AMTEL HOLDINGS BERHAD

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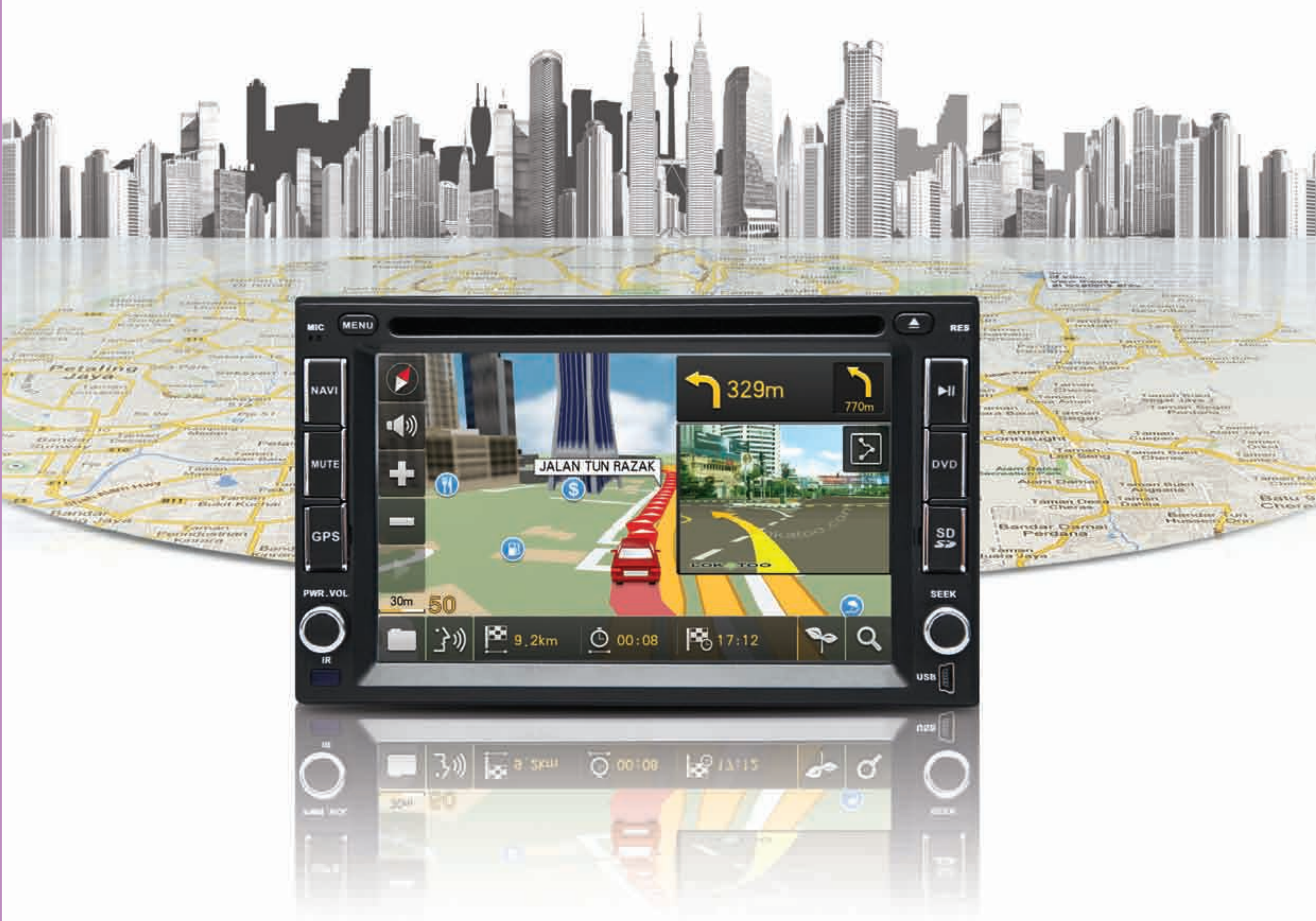

ANNUAL REPORT 2013

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Notice of the Seventeenth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting ("17th AGM") of Amtel Holdings Berhad ("AHB" or "Company") will be held at Bilik Petaling, Kelab Shah Alam Selangor, No. 1A, Jalan Aerobik 13/43, Persiaran Kayangan, 40704 Shah Alam, Selangor Darul Ehsan on Thursday, 29 May 2014 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 2013 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 single tier dividend of 4.0 sen per ordinary share of RM1.00 each in respect of the financial year ended 30 November 2013. **Ordinary Resolution 1**

3. To approve the Directors' fees of RM170,000.00 for the financial year ended 30 November 2013. **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. Dato' Koid Hun Kian **Ordinary Resolution 3**

    ii. Mr. Siow Hock Lee **Ordinary Resolution 4**

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

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

6. **Ordinary Resolution**
   Retention of Independent Directors

    i. "**THAT** YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin be and is hereby retained as Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012." **Ordinary Resolution 6**

    ii. "**THAT** subject to the passing of Ordinary Resolution 4, 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**

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. 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 single tier dividend of 4.0 sen per ordinary share of RM1.00 each in respect of the financial year ended 30 November 2013, if approved by the members, will be paid on 23 June 2014 to Depositors registered in the Record of Depositors at the close of business on 9 June 2014.

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 9 June 2014 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

LAU CHOI KING (MAICSA 7059575)
HOH YIT FOONG (LS 0018)
Secretaries
Petaling Jaya
5 May 2014

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 22 May 2014 shall be entitled to attend, speak and vote at this meeting.*

2. *A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.*

3. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised in that behalf, and shall be deposited at the Registered Office of the Company at No. 7, Jalan PJS 7/19, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding this meeting or adjourned meeting.*

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

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

6. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

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

Explanatory Notes on Ordinary Business:

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

2. *Details of the Directors standing for re-election under Resolution 3 and Resolution 4 are stated in the Profile of Directors on pages 7 to 9 of this Annual Report. Their securities holdings in the Company are stated on page 103 of this Annual Report.*

3. *Mr. Ng Ah Chong who is subject to re-appointment pursuant to Section 129 of the Act, will not be seeking for re-appointment at the forthcoming 17th AGM of the Company and thereon shall retire at the conclusion of the 17th AGM.*

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 an Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years, and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

<u>*Ordinary Resolution 6 : YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin*</u>

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

<u>*Ordinary Resolution 7 : Mr. Siow Hock Lee*</u>

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

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

The Company had at its 16th Annual General Meeting ("AGM") held on 28 May 2013 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 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 17th 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.

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

AUDITORS

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

REGISTERED OFFICE

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

SHARE REGISTRARS

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

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

WEBSITE ADDRESS

www.amtel.com.my

Group Corporate Structure

as at 31 March 2014

AMTEL HOLDINGS BERHAD

Information & Communication Technology

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

Telecommunications, Infrastructure & Services

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

Others

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

Profile of Directors

YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin

Independent Non-Executive Chairman

Aged 60, Malaysian

YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin, a Malaysian aged 60, 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 Velayors Kassim Chan Sdn. Bhd., a management consultancy firm, as a management consultant in 1981. In 1983, he joined Kedah Cement Sdn. Bhd., a company involved in the manufacturing and sale of cement, clinker and related products, as the International Sales Manager. In 1989, he joined Asli Jardine Insurance Brokers Sdn. Bhd., an insurance broking company, as the Principal Officer and Director. In 1990, he joined Dagang Net Technologies Sdn. Bhd., an information technology company.

Currently, he is a director of Dwitasik Sdn. Bhd., an oil palm plantation company and he is also the Chairman of QC Protection & Investigation Services Sdn. Bhd. which is involved in the security services industry. He also sits on the Board of other private limited companies.

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

Dato' Koid Hun Kian

Group Managing Director

Aged 57, Malaysian

Dato' Koid Hun Kian, a Malaysian aged 57, 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.

Mr. Ng Ah Chong

Non-Independent Executive Director

Aged 70, Malaysian

Mr. Ng Ah Chong, a Malaysian aged 70, 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 cum chairman in a subsidiary company 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.

Mr. Wong Tuck Kuan

Non-Independent Executive Director

Aged 55, Malaysian

Mr. Wong Tuck Kuan, a Malaysian aged 55, 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 radio 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.

Mr. Siow Hock Lee

Independent Non-Executive Director

Aged 57, Malaysian

Mr. Siow Hock Lee, a Malaysian aged 57, 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 Malaysia Securities Berhad respectively.

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

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

Mr. Chang Pak Hing

Independent Non-Executive Director

Aged 66, Malaysian

Mr. Chang Pak Hing, a Malaysian aged 66, is an Independent Non-Executive Director of AHB. He was first appointed to the Board on 21 January 2009. He is the Chairman of the Nomination Committee and a member of the Audit Committee of AHB.

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

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

Ms. Tan Woon Huei

Group General Manager

Aged 52, Malaysian

Ms. Tan Woon Huei, a Malaysian aged 52, 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 the subsidiaries 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 ("Board"), I am pleased to present to you the Annual Report of Amtel Holdings Berhad incorporating the Audited Financial Statements of the Group and of the Company for the financial year ended 30 November 2013 ("FY 2013").

INDUSTRY OVERVIEW

During the current year under review, the Group faced a challenging business condition. The dynamics of the landscape within the automotive industry had impacted the Group's core business. Automakers have taken steps to bring down car prices gradually to remain competitive in anticipation of the new National Automotive Policy ("NAP 2014") to be announced by the government. Aggressive promotions on "non-frills" cars (as a temporary measure, while working on cost down exercises with vendors) throughout the year in an effort to push for higher market shares had affected the supply and sales of certain navigation and mapping products of a subsidiary. The move is also in tandem with the anticipated NAP 2014 to liberalize the market further within ASEAN when ASEAN Free Trade Area is fully implemented in 2015.

