Company No.: 409449-A

AMTEL HOLDINGS BERHAD

(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2012

Company No.: 409449-A

AMTEL HOLDINGS BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 NOVEMBER 2012

Contents

AMTEL HOLDINGS BERHAD
(Incorporated in Malaysia)

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 2012.

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 net of tax	4,357,237	2,001,194
Attributable to:-		
Owners of the parent	4,121,609	2,001,194
Non-controlling interests	235,628	-
	4,357,237	2,001,194

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors recommended a first and final dividend of 5 sen per ordinary share of RM1 each less 25% tax amounting to RM1,847,890 in respect of the current financial year subject to the approval of the shareholders at the forthcoming Annual General Meeting.

ISSUE OF SHARES

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

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:

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

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares of RM1 each			
	At 1.12.2011	Bought	Sold	At 30.11.2012
Interest in the Company				
Direct interest				
Dato' Koid Hun Kian	7,994,888	-	-	7,994,888
Ng Ah Chong	1,066,666	-	-	1,066,666
Tunku Dato' Seri Kamel Bin Tunku Rijaludin	-	200,000	-	200,000
Siow Hock Lee	65,333	-	-	65,333
Wong Tuck Kuan	61,666	-	-	61,666
Chang Pak Hing	2,300	-	-	2,300
Indirect interest				
Dato' Koid Hun Kian *	7,894,270	-	-	7,894,270
Ng Ah Chong **	55,300	-	-	55,300
Siow Hock Lee **	33,333	320,000	-	353,333

* This includes shares held by spouse and/or 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 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.

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.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of comprehensive income and statements of financial position were made out, the directors took reasonable steps:-

(i) to ascertain that proper 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 adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets, other than debts, 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 had 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:-

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

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

(iii) 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.

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 liability of any other person; or

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

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

In the opinion of the directors:-

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due;

(ii) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) 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 Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

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

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 25 March 2013.

TUNKU DATO' SERI KAMEL
BIN TUNKU RIJALUDIN

DATO' KOID HUN KIAN

AMTEL HOLDINGS BERHAD
(Incorporated in Malaysia)

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 8 to 82, are drawn up in accordance with the 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 2012 and of their financial performance and cash flows for the financial year then ended.

The supplemental information set out on page 83 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 25 March 2013.

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 8 to 82 and the supplementary information as set out on page 83 , 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 25 March 2013

DATO' KOID HUN KIAN

Before me

Cheong Lak Hoong (B-232)
Commissioner for Oaths

INDEPENDENT AUDITOR'S 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 2012 of the Group and of the Company, and the statements of 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 8 to 82.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the 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 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 2012 and of their financial performance and cash flows for the financial year then ended in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMTEL HOLDINGS BERHAD (cont'd)

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' report 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 83 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	LEE KONG WENG
AF 001826	2967/07/13 (J)
Chartered Accountants	Chartered Accountant

Kuala Lumpur
25 March 2013

AMTEL HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2012

		Group		Company	
		2012	2011	2012	2011
	Note	RM	RM	RM	RM
Operating revenue	4	55,565,877	61,297,439	4,569,647	1,592,660
Cost of sales	5	(40,936,754)	(46,573,845)	-	-
Gross profit		14,629,123	14,723,594	4,569,647	1,592,660
Other operating income		1,069,546	1,088,199	85,430	65,552
Distribution expenses		(1,692,105)	(1,667,177)	-	-
Administrative expenses		(6,124,231)	(7,099,171)	(1,388,499)	(1,429,796)
Other operating expenses		(2,518,152)	(2,770,630)	(414,884)	(1,826,507)
		(10,334,488)	(11,536,978)	(1,803,383)	(3,256,303)
Profit/(Loss) from operations		5,364,181	4,274,815	2,851,694	(1,598,091)
Finance costs		(175,418)	(172,819)	-	-
		5,188,763	4,101,996	2,851,694	(1,598,091)
Share of results of associates		462,459	187,316	-	-
Profit/(Loss) before tax	6	5,651,222	4,289,312	2,851,694	(1,598,091)
Tax expense	7	(1,293,985)	(607,154)	(850,500)	-
Profit/(Loss) net of tax, representing total comprehensive income for the financial year		4,357,237	3,682,158	2,001,194	(1,598,091)

AMTEL HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2012 (cont'd)

		Group	
		2012	2011
	Note	RM	RM
Profit attributable to:-			
Owners of the parent		4,121,609	3,632,461
Non-controlling interests		235,628	49,697
		4,357,237	3,682,158
Total comprehensive income attributable to:-			
Owners of the parent		4,121,609	3,632,461
Non-controlling interests		235,628	49,697
		4,357,237	3,682,158
Earnings per share (sen)			
- Basic	8	8.36	7.37
- Diluted	8	8.36	7.37

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

AMTEL HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 NOVEMBER 2012

		Group		Company	
		2012	**2011**	**2012**	**2011**
	Note	**RM**	**RM**	**RM**	**RM**
ASSETS					
Non-current assets					
Property, plant and equipment	9	17,501,493	1,769,158	37,515	33,211
Investment in subsidiaries	10	-	-	18,540,207	18,540,207
Investment in associates	11	800,095	337,636	-	-
Intangible assets	12	1,985,856	1,643,867	-	-
Other investments	13	250,000	1,450,000	250,000	1,450,000
Investment property	14	168,717	168,717	-	-
Deferred tax assets	15	-	361,500	-	-
		20,706,161	5,730,878	18,827,722	20,023,418
Current assets					
Inventories	16	1,860,378	1,895,977	-	-
Other investments	13	1,614,113	4,295,713	1,200,000	-
Trade receivables	17	15,866,821	11,273,473	-	-
Dividend receivable		-	-	2,551,500	-
Other receivables, deposits and prepayments	18	988,436	2,772,473	17,971	413,013
Tax assets	19	322,178	185,022	-	-
Amounts owing by subsidiaries	20	-	-	1,766,496	2,618,394
Amounts owing by associates	21	159,466	25,298	117,617	4,298
Cash deposits with licensed banks	22	8,993,581	9,303,020	-	-
Cash and bank balances		17,747,283	19,570,934	3,430,479	2,068,890
		47,552,256	49,321,910	9,084,063	5,104,595
TOTAL ASSETS		68,258,417	55,052,788	27,911,785	25,128,013

AMTEL HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 NOVEMBER 2012 (cont'd)

		Group		Company	
		2012	2011	2012	2011
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
Equity					
Share capital	23	49,277,066	49,277,066	49,277,066	49,277,066
Reserves	24	(4,083,821)	(8,141,795)	(22,619,429)	(24,620,623)
Equity attributable to owners of the parent		45,193,245	41,135,271	26,657,637	24,656,443
Non-controlling interests		322,094	111,391	-	-
Total Equity		45,515,339	41,246,662	26,657,637	24,656,443
Liabilities					
Non-current liabilities					
Bank borrowings	25	7,311,224	-	-	-
Finance lease payables	26	878,336	578,213	-	-
Deferred tax liabilities	27	300,655	17,049	-	-
		8,490,215	595,262	-	-
Current liabilities					
Trade payables	28	8,471,180	7,569,510	-	-
Other payables, deposits and accruals	29	2,539,928	2,675,326	893,304	317,829
Amounts owing to subsidiaries	20	-	-	322,000	-
Provisions	30	870,066	1,164,780	38,358	153,255
Bank borrowings	25	1,796,231	1,315,539	-	-
Finance lease payables	26	358,382	302,798	-	-
Tax liabilities		217,076	182,911	486	486
		14,252,863	13,210,864	1,254,148	471,570
Total liabilities		22,743,078	13,806,126	1,254,148	471,570
TOTAL EQUITY AND LIABILITIES		68,258,417	55,052,788	27,911,785	25,128,013

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

Company No.: 409449-A

AMTEL HOLDINGS BERHAD
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2012

		<------------- Attributable to Owners of the Parent ------------->						
			<-- Non-Distributable-->					
	Note	Share Capital RM	Share Premium RM	Fair Value Adjustment Reserve RM	Accumulated Losses RM	Sub-total RM	Non-controlling Interests RM	Total Equity RM
At 1.12.2010		49,277,066	4,774,665	-	(16,707,921)	37,343,810	275,909	37,619,719
Effect of adopting FRS 139		-	-	159,000	-	159,000	-	159,000
At 1.12.2010 (restated)		49,277,066	4,774,665	159,000	(16,707,921)	37,502,810	275,909	37,778,719
Total comprehensive income for the year		-	-	-	3,632,461	3,632,461	49,697	3,682,158
Disposal of subsidiaries	10	-	-	-	-	-	(214,215)	(214,215)
At 30.11.2011		49,277,066	4,774,665	159,000	(13,075,460)	41,135,271	111,391	41,246,662
Total comprehensive income for the financial year		-	-	-	4,121,609	4,121,609	235,628	4,357,237
Acquisition of non-controlling interests	10	-	-	-	-	-	(24,925)	(24,925)
Premium paid on acquisition of non-controlling interests	10	-	-	-	(63,635)	(63,635)	-	(63,635)
At 30.11.2012		49,277,066	4,774,665	159,000	(9,017,486)	45,193,245	322,094	45,515,339

