AMTEL HOLDINGS BERHAD

(409449-A)

ANNUAL REPORT 2014

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NOTICE OF THE EIGHTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting ("18th AGM") of Amtel Holdings Berhad ("AHB" or "Company") will be held at Bilik Petaling, Kelab Shah Alam Selangor, No. 1A, Jalan Aerobik 13/43, Persiaran Kayangan, 40704 Shah Alam, Selangor Darul Ehsan on Thursday, 28 May 2015 at 10.00 a.m. for the purpose of transacting the following businesses:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 November 2014 together with the Reports of the Directors and Auditors thereon. ***(Please refer to Explanatory Note 1 on Ordinary Business)***

2. To approve the Directors' fees of RM168,500.00 for the financial year ended 30 November 2014. ***(Ordinary Resolution 1)***

3. To re-elect Mr. Chang Pak Hing who retires by rotation in accordance with Article 80 of the Company's Articles of Association and who being eligible, offer himself for re-election. ***(Ordinary Resolution 2)***

4. To re-elect Ms. Tan Woon Huei who retires in accordance with Article 87 of the Company's Articles of Association and who being eligible, offer herself for re-election. ***(Ordinary Resolution 3)***

5. To re-appoint Messrs. Baker Tilly AC as Auditors of the Company and to authorise the Directors to fix their remuneration. ***(Ordinary Resolution 4)***

AS SPECIAL BUSINESS

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

6. Retention of Independent Directors

i. "**THAT** YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin be and is hereby retained as Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012." ***(Ordinary Resolution 5)***

ii. "**THAT** Mr. Siow Hock Lee be and is hereby retained as Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012." ***(Ordinary Resolution 6)***

7. Authority to Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965

"**THAT**, subject always to the Companies Act, 1965 ("the Act"), Articles of Association of the Company and/or approvals of the relevant authorities, the Directors of the Company be and are hereby authorised and empowered pursuant to Section 132D of the Act to allot and issue new shares in the Company, from time to time and upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued and paid-up share capital of the Company for the time being AND THAT the Directors be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." ***(Ordinary Resolution 7)***

8. Proposed diversification of the existing businesses of AHB and its subsidiaries to include property development

"**THAT** approval be and is hereby given to AHB and its subsidiaries to diversify its existing businesses to include property development ("Proposed Diversification") AND THAT the Directors of the Company be and are hereby authorised to give effect to the Proposed Diversification with full power to assent to any conditions, modifications, variations and/or amendments in any manner whatsoever as may be required by the relevant authorities and to take all such steps and to do all such acts, deeds and things and execute all such documents as they may deem necessary or expedient in the best interest of the Company." ***(Ordinary Resolution 8)***

9. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

LAU CHOI KING (MAICSA 7059575)
HOH YIT FOONG (LS 0018)
Secretaries

Petaling Jaya
5 May 2015

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 May 2015 shall be entitled to attend, speak and vote at this meeting.*

2. *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.*

3. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, 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 PJS 7/19, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding this meeting or adjourned meeting.*

4. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless the proportion of holdings represented by each proxy is specified.*

5. *A member shall be entitled to appoint more than one (1) proxy to attend and vote at this meeting provided that the provisions of Section 149(1)(c) of the Act are complied with.*

6. *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 one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

7. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

Explanatory Notes on Ordinary Business:

1. *This Agenda item is meant for discussion only as the provision of Section 169(1) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.*

2. *Details of the Directors standing for re-election under Ordinary Resolution 2 and 3 are stated in the Profile of Directors on pages 7 to 9 of this Annual Report. Their securities holdings in the Company are stated on page 111 of this Annual Report.*

Explanatory Notes on Special Business:

1. Ordinary Resolution 5 and 6 – Retention of Independent Directors

The Nomination Committee has assessed the independence of the following Directors, who have served as an Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years, and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

<u>Ordinary Resolution 5 : YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin</u>

i) He has confirmed and declared that he is an Independent Director as defined in the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities");
ii) He does not have any conflict of interest with the Company and has not been entering/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies;
iii) He has been with the Company for more than nine (9) years with incumbent knowledge of the Company and the Group's activities and corporate history; and
iv) He has performed his duty diligently and in the best interest of the Company and provides a broader view, independent and balanced assessment of proposals from the management.

<u>Ordinary Resolution 6 : Mr. Siow Hock Lee</u>

i) He has confirmed and declared that he is an Independent Director as defined in the Listing Requirements of Bursa Securities;
ii) He does not have any conflict of interest with the Company and has not been entering/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies;
iii) He has been with the Company for more than nine (9) years with incumbent knowledge of the Company and the Group's activities and corporate history; and
iv) He has performed his duty diligently and in the best interest of the Company and provides a broader view, independent and balanced assessment of proposals from the management.

2. Ordinary Resolution 7 – Authority to Directors to allot and issue shares pursuant to Section 132D of the Act

The Company had at its 17th Annual General Meeting ("AGM") held on 29 May 2014 obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 132D of the Act. The Company did not issue any shares pursuant to this mandate as at the date of this notice.

The proposed Ordinary Resolution 7 is a renewal of the general mandate for issuance of shares by the Company. This resolution, if passed, will empower the Directors, from the date of the 18th AGM until the next AGM to allot and issue new shares of the Company up to an amount not exceeding in total 10% of the issued and paid-up share capital of the Company for the time being and for such purposes as the Directors consider would be in the best interests of the Company. This would avoid any delay and cost involved in convening a general meeting to specifically approve the aforesaid. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

The mandate will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment(s), acquisition(s) and/or working capital.

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 utilization of proceeds arising therefrom.

3. Ordinary Resolution 8 – Proposed diversification of the existing businesses of AHB and its subsidiaries to include property development

The proposed Ordinary Resolution 8 if passed, will diversify the existing businesses of AHB and its subsidiaries to include property development ("Proposed Diversification"). Further details on the Proposed Diversification are provided in the Circular to Shareholders dated 5 May 2015.

CORPORATE INFORMATION

BOARD OF DIRECTORS

YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin
Independent Non-Executive Chairman

Dato' Koid Hun Kian
Group Managing Director

Ms. Tan Woon Huei
Non-Independent Executive Director

Mr. Chang Pak Hing
Independent Non-Executive Director

Mr. Siow Hock Lee
Independent Non-Executive Director

COMPANY SECRETARIES

Ms. Lau Choi King (MAICSA 7059575)
Ms. Hoh Yit Foong (LS 0018)

AUDITORS

Baker Tilly AC (AF001826)
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel : (603) 2297 1000
Fax : (603) 2282 9980

REGISTERED OFFICE

No. 7, Jalan PJS 7/19
Bandar Sunway
47500 Subang Jaya
Selangor Darul Ehsan
Tel : (603) 5632 2449
Fax : (603) 5637 0042

SHARE REGISTRARS

Tricor Investor Services Sdn Bhd
Level 17, The Gardens
North Tower, Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : (603) 2264 3883
Fax : (603) 2282 1886

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

WEBSITE ADDRESS

www.amtel.com.my

GROUP CORPORATE STRUCTURE

AMTEL HOLDINGS BERHAD

Information & Communication Technology

- Amtel Cellular Sdn. Bhd. *100%*
  - Amnavi Sdn. Bhd. *85%*
  - Amtel Pte. Ltd. *70%*
  - Milan Utama Sdn. Bhd. *35%*
- Amtel Communications Sdn. Bhd. *100%*

Telecommunications, Infrastructure & Services

- Amtel Resources Sdn. Bhd. *100%*
  - Amtel Networks Sdn. Bhd. *30%*

Property Development

- Mewah Amanjaya Sdn. Bhd. *100%*

Others

- Amtel Group Sdn. Bhd. 100%
- Metrarama Sdn. Bhd. 100%
- AAV Industries Sdn. Bhd. 100%
- Amtel Technology Sdn. Bhd. 100%
- Topweb Sdn. Bhd. 100%

YTM. TUNKU DATO' SERI KAMEL BIN TUNKU RIJALUDIN
(Independent Non-Executive Chairman)

YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin, a Malaysian aged 61, was appointed as Independent Non-Executive Chairman of AHB 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 Committee and Remuneration Committee of AHB.

YTM. 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 Velayors 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 broking 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. He also sits on the Board of other private limited companies.

He does not have any family relationship with any director and/or major shareholder of AHB, nor has he any conflict of interest with AHB. He has no convictions for any offences within the past ten (10) years other than traffic offences.

DATO' KOID HUN KIAN
(Group Managing Director)

Dato' Koid Hun Kian, a Malaysian aged 58, is the Group Managing Director of AHB. He was first appointed to the Board on 31 July 1997 and is a member of the Remuneration Committee of AHB.

Dato' Koid is a qualified accountant by profession, having admitted as a member of the Association of Chartered Certified Accountants (United Kingdom) since 1985 and he is a member of Malaysian Institute of Accountants. He has wide experience in audit, telecommunications, manufacturing, trading and Information and Communications Technology (ICT) industries. Prior to joining AHB, he was attached to various public accounting firms and a company involved in investment holding, management services and the trading of telecommunications equipment.

He does not have any family relationship with any director and/or major shareholder of AHB, nor has he any conflict of interest with AHB, except that he is a substantial shareholder of AHB and Simfoni Kilat Sdn. Bhd., which is also a substantial shareholder of AHB. He has no convictions for any offences within the past ten (10) years other than traffic offences.

MR. SIOW HOCK LEE
(Independent Non-Executive Director)

Mr. Siow Hock Lee, a Malaysian aged 58, is an Independent Non-Executive Director of AHB. He has been a Director of AHB since its incorporation on 9 November 1996. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of AHB.

Mr. Siow is a member of the Association of Chartered Certified Accountants (United Kingdom) and Malaysian Institute of Accountants since 1985 and 1986 respectively. He has more than thirty (30) years' experience working as a professional accountant in public practice.

Mr. Siow is presently an independent non-executive director of Caely Holdings Berhad and Green Ocean Corporation Berhad, both are public companies listed on the Main Market and ACE Market of Bursa Securities respectively.

He also sits on the Board of MyKRIS Limited which is listed on the New Zealand Alternative Market of the New Zealand Exchange Limited as an independent non-executive director.

He does not have any family relationship with any director and/or major shareholder of AHB, nor has he any conflict of interest with AHB. He has no convictions for any offences within the past ten (10) years other than traffic offences.

MR. CHANG PAK HING
(Independent Non-Executive Director)

Mr. Chang Pak Hing, a Malaysian aged 67, is an Independent Non-Executive Director of AHB. He was first appointed to the Board on 21 January 2009. He is the Chairman of the Nomination Committee and a member of the Audit Committee of AHB.

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.

He does not have any family relationship with any director and/or major shareholder of AHB, nor has he any conflict of interest with AHB. He has no convictions for any offences within the past ten (10) years.

MS. TAN WOON HUEI
(Non-Independent Executive Director)

Ms. Tan Woon Huei, a Malaysian aged 53, is a Non-Independent Executive Director of AHB. She was first appointed to the Board on 25 August 2014. She is also the Group General Manager of AHB.

Ms. Tan graduated with a Bachelor of Business Administration degree from University of Acadia, Canada in 1983. She joined as General Manager of Amtel Cellular Sdn. Bhd. ("AMCSB"), a major subsidiary of AHB engaged in the sales and marketing of telematics products in 2000 and became a director of AMCSB in 2002. Ms. Tan has more than twenty (20) years of working experience in marketing and distribution of telecommunications and office automation products. Prior to joining AMCSB, she has worked in senior management positions with companies involved in the trading of major brands of cellular handphones and office equipments.

She does not have any family relationship with any director and/or major shareholder of AHB, nor has she any conflict of interest with AHB. She has no convictions for any offences within the past ten (10) years other than traffic offences.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors ("Board"), I am pleased to present to you the Annual Report and the Audited Financial Statements of Amtel Holdings Berhad for the financial year ended 30 November 2014 ("FYE 2014").

INDUSTRY OVERVIEW

The Malaysian automotive industry achieved a Total Industry Volume of 666,465 units according to reports published by the Malaysian Automotive Association ("MAA"). Although the performance was higher than 2013, the growth of 1.6% achieved was much lower than the two preceding years of 4.6% and 4.5% respectively. For the first time, the collective market share of the non-national makes in the country attained 53% surpassing those of the national makes accounting for only 47%.

2014 also saw aggressive promotions among automakers on "non-frills" cars as a temporary measure to bring down car prices (while working on cost down exercises with vendors) to gain market share, especially during the 1st half of the year.

As a result, the Group ended FYE 2014 with lower contributions as it continued to focus in its core business of distributing various Telematics and mapping products under the ICT segment. The performance was also within expectation. ICT segment experienced a slowdown in sales in the first three financial quarters. However sales recovered towards the last quarter of FYE 2014, following the roll out of new car models that are fitted with our Telematics and mapping products.

FINANCIAL RESULTS

For FYE 2014, the Group recorded a turnover of RM32.0 million, approximately 21% lower compared to the preceding financial year of RM40.4 million amidst a challenging market environment. The overall drop in revenue was attributed to the slowdown in sales of certain Telematics & mapping products. In tandem with the drop in turnover, the Group ended with a lower profit before tax of RM1.2 million for the current year under review as compared to RM1.9 million for the preceding financial year. This is despite the gain of RM2.3 million from the disposal of the Group's real property.

The Group continued to maintain a healthy statement of financial position with minimum gearing throughout the year. In FYE 2014, the Group's total equity stood at RM43.4 million and net assets per share was 88.1 sen as compared to RM44.8 million and 90.9 sen achieved in the previous financial year.

REVIEW OF PERFORMANCE

Information & Communication Technology ("ICT") Segment

Despite lower turnover and profit before tax reported in FYE 2014, the ICT segment remained as the Group's main revenue earner and contributed approximately 83% of total group revenue. The drop in overall performance was due to the decrease in the sales of certain Telematics and mapping products by a subsidiary and the start-up costs incurred by a foreign subsidiary in its first year of operations.

Telecommunications, Infrastructure and Services Segment

In FYE 2014, the subsidiary engaged in the installation of fibre optic cables and civil works reported increased turnover and lower loss due to higher progress billings from certain projects that were completed during the current financial year. The loss posted is within expectation due to start-up costs incurred on new projects undertaken during the current year.

Others Segment

Profit achieved during the current year was largely attributed to the gain on disposal of the three storey building located at Glenmarie, Shah Alam. The Group realised a gain before tax of RM2.3 million from the disposal of the property. The disposal has provided the Group with funds to finance new business expansion and to cater for its future growth.

DIVIDEND

The Board does not recommend the payment of any dividend for FYE 2014.

BUSINESS OUTLOOK AND FUTURE PROSPECTS

The global economy is expected to remain challenging with a number of advanced economies in major countries continuing its struggle to overcome problems of low growth, high unemployment, declining crude oil prices and systemic financial risks.

The Malaysian economy is expected to face even greater challenges arising from the declining global economic outlook, weakening ringgit, government's cooling measures on property market, tighter lending policies and the uncertainties from the impending Goods and Services Tax ("GST") implementation. However, the impact of GST on consumer sentiment is anticipated to be short lived.

BUSINESS OUTLOOK AND FUTURE PROSPECTS (Cont'd)

Overall, the Group is still positive with new projects expected in 2015 within the ICT segment. MAA forecast a growth of 2% for 2015 with vehicle registration expecting to reach 680,000 units. National automakers who commands up to almost half of the local vehicle market size believes that consumers tends to downgrade or shift to cars with lower engine capacities during challenging environment. This same sentiment is shared by AmResearch, an investment research company that provides research reports focusing on industries studies, equity strategies, forecasts of economic and financial developments, charting and portfolio strategies. In addition, the government's Economic Transformation Programme would continue to contribute to the growth of the local economies.

Nevertheless, the Board expects the operating environment for the Group's business to remain challenging in the coming financial year and has embarked on various strategic plans with the objective of enhancing shareholders' value and to achieve a sustainable growth in the Group's revenue and profit contribution in the long run. The continuity of work improvement programme and cost control measures will also allow the Group to derive a better cost efficiency and effective cost management across all its operational processes.

For the ICT segment, focus will remain on its core activities of distribution of Telematics and mapping products and services with efforts and resources channelled towards broadening customers' base and product range to enhance its competitive edge and to remain vigilant in this competitive and dynamic industry.

As for growth and new ventures, the Company has expanded into property development activities subsequent to the financial year end, via the acquisition of a wholly owned subsidiary, Mewah Amanjaya Sdn. Bhd.. The turnover and contribution from these new endeavours are expected to contribute positively to the Group's results in the near term.

Barring unforeseen circumstance, the Group is optimistic of achieving satisfactory performance in the new financial year.

ACKNOWLEDGMENTS

In closing, the Board would like to take this opportunity to extend its sincere appreciation to our valued customers, suppliers, business partners, bankers, fund managers, shareholders and the relevant regulatory and government authorities for their on-going support and confidence in the Group.

My heartfelt appreciation goes to the management team and employees for their unwavering commitment and dedication in carrying out their duties and responsibilities diligently. Last but not least, I would also like to thank our fellow Board members for their invaluable advice and expertise rendered to the Group.

TUNKU DATO' SERI KAMEL
Chairman

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("Board") of the Company acknowledges the importance of establishing and maintaining good corporate governance within the Group and is committed to ensure that the highest possible standards of corporate governance are practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders values and financial performance of the Group.

The Board is pleased to present the following statement, which summarises the manner in which the Group has applied the principles and recommendations set out in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") and the extent of its compliance throughout the financial year ended 30 November 2014.

1. THE BOARD OF DIRECTORS

1.1 The Role and Responsibilities of the Board

The Board has the ultimate responsibility to set strategic direction and policy in relation to the business and affairs of the Company and the Group for the benefit of the shareholders and other stakeholders of the Company. The Board is accountable to shareholders for the performance of the Group.

The Board delegates day-to-day management and operations of the Group to the management under the leadership of the Group Managing Director, to deliver the strategic direction and goals determined by the Board. A key function of the Board is to monitor the performance of the management.

The Board assumes, amongst others, the following roles and responsibilities in discharge of its obligation:-

(i) Review and adopt strategic plans/direction of the Company and the Group and to monitor the implementation of such plans/directions by the management;
(ii) Review and adopt corporate objectives of the Company and the Group which includes performance targets and long-term and medium-term goals;
(iii) Oversee the resources and operational conducts of the Company and the Group's businesses and to determine whether the businesses are being properly managed;
(iv) Deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
(v) Identify principal risks of the Company and the Group and to ensure the implementation of appropriate internal control and mitigation measures;
(vi) Succession planning, including ensuring all candidates appointed to senior management positions are of sufficient calibre and programmes are in place to provide for the orderly succession of senior management;
(vii) Ensure corporate accountability to the shareholders primarily through adopting an effective shareholder communications strategy, encouraging effective participation at general meetings and, through its Chairman, being the key interface between the Company and its shareholders;
(viii) Review the adequacy and integrity of the Group's internal control systems which includes appropriately sound framework/systems of reporting and to ensure regulatory compliance with applicable laws, regulations, rules, directives and guidelines;
(ix) Ensuring that the Company adheres to high standards of ethics and corporate behaviour;
(x) Delegates certain responsibilities to the various Board Committees with clearly defined terms of reference to assist the Board in discharging its responsibilities; and
(xi) Establish and formalise strategies on promoting sustainability. Attention shall be given to environmental, social and governance aspects of business which underpin sustainability.