Although the Group clinched a lower contribution during the current year under review, the overall performance for FY 2013 is satisfactory given that the Information & Communication Technology segment was operating under a very challenging business environment.

FINANCIAL RESULTS

For FY 2013, the Group achieved a turnover of RM40.4 million, which is approximately 27% lower compared to preceding financial year of RM55.6 million. The decrease was mainly due to the drop in supply of certain mapping and navigation products from the ICT segment. The drop in turnover combined with the additional outgoing expenses and finance costs incurred on the building of a subsidiary from "Others" business segment has caused a lower Group's profit before tax of RM1.9 million in FY 2013 as compared to RM5.7 million reported in the previous financial year.

The Group managed to maintain a healthy statement of financial position with minimum gearing. Group equity stood at RM44.4 million as at the end of the financial year under review compared to RM45.2 million in the previous financial year. Net assets per share decreased to 90.2 sen at the end of FY 2013 compared to 91.7 sen per share previously.

REVIEW OF PERFORMANCE

Information & Communication Technology ("ICT") Segment

For the current financial year under review, this segment registered a profit before tax of RM3.4 million on the back of a turnover of RM40.8 million, accounting for approximately 92% of the Group's turnover. The lower contribution was attributed to the decrease in profit margin and the slowdown in the supply of certain mapping and navigation products. The drop in profit is also attributed to lower share of results of an associated company involved in the sales of Telematics related products.

Telecommunications, Infrastructure and Services Segment

This segment recorded improved revenue in FY 2013 as compared to the preceding financial year mainly due to higher progress billings recorded from several civil infrastructure development works. However the loss reported for this segment in the current financial year is within expectations due to the direct charge in the income statement the start-up expenses incurred on the commencement of some new infrastructure civil works.

Others Segment

The higher loss reported in FY 2013 was mainly caused by the finance costs and outgoing expenses incurred on the three storey office warehouse building located at Glenmarie, Shah Alam.

DIVIDEND

As part of the Group's continuing commitment to return value to its shareholders, the Board is pleased to recommend a first and final single tier dividend of 4.0 sen per ordinary share of RM1.00 each in respect of FY 2013, subject to shareholders' approval at the forthcoming Seventeenth Annual General Meeting ("17th AGM") . This will entail a total dividend pay-out of approximately RM2.0 million.

However, the declaration of future dividends will depend on the Group's funding requirement in light of prospective businesses, impending expansion plans and financial performance of the Company. The Board hopes that such flexible dividend policy will synchronise the mutual interest of the shareholders and the Group in returning higher dividend yield through improved financial performance.

BUSINESS OUTLOOK AND FUTURE PROSPECTS

The global economy continues to be clouded by uncertainties due to the continuing economic challenges face by some of the major economies, such as United States of America, Japan and Europe.

On the local front, the Malaysian economy is forecasted to grow at a slightly stronger pace of approximately 5% to 5.5% in 2014. Domestic demand is expected to be the key drivers for our economic growth. The continuation of the Economic Transformation Programme projects would also contribute to the growth momentum of the local economies and help to spur greater demand for new vehicles. Malaysian Automotive Association forecasted the Total Industry Volume for new motor vehicles to reach 670,000 units in 2014, a growth of approximately 2% from 655,793 units sales recorded in 2013. The NAP 2014 announced in January this year aims towards enhancing the national car manufacturers' competitiveness and efficiency. Local automakers are strategizing their own transformation plan to shape their future by 2015 when further liberalization of the automotive market within ASEAN countries is expected. While the temporary measures initiated by the automakers in promoting non-frills cars to bring down the car prices will have a short term set-back on our supply of certain navigation and mapping products, we are confident that the strategies that will eventually be adopted by the automakers' will be beneficial to us in the long run.

The Group takes cognisant of the above prevailing conditions and continues to be cautious on the financial year 2014 performance given the competitive business environment ahead. The Group will exercise prudence in its operating approach with its efforts and resources focusing on its core ICT business. The ICT segment will continue to leverage on its competitive advantages and remain vigilant in this emerging and competitive industry. It will continue to roll out new Telematics products & services and related solutions to improve its sales and profitability.

At the same time, the Group is committed to broaden its business foundation and explore other potential business opportunities with the objective of strengthening the Group's future performance in a sustainable manner. One of the objectives of the NAP 2014 is to develop Malaysia as the regional automotive hub in ASEAN for Energy Efficient Vehicles. With the government encouraging foreign OEM to set up base here, this will open up opportunities for automotive components, spare parts and related products in the manufacturing and after market sectors. The Group is currently working with potential partners to undertake new endeavour of manufacturing and supply of vehicle related accessories and products. If everything goes on well, the Group expects to incur high capital outlay at the initial stage in setting up the new assembly plants. However this one-off spending is imperative as the Board is confident that the commercialization of these new products will eventually contribute positively to the Group's revenue and profits whilst maximising shareholders' value in the near term.

ACKNOWLEDGMENTS

On behalf of the Board, I would like to take this opportunity to thank our valued customers, suppliers, business associates, bankers, fund managers, shareholders and the relevant regulatory and government authorities for their continuous support and steadfast confidence in the Group. I would like to express my sincere appreciation to the management team and staffs for their contributions, hard work and dedications.

The Board would also like to extend its gratitude and appreciation to Mr. Ng Ah Chong, our Executive Director who shall retire at the conclusion of the forthcoming 17th AGM for his invaluable contributions to the Group during his directorship. Lastly, special thanks go to my fellow Board members for their valuable service and guidance.

TUNKU DATO' SERI KAMEL
Chairman

Statement on Corporate Governance

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

The Board is pleased to present the following statement, which summarises the manner in which the Group has applied the principles and recommendations set out in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") and the extent of its compliance throughout the financial year ended 30 November 2013.

1. THE BOARD OF DIRECTORS

1.1 The Role and Responsibilities of the Board

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

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

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

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

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

- Audit Committee
- Remuneration Committee
- Nomination Committee

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

1. THE BOARD OF DIRECTORS (cont'd)

1.2 Board Composition and Balance

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

In accordance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company must ensure that at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors. If the number of Directors of the Company is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) must be used. The Board currently has six (6) members comprising the following:-

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

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

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

1.3 Separation of Positions of the Chairman and Group Managing Director

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

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

1.4 Board Meeting and Time Commitment

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

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

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

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

1. THE BOARD OF DIRECTORS (cont'd)

1.4 Board Meeting and Time Commitment (cont'd)

During the financial year, five (5) meetings were held and the attendance of the Directors at these Board meetings was as follows:-

Name of Directors	Attendance of meeting
YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin	5/5
Dato' Koid Hun Kian	5/5
Mr. Ng Ah Chong	5/5
Mr. Siow Hock Lee	5/5
Mr. Wong Tuck Kuan	5/5
Mr. Chang Pak Hing	5/5

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

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

1.5 Directors' Training

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

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

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

Directors	Name of Seminars/Training Programmes Attended
Mr. Siow Hock Lee	• Half-Day Seminar on Transfer Pricing Documentation – Practical Issues in Implementing the Requirements of the Transfer Pricing Guidelines – Documentation Aspects • In-House Directors' Training on Personal Data Protection Act 2010 • Taxation for Property Developers and Construction Company • Nomination Committee Program • Advance Principles of Deferred Tax • Corporate Tax Planning
YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin Dato' Koid Hun Kian Mr. Ng Ah Chong Mr. Wong Tuck Kuan Mr. Chang Pak Hing	• In-House Directors' Training on Personal Data Protection Act 2010

1. THE BOARD OF DIRECTORS (cont'd)

1.6 Code of Ethics and Conduct

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

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

1.7 Strategies Promoting Sustainability

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

1.8 Access to Information and Independent Advice

The Board shall be supplied with appropriate and timely information to enable it to discharge its duties. The Board papers will be distributed to all Directors prior to the Board meetings and sufficient time are given to enable Directors to evaluate the matters to be discussed in order to discharge their duties effectively and efficiently.

The Directors are free to seek any further explanation and information they consider necessary to facilitate informed decision-making. Board reports and meeting papers are prepared and presented by the management in a concise format that provides adequate facts and analysis pertinent to each proposal or matter that arises.

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

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

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

1.9 Company Secretary

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

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

1.10 Board Charter

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

1. THE BOARD OF DIRECTORS (cont'd)

1.10 Board Charter (cont'd)

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

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

2. STRENGTHEN COMPOSITION

2.1 Nomination Committee

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

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

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

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

The Nomination Committee held one meeting during the financial year ended 30 November 2013 and was attended by all members.

2.2 Appointments and Re-election

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

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

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

2.3 Directors' Assessment/Board Evaluation

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

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

2. STRENGTHEN COMPOSITION (cont'd)

2.4 Assessment of Independence

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

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

2.5 Tenure of Independent Directors

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

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

2.6 Remuneration Policies and Procedures

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

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

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

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

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

The Remuneration Committee held one meeting during the financial year ended 30 November 2013 and was attended by all members.

