

AMTEL HOLDINGS BERHAD

(409449-A)



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Notice of the Sixteenth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting (“16th AGM”) of Amtel Holdings Berhad (“AHB” or “Company”) will be held at Bilik Petaling, Kelab Shah Alam Selangor, No. 1A, Jalan Aerobik 13/43, Persiaran Kayangan, 40704 Shah Alam, Selangor Darul Ehsan on Tuesday, 28 May 2013 at 10.00 a.m. for the purpose of transacting the following businesses:-

AGENDA

- | | | |
|----|--|--|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 November 2012 together with the Reports of the Directors and Auditors thereon. | (Please refer to Explanatory Note 1 on Ordinary Business) |
| 2. | To approve a first and final dividend of 5.0 sen per ordinary share of RM1.00 each less 25% income tax in respect of the financial year ended 30 November 2012. | Ordinary Resolution 1 |
| 3. | To approve the Directors’ fees of RM170,000.00 for the financial year ended 30 November 2012. | Ordinary Resolution 2 |
| 4. | To re-elect the following Directors who retire by rotation in accordance with Article 80 of the Company’s Articles of Association and who being eligible, offer themselves for re-election:- | |
| | i. YTM. Tunku Dato’ Seri Kamel bin Tunku Rijaludin | Ordinary Resolution 3 |
| | ii. Mr. Ng Ah Chong | Ordinary Resolution 4 |
| 5. | To re-appoint Messrs. Baker Tilly AC (formerly known as Moore Stephens AC) as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 5 |

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

- | | | |
|----|--|------------------------------|
| 6. | Ordinary Resolution
Retention of Independent Directors | |
| | i. “THAT subject to the passing of Ordinary Resolution 3, YTM. Tunku Dato’ Seri Kamel bin Tunku Rijaludin be and is hereby retained as Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012.” | Ordinary Resolution 6 |
| | ii. “THAT Mr. Siow Hock Lee be and is hereby retained as Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012.” | Ordinary Resolution 7 |

Notice of the Sixteenth Annual General Meeting (cont'd)

7. Ordinary Resolution Authority to allot and issue shares

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

Ordinary Resolution 8

8. Special Resolution Proposed Amendments to the Articles of Association

“**THAT** the proposed amendments to the Articles of Association of the Company as contained in Appendix I of the Annual Report 2012 (“Proposed Amendments”) be and are hereby approved and adopted AND THAT the Directors and Secretary be and are hereby authorised to take all such steps as they shall deem necessary and expedient to implement, finalise and give full effect to the Proposed Amendments.”

Special Resolution

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

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a first and final dividend of 5.0 sen per ordinary share of RM1.00 each less 25% income tax in respect of the financial year ended 30 November 2012, if approved by the members, will be paid on 28 June 2013 to Depositors registered in the Record of Depositors at the close of business on 10 June 2013.

A Depositor shall qualify for entitlement only in respect of:-

- a) shares transferred to the Depositor’s Securities Account before 4.00 p.m. on 10 June 2013 in respect of ordinary transfers; and
- b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board
CHAN PHOOI SZE (MAICSA 7051780)
HOH YIT FOONG (LS 0018)
 Secretaries

Petaling Jaya
 3 May 2013

Notice of the Sixteenth Annual General Meeting (cont'd)

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 May 2013 shall be entitled to attend, speak and vote at this meeting.*
2. *A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.*
3. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised in that behalf, and shall be deposited at the Registered Office of the Company at No. 7, Jalan PJS 7/19, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding this meeting or adjourned meeting.*
4. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless the proportion of holdings represented by each proxy is specified.*
5. *A member shall be entitled to appoint more than one (1) proxy to attend and vote at this meeting provided that the provisions of Section 149(1)(c) of the Act are complied with.*
6. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
7. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

Explanatory Notes on Ordinary Business:

1. *This Agenda item is meant for discussion only as the provision of Section 169(1) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.*
2. *Details of the Directors standing for re-election under Resolution 3 and Resolution 4 are stated in the Profile of Directors on pages 9 to 12 of this Annual Report. Their securities holdings in the Company are stated on page 111 of this Annual Report.*

Explanatory Notes on Special Business:

1. **Ordinary Resolution 6 and 7 – Retention of Independent Directors**

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

Notice of the Sixteenth Annual General Meeting (cont'd)

Ordinary Resolution 6 : YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin

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

Ordinary Resolution 7 : Mr. Siow Hock Lee

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

2. **Ordinary Resolution 8 - Authority to allot and issue shares**

The Company had at its 15th Annual General Meeting ("AGM") held on 30 May 2012 obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 132D of the Act. The Company did not issue any shares pursuant to this mandate as at the date of this notice.

The proposed Ordinary Resolution No. 8 is a renewal of the general mandate for issuance of shares by the Company. This resolution, if passed, will empower the Directors, from the date of the 16th AGM until the next AGM to allot and issue new shares of the Company up to an amount not exceeding in total 10% of the issued and paid-up share capital of the Company for the time being and for such purposes as the Directors consider would be in the best interests of the Company. This would avoid any delay and cost involved in convening a general meeting to specifically approve the aforesaid. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

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

The Company at this juncture has no intention to issue new shares pursuant to the mandate sort. In the event that a decision to issue new shares under the mandate is made, the Company will make an announcement in respect of such proposed new issue, its purpose and utilisation of proceeds arising therefrom.

3. **Special Resolution - Proposed Amendments to the Articles of Association**

The Special Resolution proposed under Agenda No. 8 is to amend the Company's Articles of Association to be in line with the recent amendments to the Listing Requirements of Bursa Securities. The details of the Proposed Amendments are as set out in Appendix I on page 6 of this Annual Report.

Notice of the Sixteenth Annual General Meeting (cont'd)

APPENDIX I

Special Resolution - Proposed Amendments to the Articles of Association

THAT the Articles of Association of the Company be amended in the following manner:

Articles No.	Existing Articles	Amended Articles	
		Words	Meanings
2 - Interpretation	–	An exempt authorised nominee	An authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.
58 - Notice that proxy is allowed	In every notice calling a meeting of the Company there shall appear with reasonable prominence, a statement that a Member entitled to attend and vote is entitled to appoint (1) or more proxies to attend and vote instead of him, and that a proxy need not also be a Member. Where a Member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid.	In every notice calling a meeting of the Company there shall appear with reasonable prominence, a statement that a Member entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company , is entitled to appoint (1) or more proxies to attend and vote instead of him, and that a proxy need not also be a Member. Where a Member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.	
58A - Proxies of Authorised Nominee	Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.	Where a member of the Company is an authorised nominee as defined under the Central Depositories Act , it may appoint at least one proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.	