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

AMTEL HOLDINGS BERHAD
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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2012

	Share Capital RM	Non- <------ Distributable ------> Share Premium RM	Fair Value Adjustment Reserve RM	Accumulated Losses RM	Total Equity RM
At 1.12.2010	49,277,066	4,774,665	-	(27,956,197)	26,095,534
Effect of adopting FRS 139	-	-	159,000	-	159,000
At 1.12.2010 (restated)	49,277,066	4,774,665	159,000	(27,956,197)	26,254,534
Total comprehensive income for the financial year	-	-	-	(1,598,091)	(1,598,091)
At 30.11.2011	49,277,066	4,774,665	159,000	(29,554,288)	24,656,443
Total comprehensive income for the financial year	-	-	-	2,001,194	2,001,194
At 30.11.2012	49,277,066	4,774,665	159,000	(27,553,094)	26,657,637

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

AMTEL HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2012

		Group		Company	
		2012	2011	2012	2011
	Note	RM	RM	RM	RM
Cash flows from operating activities					
Profit/(Loss) before tax		5,651,222	4,289,312	2,851,694	(1,598,091)
Adjustments for:-					
Amortisation of intangible assets		126,736	190,101	-	-
Bad debts written off		-	28,800	-	-
Depreciation of property, plant and equipment		719,444	696,567	20,723	11,127
Dividend income from other investments		(69,533)	(116,567)	-	-
Dividend income from fixed income fund		(357,477)	(216,583)	(74,585)	(19,263)
(Gain)/Loss on disposal of property, plant and equipment		(142,891)	129,807	-	-
Impairment loss on amounts owing by subsidiaries		-	-	-	1,527,151
Impairment loss on trade receivable		-	2,517	-	-
Impairment loss on property, plant and equipment		70,997	-	7,049	-
Development costs written off		1,236,605	-	-	-
Interest expense		175,418	172,819	-	-
Interest income		(354,367)	(322,332)	(5,545)	(46,289)
Inventories written off		59,416	-	-	-
Gain on disposal of subsidiaries	10	-	(41,819)	-	-
Net provision for employee benefits		(90,260)	(40,137)	(114,897)	(790)
(Reversal of)/Provision for warranty costs		(29,327)	87,004	-	-
Property, plant and equipment written off		-	3	-	-
Share of results of associates		(462,459)	(187,316)	-	-
Unrealised (gain)/loss on foreign exchange		(8,330)	13,549	-	-
Net fair value (gain)/loss on held for trading investments		(16,565)	136,197	-	-
Operating profit/(loss) before working capital changes carried down		6,508,629	4,821,922	2,684,439	(126,155)

AMTEL HOLDINGS BERHAD
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2012 (cont'd)

		Group		Company	
		2012	**2011**	**2012**	**2011**
	Note	**RM**	**RM**	**RM**	**RM**
Operating profit/(loss) before working capital changes brought down		6,508,629	4,821,922	2,684,439	(126,155)
(Increase)/Decrease in inventories		(23,817)	4,034,800	-	-
(Increase)/Decrease in trade and other receivables		(2,809,311)	1,769,332	(2,156,458)	1,232,959
Increase/(Decrease) in trade and other payables		597,092	(51,940)	575,475	69,325
Increase in associate balance		(180,573)	(6,000)	(122,236)	(4,000)
Cash generated from operations		4,092,020	10,568,114	981,220	1,172,129
Interest paid		(175,418)	(172,819)	-	-
Interest received		354,367	322,332	5,545	46,289
Income tax refunded		501	340	-	-
Income tax paid		(752,371)	(184,606)	(850,500)	-
Net cash from operating activities		3,519,099	10,533,361	136,265	1,218,418
Cash flows from investing activities					
Additional held for trading investments		(257,670)	-	-	-
Additions in intangible assets		(1,705,330)	(1,517,130)	-	-
Additional investment in associates		-	(37,800)	-	-
Acquisition of non-controlling interests		(88,560)	-	-	-
Repayment from subsidiaries		-	-	851,898	363,550
Dividend income from other investments		69,533	116,567	-	-
Dividend income from fixed income fund		357,477	216,583	74,585	19,263
Placement of pledged cash deposits		(203,065)	(151,016)	-	-
Proceeds from disposal of subsidiaries, net of cash disposed of	10	-	36,013	-	-
Proceeds from disposal of property, plant and equipment		259,032	650,720	-	-
Purchase of property, plant and equipment	9	(15,774,417)	(260,930)	(32,076)	(30,830)
Repayment from associates		46,405	443,452	8,917	38,170
Net cash (used in)/from investing activities carried down		(17,296,595)	(503,541)	903,324	390,153

AMTEL HOLDINGS BERHAD
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2012 (cont'd)

		Group		Company	
		2012	**2011**	**2012**	**2011**
	Note	**RM**	**RM**	**RM**	**RM**
Net cash (used in)/from investing activities carried down		(17,296,595)	(503,541)	903,324	390,153
Cash flows from financing activities					
Advances from/(Repayment to) subsidiaries		-	-	322,000	(21,098)
Net repayment of bankers' acceptances		(200,067)	(233,000)	-	-
Payment of finance lease		(508,793)	(277,034)	-	-
Repayment of term loan		(51,448)	-	-	-
Drawdown of term loan		8,000,000	-	-	-
Net cash from/(used in) financing activities		7,239,692	(510,034)	322,000	(21,098)
Net (decrease)/increase in cash and cash equivalents		(6,537,804)	9,519,786	1,361,589	1,587,473
Effects of foreign exchange rate changes		2,383	6,064	-	-
Cash and cash equivalents at beginning of the financial year		27,100,938	17,575,088	2,068,890	481,417
Cash and cash equivalents at end of the financial year	31	20,565,517	27,100,938	3,430,479	2,068,890

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

AMTEL HOLDINGS BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2012

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, 46150 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and the provision of management services. The principal activities of the 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 passed at the Board of Directors' meeting held on 25 March 2013.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs")

(i) Adoption of Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int

On 1 December 2011, the Group and the Company adopted the following amendments/improvements to FRSs, new IC Int and amendments to IC Int that are mandatory for the current financial year:-

Amendments/Improvements to FRSs	
FRS 1	First-time Adoption of Financial Reporting Standards
FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 128	Investments in Associates

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (cont'd)

(i) Adoption of Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (cont'd)

Amendments/Improvements to FRSs (cont'd)

FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Presentation
FRS 134	Interim Financial Reporting
FRS 139	Financial Instruments: Recognition and Measurement

New IC Int

IC Int 4	Determining Whether an Arrangement contains a Lease
IC Int 18	Transfers of Assets from Customers
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments

Amendments to IC Int

IC Int 13	Customer Loyalty Programmes
IC Int 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above amendments/improvements to FRSs, new IC Int and amendments to IC Int did not have any significant effect on the financial statements of the Group and of the Company.

(ii) New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to 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 and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int that have been issued 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 FRSs		
FRS 9	Financial Instruments	1 January 2015
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (cont'd)

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

		Effective for financial periods beginning on or after
Revised FRSs		
FRS 119	Employee Benefits	1 January 2013
FRS 124	Related Party Disclosures	1 January 2012
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments/Improvements to FRSs		
FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2012 and 1 January 2013
FRS 7	Financial Instruments: Disclosures	1 January 2012 and 1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013 and 1 January 2014
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013 and 1 January 2014
FRS 101	Presentation of Financial Statements	1 July 2012 and 1 January 2013
FRS 112	Income Taxes	1 January 2012
FRS 116	Property, Plant and Equipment	1 January 2013
FRS 127	Separate Financial Statements	1 January 2014
FRS 132	Financial Instruments: Presentation	1 January 2013 and 1 January 2014
FRS 134	Interim Financial Reporting	1 January 2013
New IC Int		
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to IC Int		
IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments	1 January 2013

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (cont'd)

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

A brief discussion on the above significant new and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int that are applicable to the Group 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.