The Board may from time to time establish Committees as it considers appropriate to assist in carrying out its duties and responsibilities. The Board has established the following Committees which shall be operated under clearly defined terms of reference:-

- Audit Committee
- Remuneration Committee
- Nomination Committee

1. THE BOARD OF DIRECTORS (Cont'd)

1.1 The Roles and Responsibilities of the Board (Cont'd)

The Board may also delegate specific functions to ad hoc committees, a Director, employee or other person as and when required. The Committees shall operate under clearly defined terms of reference. The Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their terms of reference. The Chairman of the respective Committees reports and update the Board on significant issues and concerns discussed and where appropriate, make the necessary recommendations to the Board. The minutes of the respective Committees will be included in the Board papers for Board's notification.

1.2 Board Composition and Balance

The Board consists of qualified individuals with diverse professional backgrounds and specialisations with vast range of experience in the field of trading and marketing, corporate affairs, finance and management to enable them to discharge their duties and responsibilities effectively. The composition and size of the Board is such that it facilitates the decision making of the Company. Pursuant to the Articles of Association of the Company, the Board shall not be less than two (2) Directors and more than fifteen (15) Directors.

In accordance with the Listing Requirements of Bursa Securities, the Company must ensure that at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors. If the number of Directors of the Company is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) must be used. The Board currently has five (5) members comprising the following:-

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

The basis for the presence of an independent voice on the Board is to ensure that objectivity in decision-making of the Board is achieved and that no single party can dominate such decision-making in the Company.

On boardroom diversity, the Board will review the appropriate skills, experience and knowledge required of the Board members, in the context of the needs of the Group. The Board will review its composition and size from time to time to ensure its appropriateness.

1.3 Separation of Positions of the Chairman and Group Managing Director

There is a clear division of the roles and responsibilities between the Company's Chairman and Group Managing Director to ensure a balance of control, power and authority. The Board is led by YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin as Independent Non-Executive Chairman and the executive management is led by Dato' Koid Hun Kian, the Group Managing Director.

The Chairman is responsible for ensuring Board effectiveness and conduct of the Board. The Group Managing Director assumes the overall responsibility for the Group's operational activities and effectiveness and implements the Board's policies, strategies and decisions. The Group Managing Director leads the management team in carrying out the corporate strategies and objectives of the Group. The Group Managing Director is responsible to the Board for the day-to-day management of the Company and the Group. The role of the Chairman and the Group Managing Director are clearly defined in the Board Charter.

1.4 Board Meeting and Time Commitment

The Board meets quarterly however additional meetings 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. Where appropriate, decisions are also taken by way of Directors' Circular Resolutions.

The agenda of the meeting and Board papers will be collated and circulated to Directors by the Company Secretary prior to the meeting and the Company Secretary will supervise the filing and storage of all Board papers.

1. THE BOARD OF DIRECTORS (Cont'd)

1.4 Board Meeting and Time Commitment (Cont'd)

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

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is affirmed by the attendance record of the Directors at Board and relevant Board Committee meetings.

During the financial year, seven (7) Board meetings were held and the attendance of the Directors who held office during the financial year is set out below:-

Name of Directors	Attendance of meeting
YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin	7/7
Dato' Koid Hun Kian	7/7
Mr. Siow Hock Lee	7/7
Mr. Chang Pak Hing	7/7
Mr. Wong Tuck Kuan *(resigned w.e.f. 15 December 2014)*	7/7
Ms. Tan Woon Huei *(appointed w.e.f. 25 August 2014)*	3/3
Mr. Ng Ah Chong *(retired on 29 May 2014)*	2/3

The Directors may be invited to become directors of other companies and the Directors are therefore at liberty to accept other Board appointments so long as such appointments are not in conflict with the business of the Group and do not adversely affect the Directors' performance as a member of the Board.

In maintaining and monitoring the limitation on directorship as required by the Listing Requirements of Bursa Securities, the Directors upon appointment, and from time to time during their tenure, shall notify the Company Secretary of their directorship in other companies for disclosure to the Board at Board meetings.

1.5 Directors' Training

All the Directors have completed the Mandatory Accreditation Programme in accordance with the Listing Requirements. In addition, the Directors are also encouraged to attend training programme/courses/seminars on a continuous basis to keep abreast with current developments in laws, regulations and business practices in order to aid the Directors in discharging their duties. They are also kept informed of various development programme by the Company Secretaries regularly.

The training needs of the Directors will be reviewed by the Nomination Committee to ensure that they are acquainted with the latest development and changing environment within which the Company operates.

During the financial year, the Company has organized an in-house training programme for its Directors and senior management. The seminars and training programmes attended by the Directors are summarised as follows:-

Directors	Name of Seminars/Training Programmes Attended
YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin	• Workshop on Risk Management & Internal Control for Audit Committee
Mr. Siow Hock Lee	• In-house Awareness Briefing on Goods and Services Tax ("GST") • Workshop on Risk Management & Internal Control for Audit Committee • 2015 Budget Seminar
Mr. Chang Pak Hing	• In-house Awareness Briefing on GST • 2015 Budget Seminar
Dato' Koid Hun Kian Ms. Tan Woon Huei	• In-house Awareness Briefing on GST

1. THE BOARD OF DIRECTORS (Cont'd)

1.6 Code of Ethics and Conduct

The Company has put in place codes of ethics for all Directors and employees to govern the standards of ethics and good conduct and thereby protect and promote the reputation and performance of the Company.

The Board adopted and practices the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia. As for employees, the code of ethics as detailed in the Human Resource Manual covers all aspects of the Group's business and operations, including compliance with Laws and Regulations, conflict of interest, confidentiality and publication, dealing with suppliers and personal benefits.

1.7 Strategies Promoting Sustainability

The Board is accountable to shareholders and other stakeholders for the proper corporate governance and performance of the Company and is committed to strengthen the Company's sustainability and organisational effectiveness. The Board is committed to operate all aspects of its business in accordance with environment, social and economic responsibility. The Group's activities on corporate social responsibilities for the financial year under review are disclosed on the ensuing paragraph 9, page 22 of this Annual Report.

1.8 Access to Information and Independent Advice

The Board shall be supplied with appropriate and timely information to enable it to discharge its duties. The Board papers will be distributed to all Directors prior to the Board meetings and sufficient time are 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.

Senior management officer may be invited to attend Board meetings when necessary, to furnish explanation and comments on the relevant agenda tabled at the Board meetings or to provide clarification on issues that may be raised by the Board or any Director.

All Directors, whether as a full board or in their individual capacity have unrestricted access to the information, advice and services of the Company Secretaries and the senior management team in the Group in carrying out their duties.

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 and/or the Group Managing Director on the scope, nature and fees of the professional advice to be sought.

1.9 Company Secretary

The Board appoints the Company Secretary who plays an advisory role as a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company. They also ensure that all the Board and Committees meetings are properly convened and that all deliberations, proceedings and resolutions are properly minuted and documented.

The appointment and removal of the Company Secretary is a matter for the Board as a whole.

1. THE BOARD OF DIRECTORS (Cont'd)

1.10 Board Charter

The Board has adopted a Board Charter to provide a clear statement on the roles and responsibilities of the Board and those delegated to the management and to outline the core principles of corporate governance which the Group subscribes to and serves as a source of reference and primary induction literature providing insights to Board members and senior management.

In addition, it will assist the Board in the assessment of its own performance and of its individual Directors. The Board Charter is available for reference on the Company's corporate website at www.amtel.com.my.

The Board Charter will be reviewed by the Board from time to time to ensure its relevance in assisting the Board to discharge its duties with the changes in laws and regulations and to remain consistent with the Board's objectives and responsibilities.

2. STRENGTHEN COMPOSITION

2.1 Nomination Committee

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, candidate for directorships proposed by the Group Managing Director, within the bounds of practicability, by any other senior executive or any Director or shareholder;
- To recommend to the Board, directors to fill the seats on Board Committees; and
- To assist the Board in reviewing and assessing the effectiveness of the Board as a whole and the Committees of the Board.

The Nomination Committee members shall be appointed by the Board and comprises exclusively of Non-Executive Directors, all of whom are independent. Currently, the Nomination Committee comprises the following Directors:-

(i) Mr. Chang Pak Hing (Chairman/Independent Non-Executive Director);
(ii) YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin (Member/Independent Non-Executive Chairman); and
(iii) Mr. Siow Hock Lee (Member/Independent Non-Executive Director).

The Nomination Committee held three (3) meetings during the financial year ended 30 November 2014 and were attended by all members. During the year under review, the Nomination Committee carried out its duties in accordance with its Terms of Reference. These include:-

- reviewed and recommended to the Board for its approval, the appointment of Ms.Tan Woon Huei as Executive Director of the Company;
- reviewed and assessed the effectiveness of the Board as a whole and the Audit Committee;
- reviewed and assessed the mix of skills, experience and competencies of each individual Director;
- reviewed and assessed the independence of its Independent Non-Executive Directors based on criteria set out in the Listing Requirements of Bursa Securities;
- reviewed and assessed the Independent Non-Executive Directors who have served a tenure of more than nine (9) years in that capacity in the Company and recommended to the Board to seek shareholders' approval for the retention of the said Independent Non-Executive Directors at the forthcoming AGM; and
- reviewed and recommended to the Board for its approval, the re-election of directors at the forthcoming AGM.

2. STRENGTHEN COMPOSITION (Cont'd)

2.2 Appointments and Re-election

The Nomination Committee shall identify and recommend candidates with appropriate skills, experience, knowledge and expertise in order to discharge its mandate effectively and to maintain the necessary mix of expertise to the Board for approval.

The Company's Articles of Association provides that at least one-third (1/3) of the Directors are subject to retirement by rotation at each AGM and that all Directors shall submit themselves for re-election at least once in every three (3) years, and are eligible to offer themselves for re-election. All newly appointed Directors will be subject to retirement at the next AGM and is eligible for re-election.

The directorships held by any Board member at any time shall not exceed the number of listed companies as prescribed by Bursa Securities from time to time.

2.3 Directors' Assessment/Board Evaluation

The Board recognises the importance of assessing the effectiveness of individual Directors and the Board on an annual basis. During the financial year, the Board, through the Nomination Committee, conducted a formal review on the performance of each individual director and the Board as a whole.

The review shall take the form of a questionnaire comprising a self-evaluation of the Board as a whole and the individual Directors, and the responses will be collected and collated by the Company Secretary, on behalf of the Nomination Committee. The conclusion of the Nomination Committee's assessment will be minuted and its minutes are included in the Board papers for Board's notification.

2.4 Assessment of Independence

The Independent Directors provide independent judgment, experience and objectivity without being subordinated to operational considerations. They help to ensure that the interests of all shareholders are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

The Board shall assess the independence of the Independent Directors prior to their appointment and annually thereafter or when any new interest or relationship develops in light of interests disclosed to the Board. During the financial year, the Board, through the Nomination Committee, assessed the independence of its Independent Non-Executive Directors based on criteria set out in the Listing Requirements of Bursa Securities.

2.5 Tenure of Independent Directors

The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years in accordance with the MCCG 2012. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board subject to the Director being re-designated as a Non-Independent Director. In the event the Director is to remain as Independent Director, the Board shall first justify and obtain shareholders' approval.

In compliance with the guidelines issued under the MCCG 2012, the Nomination Committee has reviewed and assessed the Independent Non-Executive Directors who have served a tenure of more than nine (9) years each in that capacity in the Company. Both YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin and Mr. Siow Hock Lee who were appointed as Independent Non-Executive Directors on 31 July 1997 and 9 November 1996 respectively have exercised their objective and independent judgment on all board deliberations and have not compromised their long relationship with other board members. The Nomination Committee has recommended to the Board to seek shareholders' approval for both YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin and Mr. Siow Hock Lee to be retained and re-appointed as Independent Non-Executive Directors of the Company at the forthcoming AGM.

2. STRENGTHEN COMPOSITION (Cont'd)

2.6 Remuneration Policies and Procedures

The Company shall provide a fair, reasonable and competitive remuneration for its Executive and Non-Executive Directors to ensure that the Company attracts and retains high calibre Directors who have the skills, experience and knowledge to run the Company successfully.

The Remuneration Committee members shall be appointed by the Board and shall comprise a majority of Non-Executive Directors. Currently, the Remuneration Committee comprises the following Directors:-

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

The Remuneration Committee is primarily empowered by its Terms of Reference to perform the following:-

- To recommend to the Board the remuneration package for 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.

The Remuneration Committee held one (1) meeting during the financial year ended 30 November 2014 and was attended by all members.

The remuneration packages of Executive Directors are structured to link rewards to the Group and individual performance. The Non-Executive Chairman/Directors' remuneration reflects the experience, qualification and level of responsibilities undertaken by them. The annual fees payable to the Directors are approved by the shareholders at the AGM based on the recommendation of the Board.

The Board, as a whole, determines the remuneration of each Director and the Directors do not participate in decisions regarding their own remuneration packages. Details of the aggregate remuneration of the Company's Directors comprising remuneration received from the Company and subsidiary companies categorized into appropriate components for the financial year ended 30 November 2014 are as follows:-

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Fees	16	188
Salaries and bonuses	860	–
Other Emoluments	100	–
Benefits-in-kind	58	–
Total	1,034	188

The number of Directors of the Company whose fees and remuneration for the financial year ended 30 November 2014 falls within the following bands are:-

	Number of Directors	
	Executive	Non-Executive
Below RM50,000	–	2
RM50,001 to RM100,000	1	1
RM100,001 to RM200,000	1	–
RM200,001 to RM300,000	1	–
RM400,001 to RM500,000	1	–
Total	4	3

3. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

3.1 The General Meetings

The Company encourages shareholders to attend the AGMs. If shareholders are unable to attend general meetings personally, they are encouraged to participate through the appointment of a proxy or proxies. The Company Secretary will be present at all general meetings of shareholders.

The Board may consider poll voting as a viable voting option for its shareholders if necessary. Voting by show of hands continues to be efficient based on the current level of shareholders' attendance at AGM.

Poll voting will be carried out for related party transactions as prescribed by the Listing Requirements of Bursa Securities or upon demand by the Chairman or shareholders pursuant to the Company's Articles of Association.

3.2 Relationship and Communications with Shareholders and Investors

The Company is committed to establishing a direct line of communication with shareholders and investors through timely dissemination of information on the Group's performance and operations via distribution of annual reports and relevant circulars, release of quarterly financial results, press releases and announcements.

The AGMs and any other meetings of the shareholders represent the principal forum for dialogue and interaction with all shareholders and investors. At each AGM, 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 response to the shareholders' queries.

Shareholders and members of the public can also obtain information on the Company through the Bursa Securities website at www.bursamalaysia.com and the Company's own website at www.amtel.com.my. All announcements, including full versions of its quarterly results announcement and annual reports are published and accessible.

4. CORPORATE DISCLOSURE POLICY AND PROCEDURES

The Company is committed to upholding the highest standards of transparency, accountability and integrity in the disclosure of all material information on the Company to the investing public in an accurate, clear and timely manner in accordance with the corporate disclosure requirements as set out in the Listing Requirements of Bursa Securities and the guidance as set out in the Corporate Disclosure Guide issued by Bursa Securities. The Board will also ensure that all who invest in its securities enjoy equal access to such information.

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with Applicable Financial Reporting Standards

The Company aims to present a clear and fair assessment of the Company's financial position and future prospects in respect of all quarterly results, annual financial statements and announcements issued by the Company within the stipulated timeframe.

The Board is assisted by the Audit Committee to scrutinize information for disclosure to ensure its timeliness, accuracy and adequacy. The Board ensures that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the applicable Financial Reporting Standards and the requirement of the Companies Act, 1965.

A Statement of the Directors' Responsibility in relation to the financial statements is set out on the ensuing paragraph 7, page 20 of this Annual Report.

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

5.2 Relationship with the Auditors

The Board through the Audit Committee, has established a formal and transparent relationship with the Group's auditors, both internal and external auditors in seeking their professional advice. From time to time, the auditors highlighted to the Audit Committee and the Board on matters that require the Board's attention.

The Audit Committee meets with the external auditors at least twice a year without the presence of the management to review the scope and adequacy of audit process, the annual financial statements and their audit findings. The Audit Committee also meets additionally with the external auditors whenever it deems necessary. The service provided by the external auditors includes statutory audits and non-audit services. The terms of engagement and fees for the external and internal auditors are reviewed by the Audit Committee and subsequently recommended to the Board for approval.

The role and terms of reference of the Audit Committee in relation to the auditors are defined in the Audit Committee Report as set out on pages 23 to 25 of this Annual Report.

6. RECOGNISE AND MANAGE RISKS

6.1 Sound Framework to Manage Risk

The Board is responsible for the adequacy and effectiveness of the Group's risk management and internal control system. Risk management is embedded in the Group's operations and management systems. The Board with the assistance of the outsourced internal audit function has established processes for identifying evaluating and managing the significant risks affecting the core business of the Group. The risk management process is described in the Statement on Risk Management and Internal Control as set out on pages 26 to 28 of this Annual Report.

6.2 Internal Audit Function

The Company outsourced its internal audit function to an independent external firm of consultants. The Audit Committee reviews and approves the internal audit plan, which is ascertained based on the key risk areas and core business operations of the Group. Further details of the activities of the internal audit function and the state of internal controls within the Group are set out in the Statement on Risk Management and Internal Control on pages 26 to 28 of this Annual Report.

7. STATEMENT OF THE DIRECTORS' RESPONSIBILITY 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 Malaysian Financial Reporting Standards 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 the process of preparing the financial statements of the Group and of the Company for the financial year ended 30 November 2014, the Directors have:-

- adopted suitable accounting policies that are consistently applied;
- made judgments and estimates that are reasonable and prudent;
- ensured that all applicable approved accounting standards have been followed; and
- prepared the financial statements on a going concern basis.

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, Listing Requirements of Bursa Securities and Malaysian Financial Reporting Standards. 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.

8. OTHER COMPLIANCE INFORMATION

(a) Utilisation of proceeds raised from corporate proposal

There was no proceed raised from corporate proposal during the financial year.

(b) Share Buy-Back

There was no share buy-back by the Company during the financial year.

(c) Option, Warrants or Convertibles Securities

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

(d) American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme

The Company did not sponsor any ADR or GDR programme during the financial year.

(e) Sanctions and/or Penalties Imposed

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

(f) Non-Audit Fees

The non-audit fees paid to the external auditors during the financial year amounted to RM10,500/-.

(g) Variation in Results

There were no profit estimates, forecast or projections issued by the Company during the financial year.

(h) Profit Guarantee

There was no profit guarantee provided by the Company during the financial year.

(i) Recurrent Related Party Transactions

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

(j) Material Contracts

There was no material contract entered into by the Company and/or its subsidiaries involving the interest of Directors and/or major shareholders that are still subsisting at the end of the financial year or since the end of the previous financial year.

(k) Revaluation of Landed Properties

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

9. CORPORATE SOCIAL RESPONSIBILITY ("CSR") PRACTICES

The Board acknowledges the importance of CSR and is committed to create a good balance between value creation and corporate responsibility, especially in the areas relating to the community, workplace, skill development and environment in order to deliver sustainable value to community and the environment.

(a) The Community

As a caring corporate citizen, the Group continues to contribute funds to charitable and welfare organizations and sponsorship for sporting events to raise funds for the under-privileged.

The Group also believe in the importance of providing opportunities especially to the younger generation, for the betterment of our society. In line with this, the Group offers internship programme and recruits fresh graduates from local varsities major in surveying science, geoinformatics and geomatic from UiTM, UTM, UKM and UM for various posts in our Information & Communication Technology business segment.