Corporate Information

BOARD OF DIRECTORS

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

Dato' Koid Hun Kian
Group Managing Director

Mr. Ng Ah Chong
Non-Independent Executive Director

Mr. Wong Tuck Kuan
Non-Independent Executive Director

Mr. Siow Hock Lee
Independent Non-Executive Director

Mr. Chang Pak Hing
Independent Non-Executive Director

COMPANY SECRETARIES

Ms. Chan Phooi Sze (MAICSA 7051780)
Ms. Hoh Yit Foong (LS 0018)

AUDITORS

Baker Tilly AC (AF 001826)
(formerly known as Moore Stephens AC)
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel : (603) 2297 1000
Fax : (603) 2282 9980

REGISTERED OFFICE

No. 7, Jalan PJS 7/19
Bandar Sunway
46150 Petaling Jaya
Selangor Darul Ehsan
Tel : (603) 5632 2449
Fax : (603) 5637 0042

SHARE REGISTRARS

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

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

WEBSITE ADDRESS

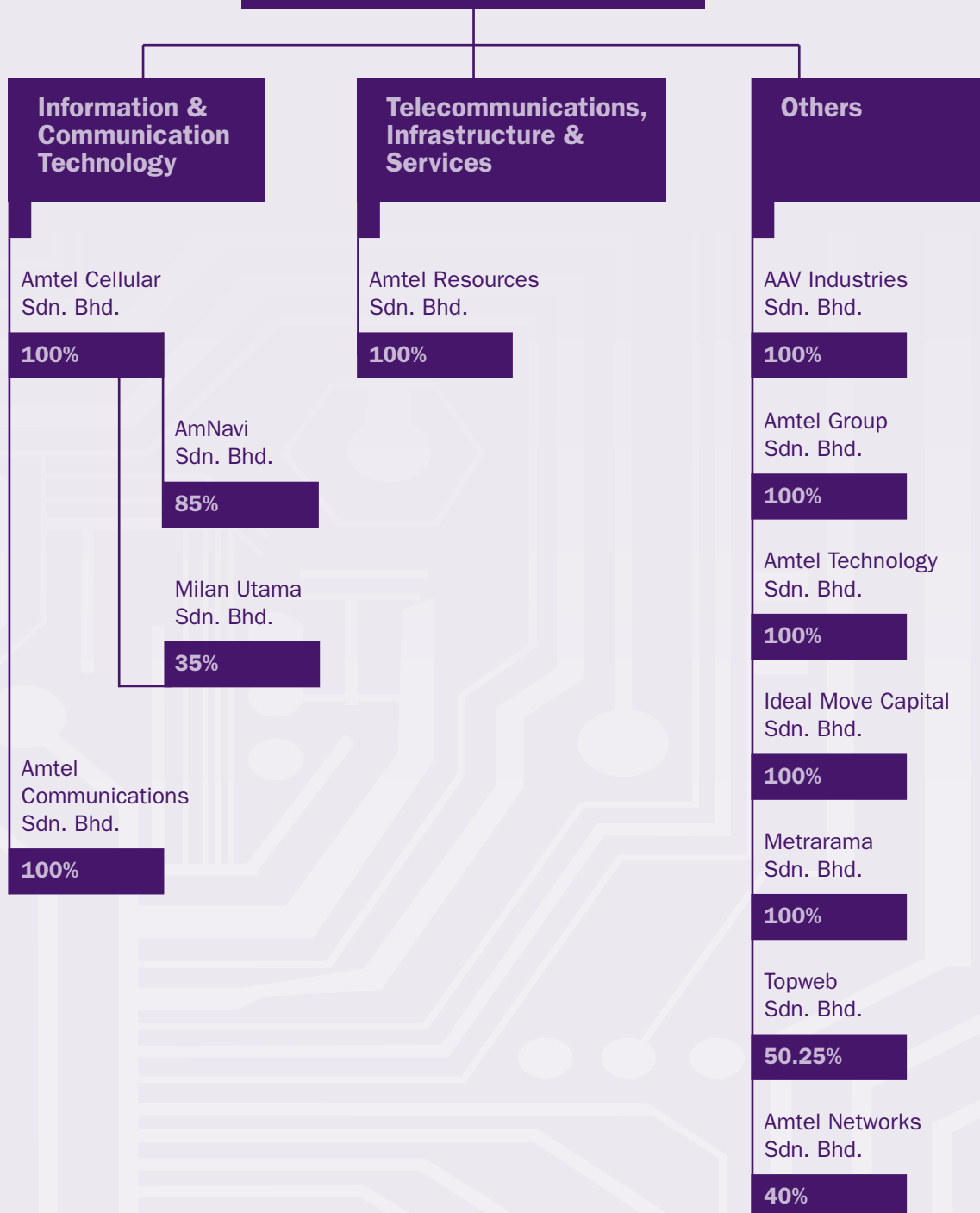
www.amtel.com.my

Group Corporate Structure

(as at 1 April 2013)



AMTEL HOLDINGS BERHAD



Profile of Directors

YTM. Tunku Dato' Seri Kamel
bin Tunku Rijaludin

Independent Non-
Executive Chairman

Age 59, Malaysian

YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin, a Malaysian aged 59, was appointed as Independent Non-Executive Chairman of Amtel Holdings Berhad ("AHB" or "Company") on 27 July 2005. He was first appointed as Independent Non-Executive Director to the Board on 31 July 1997. He is also the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee of AHB.

YTM. Tunku Dato' Seri Kamel graduated with a Bachelor of Science (Honours) degree and a Master degree in Business Administration from University of Tennessee, Knoxville, United States of America in 1977 and 1980 respectively.

He began his career in Sycip Gorres and Velayos Kassim Chan Sdn. Bhd., a management consultancy firm, as a management consultant in 1981. In 1983, he joined Kedah Cement Sdn. Bhd., a company involved in the manufacturing and sale of cement, clinker and related products, as the International Sales Manager. In 1989, he joined Asli Jardine Insurance Brokers Sdn. Bhd., an insurance broking company, as the Principal Officer and Director. In 1990, he joined Dagang Net Technologies Sdn. Bhd., an information technology company.

Currently, he is a director of Dwitasik Sdn. Bhd., an oil palm plantation company and he is also the chairman of QC Protection & Investigation Services Sdn. Bhd. which is involved in the security services industry. YTM. Tunku Dato' Seri Kamel is also an independent non-executive chairman of Masterskill Education Group Berhad which is a public company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). He also sits on the Board of other private limited companies.

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

Profile of Directors (cont'd)

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Dato' Koid Hun Kian
Group Managing Director
Age 56, Malaysian

Dato' Koid Hun Kian, a Malaysian aged 56, is the Group Managing Director of AHB. He was first appointed to the Board on 31 July 1997 and is a member of the Remuneration Committee of AHB.

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

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

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Ng Ah Chong
Non-Independent
Executive Director
Age 69, Malaysian

Mr. Ng Ah Chong, a Malaysian aged 69, is a Non-Independent Executive Director of AHB. He was appointed as a Director of AHB on 31 July 1997. Mr. Ng is also a director in a subsidiary company of AHB where he oversees the operations of this company. He has extensive experience in the telecommunications sector with more than twenty (20) years' experience as a works contractor. He also has experience in civil and construction works.

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

Profile of Directors (cont'd)

Wong Tuck Kuan

Non-Independent
Executive Director

Age 54, Malaysian

Mr. Wong Tuck Kuan, a Malaysian aged 54, is a Non-Independent Executive Director of AHB. He was appointed to the Board on 30 August 2006. He is also the Senior General Manager of AHB.

Mr. Wong graduated with a Bachelor of Science degree in Electrical Engineering from the Montana State University, United States of America in 1984. He has more than twenty (20) years of working experience in project management, two-way radios systems design, marketing and distribution of telecommunications equipment. He joined Amtel Communications Sdn. Bhd. ("ACSB"), a subsidiary of AHB in 1993 and was responsible for ACSB's operations. Prior to joining ACSB, he has worked in companies that were involved in the distribution of telecommunications equipment, project management and two-way radio system design and sales.

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

Siow Hock Lee

Independent
Non-Executive Director

Age 56, Malaysian

Mr. Siow Hock Lee, a Malaysian aged 56, is an Independent Non-Executive Director of AHB. He has been a Director of AHB since its incorporation on 9 November 1996. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of AHB.

