normal trade activities when the currency denomination differs from its functional currencies. Foreign exchange exposure in transactional currencies other than functional currencies of the operating entities is kept to an acceptable level.

#### ii. Interest Rate Risk

The Group's exposure to interest rate risk relates to interest bearing financial assets and financial liabilities which include fixed deposits, staff car loans and short term deposits, loans, bank borrowings and hire purchase payables.

##### - Interest bearing financial assets

Cash deposits are short term in nature and are not held for speculative purposes but are placed to satisfy conditions for banking facilities granted to the Group, as mentioned in Note 19 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 42. FINANCIAL INSTRUMENTS (cont'd)

### (a) Financial Risk Management Policies (cont'd)

#### ii. Interest Rate Risk (cont'd)

##### - Interest bearing financial liabilities

Interests bearing financial liabilities include hire purchase payables, bank overdrafts, bills payable and term loans. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rates borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and the nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against interest rate hikes.

#### iii. Credit Risk

The Group's exposure to credit risk arises from its receivables and the maximum risk associated with recognised financial assets is their carrying amount as presented in the balance sheet.

The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit risks are minimized and monitored by dealing only with business partners with high creditworthiness.

The Group does not have any significant exposure to any individual customer.

#### iv. Market Risks

The Group's principal exposure to market risk arises from the other investment held for long term purposes. As the amount held is not significant, the exposure to market risk is minimal.

#### v. Liquidity and Cash Flow Risks

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met.

As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position.

### (b) Fair Values

The methods and assumptions used to estimate the fair values of the following classes of financial assets and liabilities are as follows:-

#### i. Cash and cash equivalents, receivables and payables

The carrying amounts approximate fair values due to the relatively short term maturity of these financial assets and liabilities.

#### ii. Quoted Investments

The fair values of quoted investments is determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

#### iii. Borrowings

The carrying amount of bank overdrafts, bills payable, and banker's acceptances approximate their fair values due to the relatively short term maturity of these financial liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

30 November 2009 (continued)

## 42. FINANCIAL INSTRUMENTS (cont'd)

### (b) Fair Values (cont'd)

#### iv. Non-current receivables

The fair value of non-current receivables is determined by discounting all future receipts of deferred consideration using effective interest method.

The fair value of hire purchase payables and fixed rate term loans are estimated using discounted cash flow analysis, based on current lending rates for similar types of lending and borrowing arrangements. The carrying amounts and fair values of these financial liabilities recognised in the balance sheet of the Group as at balance sheet date are stated as below:-

	Group		Company	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
<b>2009</b>				
<b>Financial Liabilities</b>				
- Hire purchase payables	1,065,780	1,088,991	-	-
<b>2008</b>				
<b>Financial Liabilities</b>				
- Term loans	2,784,000	2,776,834	-	-
- Hire purchase payables	393,225	392,486	92,360	91,722

The nominal/notional amount and fair value of financial instruments not recognised in the balance sheets are as follows:-

	Company	
	Nominal/ Notional Amount RM	Fair Value RM
<b>2009</b>		
Contingent liabilities	3,200,037	*
<b>2008</b>		
Contingent liabilities	6,795,212	*

\* It is not practical to estimate the fair value of the contingent liabilities reliably due to uncertainties of timing, costs and eventual outcome.

# LIST OF PROPERTIES

As at 30 November 2009

Location	Description and Existing Use	Tenure	Lease Expiry Date	Land Area/ Built-up Area (sq. feet)	Date of Acquisition/ Completion	Approximate Age of Building (Years)	Net Book Value RM
14316 Geran 10838 Mukim Sungai Petani District of Kuala Muda Kedah Darul Aman	3-storey residential link house Rent-out	Freehold	-	840/ 1,483	9.10.1995/ 31.5.1999	11	68,127
Lot No. TH B68-1 Mukim Kajang Daerah Hulu Langat Selangor Darul Ehsan	3 Storey Town House (Upper Floor) Vacant	Leasehold	Year 2101	1,191	30.10.2000/ 28.11.2001	8	90,578
Lot No. TH A85-1 Mukim Kajang Daerah Hulu Langat Selangor Darul Ehsan	3 Storey Town House (Ground Floor) Corner Lot Vacant	Leasehold	Year 2101	1,078	31.3.2002	8	142,614
Lot No. P.T. 1365 H.S. (M) 2388 Mukim Ampang Pechah Taman Bukit Bujang Kuala Kubu Bahru Selangor Darul Ehsan	Single storey semi-detached house Vacant	Leasehold	2.12.2103	3,200	21.9.2006	5	103,644
Plot No. 31, Phase 1B Kesuma Lakes C.T. 12115, Lot No. 771 Mukim of Beranang District of Ulu Langat Selangor Darul Ehsan	Bungalow land Vacant	Freehold	-	10,552	19.11.2002	-	168,717
Lot No. P.T. 2826 H.S.(D) 3168 Mukim of Bagan Serai District of Kerian Perak Darul Ridzuan	Residential land Vacant	Freehold	-	3,100	3.7.2003	-	130,571
Lot No. P.T. 2827 H.S.(D) 3169 Mukim of Bagan Serai District of Kerian Perak Darul Ridzuan	Residential land Vacant	Freehold	-	1,400	3.7.2003	-	59,002
Lot No. P.T. 2828 H.S.(D) 3170 Mukim of Bagan Serai District of Kerian Perak Darul Ridzuan	Residential land Vacant	Freehold	-	1,400	3.7.2003	-	59,002
Lot No. P.T. 2829 H.S.(D) 3171 Mukim of Bagan Serai District of Kerian Perak Darul Ridzuan	Residential land Vacant	Freehold	-	1,400	3.7.2003	-	59,002
Balance carried down							881,257