FRS 9 Financial Instruments

FRS 9 specifies how an entity should classify and measure financial assets and financial liabilities.

This standard requires all financial assets to be classified based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial asset. Financial assets are to be initially measured at fair value. Subsequent to initial recognition, depending on the business model under which these assets are acquired, they will be measured at either fair value or at amortised cost.

In respect of the financial liabilities, the requirements are generally similar to the former FRS 139. However, this standard requires that for financial liabilities designated as at fair value through profit or loss, changes in fair value attributable to the credit risk of that liability are to be presented in other comprehensive income, whereas the remaining amount of the change in fair value will be presented in the profit or loss.

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

FRS 10 replaces the consolidation part of the former FRS 127 Consolidated and Separate Financial Statements. The revised FRS 127 will deal only with accounting for investment in subsidiaries, joint ventures 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 FRS 9.

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (cont'd)

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

FRS 10 Consolidated Financial Statements and FRS 127 Separate Financial Statements (Revised) (cont'd)

FRS 10 brings about convergence between FRS 127 and SIC-12, which interprets the requirements of FRS 10 in relation to special purpose entities. FRS 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.

FRS 12 Disclosures of Interests in Other Entities

FRS 12 is a single disclosure standard for interests in subsidiary companies, joint ventures, associated companies and unconsolidated structured entities. The disclosure requirements in this FRS 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.

FRS 13 Fair Value Measurement

FRS 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.

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (cont'd)

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

Revised FRS 124 Related Party Disclosures

The revised FRS 124 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The Revised FRS 124 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. If a government controlled or significantly influenced an entity, the entity requires disclosures that are important to users of financial statements but eliminates requirements to disclose information that is costly to gather and of less value to users. This balance is achieved by requiring disclosure about these transactions only if they are individually or collectively significant. As this is a disclosure standard, the standard will have no impact on the financial position and performance of the Group and the Company when implemented.

Revised FRS 128 Investments in Associates and Joint Ventures

This revised FRS 128 incorporates the requirements for accounting for joint ventures into the same accounting standard as that for accounting for investments in associated companies, as the equity method was applicable for both investments in joint ventures and associated companies. However, the revised FRS 128 exempts the investor from applying equity accounting where the investment in the associated company or joint venture is held indirectly via venture capital organizations or mutual funds and similar entities. In such cases, the entity shall measure the investment at fair value through profit or loss, in accordance with FRS 9.

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (cont'd)

(iii) MASB Approved Accounting Standards, MFRSs

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issued a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1 January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 *Agriculture* and/or IC Int 15 *Agreements for the Construction of Real Estate* ("Transitioning Entities"). The Transitioning Entities are given an option to defer adoption of the MFRSs framework to financial periods beginning on or after 1 January 2014. Transitioning Entities also include those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are not Transitioning Entities are required to adopt the MFRSs framework for the next financial year, being the first set of financial statements prepared in accordance with the MFRSs framework.

As at 30 November 2012, all FRSs issued under the existing FRSs framework are equivalent to the MFRSs issued under MFRSs framework except for differences in relation to the transitional provisions, the adoption of MFRS 141 *Agriculture* and IC Int 15 *Agreements for the Construction of Real Estate* as well as differences in effective dates contained in certain of the existing FRSs. As such, other than those as discussed below, the main effects arising from the transition to the MFRSs Framework have been discussed in Note 2(a)(ii). The effects are based on the Group's and the Company's best estimates at the reporting date. The financial effects may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs based financial statements.

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (cont'd)

(iii) MASB Approved Accounting Standards, MFRSs (cont'd)

Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs effective for annual periods beginning on or after 1 January 2012 have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs. The Company is currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

MFRS 141 Agriculture

MFRS 141 requires a biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except where the fair value cannot be measured reliably. MFRS 141 also requires agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. Gains or losses arising on initial recognition of a biological asset and the agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in the profit or loss for the period in which it arises. The Company does not expect any significant impact on the adoption of this standard.

IC Int 15 Agreements for the Construction of Real Estate

IC Int 15 establishes that the developer will have to evaluate whether control and significant risks and rewards of the ownership of work in progress, can be transferred to the buyer as construction progresses before revenue can be recognised. The Company does not expect any significant impact on the adoption of this standard.

(b) Basis of measurement

The financial statements have been prepared on the historical cost convention except for those as disclosed in the accounting policy notes.

2. BASIS OF PREPARATION (cont'd)

(c) Functional and presentation currency

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

(d) Significant accounting estimates and judgements

The preparation of the financial statements requires management to make judgement, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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

(i) Tax expense (Note 7) - 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 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.

(ii) Useful life of property, plant and equipment (Note 9) - 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 life of intangible assets (Note 12) - 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 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 (Note 12) - The Group follows the guidance of *FRS 138 Intangible Asse*ts 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 3(j)(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.

2. BASIS OF PREPARATION (cont'd)

(d) Significant accounting estimates and judgements (cont'd)

(v) Impairment of available-for-sale financial assets (Note 13) - The Group classifies 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 determine whether it is an impairment that should be recognised in profit or loss. The determination of what is "significant" or "prolonged" requires judgement.

(vi) Deferred tax assets (Note 15) - deferred tax assets are recognised for deductible temporary differences in respect of expenses, unutilised tax losses and unabsorbed capital allowances based on the projected future profits of the subsidiaries to the extent that is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the future financial performance of the Group.

(vii) Impairment loss on trade receivables (Note 17) - The Group 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 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.

(viii) Provision for warranty costs (Note 30) - 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 past experience of warranty claims received.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements incorporate the audited financial statements of the company and all of its subsidiaries which are disclosed in Note 10 made up to the end of the financial year.

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

Subsidiaries are consolidated using the purchase method, from the date of acquisition being the date on which the Company obtains control and continue to be consolidated until the date that such 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont')

Where the present ownership interests in the acquiree and it entitles the holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects for each individual business combination, whether non-controlling interests in the acquisition is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's net identifiable 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.

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of 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.

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 interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

(b) Foreign currencies

(i) Foreign currencies transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in Ringgit Malaysia using the exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currencies at the reporting date are translated to the functional currencies at the exchange rates on the reporting date. Exchange differences arising on the settlement of monetary items and on the translation of monetary items, are included in profit or loss for the period in which they arise. Non-monetary items denominated in foreign currencies are not retranslated at the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) 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.

(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.

(vii) Commission income

Commission income is recognised on an accrual basis.

(d) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Employee benefits (cont'd)

(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.

(e) 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.

(f) 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.

(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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Due from customer on contract

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

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

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

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

(h) 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, 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Tax expense (cont'd)

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.

(i) 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 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 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 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) 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 5 years. Impairment is assessed whenever there is an indication of impairment. The amortisation period and method are also reviewed at each reporting date.

(ii) License rights and software

License rights and software 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.

Software under development is not amortised.

(k) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Investment properties (cont'd)

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.

(l) Subsidiaries

A subsidiary is an entity in which the Company has the power to exercise control over its financial and operating policies so as to obtain benefits from its activities. In assessing control, the existence and effect of potential voting rights that are currently exercisable are taken into account.

Investments in subsidiaries, which are eliminated on consolidation, are stated 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 included in profit or loss.

(m) Associates

An associate is defined as a company, not being a subsidiary, in which the Company has a long term equity interest and where it exercises significant influence over the financial and operating 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 change.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Associates (cont'd)

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associate are stated at cost less accumulated impairment loss.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(n) 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.

(o) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) 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.

The Group classifies the following financial assets as FVTPL:-

- investment in quoted shares; and
- investment in quoted unit trusts.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Financial assets (cont'd)

(ii) Loans and receivables (cont'd)

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.

The Group and the Company classify the following financial assets as loans and receivables:-

- cash and cash equivalents, except for bank overdraft; and
- trade and other receivables, including amounts owing by subsidiaries and associates.

(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.

The Group classifies the following financial assets as available-for-sale:-

- investment in unquoted shares; and
- transferable club membership.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Financial assets (cont'd)

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.

(q) Fair value estimation of unquoted equity securities

The fair values of unquoted equity securities that are not traded in an active market are determined by using a variety of methods and assumptions based on market conditions existing at each reporting date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analyses, are also used to determine the fair value of securities. However, if the probabilities of various estimates cannot be reasonably measured, the Company is precluded from measuring the instruments at fair value, and the financial instruments are measured at cost.

(r) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Impairment of financial assets (cont’d)

(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.

(s) 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.

(t) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(u) Provisions

A provision is recognised if, as a result of a past event, the Group has present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(v) 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 FRS 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 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(w) 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.