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

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

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

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

Profile of Directors (cont'd)

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Chang Pak Hing
Independent
Non-Executive Director
Age 65, Malaysian

Mr. Chang Pak Hing, a Malaysian aged 65, is an Independent Non-Executive Director of AHB. He was first appointed to the Board on 21 January 2009. He is a member of the Audit Committee of AHB.

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

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

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Tan Woon Huei
Group General Manager
Age 51, Malaysian

Ms. Tan Woon Huei, a Malaysian aged 51, was appointed as the Group General Manager of AHB on 25 January 2011.

Ms. Tan graduated with a Bachelor of Business Administration degree from University of Acadia, Canada in 1983. She joined as General Manager of Amtel Cellular Sdn. Bhd. ("AMCSB"), a major subsidiary of AHB engaged in the sales and marketing of telematics products in 2000 and became a director of AMCSB in 2002. Ms. Tan has more than twenty (20) years of working experience in marketing and distribution of telecommunications and office automation products. Prior to joining AMCSB, she has worked in senior management positions with companies involved in the trading of major brands of cellular handphones and office equipments. She holds 164,000 shares in AHB and has no interests in the securities of any subsidiary companies of AHB.

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

Chairman's Statement

On behalf of the Board of Directors, it is my privilege to present the Annual Report of Amtel Holdings Berhad together with the Audited Financial Statements of the Group and of the Company for the financial year ended 30 November 2012 ("FY 2012").

INDUSTRY OVERVIEW

The Malaysian automotive industry started off the year 2012 on a challenging note in the aftermath of the natural disasters that hit Thailand in the last quarter of 2011. The slow start to 2012 was aggravated further by the implementation of Bank Negara's stringent lending guidelines which not only stretched the loan processing lead time, but also made loan applications more difficult to succeed. Despite these challenges, the local automotive industry made a strong recovery in the second half of the year, bolstered by new model launches and intensified advertisement and promotional campaigns. According to Malaysian Automotive Association ("MAA") the total industry volume ("TIV") in 2012 surged to a historical all-time high of 627,753 units, outperforming the MAA's TIV forecast of 615,000 units.

We are pleased to report that our Telematics related products had successfully navigated through the challenging period, recording strong revenue growth in 2012. We had expanded our range of products and introduced new features to maintain our growth in the Information, Communication and Technology Segment.

FINANCIAL RESULTS

Group turnover for FY 2012 fell 9.4% to RM55.566 million on preceding financial year's RM61.297 million caused mainly by a drop in sales of two-way radio communications products. Group profit before tax ("PBT") for FY 2012 however, remained unabated, thanks to the significant increase in revenue and profit contribution from the new Telematics products. This is the fourth consecutive year that the Group recorded commendable performance, improving PBT to RM5.651 million as compared to RM4.289 million reported in the preceding financial year. Group equity stood at RM45.515 million as at the end of the financial year under review compared to RM41.247 million in the previous financial year. Net assets per share increased in tandem to 91.71 sen in FY 2012 compared to 83.48 sen per share previously.

REVIEW OF PERFORMANCE

Information and Communication Technology ("ICT") Segment

ICT segment continued to be the main contributor to the Group's turnover for the year under review, accounted for approximately 97%.

For the year under review, the ICT segment recorded lower revenue largely due to the drop in sales of two-way communications products by a subsidiary following the decision to scale down its operation. However this did not prevent the ICT segment to record better performance in terms of profits, accomplished through the improvement in revenue and profit contribution from sales of new Telematics products.

Telecommunications, Infrastructure and Services Segment

In the preceding financial year, higher revenue was reported by the TIS segment due to the sales of alternate telephony charges services by a former subsidiary. Current year's turnover did not include sales of alternate telephony charges services.

For the current financial year under review, the loss posted in this segment is within expectations due to lower revenue and diminishing project margin, a product of competitive market condition.

Chairman's Statement (cont'd)

Others Segment

Loss registered during the financial year was mainly attributed to the incidental expenses, borrowing costs and other outgoing expenses incurred in connection with the acquisition of the new property located at Glenmarie, Shah Alam by a wholly owned subsidiary, namely Metrarama Sdn. Bhd..

DIVIDEND

The Board of Directors of Amtel Holdings Berhad is pleased to recommend for shareholders' approval at the upcoming Annual General Meeting, a first and final dividend of 5 sen per share less 25% tax in respect of FY 2012. This will entail a total dividend pay-out of approximately RM1.848 million.

BUSINESS OUTLOOK AND FUTURE PROSPECTS

The global economy remains fragile as high income nations such as Europe and the United States of America continue to suffer from volatility and slow growth. However for the Malaysian economy, the sustained expansion in domestic activities is expected to continue to drive growth, supported by the sustained private sector expansion. Latest economic indicators also suggest further stabilisation in the growth performance in ASEAN countries and increased consumer spending in ASEAN is a good basis for investment opportunities in Southeast Asia countries.

Going forward, the Group will strategize its resources and business efforts in expanding the profitable ICT business. The work improvement programme which was undertaken in early 2012 has seen certain improvements in the operational efficiency and productivity and will continue to be carried out by the Group to realize the full potential of its resources.

For the immediate term, the Group will strive to expand its customers' base and the product range. The Group will also improve the features and functions of its existing Telematics related products and increase its contents further to provide higher value of services to users. In this increasingly connected world, the Group will leverage on the existing technology to rollout new products and services to remain competitive in this emerging industry.

In the longer term, the Group will continue to assess all potential business opportunities to move into overseas market for its various Telematics products and services with the objective of achieving long term growth and maximising shareholder's value. Leveraging on the Group's experience and expertise in Telematics related products and services, the Group plans to set its footprint in neighbouring Southeast Asia countries and is keen to collaborate with potential partners on this endeavour.

We are confident that the Group's continuous effort in the development of new technology and products, strategic business portfolio re-alignment and work improvement programme will contribute positively to the Group's results. Barring any unforeseen circumstances, the Group therefore looks forward to another positive year ahead.

ACKNOWLEDGMENTS

On behalf of the Board of Directors, I would like to convey my sincere appreciation to the management and staffs for their various contributions and dedications during the year.

Our appreciation also goes to our valued customers, suppliers, business associates, bankers, fund managers, shareholders and the relevant Government authorities for their continuous support and confidence in the Group. Last but not least, I wish to take this opportunity to thank my fellow Board members for their valuable service to the Group.

TUNKU DATO' SERI KAMEL
Chairman

Statement of Corporate Governance

THE CODE

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

BOARD OF DIRECTORS’ COMMITMENT

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

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

(1) THE BOARD OF DIRECTORS

(a) The Role and Responsibilities of the Board

The Board assumes the overall responsibility for corporate governance, strategic direction, formulation of corporate policies, risk management, overseeing and evaluating the conduct of the Group’s businesses and reviewing and approving key matters such as financial results, investment and divestment, acquisition and disposal and major capital expenditure.

The Board is assisted by three (3) Board Committees namely, the Audit Committee, the Nomination Committee and the Remuneration Committee. The Board delegates certain responsibilities to these Committees which operate within clearly defined terms of reference. The respective Committees report to the Board on matters considered and their recommendation and other matters that the Committees are of the opinion ought to be highlighted to the Board. The ultimate responsibility and the final decision on all matters rest with the Board.