(b) The Workplace and Skill Development

The Group place emphasis on safety and health issues by ensuring a safe working environment is created at various work sites. Regular sports activities are also organized for employees to promote a balanced lifestyle. To foster teamwork and closer working relationships among the employees, various departments will organize monthly birthday celebrations for employees and lunch or dinner are organized during yearly festive celebrations.

As part of the continuous effort to promote human capital development, the Group sponsored the participation of our staff in local and overseas training programmes and seminars to enhance their competency and to keep them up to date with new relevant developments and eventually add value to the Group. The Group has also conducted various in-house training programmes focusing mainly on productivity and job related training to equip the employees with the required skills and knowledge in areas related to the Group's business operations.

(c) Environment Health

The Group values the importance of preserving the environment and resources conservation. We continue to be committed on recycling to reduce wastages and promoting good practices on energy-saving in the Group's daily operations. We also continuously encourage our staff to be environmental friendly.

AUDIT
COMMITTEE REPORT

COMPOSITION

The Audit Committee was established on 1 August, 1997. The Audit Committee presently comprises the following members:-

YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin
Chairman/Independent Non-Executive Chairman

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

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

* *member of Malaysian Institute of Accountants*

TERMS OF REFERENCE

1. Membership

The Audit Committee shall be appointed by the Board from among their members and shall comprise not less than three (3) members. All members of the Audit 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 (1) member of the Audit Committee must be a member of Malaysian Institute of Accountants or possesses equivalent qualifications recognised under the Accountants Act, 1967 or fulfils such other requirements as may be prescribed by Bursa Securities.

No alternate director shall be appointed to the Audit Committee. The Audit 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 Audit Committee and each of its members at least once every three (3) years.

2. Meetings

The Audit Committee shall meet not less than four (4) times during each financial year with a quorum of at least two (2) members, a majority of which shall be independent directors. The Chairman of the Audit Committee shall chair the meetings of the Audit Committee or in the absence of the Chairman of the Audit Committee, the members present shall elect a chairman for the meeting from amongst the members present.

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

The Audit Committee may convene meetings with any employee or head of the 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 Audit Committee.

3. Authority

The Audit Committee is authorised by the Board to perform and investigate any activity within its Terms of Reference. The Audit 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 Audit Committee shall be able to make prompt reports to Bursa Securities in the event that the Audit 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 Securities.

4. Functions

(a) Review the following and report the same to the Board :-

- (i) with the external auditor, the audit plan;
- (ii) with the external auditor, his evaluation of the system of internal controls;
- (iii) with the external auditor, his audit report;
- (iv) the assistance given by the employees of the Company and Group to the external auditor;
- (v) 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;
- (vi) 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;
- (vii) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:-
  - changes in or implementation of major accounting policy changes;
  - significant and unusual events; and
  - compliance with accounting standards and other legal requirements;
- (viii) 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;
- (ix) any letter of resignation from the external auditors of the Company; and
- (x) whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment.

(b) Recommend the nomination of a person or persons as external auditors.

(c) To consider the major findings of internal investigations and Management's response.

(d) To consider other topics as defined by the Board.

SUMMARY OF ACTIVITIES

During the financial year under review, the Audit Committee held five (5) meetings and details of attendance of the members of the Audit Committee at the aforesaid meetings are as follows:-

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

During the year under review, the Audit Committee carried out its duties in accordance with its Terms of Reference. These include:-

(a) reviewed the quarterly financial results of the Group and recommended the same to the Board for approval;
(b) reviewed the annual audited financial statements and Annual Report of the Group and recommended the same to the Board for approval;
(c) reviewed and discussed with the internal auditors on their audit plan, audit findings and recommendations of the audit findings;
(d) reviewed and discussed with the external auditors on their scope of work and audit plan;
(e) reviewed the re-appointment of internal and external auditors for the ensuing year; and
(f) reviewed and discussed the proposed fees of the internal and external auditors and recommended the same to the Board for approval.

INTERNAL AUDIT FUNCTION

The internal audit function is set up with the objectives to assist the Board to conduct adequate internal control reviews and to have the assurance that the Group has adequately addressed the corporate governance and risk management requirements. The Group has outsourced its internal audit function to an external firm of consultants, PKM Partners (M) Sdn. Bhd. ("PKM"). PKM assists the Audit Committee as well as the Board in discharging their responsibilities by providing an independent and objective advisory service in achieving the following functions:-

- To ensure that the management of the Group maintains a sound system of internal controls to safeguard the Group's assets and the investment of shareholders;
- To ensure the reliability and integrity of the financial and operational information and other management data that the reporting system is in place;
- To ensure the adequacy and effectiveness of the Group's system of risk management and internal control;
- To review the internal audit program and results of the internal audit process and where necessary, ensure that appropriate action is taken on recommendations of the internal audit function;
- To perform internal audit over the operational areas and to provide an independent assurance on state if internal control system of the Group;
- To assist the Board and management to instill and sustain the internal control system in a disciplined and systematic manner ; and
- To assist the employees to better understand, manage and communicate risk and related controls in an integrated approach.

PKM reports directly to the Audit Committee and undertakes internal audit function in a systematic and cyclic basis and on selected business processes. The internal auditor adopts a risk-based approach and prepares its audit plan based on the risk profiles of the major business segments of the Group. The internal audit plan is assessed annually by the Audit Committee and the Board to ensure the plan remains relevant and aligned with the Group's key business risks and business strategies which may change in response to the dynamics of its operating environment.

The internal auditor tabled the results of their review to the Audit Committee at the Audit Committee meetings on a quarterly basis and as and when necessary. The results of PKM's review containing audit findings, management response and recommendations were presented to the Audit Committee for discussion and deliberation. Follow up reviews on previous audit issues are carried out in order to ensure that the recommendations made by the internal auditors on areas of improvement identified are adopted or necessary corrective actions have been or are being taken by the management.

During the financial year ended 30 November 2014, PKM's review covered procedures for identifying, record keeping and accounting for related party transactions and Enterprise Resource Planning ("ERP") system on GST implementation and accounting. The total costs incurred by the internal audit function in respect of the financial year ended 30 November 2014 was RM42,930/-.

The associated companies have not been dealt with as part of the Group for the purpose of this Statement. The Group's system of internal controls does not apply to associated companies where the Group does not have any direct control over their operations. However, the Group's interest is served through representation on the boards of the respective associated companies and the Board meets regularly to discuss and review the financial performance of these companies when necessary. The financial performance of these associated companies is provided regularly to the Management and Board via the Group's monthly financial reporting framework with the objective of safeguarding the investment of the Group.

STATEMENT ON
RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is pleased to provide the following Statement on Risk Management and Internal Control ("Statement") pursuant to paragraph 15.26 (b) of the Listing Requirements of Bursa Securities and guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers. To this end, the Board also ensures that the external auditors review this Statement and report the results thereof to the Board annually.

THE BOARD'S RESPONSIBILITIES

The Board recognizes the importance of maintaining a sound system of risk management and internal control in order to safeguard shareholders' investments and the Group's assets. The Board acknowledges its overall responsibility for reviewing the adequacy and integrity of the Group's system of risk management and internal control. The system of risk management and internal control covers risk management procedures, financial, organisational, management information system, operational and compliance controls.

However, due to the limitations that are inherent in any system of risk management and internal control, it must be noted that these systems are designed to manage rather than to eliminate the risk of failure in meeting the Group's business objectives. In other words, such systems can only provide a reasonable and not absolute assurance against material misstatement or loss.

THE RISK MANAGEMENT FRAMEWORK

The Group has in place a formalised ongoing risk management framework that is embedded in the Group's operation and management systems. The management assists the Board in implementing the process of identifying, evaluating and managing significant risks affecting the respective areas of business and in formulating suitable internal control procedures to mitigate and control these risks on a timely basis.

The Board entrusts the management team with the overall responsibility to manage and regularly monitor the risk management activities of the Group. The special project task force is responsible to assess and evaluate the feasibility and risk impact on prospective investments and for ongoing business operations, risk management and evaluation is an integral part of the annual business planning and budgeting process.

The management of each business unit in establishing its business objectives, is required to identify and evaluate all possible risks that can affect their areas of business together with the design and operation of suitable internal control mechanism to manage these risks. Significant risks of business units have been presented to the Board for their deliberation. The Board is satisfied that there is an ongoing process of identifying, evaluating and managing significant risks faced by the Group and that this process has been in place throughout the year and up to the date of approval of the Annual Report. The adequacy and effectiveness of the process is regularly reviewed by the Board and includes updating the system of risk management and internal control when there are changes in the Group's risk profile or business environment.

KEY ELEMENTS OF INTERNAL CONTROL

The Group's system of internal control comprises the following key elements: -

- An organisation structure with clearly defines the lines of responsibility, accountability and delegation of appropriate levels of authority to the various divisions of the Group's business;

- A clear Group vision and strategic business direction is communicated to employees at all levels. The intranet is used as an effective means of communication and sharing of knowledge;

- Scheduled operational and project development meetings and management meetings are held by the Group Managing Director and/or Group General Manager together with Business Unit/Divisional Heads to review business plan and to identify, discuss and resolve operational and financial issues;

KEY ELEMENTS OF INTERNAL CONTROL (Cont'd)

- Monthly financial reporting framework is in place for all companies within the Group whereby actual performance is monitored against the agreed targets/budget set by the Group Managing Director. Detailed explanation is provided for any major variances and corrective actions are taken to rectify any discrepancies in a timely and effective manner;

- Comprehensive information are provided to the senior management on a regular basis covering financial performance and key business indicators for effective monitoring and decision making. The Group also operates a comprehensive automated information system that provides for transactions to be captured, compiled and reported. Management also uses the data and analysis provided by this automated information system to monitor their performance; and

- Quarterly monitoring of the Group's results by the Board, with major variances being followed up and actions taken by the management, where necessary.

INTERNAL AUDIT FUNCTIONS

The internal audit function is set up with the objectives to assist the Board to conduct adequate internal control reviews and to have the assurance that the Group has adequately addressed the corporate governance and risk management requirements. The Group has outsourced its internal audit function to an external firm of consultants, PKM Partners (M) Sdn. Bhd. ("PKM"). PKM assists the Audit Committee as well as the Board in discharging their responsibilities by providing an independent and objective advisory service in achieving the following functions:-

- To ensure that the management of the Group maintains a sound system of risk management and internal control to safeguard the Group's assets and the investment of shareholders;

- To ensure the reliability and integrity of the financial and operational information and other management data that the reporting system is in place;

- To ensure the adequacy and effectiveness of the Group's system of risk management and internal control;

- To review the internal audit program and results of the internal audit process and where necessary, ensure that appropriate action is taken on recommendations of the internal audit function;

- To perform internal audits over the operational areas and to provide an independent assurance on state of internal control system of the Group;

- To assist the Board and management to instil and sustain the internal control system in a disciplined and systematic manner; and

- To assist the employees to better understand, manage and communicate risk and the related controls in an integrated approach.

PKM reports directly to the Audit Committee and undertakes internal audit function in a systematic and cyclic basis and on selected business processes. The internal auditor adopts a risk-based approach and prepares its audit plan based on the risk profiles of the major business segments of the Group. The internal audit plan is assessed annually by the Audit Committee and the Board to ensure the plan remains relevant and aligned with the Group's key business risks and business strategies which may change in response to the dynamics of its operating environment.

The internal auditor tabled the results of their review to the Audit Committee at the Audit Committee meetings on a quarterly basis and as and when necessary. The results of PKM's review containing audit findings, management responses and recommendations were presented to the Audit Committee for discussion and deliberation. Follow up reviews on previous audit issues were carried out in order to ensure that the recommendations made by the internal auditors on areas of improvement identified are adopted or necessary corrective actions have been or are being taken by the management.

INTERNAL AUDIT FUNCTIONS (Cont'd)

During the financial year ended 30 November 2014, their review covered procedures for identifying, record keeping and accounting for related party transactions and Enterprise Resource Planning ("ERP") system on GST implementation and accounting. The total costs incurred by the internal audit function in respect of the financial year ended 30 November 2014 was RM42,930/-.

The associated companies have not been dealt with as part of the Group for the purpose of this Statement. The Group's system of risk management and internal control does not apply to associated companies where the Group does not have any direct control over their operations. However, the Group's interest is served through representation on the boards of the respective associated companies and the Board meets regularly to discuss and review the financial performance of these companies when necessary. The financial performance of these associated companies is provided regularly to the management and Board via the Group's monthly financial reporting framework with the objective of safeguarding the investment of the Group.

CONCLUSION

The Board has received assurance from the Group Managing Director and management that the Group's current risk management and internal control systems have been operating adequately and effectively, in all material aspects during the financial year under review and up to the date of this Statement. Taking this assurance into consideration, the Board is of the view that the systems of risk management and internal control were satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report. As the development of a sound system of internal control is an on-going process, the Board and management will continue to take appropriate measures to strengthen the risk management and internal control environment of the Group.

This Statement has been approved by the Board of Amtel Holdings Berhad on 20 April 2015.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Listing Requirements of Bursa Securities, the external auditors have reviewed and reported the results thereof to the Board. The review was carried out in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information and* RPG 5 (Revised), *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Controls Included in the Annual Report*.

Based on the review performed, the external auditors, Messrs. Baker Tilly AC, have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Controls: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

REPORTS AND **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 financial year ended 30 November 2014.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	593,499	4,315,512
Profit attributable to:-		
Owners of the parent	601,395	4,315,512
Non-controlling interests	(7,896)	–
	593,499	4,315,512

DIVIDEND

Dividend paid since the end of the previous financial year are as follows:-

	RM
In respect of the financial year ended 30 November 2013:-	
First and final single-tier dividend of 4 sen per ordinary share of RM1 each, paid on 23 June 2014	1,971,083

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 financial year other than those as disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the statements of profit or loss and other comprehensive income and statements of financial position 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 provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that no provision for doubtful debts was required.

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

CURRENT ASSETS

Before the statements of profit or loss and other comprehensive income and statements of financial position 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 realise 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.

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 liability or other liability of the Group and 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 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; and

(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 OR DEBENTURES

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

SIGNIFICANT EVENTS

Details of significant events arising during the financial year are disclosed in Note 37 to the financial statements.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and on the date of this report are as follows:-

YTM. TUNKU DATO' SERI KAMEL BIN TUNKU RIJALUDIN	
DATO' KOID HUN KIAN	
SIOW HOCK LEE	
CHANG PAK HING	
TAN WOON HUEI	(appointed on 25 August 2014)
NG AH CHONG	(retired on 29 May 2014)
WONG TUCK KUAN	(resigned on 15 December 2014)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interest of the directors who held office at the end of the financial year in the shares of the Company during the financial year are as follows:-

	Number of Ordinary Shares of RM1 each			
	At 1.12.2013	Bought	Sold	At 30.11.2014
Direct interest				
Dato' Koid Hun Kian	7,994,888	–	–	7,994,888
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	200,000	–	–	200,000
Siow Hock Lee	65,333	–	–	65,333
Chang Pak Hing	2,300	–	–	2,300
Tan Woon Huei	164,000	55,000	–	219,000
Indirect interest				
Dato' Koid Hun Kian *	7,894,270	–	(650,000)	7,244,270
Siow Hock Lee **	614,333	200,000	–	814,333

* This includes shares held by spouse and children pursuant to Section 134(12)(c) of the Companies Act, 1965.
** This includes shares held by spouse pursuant to Section 134(12)(c) of the Companies Act, 1965.

By virtue of his substantial interest in the shares of the Company, Dato' Koid Hun Kian is also deemed interested in the shares of the subsidiaries and its related corporations during the financial year to the extent that the Company has an interest.

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 emoluments received or due and receivable by directors and the estimated value of benefit-in-kind as disclosed 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.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Baker Tilly AC, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 24 March 2015.

YTM. TUNKU DATO' SERI KAMEL BIN TUNKU RIJALUDIN	**DATO' KOID HUN KIAN**

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, the undersigned, being two of the directors of the Company, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 37 to 108, are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 November 2014 and of their financial performance and cash flows for the financial year then ended.

The supplemental information set out on page 109 has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and presented based on the format as prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors dated 24 March 2015.

YTM. TUNKU DATO' SERI KAMEL BIN TUNKU RIJALUDIN

DATO' KOID HUN KIAN

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **Dato' Koid Hun Kian**, being the director primarily responsible for the financial management of **Amtel Holdings Berhad**, do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements as set out on pages 37 to 108 and the supplementary information as set out on page 109, are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at
Puchong in the state of Selangor Darul Ehsan
on 24 March 2015

DATO' KOID HUN KIAN

Before me

NG SAY JIN (B-195)
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 statements of financial position as at 30 November 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 37 to 108.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 November 2014 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

(b) We have considered the financial statements and the auditors' reports of the subsidiary of which we have not acted as auditors, which is indicated in Note 10 to the financial statements.