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

2. STRENGTHEN COMPOSITION (cont'd)

2.6 Remuneration Policies and Procedures (cont'd)

The Board, as a whole, determines the remuneration of each Director and the Directors do not participate in decisions regarding their own remuneration packages. Details of the aggregate remuneration of the Company's Directors comprising remuneration received from the Company and subsidiary companies categorized into appropriate components for the financial year ended 30 November 2013 are as follows:-

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Fees	18	188
Salaries and bonuses	592	–
Other Emoluments	53	–
Benefits-in-kind	37	–
Total	700	188

The number of Directors of the Company whose fees and remuneration for the financial year ended 30 November 2013 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

3. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

3.1 The General Meetings

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

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

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

3.2 Relationship and Communications with Shareholders and Investors

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

3. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS (cont'd)

3.2 Relationship and Communications with Shareholders and Investors (cont'd)

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

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

4. CORPORATE DISCLOSURE POLICY AND PROCEDURES

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

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with Applicable Financial Reporting Standards

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

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

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

5.2 Relationship with the Auditors

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

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

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

6. RECOGNISE AND MANAGE RISKS

6.1 Sound Framework to Manage Risk

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

6.2 Internal Audit Function

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

7. STATEMENT OF THE DIRECTORS' RESPONSIBILITY IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS

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

In the process of preparing the financial statements of the Group and of the Company for the financial year ended 30 November 2013, the Directors have:-

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

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

8. OTHER COMPLIANCE INFORMATION

(a) Utilisation of proceeds raised from corporate proposal

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

(b) Share Buy-Back

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

(c) Option, Warrants or Convertibles Securities

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

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

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

(e) Sanctions and/or Penalties Imposed

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

(f) Non-Audit Fees

The non-audit fees paid to the external auditors during the financial year amounted to RM8,480/-.

(g) Variation in Results

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

(h) Profit Guarantee

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

(i) Recurrent Related Party Transactions

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

(j) Material Contracts

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

(k) Revaluation of Landed Properties

There 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.

9. CORPORATE SOCIAL RESPONSIBILITY ("CSR") PRACTICES

The Board acknowledges the importance of CSR and is committed to create a good balance between value creation and corporate responsibility, especially in the areas relating to the community, workplace 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 and recruits fresh graduates from local varsities major in surveying science, geoinformatics and geomatic from UiTM, UTM, UKM and UM for various posts in our Information & Communication Technology business segment.

(b) The Workplace

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

(c) Environment Health

The Group values the importance of preserving the environment 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.

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 Secretary of the Company or her representative shall act as secretary of the Audit Committee.

3. Authority

The Audit Committee is authorised by the Board to perform and investigate any activity within its Terms of Reference. The 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.

TERMS OF REFERENCE (cont'd)

4. Functions

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

(i) with the external auditor, the audit plan;
(ii) with the external auditor, his evaluation of the system of internal controls;
(iii) with the external auditor, his audit report;
(iv) the assistance given by the employees of the Company and Group to the external auditor;
(v) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
(vi) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
(vii) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:-
- changes in or implementation of major accounting policy changes;
- significant and unusual events; and
- compliance with accounting standards and other legal requirements;

(viii) any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
(ix) any letter of resignation from the external auditors of the Company; and
(x) whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment.

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

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

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

SUMMARY OF ACTIVITIES

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

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

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

a) reviewed the quarterly financial results of the Group and 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 FUNCTIONS

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

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

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

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

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

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

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

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

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

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

During the financial year ended 30 November 2013 their review covered compliance audit on work improvement program on shared services, Enterprise Resource Planning ("ERP") risk assessment training and ERP audit review on its implementation and management.

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

Statement on Risk Management and Internal Control

INTRODUCTION

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

THE BOARD'S RESPONSIBILITIES

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

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

THE RISK MANAGEMENT FRAMEWORK

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

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

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

KEY ELEMENTS OF INTERNAL CONTROL

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

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

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

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

KEY ELEMENTS OF INTERNAL CONTROL (cont'd)

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

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

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

INTERNAL AUDIT FUNCTIONS

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

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

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

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

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

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

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

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

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

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

INTERNAL AUDIT FUNCTIONS (cont'd)

During the financial year ended 30 November 2013 their review covered compliance audit on work improvement program on shared services, Enterprise Resource Planning ("ERP") risk assessment training and ERP audit review on its implementation and management. The total costs incurred by the internal audit functions in respect of the financial year ended 30 November 2013 was RM42,037/-.

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

CONCLUSION

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

This Statement has been approved by the Board of Amtel Holdings Berhad on 18 April 2014.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

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

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

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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 2013.

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	1,290,252	3,087,474
Attributable to:-		
Owners of the parent	1,102,033	3,087,474
Non-controlling interests	188,219	–
	1,290,252	3,087,474

DIVIDENDS

Since the end of the previous financial year, the Company paid a first and final dividend of 5 sen per ordinary share of RM1 each less 25% tax amounting to RM1,847,890 on 28 June 2013 in respect of the financial year ended 2012.

The directors recommended a first and final single tier dividend of 4 sen per ordinary share of RM1 each amounting to RM1,971,083 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' INTERESTS

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

	Number of Ordinary Shares of RM1 each			
	At 1.12.2012	Bought	Sold	At 30.11.2013
Direct interest				
Dato' Koid Hun Kian	7,994,888	–	–	7,994,888
Ng Ah Chong	1,066,666	557,900	–	1,624,566
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 **	353,333	261,000	–	614,333

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

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

DIRECTORS' BENEFITS

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

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

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 no provision for doubtful debts was required; 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.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (cont'd)

At the date of this report, the directors are not aware of any circumstances:-

(i) which would render the amount written off as bad debts inadequate to any substantial extent or render it necessary to make any provision for doubtful debts in the financial statements of the Company.

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

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

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

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

In the opinion of the directors:-

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

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

(iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

Details of significant events arising during the financial year are disclosed in Note 38 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 20 March 2014.

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 36 to 100, are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 November 2013 and of their financial performance and cash flows for the financial year then ended.

The supplemental information set out on page 101 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 20 March 2014.

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 36 to 100 and the supplementary information as set out on page 101, 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 20 March 2014

DATO' KOID HUN KIAN

Before me

CHEONG LAK HOONG (B-232)
Commissioner for Oaths

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the financial statements of Amtel Holdings Berhad, which comprise the statements of financial position as at 30 November 2013 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 36 to 100.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 2013 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

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

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

(b) We 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.

(c) The auditor's 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 101 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

1. As stated in Note 2 to the financial statements, Amtel Holdings Berhad adopted the Malaysian Financial Reporting Standards on 1 December 2012 with a transition date of 1 December 2011. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statements of financial position as at 30 November 2012 and 1 December 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial year ended 30 November 2012 and its related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 30 November 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 December 2012 do not contain misstatements that materially affect the financial position as at 30 November 2013 and the financial performance and cash flows for the financial year then ended.

2. 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

SOH ENG HOOI
3031/02/15 (J)
Chartered Accountant

Kuala Lumpur
20 March 2014

Statements of Comprehensive Income

for the financial year ended 30 November 2013

		Group		Company	
	Note	2013 RM	2012 RM	2013 RM	2012 RM
Operating revenue	4	40,448,898	55,565,877	5,060,769	4,569,647
Cost of sales	5	(29,035,394)	(40,936,754)	–	–
Gross profit		11,413,504	14,629,123	5,060,769	4,569,647
Other operating income		1,271,291	1,069,546	131,705	85,430
Distribution expenses		(1,296,995)	(1,692,105)	–	–
Administrative expenses		(5,969,663)	(6,124,231)	(1,385,701)	(1,388,499)
Other operating expenses		(3,200,136)	(2,518,152)	(719,299)	(414,884)
		(10,466,794)	(10,334,488)	(2,105,000)	(1,803,383)
Profit from operations		2,218,001	5,364,181	3,087,474	2,851,694
Finance costs		(424,095)	(175,418)	–	–
Share of results of associates		99,923	462,459	–	–
Profit before tax	6	1,893,829	5,651,222	3,087,474	2,851,694
Tax expense	7	(603,577)	(1,293,985)	–	(850,500)
Profit net of tax, representing total comprehensive income for the financial year		1,290,252	4,357,237	3,087,474	2,001,194
Profit attributable to:-					
Owners of the parent		1,102,033	4,121,609		
Non-controlling interests		188,219	235,628		
		1,290,252	4,357,237		
Total comprehensive income attributable to:-					
Owners of the parent		1,102,033	4,121,609		
Non-controlling interests		188,219	235,628		
		1,290,252	4,357,237		
Earnings per share (sen)					
- Basic	8	2.24	8.36		
- Diluted	8	2.24	8.36		

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

Consolidated Statements of Financial Position

as at 30 November 2013

	Note	Group 2013 RM	Group 2012 RM	Group As at 1.12.2011 RM
ASSETS				
Non-current assets				
Property, plant and equipment	9	17,706,886	17,501,493	1,769,158
Investment in associates	11	945,020	800,095	337,636
Intangible assets	12	1,985,855	1,985,856	1,643,867
Other investments	13	250,000	250,000	1,450,000
Investment property	14	168,717	168,717	168,717
Deferred tax assets	15	–	–	361,500
		21,056,478	20,706,161	5,730,878
Current assets				
Inventories	16	673,895	1,860,378	1,895,977
Other investments	13	5,013,394	1,614,113	4,295,713
Trade receivables	17	8,875,352	15,866,821	11,273,473
Other receivables, deposits and prepayments	18	835,601	988,436	2,772,473
Tax assets	19	159,080	322,178	185,022
Amounts owing by associates	21	88,369	159,466	25,298
Cash deposits with licensed banks	22	4,936,729	8,993,581	9,303,020
Cash and bank balances	23	20,556,031	17,747,283	19,570,934
		41,138,451	47,552,256	49,321,910
TOTAL ASSETS		62,194,929	68,258,417	55,052,788