(b) Board Balance and Composition

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

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

The Board’s composition complies with the requirements mandated by the Main Market Listing Requirements of Bursa Securities which require that one-third (1/3) of the Board should comprise independent non-executive directors. The Board is of the view that the current Board Composition is appropriate in terms of its membership and size.

The Board members with their diverse professional backgrounds and specialisations, collectively bring with them a vast range of experience in the field of trading and marketing, engineering, corporate affairs, finance and management. A brief description of the background and profiles of the Directors is set out on pages 9 to 12 of this Annual Report.

Statement of Corporate Governance (cont'd)

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

(b) Board Balance and Composition (cont'd)

The roles of the Chairman and Group Managing Director are distinct and separate with responsibilities clearly drawn out to ensure a balance of power and authority. The Chairman is responsible for ensuring Board effectiveness and conduct of the Board while the Group Managing Director take on primary responsibility for managing the Group's business and resources. They have overall responsibility for the Group's operational activities and effectiveness and implement the Board's policies, strategies and decisions.

The Independent Non-Executive Chairman and Directors are professionals of high caliber and credibility who play a pivotal role in corporate accountability by contributing their knowledge and advice towards making independent assessment and judgment on corporate proposals and strategies proposed by the Group to ensure that the interests of not only the Group, but also the shareholders and the public in general are presented.

The Board is of the view that it is not necessary to nominate an individual director to assume the role of a Senior Independent Non-Executive Director to whom concerns regarding the Company may be conveyed, as all our Independent Non-Executive Directors are accessible and they bring independent judgement to bear on issue of strategy, performance and standard of conduct.

(c) Board Meetings

The Board meets quarterly however additional meetings are convened as and when required, when warranted by situations that require deliberation on urgent proposals or matters that need the immediate approval or decision of the Board. Where appropriate, decisions are also taken by way of Directors' Circular Resolutions.

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

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

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

Name of Directors	Attendance of meetings
YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin	6/6
Dato' Koid Hun Kian	6/6
Mr. Ng Ah Chong	6/6
Mr. Siow Hock Lee	6/6
Mr. Wong Tuck Kuan	6/6
Mr. Chang Pak Hing	6/6

Statement of Corporate Governance (cont'd)

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

(d) Supply of Information

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

Board reports and meeting papers are prepared and presented by the management in a concise format that provides adequate facts and analysis pertinent to each proposal or matter that arises. The meeting papers tabled for the Board's decision include among others information on the Group performances, major investment and divestment, material acquisitions and disposals of undertakings and properties, operational and corporate developments, business issues and changes to management and control structure of the Group. Updates on changes of the Main Market Listing Requirements of Bursa Securities, accounting standards and practices, other relevant laws and business matters are also included when necessary. In addition, the Board also has formal schedule of agenda reserved for its decision including approval of quarterly and annual financial results.

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

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

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

(e) Appointment to the Board

The Code endorses as good practice, a formal and transparent procedure for appointment of new directors to the Board.

The Nomination Committee comprises the following Directors:-

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

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

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

The Nomination Committee met once during the financial year ended 30 November 2012.

Statement of Corporate Governance (cont'd)

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

(f) Retirement and Re-election of Directors

In accordance with the Company's Memorandum and Articles of Association, one-third (1/3) of the Directors shall retire from office at each Annual General Meeting ("AGM") and shall be eligible for re-election. Directors who are appointed by the Board during each financial year are eligible for election by the shareholders at the first AGM held following their appointments.

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

(g) Directors' Training

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

All the Directors are encouraged to evaluate their own training needs to enhance their skills and knowledge which will help them to discharge their duties in an effective manner. They are also kept informed of various development programmes by the Company Secretaries and are encouraged to attend these programmes to keep abreast with the development in the industry and relevant regulatory updates in furtherance of their duties.

Statement of Corporate Governance (cont'd)

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

(g) Directors' Training (cont'd)

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

Directors	Name of Seminars/Training Programmes Attended
YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin	<ul style="list-style-type: none"> Seminar on Regulatory Updates, Governance and Current Issues for Directors of PLCs and Body Corporate 2012
Mr. Siow Hock Lee	<ul style="list-style-type: none"> Comprehensive Overview of Standards Updates of the 2012 IFRS-Compliant MFRSs In-House Directors' Training :- <ul style="list-style-type: none"> (i) Regulatory Environment Pre-IPO (ii) Share Buy-Back 2013 Budget Seminar – Highlight on Tax Changes & its Implications on Business
Dato' Koid Hun Kian Mr. Ng Ah Chong Mr. Wong Tuck Kuan	<ul style="list-style-type: none"> In-House Directors' Training :- <ul style="list-style-type: none"> (i) Regulatory Environment Pre-IPO (ii) Share Buy-Back
Mr. Chang Pak Hing	<ul style="list-style-type: none"> Updates of the 2012 IFRS-Compliant MFRSs In-House Directors' Training :- <ul style="list-style-type: none"> (i) Regulatory Environment Pre-IPO (ii) Share Buy-Back

(h) Remuneration of Directors

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

The remuneration framework for Executive Directors has an underlying objective of attracting and retaining Directors needed to run the Company successfully. The remuneration packages of Executive Directors are structured to link rewards to the Group and individual performance. The Non-Executive Chairman/Directors' remuneration reflects the experience, qualification and level of responsibilities undertaken by them. The annual fees payable to the Directors are approved by the shareholders at the AGM based on the recommendation of the Board.

(i) Remuneration Committee

The Code endorses as good practice, a formal and transparent procedure for fixing the remuneration packages of individual directors.

The Remuneration Committee comprises the following Directors:-

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

Statement of Corporate Governance (cont'd)

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

(h) Remuneration of Directors(cont'd)

(i) Remuneration Committee (cont'd)

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

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

The Remuneration Committee met once during the financial year ended 30 November 2012.

(ii) Details of the Directors' Remuneration

The aggregate remuneration of the Company's Directors comprising remuneration received from the Company and subsidiary companies for the financial year ended 30 November 2012 categorised into appropriate components are as follows:-

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Fees	18	188
Salaries and Bonuses	795	–
Other Emoluments	74	–
Benefits-in-kind	33	–
Total	920	188

The number of Directors of the Company whose fees and remuneration for the financial year ended 30 November 2012 falls within the following bands are:-

	Number of Directors	
	Executive	Non-Executive
Below RM50,000	–	2
RM50,001 to RM100,000	1	1
RM100,001 to RM200,000	1	–
RM500,001 to RM600,000	1	–
Total	3	3

Statement of Corporate Governance (cont'd)

(2) RELATIONSHIP AND COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

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

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

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

(3) ACCOUNTABILITY AND AUDIT

(a) Financial Reporting

The Board assisted by the Audit Committee, ensures that the annual audited financial statements, quarterly announcements of financial results and the other financial reports of the Group and of the Company present a balanced and understandable assessment of the Group's financial position and prospects. The Audit Committee reviews the information to be disclosed and monitor the accuracy, completeness and adequacy of the Group's quarterly and annual financial statements.

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

(b) Internal Controls

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

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

Details of the Group's internal control systems and the state of internal control is provided in the Statement on Internal Control as set out on pages 28 to 30 of this Annual Report.

Statement of Corporate Governance (cont'd)

(3) ACCOUNTABILITY AND AUDIT (cont'd)

(c) Relationship with the Auditors

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

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

The role and terms of reference of the Audit Committee in relation to the auditors are defined in the Audit Committee Report as set out on pages 25 to 27 of this Annual Report.