(c) We are satisfied that the financial statements 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 auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out on page 109 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

BAKER TILLY AC
AF 001826
Chartered Accountants

LOCK PENG KUAN
2819/10/16 (J)
Chartered Accountant

Kuala Lumpur
24 March 2015

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Revenue	4	31,985,709	40,448,898	5,200,890	5,060,769
Cost of sales	5	(25,305,528)	(29,035,394)	–	–
Gross profit		6,680,181	11,413,504	5,200,890	5,060,769
Other operating income		3,318,918	1,271,291	3,176,177	131,705
Distribution expenses		(499,606)	(1,296,995)	–	–
Administrative expenses		(5,172,274)	(5,969,663)	(1,396,997)	(1,363,675)
Other operating expenses		(2,811,429)	(3,200,136)	(2,664,558)	(741,325)
		(8,483,309)	(10,466,794)	(4,061,555)	(2,105,000)
Profit from operations		1,515,790	2,218,001	4,315,512	3,087,474
Finance costs		(373,058)	(424,095)	–	–
Share of results of associates		41,839	99,923	–	–
Profit before tax	6	1,184,571	1,893,829	4,315,512	3,087,474
Tax expense	7	(591,072)	(603,577)	–	–
Profit for the financial year		593,499	1,290,252	4,315,512	3,087,474
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation		(3,325)	–	–	–
Total comprehensive income for the financial year		590,174	1,290,252	4,315,512	3,087,474
Profit attributable to:-					
Owners of the parent		601,395	1,102,033	4,315,512	3,087,474
Non-controlling interests		(7,896)	188,219	–	–
		593,499	1,290,252	4,315,512	3,087,474
Total comprehensive income attributable to:-					
Owners of the parent		598,256	1,102,033	4,315,512	3,087,474
Non-controlling interests		(8,082)	188,219	–	–
		590,174	1,290,252	4,315,512	3,087,474
Earnings per share (sen)					
- Basic	8	1.22	2.24		
- Diluted	8	1.22	2.24		

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
ASSETS					
Non-current assets					
Property, plant and equipment	9	2,275,730	17,706,886	164,951	119,355
Investment in subsidiaries	10	–	–	17,442,809	18,434,134
Investment in associates	11	971,859	945,020	–	–
Intangible assets	12	2,831,362	1,985,855	–	–
Other investments	13	250,000	250,000	250,000	250,000
Investment property	14	168,717	168,717	–	–
		6,497,668	21,056,478	17,857,760	18,803,489
Current assets					
Inventories	15	603,949	673,895	–	–
Dividend receivable		–	–	–	2,551,500
Other investments	13	11,392,341	5,013,394	–	–
Trade receivables	16	7,613,636	8,875,352	–	–
Other receivables, deposits and prepayments	17	896,234	835,601	390,851	11,773
Tax assets	18	308,892	159,080	–	–
Amounts owing by subsidiaries	19	–	–	4,583,610	1,637,110
Amounts owing by associates	20	2,284,245	88,369	148,651	62,280
Cash deposits with licensed banks	21	4,215,333	4,936,729	–	–
Cash and bank balances	22	16,893,621	20,556,031	7,581,279	5,291,702
		44,208,251	41,138,451	12,704,391	9,554,365
TOTAL ASSETS		50,705,919	62,194,929	30,562,151	28,357,854

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
EQUITY AND LIABILITIES					
Equity					
Share capital	23	49,277,066	49,277,066	49,277,066	49,277,066
Reserves	24	(6,218,680)	(4,845,853)	(19,035,416)	(21,379,845)
Equity attributable to owners of the parent		43,058,386	44,431,213	30,241,650	27,897,221
Non-controlling interests		370,489	373,488	–	–
Total Equity		43,428,875	44,804,701	30,241,650	27,897,221
Liabilities					
Non-current liabilities					
Bank borrowings	25	–	6,603,396	–	–
Finance lease payables	26	351,923	663,245	–	–
Deferred tax liabilities	27	485,900	363,300	–	–
		837,823	7,629,941	–	–
Current liabilities					
Trade payables	28	3,551,426	5,233,065	–	–
Other payables, deposits and accruals	29	1,480,526	2,332,688	266,455	414,676
Amount owing to associates	20	17,482	–	-	–
Provisions	30	644,919	720,420	53,560	45,471
Bank borrowings	25	329,179	983,262	–	–
Finance lease payables	26	221,028	266,942	–	–
Tax liabilities		194,661	223,910	486	486
		6,439,221	9,760,287	320,501	460,633
Total liabilities		7,277,044	17,390,228	320,501	460,633
TOTAL EQUITY AND LIABILITIES		50,705,919	62,194,929	30,562,151	28,357,854

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

CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2014

		← Attributable to Owners of the Parent →							
			← Non-Distributable →						
	Note	Share Capital RM	Share Premium RM	Fair Value Adjustment Reserve RM	Currency Translation Reserve RM	Accumulated Losses RM	Sub-total RM	Non-controlling Interests RM	Total Equity RM
At 1.12.2012		49,277,066	4,774,665	159,000	–	(9,017,486)	45,193,245	322,094	45,515,339
Comprehensive income									
Profit for the financial year		–	–	–	–	1,102,033	1,102,033	188,219	1,290,252
Total comprehensive income for the financial year		–	–	–	–	1,102,033	1,102,033	188,219	1,290,252
Transactions with owners									
Dividends		–	–	–	–	(1,847,890)	(1,847,890)	–	(1,847,890)
Dividends paid to non-controlling interests		–	–	–	–	(18,000)	(18,000)	–	(18,000)
Acquisition of non-controlling interests	10	–	–	–	–	–	–	(136,825)	(136,825)
Discount received from acquisition of non-controlling interests	10	–	–	–	–	1,825	1,825	–	1,825
Total transactions with owners		–	–	–	–	(1,864,065)	(1,864,065)	(136,825)	(2,000,890)
At 30.11.2013		49,277,066	4,774,665	159,000	–	(9,779,518)	44,431,213	373,488	44,804,701
At 1.12.2013		49,277,066	4,774,665	159,000	–	(9,779,518)	44,431,213	373,488	44,804,701
Comprehensive income									
Profit for the financial year		–	–	–	–	601,395	601,395	(7,896)	593,499
Foreign currency translation	10	–	–	–	(3,139)	–	(3,139)	(186)	(3,325)
Total comprehensive income for the financial year		–	–	–	(3,139)	601,395	598,256	(8,082)	590,174
Transactions with owners									
Dividends	32	–	–	–	–	(1,971,083)	(1,971,083)	–	(1,971,083)
Dividends paid to non-controlling interests		–	–	–	–	–	–	(150,000)	(150,000)
Acquisition of a subsidiary company	10	–	–	–	–	–	–	155,083	155,083
Total transactions with owners		–	–	–	–	(1,971,083)	(1,971,083)	5,083	(1,966,000)
At 30.11.2014		49,277,066	4,774,665	159,000	(3,139)	(11,149,206)	43,058,386	370,489	43,428,875

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2014

	Note	Share Capital RM	← Non-Distributable → Share Premium RM	Fair Value Adjustment Reserve RM	Accumulated Losses RM	Total Equity RM
At 1.12.2012		49,277,066	4,774,665	159,000	(27,553,094)	26,657,637
Comprehensive income						
Profit for the financial year		–	–	–	3,087,474	3,087,474
Total comprehensive income for the financial year		–	–	–	3,087,474	3,087,474
Transactions with owners						
Dividends		–	–	–	(1,847,890)	(1,847,890)
Total transactions with owners		–	–	–	(1,847,890)	(1,847,890)
At 30.11.2013		49,277,066	4,774,665	159,000	(26,313,510)	27,897,221
Comprehensive income						
Profit for the financial year		–	–	–	4,315,512	4,315,512
Total comprehensive income for the financial year		–	–	–	4,315,512	4,315,512
Transactions with owners						
Dividends	32	–	–	–	(1,971,083)	(1,971,083)
Total transactions with owners		–	–	–	(1,971,083)	(1,971,083)
At 30.11.2014		49,277,066	4,774,665	159,000	(23,969,081)	30,241,650

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2014

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Cash flows from operating activities				
Profit before tax	1,184,571	1,893,829	4,315,512	3,087,474
Adjustments for:-				
Amortisation of intangible assets	992,928	1	–	–
Bad debts written off	–	63,414	–	–
Depreciation of property, plant and equipment	916,920	907,530	65,866	48,645
Dividend income from associates	–	(102,000)	–	–
Dividend income from fixed income fund	(308,616)	(386,057)	(143,582)	(122,182)
Dividend income from other investments	(159,317)	(33,023)	–	–
Dividend income from subsidiaries	–	–	(3,969,000)	(3,871,500)
Gain on disposal of property, plant and equipment	(2,391,352)	(173,658)	–	–
Gain on disposal of subsidiaries	–	(1,294)	–	(2)
Impairment loss on:-				
- amounts owing by subsidiaries	–	–	–	2,602
- investment in subsidiaries	–	–	1,991,325	241,073
- property, plant and equipment	–	94,686	–	–
Interest expense	373,058	424,095	–	–
Interest income	(274,458)	(306,815)	(28,059)	(9,489)
Loss/(Gain) on disposal of an associate	6,900	–	–	(1)
Net fair value loss/(gain) on held for trading investment	132,516	(66,257)	–	–
Net provision for employee benefits	12,003	4,528	8,089	7,113
Property, plant and equipment written off	1,649	3,156	1,055	–
Reversal of impairment loss on amounts owing by subsidiaries	–	–	(1,293,398)	–
Reversal of provision for warranty costs	(86,624)	(138,566)	–	–
Share of results of associates	(41,839)	(99,923)	–	–
Unrealised loss on foreign exchange	16,216	32,484	–	–
Waiver of amounts owing to subsidiaries	–	–	(1,710,138)	–
Operating profit/(loss) before working capital changes	374,555	2,116,130	(762,330)	(616,267)
Inventories	69,946	1,186,483	–	–
Receivables	1,201,083	7,080,890	2,172,422	6,198
Payables	(2,537,759)	(3,480,149)	(148,221)	(478,628)
Cash (used in)/generated from operations	(892,175)	6,903,354	1,261,871	(1,088,697)
Interest paid	(373,058)	(424,095)	–	–
Interest received	274,458	306,815	28,059	9,489
Income tax refunded	36,136	78,598	–	–
Income tax paid	(683,669)	(449,598)	–	–
Net cash (used in)/from operating activities carried down	(1,638,308)	6,415,074	1,289,930	(1,079,208)

		Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
Net cash (used in)/from operating activities brought down		(1,638,308)	6,415,074	1,289,930	(1,079,208)
Cash flows from investing activities					
Additions in intangible assets		(1,838,435)	–	–	–
Additions in investment in subsidiaries	10	–	(135,000)	(1,000,000)	(135,000)
Addition in investment in associates	11	–	(45,002)	–	–
Additions in held for trading investments	13	(6,859,317)	(4,533,024)	–	–
(Advances to)/Repayment from associates		(2,178,394)	71,097	(86,371)	55,337
Dividend income from associates		–	102,000	–	–
Dividend income from fixed income fund		308,616	386,057	143,582	122,182
Dividend income from other investments		159,317	33,023	–	–
Dividend income from subsidiaries		–	–	3,969,000	3,871,500
Net cash outflow on disposal of a subsidiary		–	(84)	–	2
Net cash inflow on acquisition of a subsidiary company	10	155,083	–	–	–
(Placement)/Withdrawal of pledged cash deposits		(1,000,000)	4,676,204	–	–
Placement of short term deposits		(2,781)	(93,580)	–	–
Proceeds from disposal of associates	11	8,100	–	–	1
Proceeds from disposal of held for trading investments		347,854	–	–	–
Proceeds from disposal of other investments		–	1,200,000	–	1,200,000
Proceeds from disposal of property, plant and equipment		18,312,961	400,652	–	–
Purchase of property, plant and equipment	9	(1,269,707)	(1,326,259)	(112,517)	(130,485)
Repayment from/(Advances) to subsidiaries		–	–	57,036	(195,216)
Withdrawal/(Placement) of cash at banks under lien		8,960,581	(3,884,590)	–	–
Net cash from/(used in) investing activities carried down		15,103,878	(3,148,506)	2,970,730	4,788,321

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2014 (CONT'D)

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Net cash from/(used in) investing activities brought down		15,103,878	(3,148,506)	2,970,730	4,788,321
Cash flows from financing activities					
Dividends paid	32	(1,971,083)	(1,847,890)	(1,971,083)	(1,847,890)
Dividends paid to non-controlling interests		(150,000)	(18,000)	–	–
Repayment of bankers' acceptance		27,000	(883,933)	–	–
Repayment of finance lease payables		(496,551)	(418,031)	–	–
Repayment of term loan		(7,289,091)	(659,461)	–	–
Net cash used in financing activities		(9,879,725)	(3,827,315)	(1,971,083)	(1,847,890)
Net increase/(decrease) in cash and cash equivalents		3,585,845	(560,747)	2,289,577	1,861,223
Effects of foreign exchange rate changes		(16,463)	(11,920)	–	–
Cash and cash equivalents at beginning of the financial year		10,859,623	11,432,290	5,291,702	3,430,479
Cash and cash equivalents at end of the financial year	31	14,429,005	10,859,623	7,581,279	5,291,702

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

1. CORPORATE INFORMATION

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

The registered office and principal place of business of the Company is located at No. 7, Jalan PJS 7/19, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 10. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors dated 24 March 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as otherwise disclosed in the summary of significant accounting policies.

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int

(a) Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int

The Group and the Company had adopted the following new and revised MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int that are mandatory for the current financial year:-

<u>New MFRSs</u>
MFRS 10 Consolidated Financial Statements
MFRS 11 Joint Arrangements
MFRS 12 Disclosure of Interests in Other Entities
MFRS 13 Fair Value Measurement

<u>Revised MFRSs</u>
MFRS 119 Employee Benefits
MFRS 127 Separate Financial Statements
MFRS 128 Investments in Associates and Joint Ventures

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(a) Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int (cont'd)

The Group and the Company had adopted the following new and revised MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int that are mandatory for the current financial year (cont'd):-

Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of Financial Reporting Standards
MFRS 7	Financial Instruments: Disclosures
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 101	Presentation of Financial Statements
MFRS 116	Property, Plant and Equipment
MFRS 132	Financial Instruments: Presentation
MFRS 134	Interim Financial Reporting

New IC Int

IC Int 20	Stripping Costs in the Production Phase of a Surface Mine

Amendments to IC Int

IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments

The adoption of the above new and revised MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int do not have any effect on the financial statements of the Group and of the Company except for those as discussed below.

MFRS 10 Consolidated Financial Statements and MFRS 127 Separate Financial Statements (Revised)

MFRS 10 replaces the consolidation part of the former MFRS 127 Consolidated and Separate Financial Statements. The revised MFRS 127 will deal only with accounting for investment in subsidiaries, joint controlled entities and associates in the separate financial statements of an investor and require the entity to account for such investments either at cost, or in accordance with MFRS 139 Financial Instruments: Recognition and Measurement.

MFRS 10 brings about convergence between MFRS 127 and IC Int 12 Consolidation-Special Purpose Entities, which interprets the requirements of MFRS 10 in relation to special purpose entities. MFRS 10 introduces a new single control model to identify a parent-subsidiary relationship by specifying that "an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee". It provides guidance on situations when control is difficult to assess such as those involving potential voting rights, or in circumstances involving agency relationships, or where the investor has control over specific assets of the entity, or where the investee entity is designed in such a manner where voting rights are not the dominant factor in determining control.

The Group adopted MFRS 10 in the current financial year. This resulted in changes to the accounting policies as disclosed in Note 2.3. The adoption of MFRS 10 has no significant impact to the financial statements of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(a) Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int (cont'd)

MFRS 12 Disclosures of Interests in Other Entities

MFRS 12 is a single disclosure standard for interests in subsidiaries, jointly controlled entities, associates and unconsolidated structured entities. The disclosure requirements in this MFRS are aimed at providing standardised and comparable information that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's interests in other entities, and the effects of those interests on its financial position, financial performance and cash flows. The requirements in MFRS 12 are more comprehensive than the previously existing disclosure requirements for subsidiaries.

MFRS 13 Fair Value Measurement

MFRS 13 defines fair value and sets out a framework for measuring fair value, and the disclosure requirements about fair value. This standard is intended to address the inconsistencies in the requirements for measuring fair value across different accounting standards. As defined in this standard, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As a result of the guidance in MFRS 13, the Group and the Company reassessed their policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair values measurement of liabilities.

Application of MFRS 13 has not materially impacted the fair value measurements of the Group and of the Company. MFRS 13 requires more extensive disclosures. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in Note 39.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments clarifies that the opening statement of financial position presented as a result of retrospective restatement or reclassification of items in financial statements does not have to be accompanied by comparative information in the related notes.

Amendment to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards

Amendment to MFRS 1 requires first-time adopters to apply the requirements of MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 120 Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to MFRSs and shall not recognise the corresponding benefit of the government loan at a below-market rate of interest as a government grant. Entities may choose to apply the requirements of MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 120 to any government loans originated before the date of transition to MFRSs retrospectively provided that the information needed to do so had been obtained at the time of initially accounting for that loan. The exception would give the first-time adopters relief from retrospective measurement of government loans with a below-market rate of interest.

Amendment to MFRS 1 also clarifies that an entity that has applied MFRSs or IFRSs in a previous reporting period, but whose most recent previous annual financial statements did not contain an explicit and unreserved statement of compliance with MFRSs or IFRSs, has the option to apply this MFRS 1 or apply MFRSs retrospectively in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors as if it had never stopped applying MFRSs or IFRSs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(a) Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int (cont'd)

MFRS 128 Investments in Associates and Joint Ventures (Revised)

MFRS 128 (Revised) incorporates the requirements for accounting for joint ventures into the same accounting standard as that for accounting for investments in associates, as the equity method was applicable for both investments in joint ventures and associates. However, the revised standard exempts the investor from applying equity accounting where the investment in the associate or joint venture is held indirectly via venture capital organisations or mutual funds, unit trusts and similar entities. In such cases, the entity shall measure the investment at fair value through profit or loss, in accordance with MFRS 139 Financial Instruments: Recognition and Measurement.

Amendments to MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 7 address disclosures to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

Amendment to MFRS 116 Property, Plant and Equipment

Amendment to MFRS 116 clarifies that items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 11 Joint Arrangements and MFRS 12 Disclosure of Interests in Other Entities

Amendments to MFRS 10 clarify that the date of initial application is the beginning of the annual reporting period for which this MFRS is applied for the first time. Consequently, an entity is not required to make adjustments to the previous accounting if the consolidation conclusion reached upon the application of MFRS 10 is the same as previous accounting or the entity had disposed of its interests in investees during a comparative period. When applying MFRS 10, these amendments also limit the requirement to present quantitative information required by Paragraph 28(f) of MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors to the annual period immediately preceding the date of initial application. A similar relief is also provided in MFRS 11 and MFRS 12. Additionally, entities would no longer be required to provide disclosures for unconsolidated structure entities in periods prior to the first annual period that MFRS 12 is applied.

If, upon applying MFRS 10, an entity concludes that it shall consolidate an investee that was not previously consolidated and that control was obtained before the effective date of the revised versions of these standards issued by the Malaysian Accounting Standards Board in November 2011, these amendment also clarify that an entity can apply the earlier versions of MFRS 3 Business Combinations and MFRS 127.

These amendments are not expected to have any significant impact on the financial performance and position of the Group and of the Company.

Amendment to MFRS 132 Financial Instruments: Presentation

Amendment to MFRS 132 clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with MFRS 112 Income Taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(a) Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int (cont'd)

Amendment to MFRS 134 Interim Financial Reporting

To be consistent with the requirements in MFRS 8 Operating Segments, the amendment to MFRS 134 clarifies that an entity shall disclose the total assets and liabilities for a particular reportable segment only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

(b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new MFRS, amendments/improvements to MFRSs and new IC Int that have been issued by the Malaysian Accounting Standards Board ("MASB") as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

		Effective for financial periods beginning on or after
New MFRSs		
MFRS 9	Financial Instruments	1 January 2018
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 July 2014
MFRS 2	Share-based Payment	1 July 2014
MFRS 3	Business Combinations	1 July 2014
MFRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
MFRS 7	Financial Instruments: Disclosures	1 January 2016
MFRS 8	Operating Segments	1 July 2014
MFRS 10	Consolidated Financial Statements	1 January 2016
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosure of Interests in Other Entities	1 January 2016
MFRS 13	Fair Value Measurement	1 July 2014
MFRS 101	Presentation of Financial Statements	1 January 2016
MFRS 116	Property, Plant and Equipment	1 July 2014/ 1 January 2016
MFRS 119	Employee Benefits	1 July 2014/ 1 January 2016
MFRS 124	Related Party Disclosures	1 July 2014
MFRS 127	Separate Financial Statements	1 January 2016
MFRS 128	Investments in Associates and Joint Ventures	1 January 2016
MFRS 132	Financial Instruments: Presentation	1 January 2014
MFRS 136	Impairment of Assets	1 January 2014
MFRS 138	Intangible Assets	1 July 2014/ 1 January 2016
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2014
MFRS 140	Investment Property	1 July 2014
MFRS 141	Agriculture	1 January 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

The Group and the Company have not adopted the following new MFRS, amendments/improvements to MFRSs and new IC Int that have been issued by the Malaysian Accounting Standards Board ("MASB") as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company (cont'd):-

		Effective for financial periods beginning on or after
New IC Int		
IC Int 21	Levies	1 January 2014

A brief discussion on the above significant new MFRSs, amendments/improvements to MFRSs and new IC Int are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

MFRS 9 Financial Instruments

MFRS 9 introduces a package of improvements which includes a classification and measurement model, a single forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

Classification and measurement

MFRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statement of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statement of financial position.

Impairment

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

MFRS 9 Financial Instruments (cont'd)

Hedge accounting

MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

MFRS 14 Regulatory Deferral Accounts

MFRS 14 permits first-time adopters of MFRSs to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt MFRSs. An entity that already presents MFRSs financial statements is not eligible to apply this Standard.

As regulatory deferral account balances were not recognised in the MFRS financial statements, the principles specified in MFRS 14 would have no impact to the Malaysian entities.