Consolidated Statements of Financial Position (cont'd)

as at 30 November 2013

	Note	Group 2013 RM	2012 RM	As at 1.12.2011 RM
EQUITY AND LIABILITIES				
Equity				
Share capital	24	49,277,066	49,277,066	49,277,066
Reserves	25	(4,845,853)	(4,083,821)	(8,141,795)
Equity attributable to owners of the parent		44,431,213	45,193,245	41,135,271
Non-controlling interests		373,488	322,094	111,391
Total Equity		44,804,701	45,515,339	41,246,662
Liabilities				
Non-current liabilities				
Bank borrowings	26	6,603,396	7,311,224	–
Finance lease payables	27	663,245	878,336	578,213
Deferred tax liabilities	28	363,300	300,655	17,049
		7,629,941	8,490,215	595,262
Current liabilities				
Trade payables	29	5,233,065	8,471,180	7,569,510
Other payables, deposits and accruals	30	2,332,688	2,539,928	2,675,326
Provisions	31	720,420	870,066	1,164,780
Bank borrowings	26	983,262	1,796,231	1,315,539
Finance lease payables	27	266,942	358,382	302,798
Tax liabilities		223,910	217,076	182,911
		9,760,287	14,252,863	13,210,864
Total liabilities		17,390,228	22,743,078	13,806,126
TOTAL EQUITY AND LIABILITIES		62,194,929	68,258,417	55,052,788

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

Statement of Financial Position

as at 30 November 2013

	Note	Company 2013 RM	2012 RM	As at 1.12.2011 RM
ASSETS				
Non-current assets				
Property, plant and equipment	9	119,355	37,515	33,211
Investment in subsidiaries	10	18,434,134	18,540,207	18,540,207
Other investments	13	250,000	250,000	1,450,000
		18,803,489	18,827,722	20,023,418
Current assets				
Other investments	13	–	1,200,000	–
Dividend receivable		2,551,500	2,551,500	–
Other receivables, deposits and prepayments	18	11,773	17,971	413,013
Amounts owing by subsidiaries	20	1,637,110	1,766,496	2,618,394
Amounts owing by associates	21	62,280	117,617	4,298
Cash and bank balances	23	5,291,702	3,430,479	2,068,890
		9,554,365	9,084,063	5,104,595
TOTAL ASSETS		28,357,854	27,911,785	25,128,013
EQUITY AND LIABILITIES				
Equity				
Share capital	24	49,277,066	49,277,066	49,277,066
Reserves	25	(21,379,845)	(22,619,429)	(24,620,623)
Equity attributable to owners of the parent		27,897,221	26,657,637	24,656,443
Liabilities				
Current liabilities				
Other payables, deposits and accruals	30	414,676	893,304	317,829
Amounts owing to subsidiaries	20	–	322,000	–
Provisions	31	45,471	38,358	153,255
Tax liabilities		486	486	486
		460,633	1,254,148	471,570
Total liabilities		460,633	1,254,148	471,570
TOTAL EQUITY AND LIABILITIES		28,357,854	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 2013

		Attributable to Owners of the Parent						
			Non-Distributable					
	Note	Share Capital RM	Share Premium RM	Fair Value Adjustment Reserve RM	Accumulated Losses RM	Sub-total RM	Non-controlling Interests RM	Total Equity RM
At 1.12.2011		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
Total comprehensive income for the financial year		–	–	–	1,102,033	1,102,033	188,219	1,290,252
Dividends	33	–	–	–	(1,847,890)	(1,847,890)	–	(1,847,890)
Dividends paid to non-controlling interests		–	–	–	(18,000)	(18,000)	–	(18,000)
Acquisition of non-controlling interests	10	–	–	–	–	–	(136,825)	(136,825)
Discount received from acquisition of non-controlling interests	10	–	–	–	1,825	1,825	–	1,825
At 30.11.2013		49,277,066	4,774,665	159,000	(9,779,518)	44,431,213	373,488	44,804,701

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 2013

	Note	Share Capital RM	←Non-Distributable→ Share Premium RM	Fair Value Adjustment Reserve RM	Accumulated Losses RM	Total Equity RM
At 1.12.2011		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
Total comprehensive income for the financial year		–	–	–	3,087,474	3,087,474
Dividends	33	–	–	–	(1,847,890)	(1,847,890)
At 30.11.2013		49,277,066	4,774,665	159,000	(26,313,510)	27,897,221

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 2013

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Cash flows from operating activities					
Profit before tax		1,893,829	5,651,222	3,087,474	2,851,694
Adjustments for:-					
Amortisation of intangible assets		1	126,736	–	–
Bad debts written off		63,414	–	–	–
Depreciation of property, plant and equipment		907,530	719,444	48,645	20,723
Dividend income from other investments		(33,023)	(69,533)	–	–
Dividend income from fixed income fund		(386,057)	(357,477)	(122,182)	(74,585)
Dividend income from associates		(102,000)	–	–	–
Development costs written off		–	1,236,605	–	–
Gain on disposal of property, plant and equipment		(173,658)	(142,891)	–	–
Gain on disposal of associates		–	–	(1)	–
Gain on disposal of subsidiaries	10	(1,294)	–	(2)	–
Impairment loss on investment in subsidiaries		–	–	241,073	–
Impairment loss on property, plant and equipment		94,686	70,997	–	7,049
Impairment loss on amounts owing by subsidiaries		–	–	2,602	–
Interest expense		421,062	175,418	–	–
Interest income		(306,815)	(354,367)	(9,489)	(5,545)
Inventories written off		–	59,416	–	–
Net provision/(reversal of provision) for employee benefits		4,528	(90,260)	7,113	(114,897)
Net fair value gain on held for trading investment		(66,257)	(16,565)	–	–
Property, plant and equipment written off		3,156	–	–	–
Reversal of provision for warranty costs		(138,566)	(29,327)	–	–
Share of results of associates		(99,923)	(462,459)	–	–
Unrealised loss/(gain) on foreign exchange		32,484	(8,330)	–	–
Operating profit before working capital changes		2,113,097	6,508,629	3,255,233	2,684,439
Decrease/(Increase) in inventories		1,186,483	(23,817)	–	–
Decrease/(Increase) in trade and other receivables		7,080,890	(2,809,311)	6,198	(2,156,458)
(Decrease)/Increase in trade and other payables		(3,480,149)	597,092	(478,628)	575,475
Cash generated from operations		6,900,321	4,272,593	2,782,803	1,103,456
Interest paid		(421,062)	(175,418)	–	–
Interest received		306,815	354,367	9,489	5,545
Income tax refunded		78,598	501	–	–
Income tax paid		(449,598)	(752,371)	–	(850,500)
Net cash from operating activities carried down		6,415,074	3,699,672	2,792,292	258,501

Statements of Cash Flows (cont'd)

for the financial year ended 30 November 2013

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Net cash from operating activities brought down		6,415,074	3,699,672	2,792,292	258,501
Cash flows from investing activities					
Additions in intangible assets		–	(1,705,330)	–	–
Additions in held for trading investments	13	(4,533,024)	(257,670)	–	–
Additions in investment in subsidiaries	10	(135,000)	(88,560)	(135,000)	–
Additions in investment in associates	11	(45,002)	–	–	–
(Advances to)/Repayment from subsidiaries		–	–	(195,216)	1,173,898
Dividend income from other investments		33,023	69,533	–	–
Dividend income from fixed income fund		386,057	357,477	122,182	74,585
Dividend income from associates		102,000	–	–	–
Net cash flow on disposal of subsidiaries	10	(84)	–	2	–
Proceeds from disposal of property, plant and equipment		400,652	259,032	–	–
Proceeds from disposal of associates		–	–	1	–
Proceeds from disposal of other investments		1,200,000	–	1,200,000	–
Purchase of property, plant and equipment	9	(1,326,259)	(15,774,417)	(130,485)	(32,076)
Repayment from/(to) associates		71,097	(134,168)	55,337	(113,319)
Withdrawal/(Placement) of pledged cash deposits		4,676,204	(1,203,065)	–	–
Net cash from/(used in) investing activities		829,664	(18,477,168)	916,821	1,103,088
Cash flows from financing activities					
Dividends paid		(1,847,890)	–	(1,847,890)	–
Dividends paid to non-controlling interests		(18,000)	–	–	–
Drawdown of term loan		–	8,000,000	–	–
Repayment of bankers' acceptance		(883,933)	(200,067)	–	–
Repayment of finance lease payables		(418,031)	(508,793)	–	–
Repayment of term loan		(659,461)	(51,448)	–	–
Net cash (used in)/from financing activities		(3,827,315)	7,239,692	(1,847,890)	–
Net increase/(decrease) in cash and cash equivalents		3,417,423	(7,537,804)	1,861,223	1,361,589
Effects of foreign exchange rate changes		(11,920)	2,383	–	–
Cash and cash equivalents at beginning of the financial year		19,565,517	27,100,938	3,430,479	2,068,890
Cash and cash equivalents at end of the financial year	32	22,971,020	19,565,517	5,291,702	3,430,479

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 2013

1. CORPORATE INFORMATION

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

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

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

The financial statements were authorised for issue in accordance with a resolution passed at the Board of Directors' meeting held on 20 March 2014.

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 Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as disclosed in the significant accounting policies in Note 3.

The financial statements of the Group and of the Company for the financial year ended 30 November 2013 are the first set of financial statements prepared in accordance with the MFRSs, including MFRS 1 'First-time adoption of MFRSs'. In the previous financial year, the financial statements of the Group and of the Company were prepared in accordance with the Financial Reporting Standards ("FRSs") in Malaysia.

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

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(d).

(b) New, revised and amendments/improvements to accounting standards and Issues Committee Interpretations ("IC Int")

(i) Explanation of transition to MFRSs

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") on 1 January 2012, the Malaysian Accounting Standards Board ("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, and continue to adopt the existing FRSs framework until the MFRSs framework is mandated by the MASB. 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.