(4) DIRECTOR'S RESPONSIBILITY STATEMENT IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENT

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

In the process of preparing the financial statements of the Group and of the Company for the financial year ended 30 November 2012, the Directors have:-

- adopted appropriate accounting policies that are consistently applied;
- make judgments and estimates that are reasonable and prudent; and
- ensure that all applicable approved accounting standards have been followed.

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

Statement of Corporate Governance (cont'd)

(5) OTHER COMPLIANCE INFORMATION

(a) Utilisation of proceeds raised from corporate proposal

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

(b) Share Buy-Back

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

(c) Option, Warrants or Convertibles Securities

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

(d) American Depository Receipt (“ADR”) or Global Depository Receipt (“GDR”) Programme

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

(e) Sanctions and/or Penalties Imposed

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

(f) Non-Audit Fees

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

(g) Variation in Results

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

(h) Profit Guarantee

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

(i) Recurrent Related Party Transactions

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

(j) Material Contracts

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

(k) Revaluation of Landed Properties

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

Statement of Corporate Governance (cont'd)

(6) CORPORATE SOCIAL RESPONSIBILITY (CSR) PRACTICES

CSR has always been part of the corporate culture and ethic of the Group especially in the areas relating to the community, workplace and environment in order to deliver sustainable value to society and the environment.

(a) The Community

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

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

(b) The Workplace

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

(c) Environment Health

The Group values the importance of environmental and resources conservation. In the Group's daily operations, we continues to be committed on recycling and promoting good practices on energy-saving and undertake measures to reduce wastages. We also encourage our staff to be environmental friendly.

Audit Committee Report

COMPOSITION

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

YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin

Chairman/Independent Non-Executive Chairman

Mr. Siow Hock Lee

Member/Independent Non-Executive Director*

Mr. Chang Pak Hing

Member/Independent Non-Executive Director

*member of Malaysian Institute of Accountants

TERMS OF REFERENCE

1. Membership

The Audit Committee shall be appointed by the Board from among their members and shall comprise not less than three (3) members. All members of the Committee should be non-executive directors and must not be substantial shareholders, with the majority of them being independent directors.

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

At least one (1) member of the Audit Committee must be a member of Malaysian Institute of Accountants or possesses equivalent qualifications recognised under the Accountants Act, 1967 or fulfils such other requirements as may be prescribed by Bursa Securities.

No alternate director shall be appointed to the Audit Committee. The Audit Committee shall elect a chairman from among their number who shall be an independent director. The Board shall review the term of office and performance of the Audit Committee and each of its members at least once every three (3) years.

2. Meetings

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

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

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

Audit Committee Report (cont'd)

3. Authority

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

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

4. Functions

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

Audit Committee Report (cont'd)

SUMMARY OF ACTIVITIES

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

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

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

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

INTERNAL AUDIT FUNCTION

During the financial year, the Audit Committee continues to outsource the internal audit function of the Group to an external firm of consultants, PKM Partners (M) Sdn. Bhd. ("PKM"). The main objective of PKM is to carry out review of the risk assessment and the internal control systems of the Group and provide the Audit Committee with the assurance on their adequacy and effectiveness.

PKM reports directly to the Audit Committee and undertakes internal audit function based on the internal audit plan that is reviewed and approved by the Audit Committee. The internal auditor adopts a risk-based approach and prepares its audit plan based on the risk profiles of the major departments of the Group. The internal audit plan are assessed at the end of each financial year to ensure the plan remains relevant and aligned with the Group's business objectives or strategies which may change in response to the dynamics of its operating environment.

During the financial year ended 30 November 2012, a total of three (3) internal audit reviews have been performed on the Group's Telematics and major business processes. The internal auditor conducted review on the work improvement program and carried out compliance audit and recommendation for improvements during the implementation stage.

The results of PKM's review containing audit findings and recommendations were presented to the Audit Committee for discussion and deliberation. Areas of improvement identified were also communicated to the management for further action. PKM's assessment on the internal control system of the major departments which was based on COSO (Committee of Sponsoring Organizations of the Treadway Commission) principles was concluded as satisfactory.

Statement on Internal Control

INTRODUCTION

The Board recognizes the importance of maintaining a sound system of internal control in order to safeguard shareholders' investment and the Group's assets.

The Board is pleased to provide the following Statement on Internal Control which outlines the nature and scope of internal controls of the Group during the year pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Securities and as guided by the Statement on Internal Control: Guidance for Directors of Public Listed Companies. To this end, the Board also ensures that the external auditors review the Statement of Internal Control and report the results thereof to the Board annually.

BOARD RESPONSIBILITY

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

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

The associate companies have not been dealt with as part of the Group for the purpose of this statement.

RISK ASSESSMENT

The Board acknowledges that effective risk management is part of good business management practice which includes updating the system of internal controls when there are changes in the Group's business environment.

KEY ELEMENTS OF INTERNAL CONTROLS

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

- There is an organisation structure in place, which clearly defines lines of responsibility, accountability and delegation of authority for all aspects of the business;
- Clear Group business objectives are communicated to employees at all levels. The intranet is used as an effective means of communication and sharing of knowledge;
- Management meetings are carried out by the Group Managing Director and/or Group General Manager together with Business Unit Heads/Divisional Heads to identify, discuss and resolve business development, operational, financial and corporate issues;
- Reviews are also conducted to ensure that actual performance is in compliance with the agreed timeline set by the Group Managing Director. Detailed explanation is provided for any major variances and corrective actions are taken to rectify any discrepancies in a timely and effective manner;

Statement on Internal Control (cont'd)

KEY ELEMENTS OF INTERNAL CONTROLS (cont'd)

- Comprehensive information are provided to the senior management on a monthly basis covering financial performance and key business indicators, such as average collection term given to customers, average inventory holding days and cash flow performance for effective monitoring and decision making. The Group also operates accounting system that provides for transactions to be captured, compiled and reported. Management also uses the data and analysis provided by this system to monitor the Group entities performance; and
- Quarterly monitoring of results by the Board, with major variances being followed up and actions taken by the management, where necessary.

The Group's system of internal controls does not include those of associate companies where the Group does not have full management - control over their operations. However, the Group's interest is served through representation on the boards of these associate companies and the Board meets to discuss and review the financial performance of these companies when necessary. The management of the Company also receives and reviews information on the financial performance of these entities with the objective of safeguarding the investment of the Group.

INTERNAL AUDIT FUNCTION

The Internal Audit Department was established with the following main objectives:-

- To ensure that the management of the Group maintains a sound system of internal controls to safeguard the Group's assets and the investment of shareholders;
- To ensure the reliability, quality, integrity, completeness and timeliness of the financial and operational information and that the reporting system is in place;
- To ensure the adequacy and effectiveness of the Group's system of internal control; and
- To provide reasonable but not absolute assurance against the risk of material misstatements in the financial statements of the Company and of the Group.

The duties of the Internal Auditor are as follows:-

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

Statement on Internal Control (cont'd)

INTERNAL AUDIT FUNCTION (cont'd)

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

The Group continues to outsource the internal audit function to an external firm of consultants, PKM Partners (M) Sdn. Bhd. ("PKM"). The main objective of PKM is to carry out review of the risk assessment and the internal control systems of the Group and provide the Audit Committee with the assurance on their adequacy and effectiveness.

PKM reports directly to the Audit Committee and undertakes internal audit function based on the internal audit plan that is reviewed and approved by the Audit Committee. The internal auditor adopts a risk-based approach and prepares its audit plan based on the risk profiles of the major departments of the Group. The internal audit plan are assessed at the end of each financial year to ensure the plan remains relevant and aligned with the Group's business objectives or strategies which may change in response to the dynamics of its operating environment.