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:-
- Identify the contracts with a customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The following MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:-

MFRS 111	Construction Contracts
MFRS 118	Revenue
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 131	Revenue – Barter Transactions Involving Advertising Services

Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards

Amendments to MFRS 1 relates to the IASB's Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that a first-time adopter is permitted but not required to apply a new or revised Standard that is not yet mandatory but is available for early application.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

Amendment to MFRS 3 Business Combinations

Amendment to MFRS 3 clarifies that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132 Financial Instruments: Presentation. It also clarifies that contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In addition, amendment to MFRS 3 clarifies that MFRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in MFRS 11 Joint Arrangements) in the financial statements of the joint arrangement itself.

Amendments to MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 7 provides additional guidance to clarify whether servicing contracts constitute continuing involvement for the purposes of applying the disclosure requirements of MFRS 7.

The Amendments also clarify the applicability of Disclosure – Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7) to condensed interim financial statements.

Amendment to MFRS 8 Operating Segments

Amendment to MFRS 8 requires an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

The amendments also clarifies that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly to the chief operating decision maker.

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 127 Separate Financial Statements

Amendments to MFRS 10 introduces an exception to the principle that all subsidiaries shall be consolidated. The amendments define an investment entity and require a parent that is an investment entity to measure its investment in particular subsidiaries at fair value through profit or loss in accordance with MFRS 139 Financial Instruments: Recognition and Measurement instead of consolidating those subsidiaries in its consolidated financial statements. Consequently, new disclosure requirements related to investment entities are introduced in amendments to MFRS 12 and MFRS 127.

In addition, amendments to MFRS 127 also clarifies that if a parent is required, in accordance with paragraph 31 of MFRS 10, to measure its investment in a subsidiary at fair value through profit or loss in accordance with MFRS139, it shall also account for its investment in that subsidiary in the same way in its separate financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These Amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the Amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not), as defined in MFRS 3 Business Combinations. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosures of Interests in Other Entities and MFRS 128 Investments in Associates and Joint Ventures

These Amendments addresses the following issues that have arisen in the application of the consolidation exception for investment entities:-

- Exemption from presenting consolidated financial statements:- the Amendments clarifies that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Consolidation of intermediate investment entities:- the Amendments clarifies that only a subsidiary is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.
- Policy choice for equity accounting for investments in associates and joint ventures:- the Amendments allows a non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interest in subsidiaries, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture.

Amendment to MFRS 13 Fair Value Measurement

Amendment to MFRS 13 relates to the IASB's Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that when IASB issued IFRS 13, it did not remove the practical ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments also clarifies that the scope of the portfolio exception of MFRS 13 includes all contracts accounted for within the scope of MFRS 139 Financial Instruments: Recognition and Measurement or MFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in MFRS 132 Financial Instruments: Presentation.

Amendments to MFRS 101 Presentation of Financial Statements

Amendments to MFRS 101 improves the effectiveness of disclosures. The Amendments clarifies guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

Amendment to MFRS 116 Property, Plant and Equipment

Amendments to MFRS 116 clarify the accounting for the accumulated depreciation/amortisation when an asset is revalued. It clarifies that:-

- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and
- the accumulated depreciation / amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Amendments to MFRS 116 prohibit revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

Amendment to MFRS 124 Related Party Disclosures

Amendment to MFRS 124 clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

Amendments to MFRS 127 Separate Financial Statements

Amendments to MFRS 127 allows a parent and investors to use the equity method in its separate financial statements to account for investments in subsidiaries, joint ventures and associates, in addition to the existing options.

Amendment to MFRS 132 Financial Instruments: Presentation

Amendment to MFRS 132 does not change the current offsetting model in MFRS 132. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off', that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. The amendment clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

Amendments to MFRS 136 Impairment of Assets

Amendments to MFRS 136 clarify that disclosure of the recoverable amount (based on fair value less costs of disposal) of an asset or cash generating unit is required to be disclosed only when an impairment loss is recognised or reversed. In addition, there are new disclosure requirements about fair value measurement when impairment or reversal of impairment is recognised.

Amendments to MFRS 138 Intangible Assets

Amendments to MFRS 138 introduces a rebuttable presumption that the revenue-based amortisation method is inappropriate (for the same reasons as per the Amendments to MFRS 116). This presumption can be overcome only in the limited circumstances:-

- in which the intangible asset is expressed as a measure of revenue, i.e. in the circumstance in which the predominant limiting factor that is inherent in an intangible asset is the achievement of a revenue threshold; or
- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (cont'd)

(b) New MFRSs, Amendments/Improvements to MFRSs and New IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

Amendments to MFRS 139 Financial Instruments: Recognition and Measurement

Amendments to MFRS 139 provides relief from discontinuing hedge accounting in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. As a result of the amendments, continuation of hedge accounting is permitted if as a consequence of laws or regulations, the parties to hedging instrument agree to have one or more clearing counterparties replace their original counterparty and the changes to the terms arising from the novation are consistent with the terms that would have existed if the novated derivative were originally cleared with the central counterparty.

Amendments to MFRS 140 Investment Property

Amendments to MFRS 140 clarifies that the determination of whether an acquisition of investment property meets the definition of both a business combination as defined in MFRS 3 and investment property as defined in MFRS 140 requires the separate application of both Standards independently of each other.

IC Int 21 Levies

IC Int 21 addresses the accounting for a liability to pay a government levy (other than income taxes and fine or other penalties that imposed for breaches of the legislation) if that liability is within the scope of MFRS 137 Provisions, Contingent Liabilities and Contingent Assets. This interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers the payment of the levy, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is recognised progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specific minimum threshold is reached.

2.3 Basis of Consolidation and Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary which is disclosed in Note 10 made up to the end of the financial year. The financial statements of the Company and its subsidiary are all drawn up to the same reporting date.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Specifically, the Group controls an investee if and only if the Group has:-

(a) Power over the investee;
(b) Exposure, or rights, to variable returns from its involvement with the investee; and
(c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:-

(a) The contractual arrangement with the other vote holders of the investee;
(b) Rights arising from other contractual agreements; and
(c) The voting rights of the Group and potential voting rights.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Basis of Consolidation and Subsidiaries (cont'd)

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The assets, liabilities and contingent liabilities assumed from a subsidiary 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 like transactions and events in similar circumstances.

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses, unless the investments are classified as held for sale (or included in a disposal group that is classified as held for sale). Acquisition related costs are recognised as expenses in the period in which the costs are incurred. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in profit or loss.

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.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at the acquisition date either at fair value or at the proportionate share of the acquiree's identifiable net assets.

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.

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

The Group has applied the revised MFRS 127 prospectively on 1 January 2011 in accordance with the transitional provisions. Accordingly, transactions with non-controlling interests prior to the respective effective date have not been restated to comply with the Standard.

2.4 Transactions with Non-Controlling Interests

Non-controlling interests represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributable to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2.5 Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities 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 Group's and the Company's functional currency.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Foreign Currency

(i) Foreign Currency Transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

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

(ii) Foreign Operations Denominated in Functional Currencies other than Ringgit Malaysia

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:-

(a) Assets and liabilities for each reporting date presented are translated at the closing rate prevailing at the reporting date;
(b) Income and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
(c) All resulting exchange differences are taken to other comprehensive income.

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

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

2.7 Revenue Recognition

(i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised upon delivery of goods and 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.7 Revenue Recognition (cont'd)

(ii) Services

Revenue from services is recognised as and when the services are rendered and by reference to the stage of completion at the reporting date. Stage of completion is determined by reference to labour costs incurred to date as a percentage of total estimated labour costs for each contract. Where the contract outcome cannot be measured reliably, revenue is recognised to the extent of the expenses recognised that are recoverable.

(iii) Rental income

Rental income is recognised on an accrual basis.

(iv) Dividend income

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

(v) Interest income

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

(vi) Management fee income

Management fee income is recognised on an accrual basis.

2.8 Employee benefits

(i) Short term employee benefits

Wages, salaries, social security contributions and bonuses are recognised as expenses in the financial 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 are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

A liability is recognised for the amount expected to be paid if the Group and the Company has a present legal and constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as expenses as incurred.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 Leases

(i) Finance lease – the Group as Lessee

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

Finance lease are 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 interest element of the finance charge is charged to the profit or loss 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 lease is depreciated in accordance with the depreciation policy for property, plant and equipment.

(ii) Operating lease – the Group as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on the straight-line basis.

Assets leased out under operating leases are presented on the statements of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(iii) Operating lease – the Group as Lessor

Assets leased out under operating leases are presented on the statements of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

2.11 Tax expense

Tax expense in profit or loss represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial year, including real property gains taxes payable on disposal of properties, using tax rates enacted or substantially enacted by the reporting date, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Tax expense (cont'd)

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 benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

2.12 Earnings per share

(i) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

2.13 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 asset as appropriate, only when the cost is incurred and it is probable that future economic benefits associated with the item will flow to the Group and the Company 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 profit or loss as incurred.

Leasehold land is depreciated on the straight line basis over the lease term of 95 years. Freehold land is not depreciated. All other property, plant and equipment are depreciated on the straight line basis 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:-

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

The residual values, useful lives and depreciation method are reviewed at each reporting date 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. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.13 Property, plant and equipment and depreciation (cont'd)

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 profit or loss.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

2.14 Intangible assets

(i) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit and loss 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 the development.

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in profit or loss 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 to 5 years. Impairment is assessed whenever there is an indication of impairment. The amortisation period and method are also reviewed at each reporting date.

Development costs in-progress is not amortised.

(ii) License rights

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

These assets which are considered to have finite useful lives which will be amortised over the estimated useful lives and assessed for impairment 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 5 years. The amortisation period and amortisation method are reviewed at each reporting date.

2.15 Investment properties

Investment properties are properties which are owned or held to earn rental income or for capital appreciation or for both. These include land held for a currently undetermined future use. Properties that are occupied by the companies within the Group are accounted for as owner's occupied rather than as investment properties.

The Group has adopted the cost method in measuring investment properties. Investment property is stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.16 Associates

An associate is an entity in which the Group exercises influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights, and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over these policies.

Investments in associate are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. The Group's investments in associates includes goodwill identified on acquisition.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the interest of the Group in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

2.17 Impairment of non-financial assets

The carrying amounts of non-financial assets other than deferred tax assets and inventories are reviewed at each reporting 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 to sell 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 profit or loss.

Any subsequent increase in recoverable amount due to a reversal of impairment loss 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 of impairment loss is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 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.

2.19 Construction Contracts

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.

2.20 Financial assets

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and have categorised financial assets in financial assets at fair value through profit or loss ("FVTPL"), loans and receivables and available-for-sale financial assets.

(i) Financial assets at FVTPL

Financial assets are classified as financial assets at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at FVTPL do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at FVTPL are recognised separately in profit or loss as part of other losses or other income.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.20 Financial assets (cont'd)

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

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

(iii) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in financial assets at FVTPL, held-to-maturity investments and loans and receivables.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

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

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

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

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or where appropriate, a shorter period to the net carrying amount on initial recognition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.21 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

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

(ii) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(iii) Unquoted equity securities carried at cost

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.22 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. For the purposes of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and cash deposit under lien.

2.23 Share capital

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

2.24 Provisions

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

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.25 Financial liabilities

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

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Group become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade payables and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.26 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.27 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities or assets are not recognised in the statements of financial positions.

2.28 Segment reporting

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

2.29 Fair value measurement

The Group and the Company adopted MFRS 13 Fair Value Measurement which prescribed that fair value of an asset or a liability, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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) Tax expense

Significant judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for taxation. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due is uncertain. The Group and the Company recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the periods in which the outcome is known.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

(ii) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight line basis 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 resulting in revision of future depreciation charges.

(iii) Useful lives of intangible assets

The cost of intangible assets is amortised on a straight line basis over the assets' useful lives. Management estimates the useful lives of these intangible assets to be 2 to 5 years of their expected benefit. The amortisation period and amortisation method are reviewed at each reporting date.

(iv) Capitalisation and amortisation of development expenditure

The Group and the Company follows the guidance of MFRS 138 Intangible Assets in determining the amount and nature of development expenditure to be capitalised and its subsequent amortisation. The assessment of the capitalisation criteria as disclosed in Note 2.14 (i) requires ongoing estimates on the future outcome of the development projects. Any changes from the previous estimates will impact the initial and subsequent capitalisation of the development expenditure as well as its future amortisation charges.

(v) Impairment of available-for-sale financial assets

The Group and the Company classify investment in unquoted shares and transferable club membership as available-for-sale financial assets and recognises movements in its fair value in equity. When there is a significant or prolonged decline in fair value below their cost, management determines whether it is an impairment that should be recognised in profit or loss. The determination of what is "significant" or "prolonged" requires judgement.

(vi) Impairment loss on trade receivables

The Group and the Company assesses at each reporting date whether there is any objective evidence that a receivable is impaired. Allowances are applied where events or changes in circumstances indicate that the balances may not be collectable. To determine whether there is objective evidence of impairment, the Group and the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables at the reporting date.

(vii) Provision for warranty costs

Provision for warranty costs is in respect of products sold under warranty by subsidiaries. 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 best estimate by the directors of the Group.

4. REVENUE

Revenue of the Group and of the Company comprise the following:-

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Sales of goods and services	26,083,938	37,325,064	–	–
Contract revenue	5,713,851	2,935,909	–	–
Management fees	187,920	187,925	1,231,890	1,189,269
Dividend income				
- subsidiaries	–	–	3,969,000	3,871,500
	31,985,709	40,448,898	5,200,890	5,060,769

5. COST OF SALES

Cost of sales of the Group comprises the following:-

	Group 2014 RM	Group 2013 RM
Cost of sales of goods and services	20,624,368	26,586,815
Contract costs	4,681,160	2,448,579
	25,305,528	29,035,394

6. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):-

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Amortisation of intangible assets	992,928	1	–	–
Auditors' remuneration:-				
- Statutory audit	102,412	81,600	33,000	28,000
- Other services	10,500	10,000	10,500	10,000
Bad debts written off	–	63,414	–	–
Depreciation of property, plant and equipment	916,920	907,530	65,866	48,645
Dividend income from:-				
- associates	–	(102,000)	–	–
- fixed income fund	(308,616)	(386,057)	(143,582)	(122,182)
- other investments	(159,317)	(33,023)	–	–
- subsidiaries	–	–	(3,969,000)	(3,871,500)

6. PROFIT BEFORE TAX (cont'd)

Profit before tax is arrived at after charging/(crediting) (cont'd):-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Gain on disposal of property, plant and equipment	(2,391,352)	(173,658)	–	–
Gain on disposal of subsidiaries	–	(1,294)	–	(2)
Impairment loss on:-				
- amounts owing by subsidiaries	–	–	–	2,602
- investment in subsidiaries	–	–	1,991,325	241,073
- property, plant and equipment	–	94,686	–	–
Independent Non-Executive Directors' fees:-				
- Directors of the Company	152,000	152,000	152,000	152,000
- Director of the subsidiary	36,000	36,000	–	–
Interest expense:-				
- finance lease payables	42,502	50,934	–	–
- bankers' acceptance	31,729	25,847	–	–
- term loan	262,217	326,232	–	–
- bank overdrafts	28,928	19,031	–	–
- trust receipts	7,682	2,051	–	–
Interest income	(274,458)	(306,815)	(28,059)	(9,489)
Loss/(Gain) on disposal of an associate	6,900	–	–	(1)
Loss on foreign exchange:-				
- realised	28,090	10,962	–	–
- unrealised	16,216	32,484	–	–
Net fair value loss/(gain) on held for trading investment	132,516	(66,257)	–	–
Net provision for employee benefits	12,003	4,528	8,089	7,113
Personnel expenses (including key management personnel):-				
- Contribution to Employees Provident Fund and social security contribution	443,708	477,903	102,786	72,819
- Salaries and others	3,546,526	4,522,168	701,066	1,035,984
Property, plant and equipment written off	1,649	3,156	1,055	–
Rental income	(88,000)	(58,466)	–	–
Rental of motor vehicles	–	–	71,250	112,800
Rental of premises	573,167	523,156	89,900	80,900
Reversal of impairment loss on amounts owing by subsidiaries	–	–	(1,293,398)	–
Reversal of provision for warranty costs	(86,624)	(138,566)	–	–
Waiver of amounts owing to subsidiaries	–	–	(1,710,138)	–

6. PROFIT BEFORE TAX (cont'd)

Included in personnel expenses are the aggregate amounts of remuneration received and receivable by the Executive Directors of the Company and of its subsidiaries during the financial year as follows:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Executive Directors of the Company:-				
- fees	16,500	18,000	16,500	18,000
- other emoluments	959,501	644,923	589,240	549,850
Executive Directors of the subsidiaries:-				
- other emoluments	705,946	748,279	–	–

Estimated monetary value of the Executive 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	
	2014 RM	2013 RM	2014 RM	2013 RM
Executive Directors of the:-				
- Company	58,450	37,450	37,450	37,450
- Subsidiaries	12,100	46,516	–	–

7. TAX EXPENSE

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Current tax expense:-				
Malaysian income tax:-				
- Current year	86,400	596,000	–	–
- Over provision in prior financial year	(119,905)	(55,068)	–	–
Real property gains tax	501,977	–	–	–
	468,472	540,932	–	–
Deferred tax expense (Note 27):-				
- Relating to origination and reversal of temporary differences	129,000	77,200	–	–
- Effect of changes in tax rate on opening balance of deferred tax	–	(11,600)	–	–
- Over provision in prior financial year	(6,400)	(2,955)	–	–
	122,600	62,645	–	–
Tax expense	591,072	603,577	–	–

Domestic income tax is calculated at the Malaysian statutory income tax rate of 25% (2013: 25%) of the estimated assessable profit for the financial year. The domestic statutory income tax rate will be reduced to 24% from the current year's rate of 25% with effect from the year of assessment 2016. The computation of deferred tax as at 30 November 2014 and 30 November 2013 has reflected these changes.

7. TAX EXPENSE (cont'd)

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit before tax	1,184,571	1,893,829	4,315,512	3,087,474
Tax at the Malaysian statutory income tax rate of 25%	296,143	473,500	1,078,878	771,900
Tax effect of non-taxable income	(592,100)	(510,900)	(1,786,000)	(1,000,800)
Tax effect of non-deductible expenses	416,357	630,300	611,022	135,700
Deferred tax assets not recognised during the financial year	178,700	384,500	92,256	93,200
Deferred tax recognised at different tax rate	11,800	2,700	3,844	–
Effect of changes in tax rate on opening balance of deferred tax	–	(11,600)	–	–
Real Property Gain Tax	501,977	–	–	–
Utilisation of previously unrecognised deferred tax assets	(23,600)	(3,800)	–	–
Tax effect arising from tax exempt income under the Promotion of Investments (Amendments) Act, 1997	(71,900)	(303,100)	–	–
Over provision in prior financial year:-				
- current tax expense	(119,905)	(55,068)	–	–
- deferred tax expense	(6,400)	(2,955)	–	–
Tax expense	591,072	603,577	–	–

The Group has an estimated unabsorbed capital allowances and unutilised tax losses of RM3,111,000 (2013: RM2,763,700) and RM7,920,700 (2013: RM7,594,200) respectively, available for set-off against future taxable profits.

The Company has an estimated unabsorbed capital allowances and unutilised tax losses of RM1,004,500 (2013: RM970,400) and RM1,337,600 (2013: RM1,029,000) respectively, available for set-off against future taxable profits.