2. BASIS OF PREPARATION (cont'd)

(b) New, revised and amendments/improvements to accounting standards and Issues Committee Interpretations ("IC Int") (cont'd)

(i) Explanation of transition to MFRSs (cont'd)

Accordingly, the Group and the Company which are not Transitioning Entities have adopted the MFRSs framework including MFRS 1 First-time adoption of MFRSs for the current financial year ended 30 November 2013.

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 Group and the Company have consistently applied the same accounting policies in its opening MFRSs statement of financial position as at 1 December 2011 (date of transition) and throughout all years presented, as if these policies had always been in effect.

As at 30 November 2011, 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.

The adoption of the MFRSs for the current financial year did not result in any changes in accounting policies and material adjustments to the Group's and the Company's statements of financial position, statements of comprehensive income and statements of cash flows which are reported in accordance with the previous FRSs.

(ii) New, revised, amendments/improvements to accounting standards and 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 MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int that have been issued the MASB as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 9	Financial Instruments	To be announced by the MASB
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
<u>Revised MFRSs</u>		
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013

2. BASIS OF PREPARATION (cont'd)

(b) New, revised and amendments/improvements to accounting standards and Issues Committee Interpretations ("IC Int") (cont'd)

(ii) New, revised, amendments/improvements to accounting standards and 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
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Financial Reporting Standards	1 January 2013 and 1 July 2014
MFRS 2	Share-based Payment	1 July 2014
MFRS 3	Business Combinations	1 July 2014
MFRS 7	Financial Instruments: Disclosures	1 January 2013 and applies when MFRS 9 is applied
MFRS 8	Operating Segments	1 July 2014
MFRS 9	Financial Instruments	To be announced by the MASB
MFRS 10	Consolidated Financial Statements	1 January 2013 and 1 January 2014
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013 and 1 January 2014
MFRS 13	Fair Value Measurement	1 July 2014
MFRS 101	Presentation of Financial Statements	1 July 2012 and 1 January 2013
MFRS 116	Property, Plant and Equipment	1 January 2013
MFRS 119	Employee Benefits	1 July 2014
MFRS 124	Related Party Disclosures	1 July 2014
MFRS 127	Separate Financial Statements	1 January 2014
MFRS 132	Financial Instruments: Presentation	1 January 2013 and 1 January 2014
MFRS 134	Interim Financial Reporting	1 January 2013
MFRS 136	Impairment of Assets	1 January 2014
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2014 and applies when MFRS 9 is applied
MFRS 140	Investment Property	1 July 2014
New IC Int		
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
IC Int 21	Levies	1 January 2014
Amendments to IC Int		
IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments	1 January 2013

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

2. BASIS OF PREPARATION (cont'd)

(b) New, revised and amendments/improvements to accounting standards and Issues Committee Interpretations ("IC Int") (cont'd)

(ii) New, revised, amendments/improvements to accounting standards and IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

MFRS 9 Financial Instruments

MFRS 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 MFRS 139. However, this standard requires that for financial liabilities designated 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.

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

MFRS 10 replaces the consolidation part of the former MFRS 127 Consolidated and Separate Financial Statements. The revised MFRS 127 will deal only with accounting for investment in subsidiaries, joint ventures and associates in the separate financial statements of an investor and requires the entity to account for such investments either at cost, or in accordance with MFRS 9.

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

MFRS 12 Disclosures of Interests in Other Entities

MFRS 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.

MFRS 13 Fair Value Measurement

MFRS 13 defines fair value and sets out a framework for measuring fair value, and the disclosure requirements about fair value. This standard is intended to address the inconsistencies in the requirements for measuring fair value across different accounting standards. As defined in this standard, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2. BASIS OF PREPARATION (cont'd)

(b) New, revised and amendments/improvements to accounting standards and Issues Committee Interpretations ("IC Int") (cont'd)

(ii) New, revised, amendments/improvements to accounting standards and IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

Revised MFRS 128 Investments in Associates and Joint Ventures

This revised MFRS 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 MFRS 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 MFRS 9.

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

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

Amendment to MFRS 3 Business Combinations

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

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

Amendment to MFRS 8 Operating Segments

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

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

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

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

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

2. BASIS OF PREPARATION (cont'd)

(b) New, revised and amendments/improvements to accounting standards and Issues Committee Interpretations ("IC Int") (cont'd)

(ii) New, revised, amendments/improvements to accounting standards and IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

Amendment to MFRS 13 Fair Value Measurement

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

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

Amendment to MFRS 101 Presentation of Financial Statements

The amendment to MFRS 101 introduces a grouping of items presented in other comprehensive income. Items that will be reclassified to profit or loss at future point in time have to be presented separately from items that will not be reclassified.

The amendment also clarifies the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The amendment clarifies that the opening statement of financial position presented as a result of retrospective restatement or reclassification of items in financial statements does not have to be accompanied by comparative information in the related notes. As a result, the Group has not included comparative information in respect of the opening statement of financial position as at 1 January 2012.

The amendment also introduces new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. Under the amendment, the 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'.

The above amendment affects presentation only and has no impact on the Group's financial position or performance.

Amendments to MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets

Amendments to MFRS 116 and MFRS 138 clarify the accounting for the accumulated depreciation/ amortisation when an asset is revalued. It clarifies that:-

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

2. BASIS OF PREPARATION (cont'd)

(b) New, revised and amendments/improvements to accounting standards and Issues Committee Interpretations ("IC Int") (cont'd)

(ii) New, revised, amendments/improvements to accounting standards and IC Int that are issued, but not yet effective and have not been early adopted (cont'd)

Amendment to MFRS 124 Related Party Disclosures

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

Amendment to MFRS 132 Financial Instruments: Presentation

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

Amendment to MFRS 136 Impairment of Assets

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

Amendment to MFRS 139 Financial Instruments: Recognition and Measurement

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

Amendment to MFRS 140 Investment Property

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

(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.

2. BASIS OF PREPARATION (cont'd)

(d) Significant accounting estimates and judgements

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

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

(i) Tax expense (Note 7) - significant judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for taxation. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due is uncertain. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the periods in which the outcome is known.

(ii) Useful lives 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 lives 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 *MFRS 138 Intangible Assets* in determining the amount and nature of development expenditure to be capitalised and its subsequent amortisation. The assessment of the capitalisation criteria as disclosed in Note 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 determines whether it is an impairment that should be recognised in profit or loss. The determination of what is "significant" or "prolonged" requires judgement.

(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 31) - 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.

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

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

(b) Foreign currencies

(i) Foreign currencies transactions

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Revenue recognition

(i) Goods sold

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

(ii) Services

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

(iii) Rental income

Rental income is recognised on an accrual basis.

(iv) Dividend income

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

(v) Interest income

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

(vi) Management fee income

Management fee income is recognised on an accrual basis.

(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.

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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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.

(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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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.

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.

Development costs in-progress is not amortised.

(ii) License rights

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

These assets which are considered to have finite useful lives which will be amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation is provided from the commencement of the commercial production of the related product on the straight line basis over a period of 5 years. The amortisation period and amortisation method are reviewed at each reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Associates (cont'd)

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

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

(n) Impairment of non-financial assets

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

Any subsequent increase in recoverable amount due to a reversal of impairment loss is restricted to the carrying amount that would have been determined (net of accumulated depreciation, where applicable) had no impairment loss been recognised in prior years. The reversal of impairment loss is recognised in profit or loss.

(o) Inventories

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

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

(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.

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.

(iii) Available-for-sale financial assets

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

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

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

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

The Group classifies the following financial assets as available-for-sale:-
- investment in unquoted shares; and
- transferable club membership.

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

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) Fair value estimation of unquoted equity securities

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

(r) Impairment of financial assets

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

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

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

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

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

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

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(iii) Unquoted equity securities carried at cost

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

(s) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purposes of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and cash deposit under lien.

(t) Share capital

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

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

(i) Other financial liabilities

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(w) Financial guarantee contracts

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

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

(x) Contingencies

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

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

(y) Segment reporting

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

4. OPERATING REVENUE

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

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Sales of goods and services	37,325,064	53,945,913	–	–
Contract revenue	2,935,909	1,437,891	–	–
Management fees	187,925	182,073	1,189,269	1,167,647
Dividend income				
- subsidiaries	–	–	3,871,500	3,402,000
	40,448,898	55,565,877	5,060,769	4,569,647

5. COST OF SALES

Cost of sales of the Group comprises the following:-

	Group	
	2013 RM	2012 RM
Cost of sales of goods and services	26,586,815	40,029,920
Contract costs	2,448,579	906,834
	29,035,394	40,936,754