# LIST OF PROPERTIES

As at 30 November 2009 (continued)

Location	Description and Existing Use	Tenure	Lease Expiry Date	Land Area/ Built-up Area (sq. feet)	Date of Acquisition/ Completion	Approximate Age of Building (Years)	Net Book Value RM
Balance brought down							881,257
Lot No. P.T. 2830 H.S.(D) 3172 Mukim of Bagan Serai District of Kerian Perak Darul Ridzuan	Residential land Vacant	Freehold	-	1,400	3.7.2003	-	59,002
Lot No. P.T. 2831 H.S.(D) 3173 Mukim of Bagan Serai District of Kerian Perak Darul Ridzuan	Residential land Vacant	Freehold	-	1,400	3.7.2003	-	59,002
Lot No. P.T. 2832 H.S.(D) 3174 Mukim of Bagan Serai District of Kerian Perak Darul Ridzuan	Residential land Vacant	Freehold	-	1,400	3.7.2003	-	59,002
Lot No. P.T. 2833 H.S.(D) 3175 Mukim of Bagan Serai District of Kerian Perak Darul Ridzuan	Residential land Vacant	Freehold	-	1,400	3.7.2003	-	59,002
Lot No. P.T. 2834 H.S.(D) 3176 Mukim of Bagan Serai District of Kerian Perak Darul Ridzuan	Residential land Vacant	Freehold	-	1,400	3.7.2003	-	59,002
Lot No. P.T. 2835 H.S.(D) 3177 Mukim of Bagan Serai District of Kerian Perak Darul Ridzuan	Residential land Vacant	Freehold	-	1,400	3.7.2003	-	59,002
Lot No. P.T. 2836 H.S.(D) 3178 Mukim of Bagan Serai District of Kerian Perak Darul Ridzuan	Residential land Vacant	Freehold	-	1,400	3.7.2003	-	59,002
Lot No. P.T. 2837 H.S.(D) 3179 Mukim of Bagan Serai District of Kerian Perak Darul Ridzuan	Residential land Vacant	Freehold	-	1,400	3.7.2003	-	59,002
Lot No. 41, No. GM 163 Advance Certificate of Title (Perakuan Pendahuluan Mengenai Hakmilik) Seberang Perai Tengah Pulau Pinang	Commercial land Vacant	Freehold	-	43,386	23.4.1999	-	1,270,549
Balance carried down							2,623,822



# LIST OF PROPERTIES

As at 30 November 2009 (continued)

Location	Description and Existing Use	Tenure	Lease Expiry Date	Land Area/ Built-up Area (sq. feet)	Date of Acquisition/ Completion	Approximate Age of Building (Years)	Net Book Value RM
Balance brought down							2,623,822
Lot No. 80, No. GM 166 Advance Certificate of Title (Perakuan Pendahuluan Mengenai Hakmilik) Seberang Perai Tengah Pulau Pinang	Commercial land Vacant	Freehold	-	70,262	23.4.1999	-	1,810,611
Lot No. 4159 Advance Certificate of Title (Perakuan Pendahuluan Mengenai Hakmilik) Seberang Perai Tengah Pulau Pinang	Commercial land Vacant	Freehold	-	5,447	23.4.1999	-	131,685
Lot No. 4164 Advance Certificate of Title (Perakuan Pendahuluan Mengenai Hakmilik) Seberang Perai Tengah Pulau Pinang	Commercial land Vacant	Freehold	-	2,217	23.4.1999	-	57,738
Lot No. 4154, No. GM 135 Geran Mukim (First Grade) Seberang Perai Tengah Pulau Pinang	Commercial land Vacant	Freehold	-	131,642	23.4.1999	-	3,530,009
Lot No. 4155, No. GM136 Geran Mukim (First Grade) Seberang Perai Tengah Pulau Pinang	Commercial land Vacant	Freehold	-	2,142	23.4.1999	-	52,569
Lot No. 4156, No. GM 137 Geran Mukim (First Grade) Seberang Perai Tengah Pulau Pinang	Commercial land Vacant	Freehold	-	2,853	23.4.1999	-	73,459
Lot No. 4157, No. GM 138 Geran Mukim (First Grade) Seberang Perai Tengah Pulau Pinang	Commercial land Vacant	Freehold	-	38,933	23.4.1999	-	140,090
Balance carried down							8,419,983