(x) 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.

(y) 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.

4. OPERATING REVENUE

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

	Group		**Company**	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Sales of goods and services	53,945,913	58,104,011	-	-
Contract revenue	1,437,891	1,891,104	-	-
Commission revenue	-	1,296,324	-	-
Management fees	182,073	6,000	1,167,647	1,592,660
Dividend income				
- subsidiary	-	-	3,402,000	-
	55,565,877	61,297,439	4,569,647	1,592,660

5. COST OF SALES

Cost of sales of the Group comprise the following:-

	Group	
	2012	2011
	RM	RM
Cost of sales of goods and services	39,515,196	44,824,834
Contract costs	1,421,558	1,749,011
	40,936,754	46,573,845

6. PROFIT/(LOSS) BEFORE TAX

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

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Amortisation of intangible assets	126,736	190,101	-	-
Auditors' remuneration:-				
- current year	70,400	78,200	25,500	25,000
- overprovision in prior year	(525)	(1,410)	-	-
- other services provided by auditors of the Company	8,000	5,000	8,000	5,000
Bad debts written off	-	28,800	-	-
Depreciation of property, plant and equipment	719,444	696,567	20,723	11,127
Direct operating expenses of investment property:-				
- non-generating income	-	916	-	916
Dividend income from other investments	(69,533)	(116,567)	-	-
Dividend income from fixed income fund	(357,477)	(216,583)	(74,585)	(19,263)
Dividend income from a subsidiary	-	-	(3,402,000)	-
(Gain)/Loss on disposal of property, plant and equipment	(142,891)	129,807	-	-
Loss/(Gain) on foreign exchange:-				
- realised	63,333	25,522	-	-
- unrealised	(8,330)	13,549	-	-

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

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

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Independent Non-executive Directors:-				
- Fees				
- Directors of the Company	152,000	152,000	152,000	152,000
- Director of subsidiary	36,000	36,000	-	-
Impairment loss on amounts owing by subsidiaries	-	-	-	1,527,151
Impairment loss on property, plant and equipment	70,997	-	7,049	-
Development costs written off	1,236,605	-	-	-
Impairment loss on trade receivables	-	2,517	-	-
Interest expense	175,418	172,819	-	-
Interest income	(354,367)	(322,332)	(5,545)	(46,289)
Inventories written off	59,416	-	-	-
Gain on disposal of subsidiaries	-	(41,819)	-	-
Net provision for employee benefits	(90,260)	(40,137)	(114,897)	(790)
(Reversal of)/Provision for warranty costs	(29,327)	87,004	-	-
Personnel expenses (including key management personnel):-				
- Contribution to Employees Provident Fund and social security contribution	536,380	589,946	96,543	90,235
- Salaries and others	6,110,593	6,015,571	1,118,252	960,807
Property, plant and equipment written off	-	3	-	-
Rental income	(59,103)	(46,450)	-	-
Rental of motor vehicles	-	-	88,875	26,800
Rental of premises	518,309	517,293	78,900	78,250
Net fair value (gain)/loss on held for trading investments	(11,859)	131,491	-	-

6. PROFIT/(LOSS) 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	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Executive directors of the Company:-				
- fees	18,000	18,000	18,000	18,000
- other emoluments	869,183	768,064	776,511	669,880
Executive directors of the subsidiaries:-				
- fees	40,000	96,000	-	-
- other emoluments	913,387	1,104,021	-	-

Estimated monetary value of 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	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Executive Directors of the:-				
- Company	33,083	30,900	33,083	30,900
- Subsidiaries	43,350	42,258	-	-

7. TAX EXPENSE

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Current tax expense:-				
Malaysian income tax				
- Current year	647,947	51,605	850,500	-
- Underprovision in prior financial year	932	13,936	-	-
	648,879	65,541	850,500	-
Deferred tax expense:-				
- Relating to origination and reversal of temporary differences	662,606	541,613	-	-
- Overprovision in prior year	(17,500)	-	-	-
	645,106	541,613	-	-
Tax expense	1,293,985	607,154	850,500	-

7. TAX EXPENSE (cont'd)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 25% of the estimated assessable profit for the financial year.

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	
	2012 RM	2011 RM	2012 RM	2011 RM
Profit/(Loss) before tax	5,651,222	4,289,312	2,851,694	(1,598,091)
Tax at the Malaysian statutory income tax rate of 25%	1,412,800	1,072,300	712,900	(399,500)
Tax effect of non-taxable income	(412,947)	(181,100)	(21,300)	(16,400)
Tax effect of non-deductible expenses	504,700	436,718	180,700	447,300
Deferred tax assets not recognised during the financial year	45,600	15,700	-	-
Utilisation of previously unrecognised deferred tax assets	(239,600)	(750,400)	(21,800)	(31,400)
Overprovision of deferred tax in prior financial years	(17,500)	-	-	-
Underprovision of current tax expense in prior financial years	932	13,936	-	-
Tax expense	1,293,985	607,154	850,500	-

The Company has an estimated unabsorbed capital allowances and unutilised tax losses of RM831,600 (2011: RM804,900) and RM175,000 (2011: RM175,000) available for set-off against future taxable profits.

Tax savings during the financial year arising from:-

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Utilisation of current financial year tax losses	11,408	6,500	-	-
Utilisation of previously unutilised tax losses	472,100	355,425	-	-

7. TAX EXPENSE (cont'd)

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct income tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from income tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 30 November 2012 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 30 November 2012, the Company has sufficient Section 108 balance of approximately RM3,983,100 to pay franked dividends.

The Company has an estimated balance in the tax exempt income account of RM1,719,000 (2011: RM1,639,000) available for distribution by way of tax exempt dividend which arose from the followings:-

(i) chargeable income amounted to RM617,000 (2011: RM617,000) of which tax had been waived in accordance with the Income Tax (Amendment) Act, 1999; and

(ii) tax exempt dividends received amounted to approximately RM1,102,000 (2011: RM1,022,000).

The Group has an estimated unutilised tax losses and unabsorbed capital allowances of RM5,259,900 (2011: RM7,883,500) and RM2,409,100 (2011: RM2,404,700) 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 RM4,121,609 (2011: RM3,632,461) divided by the number of ordinary shares of RM1 each in issue during the financial year of 49,277,066 (2011: 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	Long Term Leasehold Land RM	Buildings RM	Plant, Machinery and Tools RM	Renovation, Furniture, Fixture, Fittings, Office Equipment and Electrical Installation RM	Motor Vehicles RM	Total RM
Cost							
At 1.12.2011	23,430	32,220	396,186	715,296	2,791,778	2,621,489	6,580,399
Additions	8,467,000	-	7,055,717	-	210,176	906,024	16,638,917
Disposals	-	-	-	(28,000)	(7,479)	(537,050)	(572,529)
At 30.11.2012	8,490,430	32,220	7,451,903	687,296	2,994,475	2,990,463	22,646,787
Accumulated Depreciation and Impairment Loss							
At 1.12.2011	12,365	1,662	47,307	667,645	2,372,810	1,709,452	4,811,241
Charge for the financial year	-	332	30,451	8,237	278,776	401,648	719,444
Disposals	-	-	-	(23,800)	(6,959)	(425,629)	(456,388)
Impairment loss	-	-	-	-	70,997	-	70,997
At 30.11.2012	12,365	1,994	77,758	652,082	2,715,624	1,685,471	5,145,294
Net Carrying Amount							
At 30.11.2012	8,478,065	30,226	7,374,145	35,214	278,851	1,304,992	17,501,493

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 Equipment and Electrical Installation RM	Motor Vehicles RM	Total RM
Cost							
At 1.12.2010							
As previously stated	803,023	-	396,186	769,454	2,994,188	2,402,531	7,365,382
Effect of adopting the amendments to FRS 117	-	32,220	-	-	-	-	32,220
As restated	803,023	32,220	396,186	769,454	2,994,188	2,402,531	7,397,602
Additions	-	-	-	-	244,754	263,176	507,930
Disposals	(779,593)	-	-	(54,158)	(30,406)	-	(864,157)
Written off	-	-	-	-	(291,132)	(44,218)	(335,350)
Disposal of subsidiaries	-	-	-	-	(125,626)	-	(125,626)
At 30.11.2011	23,430	32,220	396,186	715,296	2,791,778	2,621,489	6,580,399
Accumulated Depreciation and Impairment Loss							
At 1.12.2010							
As previously stated	12,365	-	40,408	707,406	2,511,764	1,381,508	4,653,451
Effect of adopting the amendments to FRS 117	-	1,329	-	-	-	-	1,329
As restated	12,365	1,329	40,408	707,406	2,511,764	1,381,508	4,654,780
Charge for the financial year	-	333	6,899	14,397	302,776	372,162	696,567
Disposals	-	-	-	(54,158)	(29,472)	-	(83,630)
Written off	-	-	-	-	(291,129)	(44,218)	(335,347)
Disposal of subsidiaries	-	-	-	-	(121,129)	-	(121,129)
At 30.11.2011	12,365	1,662	47,307	667,645	2,372,810	1,709,452	4,811,241
Net Carrying Amount							
At 30.11.2011	11,065	30,558	348,879	47,651	418,968	912,037	1,769,158