6. PROFIT BEFORE TAX

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

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Amortisation of intangible assets	1	126,736	–	–
Auditors' remuneration:-				
- current year	81,600	74,000	28,000	25,500
- overprovision in prior financial year	–	(525)	–	–
- other services provided by auditors of the Company	10,000	8,000	10,000	8,000
Bad debts written off	63,414	–	–	–
Depreciation of property, plant and equipment	907,530	719,444	48,645	20,723
Development costs written off	–	1,236,605	–	–
Independent Non-executive Directors' fees:-				
- Directors of the Company	188,000	188,000	152,000	152,000
Impairment loss on investment in subsidiaries	–	–	241,073	–
Impairment loss on amounts owing by subsidiaries	–	–	2,602	–
Impairment loss on property, plant and equipment	94,686	70,997	–	7,049
Interest expense:-				
- finance lease payables	50,934	50,299	–	–
- bankers' acceptance	25,263	60,337	–	–
- term loan	326,232	40,092	–	–
- bank overdrafts	14,263	17,716	–	–
- trust receipts	4,370	6,974	–	–
Inventories written off	–	59,416	–	–
Loss/(Gain) on foreign exchange:-				
- realised	10,962	63,333	–	–
- unrealised	32,484	(8,330)	–	–
Net provision/(reversal of provision) for employee benefits	4,528	(90,260)	7,113	(114,897)
Property, plant and equipment written off	3,156	–	–	–
Personnel expenses (including key management personnel):-				
- Contribution to Employees Provident Fund and social security contribution	477,903	536,380	72,819	96,543
- Salaries and others	5,188,071	6,110,593	1,035,984	1,118,252
Rental of motor vehicles	–	–	112,800	88,875
Rental income	(58,466)	(59,103)	–	–
Net fair value gain on held for trading investments	(66,257)	(16,565)	–	–
Dividend income:-				
- associates	(102,000)	–	–	–
- fixed income fund	(386,057)	(357,477)	(122,182)	(74,585)
- other investments	(33,023)	(69,533)	–	–
- subsidiaries	–	–	(3,871,500)	(3,402,000)
Gain on disposal of property, plant and equipment	(173,658)	(142,891)	–	–
Gain on disposal of subsidiaries	(1,294)	–	(2)	–
Gain on disposal of associates	–	–	(1)	–
Interest income	(306,815)	(354,367)	(9,489)	(5,545)
Rental of premises	523,156	518,309	80,900	78,900
Reversal of provision for warranty costs	(138,566)	(29,327)	–	–

6. PROFIT BEFORE TAX (cont'd)

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

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Executive Directors of the Company:-				
- fees	18,000	18,000	18,000	18,000
- other emoluments	644,923	869,183	549,850	776,511
Executive Directors of the subsidiaries:-				
- fees	–	40,000	–	–
- other emoluments	748,279	913,387	–	–

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

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Executive Directors of the:-				
- Company	37,450	33,083	37,450	33,083
- Subsidiaries	46,516	43,350	–	–

7. TAX EXPENSE

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Current tax expense:-				
Malaysian income tax:-				
- Current year	596,000	647,947	–	850,000
- (Over)/Underprovision in prior financial year	(55,068)	932	–	–
	540,932	648,879	–	850,000
Deferred tax expense:-				
- Relating to origination and reversal of temporary differences	77,200	662,606	–	–
- Effect of changes in tax rate on opening balance of deferred tax	(11,600)	–	–	–
- Overprovision in prior financial year	(2,955)	(17,500)	–	–
	62,645	645,106	–	–
Tax expense	603,577	1,293,985	–	850,000

7. TAX EXPENSE (cont'd)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 25% (2012: 25%) of the estimated assessable profit for the financial year. The domestic statutory income tax rate will be reduced to 24% from the current year's rate of 25% with effect from the year of assessment 2016. The computation of deferred tax as at 30 November 2013 has reflected these changes.

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	
	2013 RM	2012 RM	2013 RM	2012 RM
Profit before tax	1,893,829	5,651,222	3,087,427	2,851,694
Tax at the Malaysian statutory income tax rate of 25%	473,500	1,412,800	771,900	712,900
Tax effect of non-taxable income	(510,900)	(412,947)	(1,000,800)	(21,300)
Tax effect of non-deductible expenses	327,200	504,700	135,700	180,700
Deferred tax assets not recognised during the financial year	384,500	45,600	93,200	–
Deferred tax recognised at different tax rate	2,700	–	–	–
Effect of changes in tax rate on opening balance of deferred tax	(11,600)	–	–	–
Utilisation of previously unrecognised deferred tax assets	(3,800)	(239,600)	–	(21,800)
Under/(Over) provision in prior financial year:-				
- current tax expense	(55,068)	932	–	–
- deferred tax expense	(2,955)	(17,500)	–	–
Tax expense	603,577	1,293,985	–	850,500

The Company has an estimated unabsorbed capital allowances and unutilised tax losses of RM966,100 (2012: RM834,200) and RM971,200 (2012: RM654,100) respectively, available for set-off against future taxable profits.

The Group has an estimated unabsorbed capital allowances and unutilised tax losses of RM2,726,500 (2012: RM2,470,100) and RM7,185,600 (2012: RM5,903,600) respectively, available for set-off against future taxable profits.

Tax savings during the financial year arising from:-

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Utilisation of current financial year tax losses	25,700	11,408	–	–
Utilisation of previously unutilised tax losses	–	472,100	–	–

The Company has an estimated balance in the tax exempt income account of RM1,639,000 (2012: RM1,639,000) available for distribution by way of tax exempt dividend which arose from the followings:-

(i) chargeable income amounted to RM617,000 (2012: 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 RM1,022,000 (2012: RM1,022,000).

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 RM1,102,033 (2012: RM4,121,609) divided by the weighted average number of ordinary shares of RM1 each in issue during the financial year of 49,277,066 (2012: 49,277,066) ordinary shares.

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

9. PROPERTY, PLANT AND EQUIPMENT

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

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

Group	Freehold Land RM	Long Term Leasehold Land RM	Buildings RM	Plant, Machinery and Tools RM	Renovation, Furniture, Fixture, Fittings, Office Equipment and Electrical Installation RM	Motor Vehicles RM	Total RM
Cost							
At 1.12.2011	63,666	32,220	355,950	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	8,530,666	32,220	7,411,667	687,296	2,994,475	2,990,463	22,646,787
Accumulated Depreciation and Impairment Loss							
At 1.12.2011	–	1,662	59,672	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							
Accumulated depreciation	–	1,994	90,123	652,082	2,644,627	1,685,471	5,074,297
Accumulated impairment loss	–	–	–	–	70,997	–	70,997
	–	1,994	90,123	652,082	2,715,624	1,685,471	5,145,294
Net Carrying Amount							
At 30.11.2012	8,530,666	30,226	7,321,544	35,214	278,851	1,304,992	17,501,493
At 1.12.2011	63,666	30,558	296,278	47,651	418,968	912,037	1,769,158

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

Company	Furniture, Fixture, Fittings and Office Equipment RM	Renovation RM	Total RM
Cost			
At 1.12.2012	166,227	63,787	230,014
Additions	130,485	–	130,485
At 30.11.2013	296,712	63,787	360,499
Accumulated Depreciation and Impairment Loss			
At 1.12.2012	128,712	63,787	192,499
Charge for the financial year	48,645	–	48,645
At 30.11.2013	177,357	63,787	241,144
Net Carrying Amount			
At 30.11.2013	119,355	–	119,355
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
At 1.12.2011	33,211	–	33,211

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

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

	Group		
	2013 RM	2012 RM	As at 1.12.2011 RM
Cost			
Motor vehicles	1,688,833	2,223,133	1,854,159
Net Carrying Amount			
Motor vehicles	953,148	1,303,740	910,202

During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM1,437,759 (2012: RM16,638,917) and RM130,485 (2012: RM32,076) respectively which are satisfied by the following:-

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Cash payments	1,326,259	15,774,417	130,485	32,076
Finance lease arrangement	111,500	864,500	–	–
	1,437,759	16,638,917	130,485	32,076

Freehold land and building of the Group with an aggregate carrying value of RM15,462,368 (2012: RM15,497,148; 1.12.2011: RM nil) are pledged as security for term loan as disclosed in Note 26. This is in respect of the freehold industrial land held under GRN 215183, Lot 61789 (formerly held under HS(D) 225947, PT 99), Bandar Glenmarie, District of Petaling, State of Selangor Darul Ehsan together with a three storey office warehouse building. Subsequent to the financial year end, negotiation and other efforts to sell this property, which is classified as property, plant and equipment in the Others segment, is in progress.

Property, plant and equipment of a subsidiary amounting to RM726,290 (2012: RM840,217; 1.12.2011: RM748,069) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 26.

10. INVESTMENT IN SUBSIDIARIES

	Company 2013 RM	Company 2012 RM
Unquoted shares		
At cost,		
At beginning of the financial year	26,279,373	26,279,373
Addition	135,000	–
Disposal	(94,501)	–
At end of the financial year	26,319,872	26,279,373
Less: Accumulated impairment loss		
At beginning of the financial year	(7,739,166)	(7,739,166)
Addition	(241,073)	–
Disposal	94,501	–
At end of the financial year	(7,885,738)	(7,739,166)
	18,434,134	18,540,207

Investment in subsidiaries of a subsidiary amounting to RM768,560 (2012: RM768,560; 1.12.2011: RM680,000) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 26.

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

Name of Company	Effective Equity Interest 2013	Effective Equity Interest 2012	Principal Activities
Held by the Company			
Amtel Cellular Sdn. Bhd.	100%	100%	Distribution of telematics products and trading of electronic and telecommunication related products.
Amtel Communications Sdn. Bhd.	100%	100%	Trading of telecommunication related products.
Amtel Group Sdn. Bhd.	100%	100%	Investment holding and provision of management services to its related companies.
Ideal Move Capital Sdn. Bhd.	–	100%	Money lending.
Metrarama Sdn. Bhd.	100%	100%	Property investment and investment holding.
Amtel Resources Sdn. Bhd.	100%	100%	Contractor for installation, jointing and testing of utilities, telecommunication and fibre optic cables and associated civil works.
AAV Industries Sdn. Bhd.	100%	100%	Manufacturing, installation and distribution of vehicles products related accessories and telematics systems.
Topweb Sdn. Bhd.	100%	50.25%	Dormant.
Amtel Technology Sdn. Bhd.	100%	100%	Dormant.

10. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of Company	Effective Equity Interest 2013	2012	Principal Activities
Held through Amtel Cellular Sdn. Bhd.			
Amnavi Sdn. Bhd.	85%	85%	Geographical Information System (GIS) and related products' research and development.