During the financial year ended 30 November 2012, a total of three (3) internal audit reviews have been performed on the Group's Telematic and major business processes. The internal auditor conducted review on the work improvement program and carried out compliance audit and recommendation for improvements during the implementation stage.

The results of PKM's review containing audit findings and recommendations were presented to the Audit Committee for discussion and deliberation. Areas of improvement identified were also communicated to the Management for further action. PKM's assessment on the internal control system of the major departments which was based on COSO (Committee of Sponsoring Organizations of the Treadway Commission) principles was concluded as satisfactory. The total costs incurred by the internal audit function in respect of the financial year ended 30 November 2012 was RM42,037/-.

CONCLUSION

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

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

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For the Financial Year Ended
30 November 2012

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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:-

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

Directors' Report (cont'd)

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 30.11.2012
	At 1.12.2011	Bought	Sold	
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
YTM. 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.

Directors' Report (cont'd)

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.

Directors' Report (cont'd)

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.

YTM. TUNKU DATO' SERI KAMEL BIN TUNKU RIJALUDIN

DATO' KOID HUN KIAN

Statement By Directors

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

We, the undersigned, being two of the directors of the Company, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 39 to 108, 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 109 has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and presented based on the format as prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 March 2013.

YTM. TUNKU DATO' SERI KAMEL BIN TUNKU RIJALUDIN

DATO' KOID HUN KIAN

Statutory Declaration

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

I, Dato' Koid Hun Kian, being the director primarily responsible for the financial management of AMTEL HOLDINGS BERHAD, do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements as set out on pages 39 to 108 and the supplementary information as set out on page 109, are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at
Puchong in the state of Selangor Darul Ehsan
on 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 39 to 108.

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 (cont'd)

to the members of Amtel Holdings Berhad (Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.
- (b) We have considered the financial statements and the auditors' 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 109 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

BAKER TILLY AC
AF 001826
Chartered Accountants

Kuala Lumpur
25 March 2013

LEE KONG WENG
2967/07/13 (J)
Chartered Accountant

Statements of Comprehensive Income

for the financial year ended 30 November 2012

	Note	Group		Company	
		2012 RM	2011 RM	2012 RM	2011 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)

	Note	Group	
		2012 RM	2011 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.

Statements of Financial Position

as at 30 November 2012

		Group		Company	
	Note	2012 RM	2011 RM	2012 RM	2011 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

Statements of Financial Position (cont'd)

as at 30 November 2012

	Note	2012 RM	Group 2011 RM	2012 RM	Company 2011 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.

Consolidated Statement of Changes in Equity

for the financial year ended 30 November 2012

	Note	Attributable to Owners of the Parent					Sub-total RM	Non- controlling Interests RM	Total Equity RM
		Share Capital RM	Share Premium RM	Fair Value Adjustment Reserve RM	Accumulated Losses RM	Non-Distributable			
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 financial 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.

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.

Statements of Cash Flows

for the financial year ended 30 November 2012

	Note	Group		Company	
		2012 RM	2011 RM	2012 RM	2011 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 (Reversal of)/Provision for warranty costs		(90,260)	(40,137)	(114,897)	(790)
		(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)

Statements of Cash Flows (cont'd)

for the financial year ended 30 November 2012

	Note	Group		Company	
		2012 RM	2011 RM	2012 RM	2011 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

Statements of Cash Flows (cont'd)

for the financial year ended 30 November 2012

	Note	Group		Company	
		2012 RM	2011 RM	2012 RM	2011 RM
Net cash (used in)/from investing activities brought 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.

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

Notes to the Financial Statements (cont'd)

30 November 2012

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)

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
<u>New FRSs</u>		
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
<u>Revised FRSs</u>		
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

Notes to the Financial Statements (cont'd)

30 November 2012

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
<u>Amendments/Improvements to FRSs</u>		
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
<u>New IC Int</u>		
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
<u>Amendments to IC Int</u>		
IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments	1 January 2013

Notes to the Financial Statements (cont'd)

30 November 2012

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.

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-subsidary 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.

Notes to the Financial Statements (cont'd)

30 November 2012

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 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.

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.

Notes to the Financial Statements (cont'd)

30 November 2012

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.

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.

Notes to the Financial Statements (cont'd)

30 November 2012

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)

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.

(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.

Notes to the Financial Statements (cont'd)

30 November 2012

2. BASIS OF PREPARATION (cont'd)

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

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 Assets in determining the amount and nature of development expenditure to be capitalised and its subsequent amortisation. The assessment of the capitalisation criteria as disclosed in Note 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.
- (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.

Notes to the Financial Statements (cont'd)

30 November 2012

2. BASIS OF PREPARATION (cont'd)

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

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:- (cont'd)

- (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.

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.

Notes to the Financial Statements (cont'd)

30 November 2012

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

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.

(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.

Notes to the Financial Statements (cont'd)

30 November 2012

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Revenue recognition (cont'd)

(ii) Services

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

(iii) Rental income

Rental income is recognised on an accrual basis.

(iv) Dividend income

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

(v) Interest income

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

(vi) Management fee income

Management fee income is recognised on an accrual basis.

(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.

(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.

Notes to the Financial Statements (cont'd)

30 November 2012

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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.

Notes to the Financial Statements (cont'd)

30 November 2012

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.

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.

Notes to the Financial Statements (cont'd)

30 November 2012

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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.

(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.

Notes to the Financial Statements (cont'd)

30 November 2012

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Intangible assets (cont'd)

(i) Research and development (cont'd)

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.

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.

Notes to the Financial Statements (cont'd)

30 November 2012

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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.

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.

Notes to the Financial Statements (cont'd)

30 November 2012

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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.

(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.

Notes to the Financial Statements (cont'd)

30 November 2012

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Financial assets (cont'd)

(i) Financial assets at FVTPL (cont'd)

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.

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.

Notes to the Financial Statements (cont'd)

30 November 2012

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Financial assets (cont'd)

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

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.

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.

Notes to the Financial Statements (cont'd)

30 November 2012

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

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

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

(ii) Available-for-sale financial assets

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

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

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

(iii) Unquoted equity securities carried at cost

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

Notes to the Financial Statements (cont'd)

30 November 2012

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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.

(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.

Notes to the Financial Statements (cont'd)

30 November 2012

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.

Notes to the Financial Statements (cont'd)

30 November 2012

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 RM	2011 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 RM	2011 RM	2012 RM	2011 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

Notes to the Financial Statements (cont'd)

30 November 2012

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

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

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
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	–	–
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 (Reversal of)/Provision for warranty costs	(90,260)	(40,137)	(114,897)	(790)
	(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	–	–

Notes to the Financial Statements (cont'd)

30 November 2012

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 RM	2011 RM	2012 RM	2011 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 RM	2011 RM	2012 RM	2011 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 RM	2011 RM	2012 RM	2011 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	-

Notes to the Financial Statements (cont'd)

30 November 2012

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	–	–

Notes to the Financial Statements (cont'd)

30 November 2012

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 Section 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 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 Section 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the Section 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.