8. EARNINGS PER SHARE (SEN)

Basic earnings per share of the Group is calculated based on the profit attributable to owners of the parent of RM601,395 (2013: RM1,102,033) divided by the weighted average number of ordinary shares of RM1 each in issue during the financial year of 49,277,066 (2013: 49,277,066) ordinary shares.

The diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any dilutive potential ordinary shares.

9. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Buildings RM	Plant, machinery and tools RM	Renovation, furniture, fixture, fittings, office and computer equipment and electrical installation RM	Motor vehicles RM	Total RM
Cost						
At 1.12.2013	8,507,000	7,387,077	1,081,420	3,078,751	2,512,367	22,566,615
Additions	–	433,485	58,610	711,853	205,074	1,409,022
Disposals	(8,467,000)	(7,698,197)	–	(61,087)	(485,442)	(16,711,726)
Written off	–	–	–	(348,644)	–	(348,644)
At 30.11.2014	40,000	122,365	1,140,030	3,380,873	2,231,999	6,915,267
Accumulated Depreciation and Impairment Loss						
At 1.12.2013						
Accumulated depreciation	–	212,151	587,368	2,355,869	1,538,658	4,694,046
Accumulated impairment loss	–	–	–	165,683	–	165,683
	–	212,151	587,368	2,521,552	1,538,658	4,859,729
Charge for the financial year	–	141,225	67,673	370,302	337,720	916,920
Disposals	–	(323,962)	–	(31,765)	(434,390)	(790,117)
Written off	–	–	–	(346,995)	–	(346,995)
At 30.11.2014						
Accumulated depreciation	–	29,414	655,041	2,347,411	1,441,988	4,473,854
Accumulated impairment loss	–	–	–	165,683	–	165,683
	–	29,414	655,041	2,513,094	1,441,988	4,639,537
Net Carrying Amount						
At 30.11.2014	40,000	92,951	484,989	867,779	790,011	2,275,730

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

Group	Freehold land RM	Long term leasehold land RM	Buildings RM	Plant, machinery and tools RM	Renovation, furniture, fixture, fittings, office and computer equipment and electrical installation RM	Motor vehicles RM	Total RM
Cost							
At 1.12.2012	8,530,666	32,220	7,411,667	687,296	2,994,475	2,990,463	22,646,787
Additions	–	–	107,163	475,000	720,133	135,463	1,437,759
Disposals	(23,666)	(32,220)	(131,753)	(2,000)	(53,713)	(613,559)	(856,911)
Written off	–	–	–	(78,876)	(582,144)	–	(661,020)
At 30.11.2013	8,507,000	–	7,387,077	1,081,420	3,078,751	2,512,367	22,566,615
Accumulated Depreciation and Impairment Loss							
At 1.12.2012							
Accumulated depreciation	–	1,994	90,123	652,082	2,644,627	1,685,471	5,074,297
Accumulated impairment loss	–	–	–	–	70,997	–	70,997
	–	1,994	90,123	652,082	2,715,624	1,685,471	5,145,294
Charge for the financial year	–	-	146,221	16,153	319,871	425,285	907,530
Disposals	–	(1,994)	(24,193)	(1,999)	(29,633)	(572,098)	(629,917)
Written off	–	–	–	(78,868)	(578,996)	–	(657,864)
Impairment loss	–	–	–	–	94,686	–	94,686
At 30.11.2013							
Accumulated depreciation	–	–	212,151	587,368	2,355,869	1,538,658	4,694,046
Accumulated impairment loss	–	–	–	–	165,683	–	165,683
	–	–	212,151	587,368	2,521,552	1,538,658	4,859,729
Net Carrying Amount							
At 30.11.2013	8,507,000	–	7,174,926	494,052	557,199	973,709	17,706,886

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

Company	Furniture, fixture, fittings, office and computer equipment RM	Renovation RM	Total RM
Cost			
At 1.12.2013	296,712	63,787	360,499
Additions	112,517	–	112,517
Written off	(65,181)	–	(65,181)
At 30.11.2014	344,048	63,787	407,835
Accumulated Depreciation and Impairment Loss			
At 1.12.2013			
Accumulated depreciation	170,308	63,787	234,095
Accumulated impairment loss	7,049	–	7,049
	177,357	63,787	241,144
Charge for the financial year	65,866	–	65,866
Written off	(64,126)	–	(64,126)
At 30.11.2014	179,097	63,787	242,884
Net Carrying Amount			
At 30.11.2014	164,951	–	164,951
Cost			
At 1.12.2012	166,227	63,787	230,014
Additions	130,485	–	130,485
At 30.11.2013	296,712	63,787	360,499
Accumulated Depreciation and Impairment Loss			
At 1.12.2012			
Accumulated depreciation	121,663	63,787	185,450
Accumulated impairment loss	7,049	–	7,049
	128,712	63,787	192,499
Charge for the financial year	48,645	–	48,645
At 30.11.2013	177,357	63,787	241,144
Net Carrying Amount			
At 30.11.2013	119,355	–	119,355

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

Included in property, plant and equipment are motor vehicles acquired under finance lease arrangement as follows:-

	Group	
	2014 RM	2013 RM
Cost		
Motor vehicles	1,217,310	1,688,833
Net Carrying Amount		
Motor vehicles	541,486	953,148

During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM1,409,022 (2013: RM1,437,759) and RM112,517 (2013: RM130,485) respectively which are satisfied by the following:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash payments	1,269,707	1,326,259	112,517	130,485
Finance lease arrangement	139,315	111,500	–	–
	1,409,022	1,437,759	112,517	130,485

In the previous financial year, freehold land and building of the Group with an aggregate carrying value of RM15,462,368 are pledged as security for term loan as disclosed in Note 26. This is in respect of the freehold industrial land held under GRN 215183, Lot 61789, Bandar Glenmarie, District of Petaling, State of Selangor Darul Ehsan together with a three storey office warehouse building. On 3 April 2014, the Company's wholly owned subsidiary, Metrarama Sdn. Bhd. ("MTSB") has entered into a Sale and Purchase Agreement with Swiss Bio Pharma Sdn. Bhd. to dispose all that parcel of freehold industrial land with a total cash consideration of RM18,500,000. The disposal was completed on 7 November 2014. The disposal had resulted in a net gain after Real Property Gain Tax of RM1,784,050 during the current year.

On 25 February 2014, the Company's wholly owned subsidiary, Amtel Resources Sdn. Bhd. ("ARSB") completed the disposal of one unit of freehold three (3) storey town house (upper floor unit) held under Title No. 10388, Lot No. TH B68-1, Mukim Kajang, Daerah Hulu Langat, State of Selangor for a total cash consideration of RM145,000. The disposal had resulted in a net gain of RM61,113 during the financial year.

Property, plant and equipment of a subsidiary amounting to RM982,302 (2013: RM726,290) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 25.

During the financial year, the Company had acquired furniture, fixture, fittings and office equipment with carrying amount of RM39,547 from a subsidiary.

10. INVESTMENT IN SUBSIDIARIES

	Company 2014 RM	2013 RM
Unquoted shares		
At cost,		
At beginning of the financial year	26,319,872	26,279,373
Addition	1,000,000	135,000
Disposal	–	(94,501)
At end of the financial year	27,319,872	26,319,872
Less: Accumulated impairment loss		
At beginning of the financial year	(7,885,738)	(7,739,166)
Addition	(1,991,325)	(241,073)
Disposal	–	94,501
At end of the financial year	(9,877,063)	(7,885,738)
	17,442,809	18,434,134

Investment in subsidiaries of a subsidiary amounting to RM1,133,120 (2013: RM768,560) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 25.

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:-

Name of Company	Effective Equity Interest 2014	2013	Principal Activities
Held by the Company			
Amtel Cellular Sdn. Bhd.	100%	100%	Distribution of telematics products and trading of electronic and telecommunication related products.
Amtel Communications Sdn. Bhd.	100%	100%	Trading of telecommunication related products.
Amtel Group Sdn. Bhd.	100%	100%	Investment holding and provision of management services to its related companies.
Metrarama Sdn. Bhd.	100%	100%	Property investment and investment holding.
Amtel Resources Sdn. Bhd.	100%	100%	Contractor for installation, jointing and testing of utilities, telecommunication and fibre optic cables and associated civil works.
AAV Industries Sdn. Bhd.	100%	100%	Manufacturing, installation and distribution of vehicles products related accessories and telematics systems.
Topweb Sdn. Bhd.	100%	100%	Dormant.
Amtel Technology Sdn. Bhd.	100%	100%	Dormant.

10. INVESTMENT IN SUBSIDIARIES (cont'd)

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:- (cont'd)

Name of Company	Effective Equity Interest 2014	2013	Principal Activities
Held through Amtel Cellular Sdn. Bhd.			
Amnavi Sdn. Bhd.	85%	85%	Geographical Information System (GIS) and related products' research and development.
Amtel Pte. Ltd.#	70%	–	Development of map data source for navigation and web based portal application.

Incorporated in Singapore and audited by other professional firm of accountants other than Baker Tilly AC.

(a) Acquisition of non-controlling interests

In the previous financial year, the Company acquired the remaining 49.75% equity interest in Topweb Sdn. Bhd. ("TWSB") for a cash consideration of RM135,000. Consequently, TWSB became a wholly-owned subsidiary of the Company. The difference between the consideration and the carrying value of the interest acquired of RM136,825 is reflected in equity as discount received from acquisition of non-controlling interests.

(b) Subscription of new ordinary shares

On 3 March 2014, AAV Industries Sdn. Bhd. increased its issued and fully paid up share capital from 1,000,000 ordinary shares of RM1 each to 2,000,000 ordinary shares of RM1 each, whereby the Company has fully subscribed for a cash consideration of RM1,000,000.

(c) Incorporation of a subsidiary

On 21 November 2013, the Company's wholly owned subsidiary, Amtel Cellular Sdn. Bhd. ("AMCSB") has entered into an agreement with Asia World Technology Pte. Ltd. ("AWT") to establish a company in Singapore with the objectives of penetrating into Singapore market on navigation for auto and mobile industry and develop and own high quality Singapore map data to be used for both navigation and web based portal applications. The company, namely Amtel Pte. Ltd. ("APL"), a private limited company was incorporated on 3 December 2013. Pursuant to this agreement, all the issued and paid-up capital of the company shall at all times be held by AMCSB and AWT at 70% and 30% respectively.

On 11 March 2014, APL increased its paid up share capital from SGD2 to SGD200,000. AMCSB and AWT both subscribed for the proportionate increased by cash.

AMCSB subscribed for 70% of ordinary shares of APL for a purchase consideration of RM364,560.

10. INVESTMENT IN SUBSIDIARIES (cont'd)

(c) Incorporation of a subsidiary (cont'd)

The effects on the subscription of APL is as follows:-

	Group 2014 RM
Cash and bank balances	519,643
Non-controlling interest	(155,083)
Total purchase consideration	364,560
Less: Cash and bank balances of APL	(519,643)
Cash inflow on subscription	155,083

(d) Non-controlling interests in subsidiaries

The subsidiaries of the Group that have non-controlling interests ("NCI") is as follows:-

2014	Amtel Pte. Ltd. RM	Amnavi Sdn. Bhd. RM	Topweb Sdn. Bhd. RM	Total RM
NCI percentage of ownership interest and voting interest	30%	15%	–	
Carrying amount of NCI	112,544	257,945	–	370,489
(Loss)/Profit allocated to NCI	(42,351)	34,455	–	(7,896)
2013				
NCI percentage of ownership interest and voting interest	30%	15%	#	
Carrying amount of NCI	–	373,488	–	373,488
Profit allocated to NCI	–	163,629	24,590	188,219

In the previous financial year, the Company acquired the remaining 49.75% equity interests in Topweb Sdn. Bhd.. As such the carrying amount of NCI as at 30 November 2013 is RM nil.

10. INVESTMENT IN SUBSIDIARIES (cont'd)

(d) Non-controlling interests in subsidiaries (cont'd)

The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows:-

Group	Amtel Pte. Ltd. RM	Amnavi Sdn. Bhd. RM	Topweb Sdn. Bhd. RM	Total RM
2014				
Assets and liabilities				
Non-current assets	538,573	109,417	–	647,990
Current assets	507,461	1,770,640	–	2,278,101
Non-current liabilities	–	(11,877)	–	(11,877)
Current liabilities	(670,886)	(148,549)	–	(819,435)
Net assets	375,148	1,719,631	–	2,094,779
Results				
Revenue	198,632	1,791,740	–	1,990,372
(Loss)/Profit for the financial year	(141,169)	229,703	–	88,534
Total comprehensive income	(141,169)	229,703	–	88,534
Cash flows from operating activities	427,268	678,332	–	1,105,600
Cash flows from investing activities	(111,305)	(53,260)	–	(164,565)
Cash flows from financing activities	519,442	(970,553)	–	(451,111)
Dividends paid to NCI	–	150,000	–	150,000
2013				
Assets and liabilities				
Non-current assets	–	105,576	–	105,576
Current assets	–	2,529,880	276,376	2,806,256
Non-current liabilities	–	(23,047)	–	(23,047)
Current liabilities	–	(122,481)	13,990	(108,491)
Net assets	–	2,489,928	290,366	2,780,294
Results				
Revenue	–	2,628,035	53,600	2,681,635
Profit for the financial year	–	1,090,860	36,789	1,127,649
Total comprehensive income	–	1,090,860	36,789	1,127,649
Cash flows from operating activities	–	473,837	(7,541)	466,296
Cash flows from investing activities	–	(114,127)	50,000	(64,127)
Cash flows from financing activities	–	356,004	12,612	368,616
Dividends paid to NCI	–	18,000	–	18,000

11. INVESTMENT IN ASSOCIATES

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Unquoted shares				
At cost,				
At beginning of the financial year	109,561	64,559	–	819,371
(Disposal)/Addition	(15,000)	45,002	–	–
Less: Dividend received out of pre-acquisition profits	–	–	–	(819,371)
At end of the financial year	94,561	109,561	–	–
Share of results of associates				
At beginning of the financial year	835,459	735,536	–	–
Current year share of results	41,839	99,923	–	–
At end of the financial year	877,298	835,459	–	–
	971,859	945,020	–	–

Investment in associates of a subsidiary amounting to RM388,800 (2013: RM388,800) have been pledged as security for banking facilities granted to a subsidiary as disclosed in Note 25.

The details of the associates, all of which are incorporated in Malaysia, are as follows:-

Name of Company	Effective Equity Interest 2014	Effective Equity Interest 2013	Principal Activities
Held through Amtel Cellular Sdn. Bhd.			
Milan Utama Sdn. Bhd.	35%	35%	Trading and distribution of information and communication technology products, manufacturing, installation and distribution of vehicle products and related accessories, telematics products and services, project implementation and related services.
Held through Amtel Resources Sdn. Bhd.			
Amtel Networks Sdn. Bhd. #	30%	45%	Contractor for installation, jointing and testing of utilities, telecommunication and fibre optic cables and associated civil works, trading and distribution of telematics and information and communication technology products and services.

11. INVESTMENT IN ASSOCIATES (cont'd)

In the previous financial year, the Company disposed of its entire shareholding in Amtel Networks Sdn. Bhd. ("ANSB") comprising 200,000 ordinary shares of RM1 each to the Company's wholly-owned subsidiary, Amtel Resources Sdn. Bhd. ("ARSB") for a cash consideration of RM1. ARSB acquired an additional 5% equity interest in ANSB comprising 25,000 ordinary shares of RM1 each for a cash consideration of RM1 from an existing shareholder of ANSB. As a result of this acquisition, ARSB holds 45% equity interest in ANSB.

On the same date, ANSB increased its paid up share capital from 500,000 ordinary shares of RM1 each to 600,000 ordinary shares of RM1 each whereby ARSB has proportionately subscribed for its 45% equity interest comprising 45,000 ordinary shares of RM1 each for a cash consideration of RM45,000.

On 13 January 2014, ARSB disposed of its 15% shareholding in Amtel Networks Sdn. Bhd. ("ANSB") comprising 90,000 ordinary shares of RM15,000 to an existing shareholder for a purchase consideration of RM8,100.

(a) The summarised financial information of the associates are as follows:-

	Group	
	2014 RM	2013 RM
Assets and liabilities		
Current assets	3,559,312	2,614,274
Non-current assets	4,037,758	1,333,596
Current liabilities	(4,650,767)	–
Non-current liabilities	(155,372)	(741,016)
Net assets	2,790,931	3,206,854
Results		
Revenue	8,879,669	6,945,743
Profit for the financial year, representating the total comprehensive income for the financial year	244,735	258,209

11. INVESTMENT IN ASSOCIATES (cont'd)

(b) The reconciliation of net assets of the associates to the carrying amount of the investment in associates are follows:-

Group	Milan Utama Sdn. Bhd. RM	Amtel Networks Sdn. Bhd. RM	Total RM
2014			
Share of net assets of the Group, representing carrying amount in the statement of financial position	942,059	29,800	971,859
Share of results of the Group for the financial year ended 30 November 2014			
Share of profit for the financial year	35,976	5,863	41,839
2013			
Share of net assets of the Group	871,380	25,623	897,003
(Over)/Under recognised share of profit in the previous financial years	(20,473)	68,490	48,017
Carrying amount in the statement of financial position	850,907	94,113	945,020
Share of results of the Group for the financial year ended 30 November 2013			
Share of profit for the financial year	96,278	3,645	99,923

12. INTANGIBLE ASSETS

	License rights RM	Development costs RM	Development costs in-progress RM	Total RM
Group				
Cost				
At 1.12.2013	320,000	630,504	1,985,855	2,936,359
Additions	–	538,573	1,299,862	1,838,435
Transferred	–	1,985,855	(1,985,855)	–
At 30.11.2014	320,000	3,154,932	1,299,862	4,774,794
Accumulated Amortisation				
At 1.12.2013	320,000	630,504	–	950,504
Amortisation for the financial year	–	992,928	–	992,928
At 30.11.2014	320,000	1,623,432	–	1,943,432
Net carrying amount				
At 30.11.2014	–	1,531,500	1,299,862	2,831,362
Cost				
At 1.12.2012/30.11.2013	320,000	630,504	1,985,855	2,936,359
Accumulated Amortisation				
At 1.12.2012	319,999	630,504	–	950,503
Amortisation for the financial year	1	–	–	1
At 30.11.2013	320,000	630,504	–	950,504
Net carrying amount				
At 30.11.2013	–	–	1,985,855	1,985,855

The license rights of the Global Positioning System Software Engine and the development costs relating to the In-Car Navigation System have been fully amortised in the previous financial year.

Development costs in-progress relates to the progress payment made for the development of a navigation software engine which has yet to be completed as at the financial year end.

Intangible assets of a subsidiary amounting to RM2,292,789 (2013: RM1,985,855) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 25.

13. OTHER INVESTMENTS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Non-current				
Available-for-sale investments				
At fair value,				
- Transferable club membership	250,000	250,000	250,000	250,000
Current				
Held for trading investments				
At fair value,				
- Quoted shares	–	480,370	–	–
- Quoted unit trusts	11,392,341	4,533,024	–	–
	11,392,341	5,013,394	–	–
At market value,				
- Quoted investments	11,392,341	5,013,394	–	–

Investment in quoted unit trusts is redeemable upon one day notice and bears dividend yield at a rate of 3.19% (2013: 3.35%) per annum as at the financial year end.

14. INVESTMENT PROPERTY

	Group	
	2014 RM	2013 RM
Freehold land		
- At cost	168,717	168,717
- At fair value	422,080	290,730

Investment property of a subsidiary amounting to RM168,717 (2013: RM168,717) has been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 25.