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

Company	Furniture, Fixture, Fittings and Office Equipment RM	Renovation RM	Total RM
Cost			
At 1.12.2011	134,151	63,787	197,938
Additions	32,076	-	32,076
At 30.11.2012	166,227	63,787	230,014
Accumulated Depreciation and Impairment Loss			
At 1.12.2011	100,940	63,787	164,727
Charge for the financial year	20,723	-	20,723
Impairment loss	7,049	-	7,049
At 30.11.2012	128,712	63,787	192,499
Net Carrying Amount			
At 30.11.2012	37,515	-	37,515
Cost			
At 1.12.2010	108,938	63,787	172,725
Additions	30,830	-	30,830
Disposal	(5,617)	-	(5,617)
At 30.11.2011	134,151	63,787	197,938
Accumulated Depreciation			
At 1.12.2010	95,430	63,787	159,217
Charge for the financial year	11,127	-	11,127
Disposal	(5,617)	-	(5,617)
At 30.11.2011	100,940	63,787	164,727
Net Carrying Amount			
At 30.11.2011	33,211	-	33,211

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

The property, plant and equipment under finance lease arrangement are as follows:-

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Cost				
Motor vehicles	2,223,133	1,854,159	-	-
Net Carrying Amount				
Motor vehicles	1,303,740	910,202	-	-

During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM16,638,917 (2011: RM507,930) and RM32,076 (2011: RM30,830) respectively which are satisfied by the following:-

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Cash payments	15,774,417	260,930	32,076	30,830
Finance lease arrangement	864,500	247,000	-	-
	16,638,917	507,930	32,076	30,830

The long term leasehold land of the Group has remaining unexpired lease period of more than 50 years.

Freehold land and building with an aggregate carrying value of RM15,497,148 (2011: RM nil) are pledged as security for term loan as disclosed in Note 25.

Property, plant and equipment of a subsidiary amounting to RM840,217 (2011: RM748,069) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 25.

10. INVESTMENT IN SUBSIDIARIES

	Company	
	2012	2011
	RM	RM
Unquoted shares		
At cost,		
At beginning/end of the financial year	26,279,373	26,279,373
Less: Accumulated impairment loss		
At beginning/end of the financial year	(7,739,166)	(7,739,166)
	18,540,207	18,540,207

10. INVESTMENT IN SUBSIDIARIES (cont'd)

Investment in subsidiaries of a subsidiary amounting to RM768,560 (2011: RM680,000) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 25.

The details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2012	Effective Equity Interest 2011	Principal Activities
Held by the Company				
Amtel Cellular Sdn. Bhd.	Malaysia	100%	100%	Distribution of telematics products and trading of electronic and telecommunications related products.
Amtel Communications Sdn. Bhd.	Malaysia	100%	100%	Trading and servicing of two way radio communications products and telecommunications related products.
Amtel Group Sdn. Bhd.	Malaysia	100%	100%	Investment holding and provision of management services to its related companies.
Ideal Move Capital Sdn. Bhd.	Malaysia	100%	100%	Money lending.
Metrarama Sdn. Bhd.	Malaysia	100%	100%	Property investment and investment holding.
Amtel Resources Sdn. Bhd. *	Malaysia	100%	100%	Contractor for installation, jointing and testing of utilities, telecommunications and fibre optic cables and associated civil works.
AAV Industries Sdn. Bhd.	Malaysia	100%	100%	Dormant.
Topweb Sdn. Bhd.	Malaysia	50.25%	50.25%	Dormant.
Amtel Technology Sdn. Bhd.	Malaysia	100%	100%	Dormant.
Held through Amtel Cellular Sdn. Bhd.				
AmNavi Sdn. Bhd.	Malaysia	85%	68%	Geographical Information System (GIS) development and research business and related products.

* Audited by a firm of auditors other than Baker Tilly AC

10. INVESTMENT IN SUBSIDIARIES (cont'd)

(a) Acquisition of non-controlling interests

On 27 April 2012 and 5 July 2012, the Group's wholly-owned subsidiary, Amtel Cellular Sdn. Bhd., acquired an additional 16% and 1% equity interest respectively in Amnavi Sdn. Bhd. from its non-controlling interests for cash consideration of RM73,500 and RM15,060 respectively. As a result of these acquisitions, Amtel Cellular Sdn. Bhd. hold 85% equity interest in AmNavi Sdn. Bhd.. On the date of acquisition, the carrying value of the additional interest acquired was RM20,758 and RM4,167 respectively. The difference between the consideration and the carrying value of the interest acquired of RM52,742 and RM10,893 are reflected in equity as premium paid on acquisition of non-controlling interests.

(b) Disposal of subsidiaries

On 29 November 2011, the Company via its wholly-owned subsidiary, Amtel Communications Sdn. Bhd. ("ACSB"), disposed of its entire shareholding comprises 3,200 ordinary shares representing 50.80% equity interests in Damansara Duta Sdn. Bhd. ("DDSB") for a total cash consideration of RM163,000. Following the disposal, DDSB and its wholly-owned subsidiary, namely Talk Connect Sdn. Bhd., ceased to be the subsidiaries of ACSB and the Company.

The disposal had the following effects on the financial position of the Group as at the end of the previous financial year:-

	Group	
	2012 RM	2011 RM
Property, plant and equipment	-	4,497
Fixed deposit	-	55,131
Cash and bank balances	-	71,856
Trade receivables	-	227,036
Other receivables	-	89,534
Tax assets	-	57,768
Tax liabilities	-	(27,700)
Other payables and accruals	-	(142,726)
Net assets disposed of	-	335,396
Non-controlling interests	-	(214,215)
Total disposal proceeds	-	(163,000)
Gain on disposal to the Group	-	(41,819)
Cash inflow arising on disposal:-		
Cash consideration	-	163,000
Cash and cash equivalents of subsidiaries disposed of	-	(126,987)
Net cash inflow on disposal	-	36,013

11. INVESTMENT IN ASSOCIATES

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Unquoted shares				
At cost,				
At beginning of the financial year	64,559	26,759	-	-
Additions	-	37,800	-	-
At end of the financial year	64,559	64,559	-	-
Share of results of associates				
At beginning of the financial year	273,077	85,761	-	-
Current year share of results	462,459	187,316	-	-
At end of the financial year	735,536	273,077	-	-
	800,095	337,636	-	-

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

	Group	
	2012	2011
	RM	RM
Assets and Liabilities		
Total assets	3,982,395	2,801,043
Total liabilities	1,841,615	1,841,615
Results		
Operating revenue	8,020,000	7,622,380
Profit net of tax	1,025,814	599,631

11. INVESTMENT IN ASSOCIATES (cont'd)

The details of the associates are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2012	Effective Equity Interest 2011	Principal Activities
Held by the Company				
Amtel Networks Sdn. Bhd. *	Malaysia	40%	40%	Contractor for installation, jointing and testing of utilities, telecommunications and fibre optic cables and associated civil works.
Held through Amtel Cellular Sdn. Bhd.				
Milan Utama Sdn. Bhd.	Malaysia	35%	35%	Trading and distribution of telecommunication products, telematics products and information computer technology products, project implementation and management services.

* Audited by a firm of auditors other than Baker Tilly AC.

Cost of investment in associate of a subsidiary amounting to RM388,800 (2011: RM388,800) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 25.