Notes to the Financial Statements (cont'd)

30 November 2012

9. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold	Long Term	Buildings	Plant,	Renovation,	Motor	Total
	Land	Leasehold		Machinery	Furniture,		
	RM	Land	RM	and	Fixture,	and	RM
		RM		Tools	Fittings,	Electrical	
				RM	Office	Installation	Vehicles
					RM	RM	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

Notes to the Financial Statements (cont'd)

30 November 2012

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

Group	Freehold	Long Term	Buildings	Plant,	Renovation,	Motor	Total
	Land	Leasehold		Machinery	Equipment		
	Land	Land	RM	and	Furniture,	Vehicles	RM
	RM	RM		Tools	Fixture,	RM	
				RM	Fittings,		
					Office		
					Equipment		
					and		
					Electrical		
					Installation		
					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

**Notes to the
Financial Statements (cont'd)**

30 November 2012

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

Notes to the Financial Statements (cont'd)

30 November 2012

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

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

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 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 RM	2011 RM	2012 RM	2011 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.

Notes to the Financial Statements (cont'd)

30 November 2012

10. INVESTMENT IN SUBSIDIARIES

	Company	
	2012 RM	2011 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

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		Principal Activities
		2012	2011	
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.

Notes to the Financial Statements (cont'd)

30 November 2012

10. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2012	2011	
Held by the Company (cont'd)				
Amtel Technology Sdn. Bhd.		100%	100%	Dormant.
Held through Amtel Cellular Sdn. Bhd.				
AmNavi Sdn. Bhd.		85%	68%	Geographical Information System (GIS) development and research business and related products.

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

(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.

Notes to the Financial Statements (cont'd)

30 November 2012

10. INVESTMENT IN SUBSIDIARIES (cont'd)

(b) Disposal of subsidiaries (cont'd)

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 RM	2011 RM	2012 RM	2011 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	–	–

Notes to the Financial Statements (cont'd)

30 November 2012

11. INVESTMENT IN ASSOCIATES (cont'd)

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

	2012 RM	Group 2011 RM
Assets and Liabilities		
Total assets	3,982,395	2,801,043
Total liabilities	1,686,408	1,841,615
Results		
Operating revenue	8,020,000	7,622,380
Profit net of tax	1,025,814	599,631

The details of the associates are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2012	2011	
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.

Notes to the
Financial Statements (cont'd)

30 November 2012

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
Additions	–	–	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

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.

Notes to the Financial Statements (cont'd)

30 November 2012

13. OTHER INVESTMENTS

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Non-current				
<u>Available-for-sale investments</u>				
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				
<u>Available-for-sale investments</u>				
At fair value,				
- Unquoted shares	1,200,000	–	1,200,000	–
<u>Held for trading investments</u>				
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.

**Notes to the
Financial Statements (cont'd)**

30 November 2012

14. INVESTMENT PROPERTY

	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

	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:-

	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.

Notes to the Financial Statements (cont'd)

30 November 2012

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.

Notes to the Financial Statements (cont'd)

30 November 2012

17. TRADE RECEIVABLES

	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:-

	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

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.

Notes to the Financial Statements (cont'd)

30 November 2012

17. TRADE RECEIVABLES (cont'd)

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

Receivables that are impaired

The movement in the allowance accounts used to record the impairment is as follows:-

	Group	
	2012 RM	2011 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 RM	2011 RM	2012 RM	2011 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

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.

Notes to the Financial Statements (cont'd)

30 November 2012

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 RM	2011 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 to 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.

Notes to the Financial Statements (cont'd)

30 November 2012

23. SHARE CAPITAL

	Group/Company			
	Number of shares		Amount	
	2012	2011	2012	2011
			RM	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	2011	2012	2011
	RM	RM	RM	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.

**Notes to the
Financial Statements (cont'd)**

30 November 2012

25. BANK BORROWINGS

	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

Notes to the Financial Statements (cont'd)

30 November 2012

25. BANK BORROWINGS (cont'd)

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

Group	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
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	-	-	-	-	-

Notes to the Financial Statements (cont'd)

30 November 2012

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

	2012 RM	Group 2011 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.

Notes to the Financial Statements (cont'd)

30 November 2012

27. DEFERRED TAX LIABILITIES

	2012 RM	Group 2011 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:-

	2012 RM	Group 2011 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:-

	2012 RM	Group 2011 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 RM	2011 RM	2012 RM	2011 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

Notes to the Financial Statements (cont'd)

30 November 2012

30. PROVISIONS

	Group		Company	
	2012 RM	2011 RM	2012 RM	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		Company	
		2012 RM	2011 RM	2012 RM	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

Notes to the Financial Statements (cont'd)

30 November 2012

31. CASH AND CASH EQUIVALENTS (cont'd)

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:-

	2012 RM	Group 2011 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.

(b) Related party transactions and balances

The transactions with subsidiaries are as follows:-

	2012 RM	Company 2011 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

Notes to the Financial Statements (cont'd)

30 November 2012

33. RELATED PARTY DISCLOSURES (cont'd)

(b) Related party transactions and balances (cont'd)

The transactions with associates are as follows:-

	2012 RM	Group 2011 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:-

	2012 RM	Group 2011 RM	2012 RM	Company 2011 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

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

Notes to the Financial Statements (cont'd)

30 November 2012

35. CONTINGENT LIABILITIES

	Company	
	2012 RM	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.

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.

Notes to the Financial Statements (cont'd)

30 November 2012

36. SEGMENT INFORMATION (cont'd)

(a) Operating Segment

Group	Note	Information and Communication Technology RM	Tele- communications, 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)(i)	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	(a)(ii)	(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

Notes to the Financial Statements (cont'd)

30 November 2012

36. SEGMENT INFORMATION (cont'd)

(a) Operating Segment (cont'd)

Group	Note	Information and Communication Technology RM	Tele- communications, 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)(i)	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	(a)(ii)	(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

- (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.

Notes to the Financial Statements (cont'd)

30 November 2012

36. SEGMENT INFORMATION (cont'd)

(a) Operating Segment (cont'd)

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

	2012 RM	Group 2011 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:-

	2012 RM	Group 2011 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.

(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.

Notes to the Financial Statements (cont'd)

30 November 2012

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.

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.

Notes to the Financial Statements (cont'd)

30 November 2012

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

(a) Credit Risk (cont'd)

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.

Notes to the Financial Statements (cont'd)

30 November 2012

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	-	-	-

	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	-	-

Notes to the Financial Statements (cont'd)

30 November 2012

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.

Sensitivity analysis for interest rate risk

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).

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.

Notes to the Financial Statements (cont'd)

30 November 2012

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

(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 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.

(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.

Notes to the Financial Statements (cont'd)

30 November 2012

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

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

	Carrying Amount RM	Group Fair Value RM	Carrying Amount RM	Company 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).

Notes to the Financial Statements (cont'd)

30 November 2012

40. FAIR VALUE HIERARCHY (cont'd)

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
<hr/>				
Available-for-sale financial assets				
- Transferable club membership	250,000	250,000	250,000	250,000
- Unquoted shares	1,200,000	1,200,000	–	–
<hr/>				
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.

Notes to the Financial Statements (cont'd)

30 November 2012

41. CAPITAL MANAGEMENT (cont'd)

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:-

	2012 RM	Group 2011 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:-

	As Reclassified 2011 RM	Group As Previously Classified 2011 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 RM	2011 RM	2012 RM	2011 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.