# LIST OF PROPERTIES

As at 30 November 2009 (continued)

Location	Description and Existing Use	Tenure	Lease Expiry Date	Land Area/ Built-up Area (sq. feet)	Date of Acquisition/ Completion	Approximate Age of Building (Years)	Net Book Value RM
Balance brought down							8,419,983
Lot No. 4158, No. GM 139 Geran Mukim (First Grade) Seberang Perai Tengah Pulau Pinang	Commercial land Vacant	Freehold	-	61,376	23.4.1999	-	1,544,610
Lot No. 4160, No. GM 140 Geran Mukim (First Grade) Seberang Perai Tengah Pulau Pinang	Commercial land Vacant	Freehold	-	17,631	23.4.1999	-	443,830
Lot No. 4161, No. GM 141 Geran Mukim (First Grade) Seberang Perai Tengah Pulau Pinang	Commercial land Vacant	Freehold	-	83,097	23.4.1999	-	2,131,735
Lot No. 4162, No. GM 142 Geran Mukim (First Grade) Seberang Perai Tengah Pulau Pinang	Commercial land Vacant	Freehold	-	3,218	23.4.1999	-	83,887
Lot No. 4163, No. GM 143 Geran Mukim (First Grade) Seberang Perai Tengah Pulau Pinang	Commercial land Vacant	Freehold	-	141,876	23.4.1999	-	3,956,082
Lot No. 4165, No. GM 144 Geran Mukim (First Grade) Seberang Perai Tengah Pulau Pinang	Commercial land Vacant	Freehold	-	10,731	23.4.1999	-	274,235
<b>TOTAL</b>							<b>16,854,362</b>

# ANALYSIS OF SHAREHOLDINGS

As at 25 March 2010

Authorised Capital	:	RM100,000,000
Issued and Paid-up Capital	:	RM49,277,066
Class of Shares	:	Ordinary shares of RM1/- each
Total Number of Shares Issued	:	49,277,066
Voting Rights	:	1 vote per ordinary share
No. of Shareholders	:	3,060

## ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	% of Issued Capital
1 - 99	357	11.67	14,357	0.03
100 - 1,000	370	12.09	309,454	0.63
1,001 - 10,000	1,894	61.89	6,209,256	12.60
10,001 - 100,000	374	12.22	11,719,300	23.78
100,001 - less than 5% of issued shares	62	2.03	21,899,145	44.44
5% and above of issued shares	3	0.10	9,125,554	18.52
<b>Total</b>	<b>3,060</b>	<b>100.00</b>	<b>49,277,066</b>	<b>100.00</b>

## SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 25 MARCH, 2010

Name	No. of shares in which substantial shareholders have direct interest	%	No. of shares in which substantial shareholders are deemed to have an interest	%
Simfoni Kilat Sdn Bhd	3,217,937	6.53	-	-
Koid Hun Kian	9,116,921	18.50	3,217,937*	6.53

\* Deemed interested by virtue of his interest in Simfoni Kilat Sdn Bhd pursuant to Section 6A of the Companies Act, 1965

## DIRECTORS' SHAREHOLDINGS AS AT 25 MARCH, 2010

Name	Direct No. of shares held	%	Indirect No. of shares held	%
YM Tunku Dato' Seri Kamel bin Tunku Rijaludin	-	-	-	-
Koid Hun Kian	9,116,921	18.50	4,876,937*	9.90
Ng Ah Chong	1,066,666	2.16	55,300**	0.11
Siow Hock Lee	65,333	0.13	33,333**	0.07
Wong Tuck Kuan	61,666	0.12	-	-

\* Deemed interests by virtue of his interest in Simfoni Kilat Sdn Bhd pursuant to Section 6A of the Companies Act, 1965 and disclosure of interests held by his spouse pursuant to Section 134(12)(c) of the Companies Act, 1965.

\*\* Deemed interests pursuant to Section 134(12)(c) of the Companies Act, 1965 on disclosure of interests held by spouse.