12. INTANGIBLE ASSETS

	License Rights RM	Development costs RM	Development costs in-progress RM	Total RM
Group				
Cost				
At 1.12.2011	320,000	630,504	1,517,130	2,467,634
Additions	-	-	1,705,330	1,705,330
Written off	-	-	(1,236,605)	(1,236,605)
At 30.11.2012	320,000	630,504	1,985,855	2,936,359
Accumulated Amortisation				
At 1.12.2011	277,330	546,437	-	823,767
Amortisation for the financial year	42,669	84,067	-	126,736
At 30.11.2012	319,999	630,504	-	950,503
Net carrying amount				
At 30.11.2012	1	-	1,985,855	1,985,856
Cost				
At 1.12.2010	320,000	630,504	-	950,504
Addition	-	-	1,517,130	1,517,130
At 30.11.2011	320,000	630,504	1,517,130	2,467,634
Accumulated Amortisation				
At 1.12.2010	213,330	420,336	-	633,666
Amortisation for the financial year	64,000	126,101	-	190,101
At 30.11.2011	277,330	546,437	-	823,767
Net carrying amount				
At 30.11.2011	42,670	84,067	1,517,130	1,643,867

12. INTANGIBLE ASSETS (cont'd)

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 current financial year end.

Intangible assets of a subsidiary amounting to RM1,985,855 (2011: RM1,601,197) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 25.

13. OTHER INVESTMENTS

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Non-current				
Available-for-sale investments				
At fair value,				
- Transferable club membership	250,000	250,000	250,000	250,000
At cost,				
- Unquoted shares	-	1,200,000	-	1,200,000
Total non-current investments	250,000	1,450,000	250,000	1,450,000
Current				
Available-for-sale investments				
At fair value,				
- Unquoted shares	1,200,000	-	1,200,000	-
Held for trading investments				
At fair value,				
- Quoted shares	414,113	139,878	-	-
- Quoted unit trusts	-	4,155,835	-	-
	414,113	4,295,713	-	-
Total current investments	1,614,113	4,295,713	1,200,000	-
At market value,				
- Quoted investments	414,113	4,295,713	-	-

In the previous financial year, investment in quoted unit trusts is redeemable upon one day notice and bears dividend yield at a rate of 3.01% per annum.

14. INVESTMENT PROPERTY

	Group 2012 RM	Group 2011 RM
Freehold land		
- At cost	168,717	168,717
- At fair value	263,800	263,800

Investment property of a subsidiary amounting to RM168,717 (2011: RM168,717) has been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 25.

15. DEFERRED TAX ASSETS

	Group 2012 RM	Group 2011 RM
At beginning of the financial year	361,500	900,000
Recognised in profit or loss	(361,500)	(538,500)
At end of the financial year	-	361,500

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

	Group 2012 RM	Group 2011 RM
Differences between the carrying amounts of property, plant and equipment and their tax base	7,700	32,100
Deductible temporary differences in respect of expenses	200,900	236,600
Unutilised tax losses	-	472,100
Development costs	(208,600)	(379,300)
	-	361,500

In the previous financial year, the deferred tax assets recognised in the financial statements was in respect of unutilised tax losses and other deductible temporary differences of a subsidiary which can be utilised to set-off against probable future taxable income based on profit forecast for the next three financial years.

15. DEFERRED TAX ASSETS (cont'd)

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

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Unutilised tax losses	5,259,870	5,995,070	175,000	175,000
Unabsorbed capital allowances	2,409,100	2,404,700	831,600	805,000
Deductible temporary	-			
differences in respect of expenses	45,800	159,100	38,400	153,300
Differences between the carrying amounts of property, plant and equipment and their tax base	159,100	91,300	(25,400)	(26,500)
	7,873,870	8,650,170	1,019,600	1,106,800

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

16. INVENTORIES

	Group	
	2012 RM	2011 RM
At cost,		
Trading goods	1,860,378	1,895,977

Inventories of a subsidiary amounting to RM1,851,189 (2011: RM1,797,788) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 25.

17. TRADE RECEIVABLES

	Group 2012 RM	Group 2011 RM
Third parties	16,169,357	11,578,526
Less: Allowance for impairment loss	(302,536)	(305,053)
	15,866,821	11,273,473

Trade receivables of a subsidiary amounting to RM14,444,579 (2011: RM9,706,216) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 25.

(a) Credit term of trade receivables

The Group's normal trade credit terms extended to customers range from 30 to 90 days (2011: 30 to 90 days).

(b) Ageing analysis of trade receivables

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

	Group 2012 RM	Group 2011 RM
Neither past due nor impaired	14,586,531	9,755,391
1 to 30 days past due not impaired	155,296	178,300
31 to 60 days past due not impaired	150,000	206,000
61 to 90 days past due not impaired	149,000	388,785
More than 91 days past due not impaired	825,994	744,997
	1,280,290	1,518,082
Impaired	302,536	305,053
	16,169,357	11,578,526

17. TRADE RECEIVABLES (cont'd)

(b) 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 RM1,280,290 (2011: RM1,518,082) which are past due but not impaired because there have been 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 used to record the impairment is as follows:-

	Group	
	2012	**2011**
	RM	**RM**
As at beginning of the financial year	305,053	302,536
Charge for the financial year (Note 6)	-	2,517
Written off	(2,517)	-
As at end of the financial year	302,536	305,053

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.

18. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Other receivables	52,138	1,036,707	-	400,652
Deposits	468,567	239,538	2,640	2,280
Prepayments	467,731	1,496,228	15,331	10,081
	988,436	2,772,473	17,971	413,013

18. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (cont'd)

In the previous financial year, included in other receivables of the Group and of the Company were an amount of RM399,979 receivable from the purchaser for the disposal of 32% equity interest in an associate, Permata Makmur Sdn. Bhd. and an amount of RM565,675 being balance of the proceeds receivable from the purchaser for the disposal of freehold land held by a wholly-owned subsidiary, Amtel Resources Sdn. Bhd..

Included in prepayments of the Group is an amount of RM352,990 (2011: RM1,318,573) being advances to suppliers for purchase of trading goods.

Other receivables, deposits and prepayments of a subsidiary amounting to RM506,433 (2011: RM1,554,771) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 25.

19. TAX ASSETS

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

20. AMOUNTS OWING BY/(TO) SUBSIDIARIES

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

	Company	
	2012	**2011**
	RM	**RM**
Amounts owing by subsidiaries	19,360,031	20,211,929
Less: Allowance for impairment loss		
At beginning of the financial year	17,593,535	16,066,384
Charge for the financial year (Note 6)	-	1,527,151
At end of the financial year	(17,593,535)	(17,593,535)
	1,766,496	2,618,394
Amounts owing to subsidiaries	(322,000)	-

21. AMOUNTS OWING BY ASSOCIATES

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

22. CASH DEPOSITS WITH LICENSED BANKS

Cash deposits with licensed banks of the Group bear effective interest at rates ranging from 1.90% to 3.2% (2011: 1.75% to 3.2%) per annum as at year end with maturity period ranging from 1 day to 365 days (2011: 1 day or 365 days).

Included in the deposits of the Group is an amount of RM6,119,377 (2011: RM5,916,312) pledged as security for banking facilities granted to subsidiaries as disclosed in Note 25.

23. SHARE CAPITAL

	Group/Company			
	Number of shares		Amount	
	2012	2011	2012 RM	2011 RM
Ordinary shares of RM1 each:-				
Authorised	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid	49,277,066	49,277,066	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	
	2012 RM	2011 RM	2012 RM	2011 RM
Accumulated losses	(9,017,486)	(13,075,460)	(27,553,094)	(29,554,288)
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
	(4,083,821)	(8,141,795)	(22,619,429)	(24,620,623)

(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 off or impaired.

25. BANK BORROWINGS

	Group 2012 RM	Group 2011 RM
Non-current		
Secured		
Term loan	7,311,224	-
Current		
Secured		
Bank overdrafts	55,970	12,539
Bankers' acceptances	1,102,933	1,303,000
Term loan	637,328	-
	1,796,231	1,315,539

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							
2012							
Secured							
Term loan	7,948,552	637,328	674,159	710,990	747,822	784,653	4,393,600
Bank overdrafts	55,970	55,970	-	-	-	-	-
Bankers' acceptances	1,102,933	1,102,933	-	-	-	-	-
	9,107,455	1,796,231	674,159	710,990	747,822	784,653	4,393,600
2011							
Secured							
Bank Overdrafts	12,539	12,539	-	-	-	-	-
Bankers' acceptances	1,303,000	1,303,000	-	-	-	-	-
	1,315,539	1,315,539	-	-	-	-	-

25. BANK BORROWINGS (cont'd)

The term loan, bears effective interest at a rate of 4.3% (2011: nil) per annum and secured by the following:-

(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' acceptances facilities are repayable on demand and within one year respectively, and bear interest at rates ranging from 3.38% to 7.00% (2011 : 6.94% to 7.50%) 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 guarantee of the Company.