The Group did not generate any rental income or incur any direct operating expenses arising from its investment property during the financial year.

Fair value of the investment property is categorised as level 3 fair value. The fair value of the investment property was derived by the directors on the open market value basis.

15. INVENTORIES

	Group	
	2014 RM	2013 RM
At cost,		
Trading goods	603,949	673,895

Inventories of a subsidiary amounting to RM594,602 (2013: RM671,562) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 25.

16. TRADE RECEIVABLES

		Group	
		2014 RM	2013 RM
Trade receivables	(a)	6,377,660	8,454,193
Amounts due from associates	(b)	592,282	–
Amounts due from contract customers	(c)	643,694	421,159
		7,613,636	8,875,352

Trade receivables of a subsidiary amounting to RM5,067,104 (2013: RM7,188,506) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 25.

(a) Trade receivables

(i) Credit terms of trade receivables

The Group's normal trade credit terms extended to customers range from 30 to 90 days (2013: 30 to 90 days).

(ii) Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables at reporting date is as follows:-

	Group	
	2014 RM	2013 RM
Neither past due nor impaired	6,797,457	7,609,778
1 to 30 days past due not impaired	–	853,172
31 to 60 days past due not impaired	83,047	–
61 to 90 days past due not impaired	212,353	84,345
More than 91 days past due not impaired	520,779	328,057
	816,179	1,265,574
Impaired	–	–
	7,613,636	8,875,352

16. TRADE RECEIVABLES (cont'd)

(a) Trade receivables (cont'd)

(ii) Ageing analysis of trade receivables (cont'd)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records and mostly are regular customers that have been transacting with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Trade receivables of the Group amounting to RM816,179 (2013: RM1,265,574) which are past due but not impaired have no significant changes in credit quality of the debtors and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

Receivables that are impaired

The movement in the allowance accounts for impairment losses of trade receivables during the financial year were:-

	Group	
	2014 RM	2013 RM
As at beginning of the financial year	–	302,536
Impairment loss written off	–	(302,536)
As at end of the financial year	–	–

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

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

(b) Amounts due from associates

The amounts due from associates were subject to normal trade terms from 30 days to 90 days.

(c) Amounts due from contract customers

	Group	
	2014 RM	2013 RM
Aggregate cost incurred to date	4,292,996	2,448,579
Add: Attributable profits	953,871	487,330
	5,246,867	2,935,909
Less: Progress billings	(4,603,173)	(2,514,750)
	643,694	421,159

17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Other receivables	69,489	96,370	23,239	–
Deposits	548,766	271,081	338,570	2,640
Prepayments	277,979	468,150	29,042	9,133
	896,234	835,601	390,851	11,773

Included in prepayments of the Group is an amount of RM80,923 (2013: RM360,914) being advances to suppliers for purchase of trading goods.

Other receivables, deposits and prepayments of a subsidiary amounting to RM196,695 (2013: RM586,004) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 25.

18. TAX ASSETS

This is in respect of tax recoverable from the Inland Revenue Board.

19. AMOUNTS OWING BY SUBSIDIARIES

These amounts owing by subsidiaries are non-trade in nature, unsecured, interest free and repayable on demand in cash.

	Company	
	2014 RM	2013 RM
Amounts owing by subsidiaries	20,886,349	19,233,247
Less: Allowance for impairment loss		
At beginning of the financial year	17,596,137	17,593,535
Charge for the financial year	–	2,602
Reversal of impairment loss during the financial year	(1,293,398)	–
At end of the financial year	(16,302,739)	(17,596,137)
	4,583,610	1,637,110

20. AMOUNTS OWING BY/(TO) ASSOCIATES

Included in the amounts owing by associates is an amount of RM1,976,000 as a financial assistance provided to Milan Utama Sdn. Bhd. as disclosed in Note 37 to the financial statements.

These amounts are non-trade in nature, unsecured, interest free and repayable on demand in cash.

21. CASH DEPOSITS WITH LICENSED BANKS

Cash deposits with licensed banks of the Group bear effective interest at rates ranging from 2.6% to 3.4% (2013: 1.90% to 3.6%) per annum as at the financial year end with maturity period ranging from 1 day to 365 days (2013: 1 day to 365 days).

Included in the deposits of the Group is an amount of RM3,443,173 (2013: RM2,443,173) pledged as security for banking facilities granted to subsidiaries as disclosed in Note 25.

22. CASH AND BANK BALANCES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Fixed income fund with a licensed fund management company	4,035,239	11,314,858	3,411,059	3,788,538
Cash at banks and in hand	12,858,382	9,241,173	4,170,220	1,503,164
	16,893,621	20,556,031	7,581,279	5,291,702

The fixed income fund is redeemable upon 7 days notice and bears dividend yield at rates ranging from 2.63% to 3.12% (2013: 2.68% to 2.83%;) per annum as at the financial year end.

Cash and bank balances of a subsidiary amounting to RM3,057,236 (2013: RM12,017,817) have been pledged as security for banking facilities granted to a subsidiary as disclosed in Note 25.

The foreign currency exposure of cash at banks and in hand of the Group is as follows:-

	Group	
	2014 RM	2013 RM
United States Dollar ("USD")	104,308	104,445
Singapore Dollar ("SGD")	103,999	104,032

23. SHARE CAPITAL

	Group/Company	
	2014 RM	2013 RM
Ordinary shares of RM1 each:-		
Authorised 100,000,000 ordinary shares of RM1 each	100,000,000	100,000,000
Issued and fully paid 49,277,066 ordinary shares of RM1 each	49,277,066	49,277,066

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

24. RESERVES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Non-distributable:-				
- Share premium	4,774,665	4,774,665	4,774,665	4,774,665
- Fair value adjustment reserve	159,000	159,000	159,000	159,000
- Foreign currency translation reserve	(3,139)	–	–	–
Distributable:-				
Accumulated losses	(11,149,206)	(9,779,518)	(23,969,081)	(26,313,510)
	(6,218,680)	(4,845,853)	(19,035,416)	(21,379,845)

(a) Share premium

Share premium arose from the issue of ordinary shares and can be utilised for distribution to the members of the Company by way of bonus share issue.

(b) Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes of available-for-sale financial assets until they are disposed or impaired.

(c) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

25. BANK BORROWINGS

	Group	
	2014 RM	2013 RM
Non-current		
Secured		
Term loan	–	6,603,396
Current		
Secured		
Bank overdrafts	83,179	78,567
Bankers' acceptance	246,000	219,000
Term loan	–	685,695
Total current borrowings	329,179	983,262
Total borrowings	329,179	7,586,658

25. BANK BORROWINGS (cont'd)

The maturity profile of bank borrowings of the Group is as follows:-

	Carrying amount RM	Within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	Over 5 years RM
Group							
2014							
Secured							
Bank overdrafts	83,179	83,179	–	–	–	–	–
Bankers' acceptance	246,000	246,000	–	–	–	–	–
	329,179	329,179	–	–	–	–	–
2013							
Secured							
Term loan	7,289,091	685,695	715,768	747,160	779,928	814,134	3,546,406
Bank overdrafts	78,567	78,567	–	–	–	–	–
Bankers' acceptance	219,000	219,000	–	–	–	–	–
	7,586,658	983,262	715,768	747,160	779,928	814,134	3,546,406

In the previous financial year, the term loan bears effective interest at a rate of 4.3% per annum and secured by the followings:-

(a) legal charge over the freehold land and building as mentioned in Note 9;
(b) first party open monies deed of assignment; and
(c) corporate guarantee of the Company.

The bank overdrafts and bankers' acceptance facilities are repayable on demand and within one year respectively, and bear interest at rates ranging from 6.22% to 7.85% (2013 : 3.50% to 7.00%) per annum.

These facilities are secured and supported by the followings:-

(a) debentures comprising fixed and floating charges over all present and future assets and undertakings of a subsidiary;
(b) cash deposits with licensed banks of certain subsidiaries; and
(c) corporate guarantees of the Company.

26. FINANCE LEASE PAYABLES

	Group	
	2014 RM	2013 RM
Future minimum lease payments	617,376	1,011,716
Less: Future finance charges	(44,425)	(81,529)
Total present value of minimum lease payments	572,951	930,187
Current		
Payable within 1 year		
Future minimum lease payments	242,330	305,055
Less: Future finance charges	(21,302)	(38,113)
Present value of minimum lease payments	221,028	266,942
Non-current		
Payable after 1 year but not later than 5 years		
Future minimum lease payments	375,046	706,661
Less: Future finance charges	(23,123)	(43,416)
Present value of minimum lease payments	351,923	663,245
Total present value of minimum lease payments	572,951	930,187

The finance lease payables of the Group bear effective interest at rates ranging from 4.50% to 7.00% (2013: 3.30% to 7.00%) per annum.

27. DEFERRED TAX LIABILITIES

	Group	
	2014 RM	2013 RM
At beginning of the financial year	363,300	300,655
Recognised in profit or loss (Note 7)	122,600	62,645
At end of the financial year	485,900	363,300

27. DEFERRED TAX LIABILITIES (cont'd)

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

	Group	
	2014 RM	2013 RM
Differences between the carrying amount of property, plant and equipment and its tax base	71,500	48,700
Deductible temporary differences in respect of expenses	(135,900)	(162,000)
Taxable temporary differences in respect of income	550,300	476,600
	485,900	363,300

The estimated amount of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Unutilised tax losses	7,920,700	7,594,200	1,337,600	1,029,000
Unabsorbed capital allowances	3,111,000	2,763,700	1,004,500	970,400
Deductible temporary differences in respect of expenses	77,300	72,700	56,600	45,500
Differences between the carrying amounts of property, plant and equipment and their tax base	5,350	37,500	(79,000)	(109,600)
	11,114,350	10,468,100	2,319,700	1,935,300

28. TRADE PAYABLES

The normal trade credit term granted by the trade payables to the Group ranges from 30 to 90 days (2013: 30 to 90 days).

Included in trade payables of the Group is an amount owing to an associate of RM1,174,240 (2013: RM660,000) which is on normal trade credit term.

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

	Group	
	2014 RM	2013 RM
USD	411,717	1,016,106
SGD	100,856	71,109

29. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Other payables	104,366	63,130	40,067	9,964
Deposits	18,777	9,051	–	–
Accruals	1,357,383	2,260,507	226,388	404,712
	1,480,526	2,332,688	266,455	414,676

30. PROVISIONS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Provision for warranty costs				
At beginning of the financial year	601,418	755,592	–	–
Net reversal	(86,624)	(138,566)	–	–
Utilisation	(880)	(15,608)	–	–
At end of the financial year	513,914	601,418	–	–
Provision for employee benefits				
At beginning of the financial year	119,002	114,474	45,471	38,358
Additions	187,561	204,019	54,236	45,471
Reversal	(175,558)	(199,491)	(46,147)	(38,358)
At end of the financial year	131,005	119,002	53,560	45,471
	644,919	720,420	53,560	45,471

Provision for warranty costs is in respect of products sold under warranty by subsidiaries. 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 best estimate by the directors of the Group.

Provision for employee benefits is in respect of provision for short term accumulated compensated absences for employees. The provision is made based on the number of days of outstanding compensated absences of each director and employees multiplied by their respective salary/wages as at year end.

31. CASH AND CASH EQUIVALENTS

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

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Fixed income fund with a licensed fund management company	22	4,035,239	11,314,858	3,411,059	3,788,538
Cash at banks and in hand	22	12,858,382	9,241,173	4,170,220	1,503,164
		16,893,621	20,556,031	7,581,279	5,291,702
Cash deposits with licensed banks		4,215,333	4,936,729	–	–
Bank overdrafts	25	(83,179)	(78,567)	–	–
		21,025,775	25,414,193	7,581,279	5,291,702
Cash at banks under lien	22	(3,057,236)	(12,017,817)	–	–
Cash deposits with licensed banks under lien	21	(3,443,173)	(2,443,173)	–	–
Cash deposit with maturity more than 3 months		(96,361)	(93,580)	–	–
		14,429,005	10,859,623	7,581,279	5,291,702

32. DIVIDENDS

The Company paid a first and final single-tier dividend of 4 sen per ordinary share of RM1 each amounting to RM1,971,083 on 23 June 2014 in respect of the financial year ended 30 November 2013.

33. RELATED PARTY DISCLOSURES

(a) Identity of related parties

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

The Group and the Company have a related party relationship with its subsidiaries, associates and key management personnel.

33. RELATED PARTY DISCLOSURES (cont'd)

(b) Related party transactions and balances

The transactions with subsidiaries are as follows:-

	Company	
	2014 RM	2013 RM
Dividend received/receivable from subsidiaries	(3,969,000)	(3,871,500)
Management fees received/receivable from subsidiaries	(1,098,710)	(1,067,037)
Management fees paid/payable to subsidiaries	31,130	37,354
Rental of motor vehicles paid/payable to a subsidiary	71,250	112,800
Rental of premises paid/payable to a subsidiary	73,900	80,900

The transactions with associates are as follows:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Purchases from an associate	6,794,015	6,830,000	–	–
Services acquired from an associate	231,950	–	–	–
Management fees paid/ payable to an associate	83,834	–	–	–
Management fees received/ receivable from an associate	(187,920)	(187,925)	(133,180)	(122,232)
Rental of premises paid/ payable to associates	7,000	–	–	–
Rental of premises received/ receivable from associates	(72,375)	(51,200)	–	–

Information regarding outstanding balances arising from related party transactions are disclosed in Notes 16, 19, 20 and 28.

(c) Compensation of key management personnel

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any directors of the Group.

The remuneration of key management personnel including directors are as follows:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Short term employee benefits (including benefits-in-kind)	3,131,496	2,786,465	795,167	713,378
Post-employment benefits	307,769	272,377	92,785	60,156
	3,439,265	3,058,842	887,952	773,534

34. CAPITAL COMMITMENT

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Intangible assets				
- Approved and contracted for	–	942,348	–	–

35. CONTINGENT LIABILITIES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Secured				
In respect of corporate guarantees given by the Group and the Company to financial institutions for banking and credit facilities granted to:-				
- subsidiaries	–	–	246,000	7,508,091
- associate	309,080	–	309,080	–
	309,080	–	555,080	7,508,091

36. SEGMENT INFORMATION

For management purposes, the Group is organised into operating segments based on their products and services. The Group's chief operation decision maker reviews the information of each operating segment on at least monthly basis for the purposes of resource allocation and assessment of segment performance. Therefore, the Group's reportable segment in accordance with MFRS 8 is as follows:-

Information and Communication Technology	Inclusive of Telematics and navigation products and services, telecommunication products, Geographical Information System (GIS) development and research businesses.
Telecommunication, Infrastructure and Services	Inclusive of installation, testing and commissioning of utilities, telecommunication and fibre optic cables and associated civil works.
Others	Mainly comprise investment holding and provision of management services, property investment and general trading, neither which are of a sufficient size to be reported separately.

Segment revenue, 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 revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment results represent profit or loss before taxation of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment assets

Segment assets are measured based on all assets (including goodwill) of the segment.

Segment liabilities

Segment liabilities are measured based on all liabilities of the segment.

36. SEGMENT INFORMATION (cont'd)

(a) Operating Segment

Group	Note	Information and Communication Technology RM	Telecommunication, Infrastructure and Services RM	Others RM	Eliminations RM	Consolidated RM
2014						
Segment Revenue						
External revenue		26,664,000	5,133,789	187,920	–	31,985,709
Inter-segment revenue	(i)	1,905,525	–	5,372,330	(7,277,855)	–
Total revenue		28,569,525	5,133,789	5,560,250	(7,277,855)	31,985,709
Segment Results						
Interest income		136,846	57,944	79,668	–	274,458
Interest expense		(84,908)	(15,791)	(272,359)	–	(373,058)
Depreciation of property, plant and equipment		(411,406)	(125,200)	(380,314)	–	(916,920)
Amortisation of intangible assets		(992,928)	–	–	–	(992,928)
Share of results of associates		35,976	5,863	–	–	41,839
Other non-cash items	(ii)	102,798	62,299	2,143,595	–	2,308,692
Segment profit/(loss) before taxation		790,839	(119,509)	513,241	–	1,184,571
Tax (expense)/credit		(200,479)	–	(390,593)	–	(591,072)
Segment Assets						
Additions to non-current assets	(iii)	1,939,667	107,090	1,200,700	–	3,247,457
Total segment assets		18,563,889	6,199,225	25,942,805	–	50,705,919
Segment Liabilities						
Total segment liabilities		5,452,200	1,258,985	565,859	–	7,277,044

36. SEGMENT INFORMATION (cont'd)

(a) Operating Segment (cont'd)

Group	Note	Information and Communication Technology RM	Telecommunication, Infrastructure and Services RM	Others RM	Eliminations RM	Consolidated RM
2013						
Segment Revenue						
External revenue		37,325,064	2,935,909	187,925	–	40,448,898
Inter-segment revenue	(i)	3,449,912	–	5,345,859	(8,795,771)	–
Total revenue		40,774,976	2,935,909	5,533,784	(8,795,771)	40,448,898
Segment Results						
Interest income		97,163	88,505	121,147	–	306,815
Interest expense		(70,484)	(10,230)	(343,381)	–	(424,095)
Depreciation of property, plant and equipment		(494,934)	(71,196)	(341,400)	–	(907,530)
Amortisation of intangible assets		(1)	–	–	–	(1)
Share of results of associates		104,990	(5,067)	–	–	99,923
Other non-cash items	(ii)	96,302	(51,885)	137,090	–	181,507
Segment profit/(loss) before taxation		3,425,147	(231,107)	(1,300,211)	–	1,893,829
Tax (expense)/credit		(660,132)	12,755	43,800	–	(603,577)
Segment Assets						
Additions to non-current assets	(iii)	521,508	606,504	309,747	–	1,437,759
Total segment assets		27,988,461	5,210,318	28,996,150	–	62,194,929
Segment Liabilities						
Total segment liabilities		7,831,758	1,312,230	8,246,240	–	17,390,228

36. SEGMENT INFORMATION (cont'd)

(a) Operating Segment (cont'd)

(i) Inter-segment revenue are in respect of sales between the segments which are charged at cost plus a percentage profit mark-up. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

(ii) Other material non-cash items consist of the following items as presented in the respective notes:-

	Group	
	2014 RM	2013 RM
Bad debts written off	–	63,414
Gain on disposal of property, plant and equipment	(2,391,352)	(173,658)
Gain on disposal of subsidiaries	–	(1,294)
Impairment loss on property, plant and equipment	–	94,686
Loss on disposal of an associate	6,900	–
Loss on foreign exchange - unrealised	16,216	32,484
Net fair value loss/(gain) on held for trading investments	132,516	(66,257)
Net provision for employee benefits	12,003	4,528
Property, plant and equipment written off	1,649	3,156
Reversal of provision for warranty costs	(86,624)	(138,566)
	(2,308,692)	(181,507)

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

	Group	
	2014 RM	2013 RM
Property, plant and equipment	1,409,022	1,437,759
Intangible assets	1,838,435	–
	3,247,457	1,437,759

(b) Geographical Segment

Revenue based on geographical location of the Group's customers are as follows:-

	Group	
	2014 RM	2013 RM
Malaysia	31,981,496	40,448,898
Singapore	4,213	–
	31,985,709	40,448,898

36. SEGMENT INFORMATION (cont'd)

(b) Geographical Segment

Non-current assets other than financial instruments based on geographical location of the Group are as follows:-

	Malaysia RM	Singapore RM	Total RM
2014			
Property, plant and equipment	2,275,730	–	2,275,730
Investment in associates	971,859	–	971,859
Intangible assets	2,292,789	538,573	2,831,362
Investment property	168,717	–	168,717
	5,709,095	538,573	6,247,668
2013			
Property, plant and equipment	17,706,886	–	17,706,886
Investment in associates	945,020	–	945,020
Intangible assets	1,985,855	–	1,985,855
Investment property	168,717	–	168,717
	20,806,478	–	20,806,478

(c) Information about Major Customers

Revenue from 2 (2013: 2) major customers of the Group amounted to RM20,540,786 (2013: RM33,892,655).