List of Properties

as at 30 November 2012

Location	Description and Existing Use	Tenure	Lease Expiry Date	Land Area/ Built-up Area (sq. feet)	Date of Acquisition/ Completion	Approximate Age of Building (Years)	Net Book Value RM
Lot No. 14316 Geran 10388 Mukim Sungai Petani District of Kuala Muda Kedah Darul Aman	3 storey residential link house Vacant	Freehold	–	840/ 1,483	9.10.1995/ 31.5.1999	13	64,764
Lot No. TH B68-1 Mukim Kajang Daerah Hulu Langat Selangor Darul Ehsan	3 storey Town House (Upper Floor) Vacant	Leasehold	Year 2101	1,191	30.10.2000/ 28.11.2001	10	86,485
Lot No. TH A85-1 Mukim Kajang Daerah Hulu Langat Selangor Darul Ehsan	3 storey Town House (Ground Floor) Corner Lot Vacant	Leasehold	Year 2101	1,078	31.3.2002	10	136,014
Lot No. PT. 1365 H.S. (M) 2388 Mukim Ampang Pechah Taman Bukit Bujang Kuala Kubu Bahru Selangor Darul Ehsan	Single storey semi-detached house Vacant	Leasehold	2.12.2103	3,200	21.9.2006	7	98,025
Plot No. 31, Phase 1B Kesuma Lakes C.T. 12115, Lot No. 771 Mukim of Beranang District of Ulu Langat Selangor Darul Ehsan	Bungalow land Vacant	Freehold	–	10,552	19.11.2002	–	168,717
GRN 215183, Lot 61789 Town of Glenmarie District of Petaling Selangor Darul Ehsan	3 storey office & warehouse building with a mezzanine floor Vacant	Freehold	–	45,769/ 70,215	24.10.2012	14	15,497,148
TOTAL							16,051,153

Analysis of Shareholdings

as at 1 April 2013

Authorised Capital	:	RM100,000,000.00
Issued and Paid-up Capital	:	RM49,277,066.00
Class of Shares	:	Ordinary shares of RM1.00 each
Total Number of Shares Issued	:	49,277,066
Voting Rights	:	1 vote per ordinary share
No. of Shareholders	:	2,591

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	% of Issued Capital
1 - 99	391	15.09	15,731	0.03
100 - 1,000	306	11.81	248,873	0.50
1,001 - 10,000	1,551	59.86	4,895,224	9.93
10,001 - 100,000	279	10.77	8,621,472	17.50
100,001 - less than 5% of issued shares	62	2.39	27,331,641	55.47
5% and above of issued shares	2	0.08	8,164,125	16.57
Total	2,591	100.00	49,277,066	100.00

SUBSTANTIAL SHAREHOLDERS

AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 1 APRIL 2013

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

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

DIRECTORS' SHAREHOLDINGS

AS AT 1 APRIL 2013

Name	Direct No. of shares held	%	Indirect No. of shares held	%
Dato' Koid Hun Kian	7,994,888	16.22	7,894,270*	16.02
Ng Ah Chong	1,066,666	2.16	55,300**	0.11
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	200,000	0.41	–	–
Siow Hock Lee	65,333	0.13	353,333**	0.72
Wong Tuck Kuan	61,666	0.12	–	–
Chang Pak Hing	2,300	negligible	–	–

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

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

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

Analysis of Shareholdings (cont'd)

as at 1 April 2013

TOP THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS PER THE RECORD OF DEPOSITORS AS AT 1 APRIL 2013

Name of Shareholder	No. of shares held	%
1. Dato' Koid Hun Kian	4,946,188	10.04
2. Simfoni Kilat Sdn. Bhd.	3,217,937	6.53
3. Datin Tan Seow Eng	2,176,333	4.42
4. Jurus Handal Sdn. Bhd.	2,077,000	4.21
5. Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Koid Hun Kian	1,868,000	3.79
6. Infornational Sdn. Bhd.	1,800,000	3.65
7. HDM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lee Chye Khern	1,734,113	3.52
8. ECML Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Koid Hun Kian	1,180,700	2.40
9. Ng Ah Chong	1,066,666	2.16
10. Koid Siang Loong	1,000,000	2.03
11. Koid Siang Lunn	1,000,000	2.03
12. Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sin Yong Lean	938,100	1.90
13. Citigroup Nominees (Asing) Sdn. Bhd. Exempt An for UBS AG Singapore	723,733	1.47
14. Kang Khoon Seng	629,700	1.28
15. Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Kim Ser	550,066	1.12
16. Cheng Lee San	539,000	1.09
17. Koid Suang Suang	500,000	1.01
18. Ong Khiam Cheang	500,000	1.01
19. Lim Tuan Guan	473,000	0.96
20. Ng Weng Keong	403,200	0.82
21. Tan Ah Lee	380,000	0.77
22. Ng Peng Hong	351,200	0.71
23. Lim Bee Chin	323,000	0.66
24. Chen Bee Yoke	320,000	0.65
25. HLIB Nominees (Tempatan) Sdn. Bhd. EON Bank Berhad for Lee Chin Yen	316,000	0.64
26. Tan Hong Cheng	315,000	0.64
27. Ng Choy Yong	266,200	0.54
28. HDM Nominees (Asing) Sdn. Bhd. UOB Kay Hian Pte Ltd for Tan Hian Theng	258,666	0.52
29. Zeito Plastic Components Sdn. Bhd.	225,000	0.46
30. Chew Boon Swee	220,000	0.45
Total	30,298,802	61.48

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

I/We.....Contact No.
 NRIC/Company No. or CDS Account No.
 of.....
 being a member/members of AMTEL HOLDINGS BERHAD (“Company”), do hereby appoint
(NRIC No.)
 of.....
 or failing him/her
 of.....

or failing him/her, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held at Bilik Petaling, Kelab Shah Alam Selangor, No. 1A Jalan Aerobik 13/43, Persiaran Kayangan, 40704 Shah Alam, Selangor Darul Ehsan on Tuesday, 28 May 2013 at 10.00 a.m. and any adjournment thereof.

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

No.	Resolution	For	Against
1.	Declaration of a first and final dividend of 5.0 sen per ordinary shares less 25% income tax		
2.	Approval of the payment of Directors’ fees		
3.	Re-election of YTM. Tunku Dato’ Seri Kamel bin Tunku Rijaludin as Director		
4.	Re-election of Mr. Ng Ah Chong as Director		
5.	Re-appointment of Messrs. Baker Tilly AC (formerly known as Moore Stephens AC) as Auditors of the Company and to authorise the Directors to fix their remuneration		
6.	Retention of YTM. Tunku Dato’ Seri Kamel bin Tunku Rijaludin as Independent Non-Executive Director in accordance with the Malaysian Code on Corporate Governance 2012		
7.	Retention of Mr. Siow Hock Lee as Independent Non-Executive Director in accordance with the Malaysian Code on Corporate Governance 2012		
8.	Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares		
	Special Resolution		
	Amendments to the Articles of Association		

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

No. of Shares held	
--------------------	--

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

.....
 Signature/Common Seal

Dated thisday of.....2013

Notes:

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 May 2013 shall be entitled to attend, speak and vote at this meeting.
- A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised in that behalf, and shall be deposited at the Registered Office of the Company at No. 7, Jalan PJS 7/19, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding this meeting or adjourned meeting.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless the proportion of holdings represented by each proxy is specified.
- A member shall be entitled to appoint more than one (1) proxy to attend and vote at this meeting provided that the provisions of Section 149(1)(c) of the Act are complied with.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.



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AFFIX
STAMP

AMTEL HOLDINGS BERHAD (409449-A)
No. 7, Jalan PJS 7/19
Bandar Sunway
46150 Petaling Jaya
Selangor Darul Ehsan

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AMTEL HOLDINGS BERHAD (409449-A)

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

Tel: 603-5632 2449 Fax: 603-5637 0042

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