26. FINANCE LEASE PAYABLES

	Group	
	2012	**2011**
	RM	**RM**
Future minimum lease payments	1,354,992	964,154
Less: Future finance charges	(118,274)	(83,143)
Total present value of minimum lease payments	1,236,718	881,011
Current Liabilities		
Payable within 1 year		
Future minimum lease payments	419,064	345,504
Less: Future finance charges	(60,682)	(42,706)
Present value of minimum lease payments	358,382	302,798
Non-current Liabilities		
Payable after 1 year but not later than 5 years		
Future minimum lease payments	935,928	618,650
Less: Future finance charges	(57,592)	(40,437)
Present value of minimum lease payments	878,336	578,213
	1,236,718	881,011

The finance lease payables of the Group bear effective interest at rates ranging from 2.38% to 7.00% (2011: 2.38% to 7.00%) per annum.

27. DEFERRED TAX LIABILITIES

	Group	
	2012	2011
	RM	RM
At beginning of the financial year	17,049	13,936
Recognised in profit or loss	283,606	3,113
At end of the financial year	300,655	17,049

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

	Group	
	2012	2011
	RM	RM
Differences between the carrying amount of property, plant and equipment and its tax base	300,655	17,049

28. TRADE PAYABLES

The normal trade credit term granted to the Group is 90 days or less (2011: 90 days or less).

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

	Group	
	2012	2011
	RM	RM
China Renminbi ("RMB")	110,468	161,474
United States Dollar ("USD")	357,811	672,633
Singapore Dollar ("SGD")	137,132	-

Included in trade payables of the Group is an amount owing to an associate of RM200,000 (2011: RM1,368,000).

29. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Other payables	763,703	182,783	600,000	-
Deposits	3,950	2,400	-	-
Accruals	1,772,275	2,490,143	293,304	317,829
	2,539,928	2,675,326	893,304	317,829

30. PROVISIONS

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Provision for warranty costs				
At beginning of the financial year	960,046	904,069	-	-
(Reversal)/Additions	(29,327)	87,004	-	-
Utilisation	(175,127)	(31,027)	-	-
At end of the financial year	755,592	960,046	-	-
Provision for employee benefits				
At beginning of the financial year	204,734	244,871	153,255	154,045
Additions	252,968	165,847	47,244	44,114
Utilisation	(343,228)	(205,984)	(162,141)	(44,904)
At end of the financial year	114,474	204,734	38,358	153,255
	870,066	1,164,780	38,358	153,255

Provision for warranty cost 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 past experience of warranty claims received.

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:-

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Fixed income fund with licensed fund management company (redeemable upon 7 days notice)		13,461,037	5,132,742	3,316,356	281,771
Cash at banks and in hand		4,286,246	14,438,192	114,123	1,787,119
		17,747,283	19,570,934	3,430,479	2,068,890
Cash deposits with licensed banks		8,993,581	9,303,020	-	-
Investment in quoted unit trusts	13	-	4,155,835	-	-
Bank overdrafts	25	(55,970)	(12,539)	-	-
		26,684,894	33,017,250	3,430,479	2,068,890
Cash deposits with licensed banks under lien	22	(6,119,377)	(5,916,312)	-	-
		20,565,517	27,100,938	3,430,479	2,068,890

31. CASH AND CASH EQUIVALENTS

The fixed income fund bears dividend yield at rates ranging from 2.10% to 2.70% (2011: 2.13% to 2.92%) per annum as at the financial year end.

Cash and cash equivalents of a subsidiary amounting to RM8,133,227 (2011: RM8,352,030) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 25.

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

	Group	
	2012	2011
	RM	RM
USD	116,502	294,131
SGD	108,336	106,289

32. DIVIDEND

The directors recommended a first and final dividend of 5 sen per ordinary share of RM1 each less 25% tax amounting to RM1,847,890 in respect of the current financial year subject to the approval of the shareholders at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect the final dividend. The final dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 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	
	2012	2011
	RM	RM
Dividend receivable from a subsidiary	(3,402,000)	-
Management fees received/receivable from subsidiaries	(1,045,411)	(1,588,660)
Impairment loss on amounts owing by subsidiaries	-	1,527,151
Management fees paid/payable to a subsidiary	36,605	28,000
Rental of motor vehicles paid/payable to a subsidiary	88,875	26,800
Rental of premises paid/payable to a subsidiary	33,900	33,900

The transactions with associates are as follows:-

	Group	
	2012	2011
	RM	RM
Purchases from an associate	8,020,000	7,622,380
Management fees received/receivable from an associate	(180,573)	(6,000)
Other income received/receivable from an associate	-	(180,000)
Rental of premises received from associates	(37,666)	(14,400)

Information regarding outstanding balances arising from related party transactions are disclosed in Notes 20, 21 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 are as follows:-

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Short term employee benefits (including benefits-in-kind)	2,933,714	3,566,760	940,723	861,869
Post-employment benefits	259,218	332,896	82,008	86,931
	3,192,932	3,899,656	1,022,731	948,800

34. CAPITAL COMMITMENT

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Intangible assets				
- Approved and contracted for	882,615	2,728,350	-	-

35. CONTINGENT LIABILITIES

	Company 2012 RM	Company 2011 RM
In respect of corporate guarantees given by the Company to financial institutions for banking and credit facilities granted to the subsidiaries (unsecured)	9,127,108	1,422,054

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 FRS 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.
Telecommunications Infrastructure and Services	Inclusive of installation, testing and commissioning of utilities, telecommunication and fibre optic cables and associated civil works and marketing of alternate telephony services.
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.

36. SEGMENT INFORMATION (cont'd)

Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. 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.

36. SEGMENT INFORMATION (cont'd)

(a) Operating Segment

Group	Note	Information and Communication Technology RM	Telecommunications Infrastructure and Services RM	Others RM	Eliminations RM	Consolidated RM
2012						
Segment Revenue						
External revenue		53,937,223	1,446,581	182,073	-	55,565,877
Inter-segment revenue	(a)	3,839,350	-	4,867,220	(8,706,570)	-
Total revenue		57,776,573	1,446,581	5,049,293	(8,706,570)	55,565,877
Segment Results						
Interest income		66,789	92,123	195,455	-	354,367
Interest expense		(114,050)	(9,504)	(51,864)	-	(175,418)
Depreciation		(473,828)	(65,452)	(180,164)	-	(719,444)
Amortisation of intangible assets		(126,736)	-	-	-	(126,736)
Share of results of associates		462,459	-	-	-	462,459
Other non-cash items	(b)	(1,302,145)	7,797	209,997	-	(1,084,351)
Segment profit/(loss) before taxation		6,346,242	16,522	(711,542)	-	5,651,222
Tax expense		(1,232,245)	(17,040)	(44,700)	-	(1,293,985)
Segment Assets						
Additions to non-current assets other than financial instruments and deferred tax assets		2,328,454	2,956	16,012,837	-	18,344,247
Total segment assets		33,856,867	5,220,687	29,180,863	-	68,258,417
Segment Liabilities						
Total segment liabilities		12,866,474	1,039,233	8,837,371	-	22,743,078

36. SEGMENT INFORMATION (cont'd)

(a) Operating Segment (cont'd)

Group	Note	Information and Communication Technology RM	Telecommunications Infrastructure and Services RM	Others RM	Eliminations RM	Consolidated RM
2011						
Segment Revenue						
External revenue		57,976,887	3,072,991	247,561	-	61,297,439
Inter-segment revenue	(a)	2,331,045	-	1,850,660	(4,181,705)	-
Total revenue		60,307,932	3,072,991	2,098,221	(4,181,705)	61,297,439
Segment Results						
Interest income		-	91,274	231,058	-	322,332
Interest expense		(151,197)	(8,813)	(12,809)	-	(172,819)
Depreciation		(490,338)	(74,846)	(131,383)	-	(696,567)
Amortisation of intangible assets		(190,101)	-	-	-	(190,101)
Share of results of associates		188,314	-	(998)	-	187,316
Other non-cash items	(b)	(43,207)	(131,732)	(136,276)	-	(311,215)
Segment profit/(loss) before taxation		4,735,186	22,633	(468,507)	-	4,289,312
Tax expense		(550,985)	(38,318)	(17,851)	-	(607,154)
Segment Assets						
Additions to non-current assets other than financial instruments and deferred tax assets		1,984,932	5,572	34,556	-	2,025,060
Total segment assets		29,051,236	5,973,458	20,028,094	-	55,052,788
Segment Liabilities						
Total segment liabilities		12,231,751	1,297,767	276,608	-	13,806,126

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 to the financial statements:-

	Group	
	2012	**2011**
	RM	**RM**
Bad debts written off	-	28,800
Gain on disposal of subsidiaries	-	(41,819)
(Gain)/Loss on disposal of property, plant and equipment	(142,891)	129,807
Impairment loss on trade receivable	-	2,517
Development costs written off	1,236,605	-
Inventories written off	59,416	-
Loss on foreign exchange - unrealised	(8,330)	13,549
Net provision for employee benefits	(90,260)	(40,137)
(Reversal of)/Provision for warranty costs	(29,327)	87,004
Property, plant and equipment written off	70,997	3
Net fair value (gain)/loss on held for trading investments	(11,859)	131,491
	1,084,351	311,215

(b) Geographical Segment

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

	Group	
	2012	**2011**
	RM	**RM**
Malaysia	55,565,877	61,172,495
Europe	-	124,944
	55,565,877	61,297,439

Non-current assets are all located in Malaysia.