(a) Acquisition of non-controlling interests

On 31 October 2013, the Company acquired the remaining 49.75% equity interest in Topweb Sdn. Bhd. ("TWSB") for a cash consideration of RM135,000. Consequently, TWSB is a wholly-owned subsidiary of the Company. The difference between the considerations and the carrying value of the interest acquired of RM136,825 is reflected in equity as discount received from acquisition of non-controlling interests.

In the previous financial year, the Group's wholly-owned subsidiary, Amtel Cellular Sdn. Bhd. ("AMCSB"), acquired an additional 16% and 1% equity interest respectively in Amnavi Sdn. Bhd. ("AMV") from its non-controlling interests for cash consideration of RM73,500 and RM15,060 respectively. As a result of these acquisitions, AMCSB holds 85% equity interest in AMV. On the date of acquisition, the carrying value of the additional interest acquired was RM20,758 and RM4,167 respectively. The difference between the considerations 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 11 July 2013, the Company disposed of its entire shareholding comprising 100,000 ordinary shares representing 100% equity interests in Ideal Move Capital Sdn. Bhd. ("IMCSB") for a cash consideration of RM2. Following the disposal, IMCSB ceased to be the subsidiary of the Company.

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

	2013 RM
Cash and bank balances	86
Accruals	(1,378)
Net liabilities disposed	(1,292)
Total disposal proceeds	(2)
Gain on disposal to the Group	(1,294)
Cash consideration	2
Cash and cash equivalents of subsidiaries disposed	(86)
Net cash outflow arising on disposal	(84)

11. INVESTMENT IN ASSOCIATES

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Unquoted shares				
At cost,				
At beginning of the financial year	64,559	64,559	819,371	819,371
Additions	45,002	–	–	–
Less: Dividend received out of pre-acquisition profits	–	–	(819,371)	(819,371)
At end of the financial year	109,561	64,559	–	–
Share of results of associates				
At beginning of the financial year	735,536	273,077	–	–
Current year share of results	99,923	462,459	–	–
At end of the financial year	835,459	735,536	–	–
	945,020	800,095	–	–

	2013 RM	2012 RM
The Group's investment in associates is reprensented by:-		
Group's share of net assets	945,020	800,095

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

	Group 2013 RM	Group 2012 RM
Assets and Liabilities		
Total assets	3,947,870	3,982,395
Total liabilities	1,401,274	1,686,408
Results		
Operating revenue	6,945,743	8,020,000
Profit net of tax	258,609	1,025,814

11. INVESTMENT IN ASSOCIATES (cont'd)

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

Name of Company	Effective Equity Interest 2013	Effective Equity Interest 2012	Principal Activities
Held by the Company			
Amtel Networks Sdn. Bhd.	#	40%	Contractor for installation, jointing and testing of utilities, telecommunication and fibre optic cables and associated civil works.
Held through Amtel Cellular Sdn. Bhd.			
Milan Utama Sdn. Bhd.	35%	35%	Trading and distribution of telecommunication products, telematics products and information computer technology products, project implementation and management services.
Held through Amtel Resources Sdn. Bhd.			
Amtel Networks Sdn. Bhd.	45%	#	Contractor for installation, jointing and testing of utilities, telecommunication and fibre optic cables and associated civil works.

On 29 April 2013, the Company disposed of its entire shareholding in Amtel Networks Sdn. Bhd. ("ANSB") comprising 200,000 ordinary shares of RM1 each to the Company's wholly-owned subsidiary, Amtel Resources Sdn. Bhd. ("ARSB") for a cash consideration of RM1.

On the same date, ARSB acquired an additional 5% equity interest in ANSB comprising 25,000 ordinary shares of RM1 each for a cash consideration of RM1 from an existing shareholder of ANSB. As a result of this acquisition, ARSB holds 45% equity interest in ANSB.

On 2 May 2013, ANSB increased its paid up share capital from 500,000 ordinary shares of RM1 each to 600,000 ordinary shares of RM1 each whereby ARSB has proportionately subscribed for its 45% equity interest comprising 45,000 ordinary shares of RM1 each for a cash consideration of RM45,000.

Investment in associates of a subsidiary amounting to RM388,800 (2012: RM388,800; 1.12.2011: RM388,800) have been pledged as security for banking facilities granted to a subsidiary as disclosed in Note 26.

12. INTANGIBLE ASSETS

	License rights RM	Development costs RM	Development costs in-progress RM	Total RM
Group				
Cost				
At 1.12.2012/30.11.2013	320,000	630,504	1,985,855	2,936,359
Accumulated Amortisation				
At 1.12.2012	319,999	630,504	–	950,503
Amortisation for the financial year	1	–	–	1
At 30.11.2013	320,000	630,504	–	950,504
Net carrying amount				
At 30.11.2013	–	–	1,985,855	1,985,855
Cost				
At 1.12.2011	320,000	630,504	1,517,130	2,467,634
Addition	–	–	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
At 1.12.2011	42,670	84,067	1,517,130	1,643,867

The license rights of the Global Positioning System Software Engine and the development costs relating to the In-Car Navigation System have been fully amortised as at the financial year end and are still in used.

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

Intangible assets of a subsidiary amounting to RM1,985,855 (2012: RM1,985,855; 1.12.2011: RM1,601,197) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 26.

13. OTHER INVESTMENTS

	Group 2013 RM	2012 RM	As at 1.12.2011 RM
Non-current			
Available-for-sale investments			
At fair value,			
- Transferable club membership	250,000	250,000	250,000
At cost,			
- Unquoted shares	–	–	1,200,000
Total non-current investments	250,000	250,000	1,450,000
Current			
Available-for-sale investments			
At fair value,			
- Unquoted shares	–	1,200,000	–
Held for trading investments			
At fair value,			
- Quoted shares	480,370	414,113	139,878
- Quoted unit trusts	4,533,024	–	4,155,835
	5,013,394	414,113	4,295,713
Total current investments	5,013,394	1,614,113	4,295,713
At market value,			
- Quoted investments	5,013,394	414,113	4,295,713

Investment in quoted unit trusts is redeemable upon one day notice and bears dividend yield at a rate of 3.35% (2012: nil; 1.12.2011: 3.01%) per annum as at the financial year end.

13. OTHER INVESTMENTS (cont'd)

	Company		
	2013 RM	2012 RM	As at 1.12.2011 RM
Non-current			
Available-for-sale investments			
At fair value,			
- Transferable club membership	250,000	250,000	250,000
At cost,			
- Unquoted shares	–	–	1,200,000
Total non-current investments	250,000	250,000	1,450,000
Current			
Available-for-sale investments			
At fair value,			
- Unquoted shares	–	1,200,000	–

14. INVESTMENT PROPERTY

	Group		
	2013 RM	2012 RM	As at 1.12.2011 RM
Freehold land			
- At cost	168,717	168,717	168,717
- At fair value	290,730	263,800	263,800

Investment property of a subsidiary amounting to RM168,717 (2012: RM168,717; 1.12.2011: RM168,717) has been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 26.

15. DEFERRED TAX ASSETS

	Group	
	2013 RM	2012 RM
At beginning of the financial year	–	361,500
Recognised in profit or loss (Note 7)	–	(361,500)
At end of the financial year	–	–

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

	Group	
	2013 RM	2012 RM
Differences between the carrying amounts of property, plant and equipment and their tax base	–	7,700
Taxable temporary differences in respect of income	–	(7,700)
	–	–

In the prior 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.

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

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Unutilised tax losses	7,185,600	5,903,600	971,200	654,100
Unabsorbed capital allowances	2,726,500	2,470,100	966,100	834,200
Deductible temporary differences in respect of expenses	65,300	39,700	45,300	38,400
Differences between the carrying amounts of property, plant and equipment and their tax base	120,200	135,400	(112,400)	(29,300)
	10,097,600	8,548,800	1,870,200	1,497,400

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

16. INVENTORIES

	Group		
	2013 RM	2012 RM	As at 1.12.2011 RM
At cost,			
Trading goods	673,895	1,860,378	1,895,977

Inventories of a subsidiary amounting to RM671,562 (2012: RM1,851,189; 1.12.2011: RM1,797,788) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 26.

17. TRADE RECEIVABLES

	Group		
	2013 RM	2012 RM	As at 1.12.2011 RM
Third parties	8,875,352	16,169,357	11,578,526
Less: Allowance for impairment loss	–	(302,536)	(305,053)
	8,875,352	15,866,821	11,273,473

Trade receivables of a subsidiary amounting to RM7,188,506 (2012: RM14,444,579; 1.12.2011: RM9,706,216) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 26.

(a) Credit terms of trade receivables

The Group's normal trade credit terms extended to customers range from 30 to 90 days (2012: 30 to 90 days; 1.12.2011: 30 to 90 days).