37. SIGNIFICANT EVENTS

(a) On 21 November 2013, the Company's wholly owned subsidiary, Amtel Cellular Sdn. Bhd. ("AMCSB") has entered into an agreement with Asia World Technology Pte. Ltd. ("AWT") to establish a company in Singapore with the objectives of penetrating into Singapore market on navigation for auto and mobile industry and develop and own high quality Singapore map data to be used for both navigation and web based portal applications. The company, namely Amtel Pte. Ltd. ("APL"), a private limited company was incorporated on 3 December 2013. Pursuant to this agreement, all the issued and paid-up capital of the company shall at all times be held by AMCSB and AWT at 70% and 30% respectively. On 11 March 2014, APL increased its paid up share capital from SGD2 to SGD200,000. AMCSB and AWT both subscribed for the proportionate increased by cash. AMCSB subscribed for 70% of ordinary shares of APL for a purchase consideration of RM364,560.

(b) On 13 January 2014, the Company's wholly owned subsidiary, Amtel Resources Sdn. Bhd. disposed of its 15% shareholding in Amtel Networks Sdn. Bhd. comprising 90,000 ordinary shares of RM15,000 to an existing shareholder for a purchase consideration of RM8,100.

(c) On 17 October 2014, the Company entered into a shares sale agreement with the existing shareholders of Mewah Amanjaya Sdn. Bhd. ("MASB") to acquire 250,000 ordinary shares of RM1 each representing the entire equity interest in MASB for a purchase consideration of RM3,000,000. The transaction was completed on 29 December 2014.

(d) The Company obtained the shareholders' approval at an Extraordinary General Meeting held on 10 July 2014 for the provision of financial assistance through the Company and/or its wholly-owned subsidiaries to Milan Utama Sdn. Bhd. ("MUSB"), a 35% owned associated company of the Company, up to an aggregate of RM15,000,000 or 30% of the latest available audited consolidated net tangible assets of the Group in the relevant period, whichever is higher. The said provision of financial assistance would entail the assistance to be provided in the form of cash advances, corporate guarantees or collaterals for banking facilities to be obtained from the financial institutions. The aggregate amount of the financial assistance provided to MUSB is disclosed in Note 20 to the financial statements.

38. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 30 November 2014 and 30 November 2013.

The Company and its subsidiaries are not subject to any externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is net debts divided by total capital. Net debts comprise borrowings (including finance lease payables) less cash and cash equivalents (excluding bank overdrafts) whilst total capital is the total equity of the Group. The gearing ratio as at 30 November 2014 and 30 November 2013, which is within the Group's objectives of capital management are as follows:-

	Group	
	2014 **RM**	**2013** **RM**
Total interest-bearing borrowings	902,130	8,516,845
Less: Cash and cash equivalents	(21,025,775)	(25,414,193)
Total net cash	(20,123,645)	(16,897,348)
Total equity	43,428,875	44,804,701
Debt to equity ratio (%)	*	*

* Not meaningful as the Group is in a net cash position.

38. FINANCIAL INSTRUMENTS (cont'd)

(b) Categories of financial instruments

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Financial assets				
Fair value through profit or loss				
- Quoted shares	–	480,370	–	–
- Quoted unit trust	11,392,341	4,533,024	–	–
	11,392,341	5,013,394	–	–
Loan and receivables				
- Trade receivables and other receivables, net of prepayments	8,231,891	9,242,803	361,809	2,640
- Dividend receivables	–	–	–	2,551,500
- Amounts owing by subsidiaries	–	–	4,583,610	1,637,110
- Amounts owing by associates	2,284,245	88,369	148,651	62,280
- Cash and cash balances	16,893,621	20,556,031	7,581,279	5,291,702
- Cash deposits with licensed banks	4,215,333	4,936,729	–	–
	31,625,090	34,823,932	12,675,349	9,545,232
Available-for-sale				
- Other investment	250,000	250,000	250,000	250,000
Financial liabilities				
Other financial liabilities				
- Trade payables	3,551,426	5,233,065	–	–
- Other payables, deposits and accruals	1,480,526	2,332,688	266,455	414,676
- Amounts owing to associates	17,482	–	–	–
- Bank borrowings	329,179	7,586,658	–	–
- Finance lease payables	572,951	930,187	–	–
	5,951,564	16,082,598	266,455	414,676

(c) Fair values of financial instruments

The carrying amounts of financial instruments of the Group and of the Company as at the end of the financial year approximate their fair values.

38. FINANCIAL INSTRUMENTS (cont'd)

(d) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:-

(i) Cash and cash equivalents, trade and other receivables and payables

The carrying amounts of cash and cash equivalents, trade and other receivables and payables are reasonable approximation of fair values due to relatively short term nature of these financial instruments.

(ii) Other investments

The fair value of shares and unit trusts quoted in an active market is determined by reference to the quoted closing bid price at the reporting date.

The fair value of the golf club membership is determined by reference to comparable market value of similar investment.

(iii) Borrowings

The carrying amounts of the floating rate borrowings are reasonable approximation of fair values.

The fair value of finance lease payables is estimated using discounted cash flow analysis, based on current lending rate for similar types of borrowing arrangements.

The carrying amounts of financial assets and liabilities recognised in the financial statements approximate their fair values except as follows:-

	Group		Company	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
2014				
Financial Liabilities				
Finance lease payables	572,951	576,242	–	–
2013				
Financial Liabilities				
Finance lease payables	930,187	952,498	–	–

39. FAIR VALUE HIERARCHY

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

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

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

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

As at 30 November 2014, the Group and the Company held Level 1 financial instruments carried at fair values on the statements of financial position.

	Group		Company	
	Total RM	Level 1 RM	Total RM	Level 1 RM
2014				
Financial assets				
Financial assets at fair value through profit or loss				
- Quoted unit trusts	11,392,341	11,392,341	–	–
Available-for-sale financial assets				
- Transferable club membership	250,000	250,000	250,000	250,000

* Comparative figures have not been analysed by levels, by virtue of transitional provision given in Appendix C3 of MFRS 13.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market risk.

The Group's and the Company's financial risk management policy seeks to minimise the potential adverse effects from the exposures to variety of risks in the normal course of business.

The Group's and the Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are discussed below.

(a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and the maximum risk associated with recognised financial assets is the carrying amounts as presented in the statements of financial position. For other financial assets, the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

The Company is also exposed to credit risk arising from corporate guarantee provided in respect of banking facilities granted to the subsidiaries.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. In addition, receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Financial guarantee

The Group and the Company provide secured financial guarantees to banks in respect of banking facilities granted to its subsidiaries and an associate.

The Group and the Company monitor on an ongoing basis the repayments made by the subsidiaries and an associate and their financial performance.

The maximum exposure to credit risk amounts to RM555,080 (2013: RM7,508,091) representing the outstanding credit facilities of the subsidiaries and an associate guaranteed by the Group and the Company at the reporting date. At the reporting date, there was no indication that the subsidiaries and associate would default on their repayment.

The financial guarantee has not been recognised as the fair value on initial recognition was immaterial since the financial guarantees provided by the Group and the Company did not contribute towards credit enhancement of the subsidiaries' and associate's borrowings in view of the securities pledged by the subsidiaries and associate and it is unlikely that the subsidiaries and associate will default within the guarantee period.

(b) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to manage its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. In addition, the Group and the Company maintain sufficient levels of cash and available banking facilities at a reasonable level to their overall debt position to meet their working capital requirement.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(b) Liquidity Risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Over 5 years RM
2014						
Group						
Financial liabilities:-						
Trade payables	3,551,426	3,551,426	3,551,426	–	–	–
Other payables, deposits and accruals	1,480,526	1,480,526	1,480,526	–	–	–
Amount owing to associates	17,482	17,482	17,482	–	–	–
Finance lease payables	572,951	617,376	242,330	242,330	132,716	–
Bank overdrafts	83,179	83,179	83,179	–	–	–
Bankers' acceptance	246,000	246,000	246,000	–	–	–
	5,951,564	5,995,989	5,620,943	242,330	132,716	–
Company						
Financial liabilities:-						
Other payables and accruals	266,455	266,455	266,455	–	–	–
2013						
Group						
Financial liabilities:-						
Trade payables	5,233,065	5,233,065	5,233,065	–	–	–
Other payables, deposits and accruals	2,332,688	2,332,688	2,332,688	–	–	–
Term loan	7,289,091	8,788,037	985,692	985,692	2,957,076	3,859,577
Finance lease payables	930,187	1,011,716	305,055	293,484	413,177	–
Bank overdrafts	78,567	78,567	78,567	–	–	–
Bankers' acceptance	219,000	219,000	219,000	–	–	–
	16,082,598	17,663,073	9,154,067	1,279,176	3,370,253	3,859,577
Company						
Financial liabilities:-						
Other payables and accruals	414,676	414,676	414,676	–	–	–

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Interest Rate Risk

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

The Group's exposure to interest rate risk arises primarily from interest bearing financial assets and financial liabilities which include cash deposits, fixed income fund, bank borrowings and finance lease payables.

Interest bearing financial assets include cash deposits and fixed income fund that are short term in nature and are not held for speculative purposes but are placed to satisfy conditions for banking facilities granted to the subsidiaries and to earn a better yield than cash at banks. The cash deposits placed with licensed banks and fixed income fund at fixed rate expose the Group to fair value interest rate risk.

Interests bearing financial liabilities include finance lease payables, bank overdrafts and bankers' acceptances.

Borrowings at floating rates amounting to RM329,179 (2013: RM7,586,658) expose the Group to cash flow interest rate risk whilst finance lease payables at fixed rate amounting to RM572,951 (2013: RM930,187) expose the Group to fair value interest rate risk.

The Group manages its interest rate risk exposure by maintaining a prudent mix of fixed and floating borrowings rate. The Group also monitors the interest rate on borrowings closely to ensure that the borrowings are maintained at favourable rates.

<u>Sensitivity analysis for interest rate risk</u>

If the interest rate had been 50 basis point higher/lower and all other variables held constant, the Group's profit net of tax for the financial year ended 30 November 2014 would decrease/increase by RM1,234 (2013: RM28,450) as a result of exposure to floating rate borrowings.

(d) Foreign Currency Risk

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

The Group has transactional currency exposures arising from purchases and direct costs that are denominated in currencies other than the respective functional currencies of Group entities, primarily RM. The foreign currencies in which these transactions are denominated are mainly USD and SGD.

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currencies balances (mainly in USD and SGD) amount to RM208,307 (2013: RM208,477).

<u>Sensitivity analysis for foreign currency risk</u>

As the exposure of the financial instruments is minimal at reporting date, the Group believes that no reasonably possible changes in the risk variable could materially affect the results of the Group as the Group's financial instruments denominated in foreign currency are minimal.

(e) Market Risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices. The Group is exposed to market price risk arising from its investment in quoted unit trusts and investments in quoted shares listed on the Bursa Malaysia Securities Berhad. These instruments are classified as held for trading. The Group does not have exposure to commodity price risk.

<u>Sensitivity analysis for equity price risk</u>

At the reporting date, if the price of the quoted unit trusts and quoted shares had been 1% higher/lower, with all other variables held constant, the Group's profit net of tax would increase/decrease by RM85,442 (2013: RM37,600) as a result of increase/decrease in the fair value of investments in equity instrument classified as held for trading.

SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFIT OR LOSS

The following analysis of realised and unrealised retained profits of the Group and of the Company at 30 November 2014 and 2013 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Securities") dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants.

The accumulated losses of the Group and of the Company as at 30 November 2014 and 30 November 2013 are analysed as follows:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Total accumulated losses of the Company and its subsidiaries:-				
- realised	(31,376,030)	(30,827,012)	(23,969,081)	(26,313,510)
- unrealised	(1,016,030)	(997,202)	–	–
	(32,392,060)	(31,824,214)	(23,969,081)	(26,313,510)
Total share of retained earnings from associates:-				
- realised	877,298	835,459	–	–
	(31,514,762)	(30,988,755)	(23,969,081)	(26,313,510)
Less: Consolidation adjustments	20,365,556	21,209,237	–	–
Total accumulated losses	(11,149,206)	(9,779,518)	(23,969,081)	(26,313,510)

The disclosure of realised and unrealised profit or loss above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purpose.

LIST OF PROPERTIES
AS AT 30 NOVEMBER 2014

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
Lot No. TH A85-1 Mukim Kajang Daerah Hulu Langat Selangor Darul Ehsan	3 Storey Town House (Ground Floor) Corner Lot Vacant	Freehold	Year 2101	1,078	31.3.2002	12	132,951
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
TOTAL							301,668

ANALYSIS OF SHAREHOLDINGS
AS AT 1 APRIL 2015

Authorised Capital	:	RM100,000,000.00
Issued and Paid-up Capital	:	RM49,277,066.00
Class of Shares	:	Ordinary shares of RM1.00 each
Total Number of Shares Issued	:	49,277,066
Voting Rights	:	1 vote per ordinary share
No. of Shareholders	:	2,356

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	% of Issued Capital
1 - 99	409	17.36	16,259	0.03
100 - 1,000	274	11.63	215,783	0.44
1,001 - 10,000	1,364	57.90	4,231,018	8.58
10,001 - 100,000	247	10.48	7,863,006	15.96
100,001 - less than 5% of issued shares	60	2.55	28,786,875	58.42
5% and above of issued shares	2	0.08	8,164,125	16.57
Total	2,356	100.00	49,277,066	100.00

SUBSTANTIAL SHAREHOLDERS
AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 1 APRIL 2015

Name	No. of shares in which substantial shareholders have direct interest	%	No. of shares in which substantial shareholders are deemed to have an interest	%
Dato' Koid Hun Kian	7,994,888	16.22	3,217,937 *	6.53
Simfoni Kilat Sdn. Bhd.	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 1 APRIL 2015

Name	Direct No. of shares held	%	Indirect No. of shares held	%
Dato' Koid Hun Kian	7,994,888	16.22	6,844,270 *	13.89
Tan Woon Huei	219,000	0.44	–	–
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	200,000	0.41	–	–
Siow Hock Lee	65,333	0.13	814,333 **	1.65
Chang Pak Hing	2,300	negligible	–	–

* This includes shares held by spouse and children pursuant to Section 134(12)(c) of the Companies Act, 1965.
** This includes shares held by spouse pursuant to Section 134(12)(c) of the Companies Act, 1965.

By virtue of his substantial interest in the shares of the Company, Dato' Koid Hun Kian is also deemed interested in the shares of the subsidiaries and its related corporations during the financial year to the extent that the Company has an interest.

TOP THIRTY LARGEST SECURITIES ACCOUNT HOLDERS
AS PER THE RECORD OF DEPOSITORS AS AT 1 APRIL 2015

	Name of Shareholder	No. of shares held	%
1.	Dato' Koid Hun Kian	4,946,188	10.04
2.	Simfoni Kilat Sdn. Bhd.	3,217,937	6.53
3.	Kuan Ah Hock	2,000,000	4.06
4.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Koid Hun Kian	1,868,000	3.79
5.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sin Yong Lean	1,751,200	3.55
6.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lee Chye Khern	1,662,513	3.37
7.	Ng Ah Chong	1,624,566	3.30
8.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Koid Hun Kian	1,180,700	2.40
9.	Chew Soon Kui	1,150,000	2.33
10.	Omega Charm Sdn. Bhd.	1,150,000	2.33
11.	Tan Seow Eng	1,126,333	2.29
12.	Koid Siang Loong	1,000,000	2.03
13.	Koid Siang Lunn	1,000,000	2.03
14.	Chen Bee Yoke	781,000	1.59
15.	Jurus Handal Sdn. Bhd.	767,000	1.56
16.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt An for UBS AG Singapore	723,733	1.47
17.	J-Pos Sdn. Bhd.	689,900	1.42
18.	Koid Suang Suang	500,000	1.01
19.	Ong Khiam Cheang	500,000	1.01
20.	Amerjeet Singh A/L Naib Singh	486,600	0.99
21.	Lim Tuan Guan	473,000	0.96
22.	Ng Weng Keong	403,200	0.82
23.	Tan Ah Lee	380,000	0.77
24.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Kim Ser	350,866	0.71
25.	Lim Bee Chin	343,000	0.70
26.	Kang Khoon Seng	320,000	0.65
27.	HLIB Nominees (Tempatan) Sdn. Bhd. EON Bank Berhad for Lee Chin Yen	316,000	0.64
28.	Tan Hong Cheng	315,000	0.63
29.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Weng Keong	293,700	0.60
30.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. Exempt An for UOB Kay Hian Pte. Ltd.	291,999	0.59
Total		31,621,435	64.17

AMTEL HOLDINGS BERHAD (409449-A)

(Incorporated in Malaysia)

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

I/We ....Contact No. ....

NRIC/Company No. .... or CDS Account No. ....

of...

[FULL ADDRESS]

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

....(NRIC No. ....)

of...

or failing him/her ....

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 Eighteenth Annual General Meeting of the Company to be held at Bilik Petaling, Kelab Shah Alam Selangor, No. 1A Jalan Aerobik 13/43, Persiaran Kayangan, 40704 Shah Alam, Selangor Darul Ehsan on Thursday, 28 May 2015 at 10.00 a.m. and any adjournment thereof.

(Please indicate with an "X" in the space provided below how you wish your votes to be cast. If you do not do so, the proxy/ proxies will vote or abstain from voting at his/her discretion.)

No.	Ordinary Resolution	For	Against
1.	Approval of the payment of Directors' fees		
2.	Re-election of Mr. Chang Pak Hing as Director		
3.	Re-election of Ms. Tan Woon Huei as Director		
4.	Re-appointment of Messrs. Baker Tilly AC as Auditors of the Company and to authorise the Directors to fix their remuneration		
5.	Retention of YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin as Independent Non-Executive Director in accordance with the Malaysian Code on Corporate Governance 2012		
6.	Retention of Mr. Siow Hock Lee as Independent Non-Executive Director in accordance with the Malaysian Code on Corporate Governance 2012		
7.	Authority to Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965		
8.	Proposed diversification of the existing businesses of AHB and its subsidiaries to include property development		

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

No. of Shares held	

	No. of Shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

....

Signature/Common Seal

Dated this............................ day of 2015

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 May 2015 shall be entitled to attend, speak and vote at this meeting.*
2. *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.*
3. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, 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 PJS 7/19, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding this meeting or adjourned meeting.*
4. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless the proportion of holdings represented by each proxy is specified.*
5. *A member shall be entitled to appoint more than one (1) proxy to attend and vote at this meeting provided that the provisions of Section 149(1)(c) of the Act are complied with.*
6. *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 one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
7. *Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

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AFFIX
STAMP

AMTEL HOLDINGS BERHAD (409449-A)
No. 7, Jalan PJS 7/19
Bandar Sunway
47500 Subang Jaya
Selangor Darul Ehsan

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AMTEL HOLDINGS BERHAD (409449-A)

No.7, Jalan PJS 7/19, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan.
Tel: 603-5632 2449 Fax: 603-5637 0042

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