36. SEGMENT INFORMATION (cont'd)

(c) Information about Major Customers

Revenue from major customers of the Group amount to RM50,358,593 (2011: RM43,795,222) arising from sales by the Information and Communication Technology segment.

37. SIGNIFICANT EVENTS

(a) On 29 May 2012, a wholly-owned subsidiary of the Company, Metrarama Sdn. Bhd., entered into a sale and purchase agreement ("SPA") as varied in the Supplemental SPA dated 23 July 2012 with Ng Yoke Teng & Sons Sdn. Bhd. for acquisition of a parcel of freehold industrial land held under GRN 215183, Lot 61789 (formerly held under HSD 225947, PT 99), Bandar Glenmarie, district of Petaling, State of Selangor Darul Ehsan measuring approximately 4,252 square metres in area together with three (3) storey office warehouse building with a mezzanine floor annexed for a total cash consideration of RM15,000,000. The transaction was completed during the financial year.

(b) On 27 February 2009, the Company entered into an Option Agreement with Mdm. Cheah See Mooi @ Cheah Seow Lan, Mr. Ching Ngau and Mr. Ching Jze Haur ("the Purchasers") for the disposal of the remaining 414,000 ordinary shares of RM1 each ("the Shares") representing 18% equity interest held in Permata Makmur Sdn. Bhd. ("Put Option"). Subsequently, the Company served a notice on 17 July 2012 to require the Purchasers to purchase the Shares from the Company for a cash consideration of RM1.2 million. The first instalment of RM600,000 was received during the financial year by the Company and the final payment of RM600,000 was received on 22 March 2013. Accordingly, the Company's exercise of the Put Option was completed on 22 March 2013.

38. 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 financial risk management policy seeks to minimize the potential adverse effects from the exposures to variety of risks in the normal course of business.

The Group'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.

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

(a) Credit Risk (cont'd)

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 Company provides unsecured financial guarantees to banks in respect of banking facilities granted to subsidiaries.

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

The maximum exposure to credit risk amounts to RM9,127,108 (2011: RM1,422,054) representing the outstanding credit facilities of the subsidiaries guaranteed by the Company at the reporting date. At the reporting date, there was no indication that the subsidiaries 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 Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the securities pledged by the subsidiaries and it is unlikely that the subsidiaries 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 maintains sufficient levels of cash and available banking facilities at a reasonable level to their overall debt position to meet their working capital requirement.

38. 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 of 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
2012						
Group						
Financial liabilities:-						
Trade payables	8,471,180	8,471,180	8,471,180	-	-	-
Other payables and accruals	2,539,928	2,539,928	2,539,928	-	-	-
Term loan	7,948,552	9,774,779	637,328	674,159	2,243,466	6,219,826
Finance lease payables	1,236,718	1,354,992	419,065	327,716	608,211	-
Bank overdrafts	55,970	55,970	55,970	-	-	-
Bankers' acceptances	1,102,933	1,109,887	1,109,887	-	-	-
	21,355,281	23,306,736	13,233,358	1,001,875	2,851,677	6,219,826
Company						
Financial liabilities:-						
Other payables and accruals	893,304	893,304	893,304	-	-	-

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

(b) Liquidity Risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)
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 of obligations. (cont'd)

	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM
2011					
Group					
Financial liabilities:-					
Trade payables	7,569,510	7,569,510	7,569,510	-	-
Other payables and accruals	2,675,326	2,675,326	2,675,326	-	-
Finance lease payables	881,011	964,154	345,504	294,528	324,122
Bank overdrafts	12,539	12,539	12,539	-	-
Bankers' acceptances	1,303,000	1,326,155	1,326,155	-	-
	12,441,386	12,547,684	11,929,034	294,528	324,122
Company					
Financial liabilities:-					
Other payables and accruals	317,829	317,829	317,829	-	-

38. 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 includes cash deposits 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 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 RM9,107,455 (2011: RM1,315,539) expose the Group to cash flow interest rate risk whilst finance lease payables at fixed rate amounting to RM1,236,718 (2011: RM881,011) 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 2012 would decrease/increase by RM34,153 (2011: RM4,933) 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 a currency other than the respective functional currencies of Group entities, primarily RM. The foreign currencies in which these transactions are denominated are mainly USD, SGD and RMB.

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 RM224,838 (2011: RM400,420).

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

(d) Foreign Currency Risk (cont'd)

Sensitivity analysis for foreign currency risk
The Group believes that no reasonably possible changes in the risk variable could 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 Securities. These instruments are classified as held for trading. As the amount of the investment is minimal, the Group's income and operating cash flows are not excessively exposed to changes in the market price.

39. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

(a) 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.

(b) 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.

39. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

(c) Borrowings

The carrying amounts of the current portion of borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

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
2012				
Financial Liabilities				
Finance lease payables	1,236,718	1,240,260	-	-
2011				
Financial Assets				
Other investments				
- Unquoted shares in Malaysia	1,200,000	- #	1,200,000	- #
Financial Liabilities				
Finance lease payables	881,011	888,129	-	-

It is not practicable to estimate the fair value of unquoted other investment reliably due to lack of quoted market price and the inability to estimate the fair value without incurring excessive costs. However, the Group believes that the carrying amount represents the recoverable value.

40. 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 2012 and 2011, the Group and the Company held Level 1 financial instruments carried at fair values on the statements of financial position.

Assets measured at fair value

	2012		2011	
	Carrying Amount RM	**Level 1 Fair Value RM**	**Carrying Amount RM**	**Level 1 Fair Value RM**
Group				
Financial assets at fair value through profit or loss				
- Quoted shares	414,113	414,113	139,878	139,878
- Quoted unit trusts	-	-	4,155,835	4,155,835
Available-for-sale financial assets				
- Transferable club membership	250,000	250,000	250,000	250,000
- Unquoted shares	1,200,000	1,200,000	-	-
Company				
Available-for-sale financial assets				
- Transferable club membership	250,000	250,000	250,000	250,000
- Unquoted shares	1,200,000	1,200,000	-	-

During the financial year ended 30 November 2012 and 2011, there was no transfer between fair value measurement hierarchy.

41. 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 shareholder 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 2012 and 2011.

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 plus net debts. 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 2012 and 2011, which are within the Group's objectives of capital management are as follows:-

	Group	
	2012	**2011**
	RM	**RM**
Total interest bearing borrowings	10,344,173	2,196,550
Less: Cash and cash equivalents	(26,684,894)	(33,017,250)
Total net debts/(cash)	(16,340,721)	(30,820,700)
Total equity	45,515,339	41,246,662
Debt to equity ratio (%)	*	*

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

42. COMPARATIVE FIGURES

The following comparative figures have been reclassified to conform with current year presentation:-

	Group	
	As Reclassified	**As Previously Classified**
	2011	**2011**
	RM	**RM**
Statement of Comprehensive Income		
Operating revenue	61,297,439	61,414,006
Other operating income	1,088,199	971,632
Cost of sales	(46,573,845)	(46,041,733)
Administrative expenses	(7,099,171)	(7,631,283)

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 2012 and 2011 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 the financial year end is analysed as follows:-

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Total accumulated losses of the Company and its subsidiaries:-				
- realised	(29,898,167)	(33,976,086)	(27,553,094)	(29,554,288)
- unrealised	(1,047,917)	(629,144)	-	-
	(30,946,084)	(34,605,230)	(27,553,094)	(29,554,288)
Total share of retained earnings/(accumulated losses) from associates:-				
- realised	735,536	273,077	-	-
- unrealised	-	-	-	-
	(30,210,548)	(34,332,153)	(27,553,094)	(29,554,288)
Less: Consolidation adjustments	21,193,062	21,256,693	-	-
Total accumulated losses	(9,017,486)	(13,075,460)	(27,553,094)	(29,554,288)

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.