# ANALYSIS OF SHAREHOLDINGS

As at 25 March 2010 (continued)

## TOP THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS PER THE RECORD OF DEPOSITORS AS AT 25 MARCH, 2010

Name of Shareholder	No. Shares Held	%
1. HDM Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Koid Hun Kian (M09)	3,268,888	6.63
2. AllianceGroup Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Simfoni Kilat Sdn Bhd (404537-U)	3,056,666	6.20
3. Koid Hun Kian	2,800,000	5.68
4. Mayban Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Goh Hock Leong	1,695,700	3.44
5. Tan Seow Eng	1,659,000	3.37
6. Mayban Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Koid Hun Kian	1,350,000	2.74
7. ECML Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Koid Hun Kian (MR0665)	1,180,700	2.40
8. Ng Ah Chong	1,066,666	2.16
9. Mayban Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Sin Yong Lean	883,400	1.79
10. HDM Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Lee Chye Khern (M09)	838,478	1.70
11. CitiGroup Nominees (Asing) Sdn Bhd Qualifier : UBS AG Singapore for Grandeur Worldwide Ltd	673,733	1.37
12. M.I.T Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Ng New Soon (MG0012-048)	630,500	1.28
13. M.I.T Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Ng Weng Keong (MG0011-048)	599,666	1.22
14. AllianceGroup Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Koid Hun Kian (100723)	517,333	1.05
15. Lim Tuan Guan	500,800	1.02
16. Chong Chern Shean	500,000	1.01
17. CIMSEC Nominees (Tempatan) Sdn Bhd Qualifier : CIMB Bank for Ng Weng Keong (MY0240)	482,200	0.98
18. Kenanga Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Ng New Soon	407,700	0.83
19. Tan Ah Lee	380,000	0.77

# ANALYSIS OF SHAREHOLDINGS

As at 25 March 2010 (continued)

<b>Name of Shareholder</b>	<b>No. Shares Held</b>	<b>%</b>
20. Lim Eng Chong	367,900	0.75
21. Yang Wu-Hsiung	331,500	0.67
22. Kang Koon Seng	324,800	0.66
23. Cheng Lee San	324,400	0.65
24. CIMSEC Nominees (Tempatan) Sdn Bhd Qualifier : CIMB Bank for Tan Chin Ching (MY0501)	262,000	0.53
25. HDM Nominees (Asing) Sdn Bhd Qualifier : UOB Kay Hian Pte Ltd for Tan Hian Theng	258,666	0.52
26. Chua Hock Eng	250,000	0.51
27. AllianceGroup Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Ho Tau Tai (8026951)	244,000	0.50
28. Zeito Plastics Components Sdn Bhd	225,000	0.46
29. Chew Boon Swee	220,000	0.45
30. Lee Chin Yen	220,000	0.45
Total	25,519,696	51.79

## FORM OF PROXY (Before completing this form, please see notes)

I/We \_\_\_\_\_ (NRIC No \_\_\_\_\_)

\*Pledged Securities Account for \_\_\_\_\_

of \_\_\_\_\_

being a member/members of AMTEL HOLDINGS BERHAD ("the Company"), do hereby appoint \_\_\_\_\_

\_\_\_\_\_ (NRIC No \_\_\_\_\_)

of \_\_\_\_\_

or failing whom \_\_\_\_\_

of \_\_\_\_\_

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Thirteenth (13<sup>th</sup>) Annual General Meeting of the Company to be held at Bilik Selangor, Kelab Shah Alam Selangor, No. 1A Jalan Aerobik 13/43, Persiaran Kayangan, 40704 Shah Alam, Selangor Darul Ehsan on Thursday, 27 May 2010 at 10.00 a.m. and any adjournment thereof.

My/our proxy/proxies shall vote on the Resolutions set out in the Notice of the Meeting as indicated with an "X" in the appropriate spaces herein below. If no specific direction as to the voting is given, the proxy will vote or abstain from voting at his/her discretion.

Item No.	Description of Resolution	Resolution No.	For	Against
1	Adoption of Audited Financial Statements and Reports for financial year ended 30 November, 2009	1		
2	Approval of Directors' fees	2		
3	Re-election of YM Tunku Dato' Seri Kamel bin Tunku Rijaludin as Director	3		
4	Re-election of Mr. Ng Ah Chong as Director	4		
5	Re-appointment of Auditors	5		
6	Authority to Directors to allot and issue shares	6		
7	Amendments to Articles of Association	7		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

\_\_\_\_\_  
Signature/Common Seal

\_\_\_\_\_  
No. of Shares held

Notes:

1. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. To be valid, this form, duly completed must be deposited at the Registered Office of the Company at No. 7, Jalan PJS 7/19, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the meeting or any adjournment thereof.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote for him provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointer is a corporation, this form must be executed under its common seal or under the hand of an officer or attorney duly authorised.

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Affix Stamp

**AMTEL HOLDINGS BERHAD** (409449-A)

No.7 Jalan PJS 7/19  
Bandar Sunway  
46150 Petaling Jaya  
Selangor Darul Ehsan

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