(b) Ageing analysis of trade receivables

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

	Group		
	2013 RM	2012 RM	As at 1.12.2011 RM
Neither past due nor impaired	7,609,778	14,586,531	9,755,391
1 to 30 days past due not impaired	853,172	155,296	178,300
31 to 60 days past due not impaired	–	150,000	206,000
61 to 90 days past due not impaired	84,345	149,000	388,785
More than 91 days past due not impaired	328,057	825,994	744,997
	1,265,574	1,280,290	1,518,082
Impaired	–	302,536	305,053
	8,875,352	16,169,357	11,578,526

17. TRADE RECEIVABLES (cont'd)

Receivables that are neither past due nor impaired

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

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

Receivables that are past due but not impaired

Trade receivables of the Group amounting to RM1,265,574 (2012: RM1,280,290; 1.12.2011: RM1,518,082) which are past due but not impaired because there have been no significant changes in credit quality of the debtors and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

Receivables that are impaired

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

	Group	
	2013 RM	2012 RM
As at beginning of the financial year	302,536	305,053
Bad debts written off	(302,536)	(2,517)
As at end of the financial year	–	302,536

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	
	2013 RM	2012 RM	As at 1.12.2011 RM
Other receivables	96,370	52,138	1,036,707
Deposits	271,081	468,567	239,538
Prepayments	468,150	467,731	1,496,228
	835,601	988,436	2,772,473

		Company	
	2013 RM	2012 RM	As at 1.12.2011 RM
Other receivables	–	–	400,652
Deposits	2,640	2,640	2,280
Prepayments	9,133	15,331	10,081
	11,773	17,971	413,013

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

Included in prepayments of the Group is an amount of RM360,914 (2012: RM352,990; 1.12.2011: RM1,318,573) being advances to suppliers for purchase of trading goods.

As at 1 December 2011, included in other receivables of the Group and of the Company was 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..

Other receivables, deposits and prepayments of a subsidiary amounting to RM586,004 (2012: RM506,433; 1.12.2011: RM1,554,771) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 26.

19. TAX ASSETS

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

20. AMOUNTS OWING BY/(TO) SUBSIDIARIES

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

	Company	
	2013 RM	2012 RM
Amounts owing by subsidiaries	19,233,247	19,360,031
Less: Allowance for impairment loss		
At beginning of the financial year	17,593,535	17,593,535
Charge for the financial year	2,602	–
At end of the financial year	(17,596,137)	(17,593,535)
	1,637,110	1,766,496
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 3.60% (2012: 1.90% to 3.20%; 1.12.2011: 1.75% to 3.20%) per annum as at the financial year end with maturity period ranging from 1 day to 365 days (2012: 1 day to 365 days; 1.12.2011: 1 day to 365 days).

Included in the deposits of the Group is an amount of RM2,443,173 (2012: RM7,119,377; 1.12.2011: RM5,916,312) pledged as security for banking facilities granted to subsidiaries as disclosed in Note 26.

23. CASH AND BANK BALANCES

		Group	
	2013 RM	2012 RM	As at 1.12.2011 RM
Fixed income fund with a licensed fund management company	11,314,858	13,461,037	5,132,742
Cash at banks and in hand	9,241,173	4,286,246	14,438,192
	20,556,031	17,747,283	19,570,934

		Company	
	2013 RM	2012 RM	As at 1.12.2011 RM
Fixed income fund with a licensed fund management company	3,788,538	3,316,356	281,771
Cash at banks and in hand	1,503,164	114,123	1,787,119
	5,291,702	3,430,479	2,068,890

The fixed income fund is redeemable upon 7 days notice and bears dividend yield at rates ranging from 2.68% to 2.83% (2012: 2.60% to 2.70%; 1.12.2011: 2.65% to 2.92%) per annum as at the financial year end.

Cash and bank balances of a subsidiary amounting to RM12,017,817 (2012: RM8,133,227; 1.12.2011: RM8,352,030) have been pledged as security for banking facilities granted to a subsidiary as disclosed in Note 26.

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

		Group	
	2013 RM	2012 RM	As at 1.12.2011 RM
United States Dollars ("USD")	104,445	116,502	294,131
Singapore Dollars ("SGD")	104,032	108,336	106,289

24. SHARE CAPITAL

	Group/Company		
	2013 RM	2012 RM	As at 1.12.2011 RM
Ordinary shares of RM1 each:-			
Authorised			
100,000,000 ordinary shares of RM1 each	100,000,000	100,000,000	100,000,000
Issued and fully paid			
49,277,066 ordinary shares of RM1 each	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.

25. RESERVES

	Group		
	2013 RM	2012 RM	As at 1.12.2011 RM
Non-distributable:-			
- Share premium	4,774,665	4,774,665	4,774,665
- Fair value adjustment reserve	159,000	159,000	159,000
Distributable:-			
Accumulated losses	(9,779,518)	(9,017,486)	(13,075,460)
	(4,845,853)	(4,083,821)	(8,141,795)

	Company		
	2013 RM	2012 RM	As at 1.12.2011 RM
Non-distributable:-			
- Share premium	4,774,665	4,774,665	4,774,665
- Fair value adjustment reserve	159,000	159,000	159,000
Distributable:-			
Accumulated losses	(26,313,510)	(27,553,094)	(29,554,288)
	(21,379,845)	(22,619,429)	(24,620,623)

25. RESERVES (cont'd)

(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.

26. BANK BORROWINGS

	Group		
	2013 RM	2012 RM	As at 1.12.2011 RM
Non-current			
Secured			
Term loan	6,603,396	7,311,224	–
Current			
Secured			
Bank overdrafts	78,567	55,970	12,539
Bankers' acceptance	219,000	1,102,933	1,303,000
Term loan	685,695	637,328	–
Total current borrowings	983,262	1,796,231	1,315,539
Total borrowings	7,586,658	9,107,455	1,315,539

26. BANK BORROWINGS (cont'd)

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

	Carrying amount RM	Within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	Over 5 years RM
Group							
2013							
Secured							
Term loan	7,289,091	685,695	715,768	747,160	779,928	814,134	3,546,406
Bank overdrafts	78,567	78,567	–	–	–	–	–
Bankers' acceptance	219,000	219,000	–	–	–	–	–
	7,586,658	983,262	715,768	747,160	779,928	814,134	3,546,406
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' acceptance	1,102,933	1,102,933	–	–	–	–	–
	9,107,455	1,796,231	674,159	710,990	747,822	784,653	4,393,600
As at 1.12.2011							
Secured							
Bank overdrafts	12,539	12,539	–	–	–	–	–
Bankers' acceptance	1,303,000	1,303,000	–	–	–	–	–
	1,315,539	1,315,539	–	–	–	–	–

26. BANK BORROWINGS (cont'd)

The term loan bears effective interest at a rate of 4.30% (2012: 4.30%; 1.12.2011: nil) per annum and secured by the followings:-

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

The bank overdrafts and bankers' acceptance facilities are repayable on demand and within one year respectively, and bear interest at rates ranging from 3.50% to 7.00% (2012 : 3.38% to 7.00%; 1.12.2011: 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.

27. FINANCE LEASE PAYABLES

	Group		
	2013 RM	2012 RM	As at 1.12.2011 RM
Future minimum lease payments	1,011,716	1,354,992	964,154
Less: Future finance charges	(81,529)	(118,274)	(83,143)
Total present value of minimum lease payments	930,187	1,236,718	881,011
Current			
Payable within 1 year			
Future minimum lease payments	305,055	419,064	345,504
Less: Future finance charges	(38,113)	(60,682)	(42,706)
Present value of minimum lease payments	266,942	358,382	302,798
Non-current			
Payable after 1 year but not later than 5 years			
Future minimum lease payments	706,661	935,928	618,650
Less: Future finance charges	(43,416)	(57,592)	(40,437)
Present value of minimum lease payments	663,245	878,336	578,213
	930,187	1,236,718	881,011

The finance lease payables of the Group bear effective interest at rates ranging from 3.30% to 7.00% (2012: 2.38% to 7.00%; 1.12.2011: 2.38% to 7.00%) per annum.

28. DEFERRED TAX LIABILITIES

	Group 2013 RM	2012 RM
At beginning of the financial year	300,655	17,049
Recognised in profit or loss (Note 7)	62,645	283,606
At end of the financial year	363,300	300,655

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

	Group 2013 RM	2012 RM
Differences between the carrying amount of property, plant and equipment and its tax base	48,700	5,055
Deductible temporary differences in respect of expenses	(162,000)	(200,900)
Taxable temporary differences in respect of income	476,600	496,500
	363,300	300,655

29. TRADE PAYABLES

The normal trade credit term granted by the trade payables to the Group ranges from 30 to 90 days (2012: 30 to 90 days; 1.12.2011: 30 to 90 days).

Included in trade payables of the Group is an amount owing to an associate of RM660,000 (2012: RM200,000; 1.12.2011: RM1,368,000) which is on normal trade terms.

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

		Group	
	2013 RM	2012 RM	As at 1.12.2011 RM
China Renminbi ("RMB")	1,016,106	110,468	161,474
USD	–	357,811	672,633
SGD	71,109	137,132	–

30. OTHER PAYABLES, DEPOSITS AND ACCRUALS

		Group	
	2013 RM	2012 RM	As at 1.12.2011 RM
Other payables	63,130	763,703	182,783
Deposits	9,051	3,950	2,400
Accruals	2,260,507	1,772,275	2,490,143
	2,332,688	2,539,928	2,675,326

30. OTHER PAYABLES, DEPOSITS AND ACCRUALS (cont'd)

	Company		
	2013 RM	2012 RM	As at 1.12.2011 RM
Other payables	9,964	600,000	–
Accruals	404,722	293,304	317,829
	414,686	893,304	317,829

31. PROVISIONS

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Provision for warranty costs				
At beginning of the financial year	755,592	960,046	–	–
Reversal	(138,566)	(29,327)	–	–
Utilisation	(15,608)	(175,127)	–	–
At end of the financial year	601,418	755,592	–	–
Provision for employee benefits				
At beginning of the financial year	114,474	204,734	38,358	153,255
Additions	119,002	114,474	45,471	38,358
Reversal	(114,474)	(204,734)	(38,358)	(153,255)
At end of the financial year	119,002	114,474	45,471	38,358
	720,420	870,066	45,471	38,358

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

32. CASH AND CASH EQUIVALENTS

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

		Group		Company	
	Note	2013 RM	2012 RM	2013 RM	2012 RM
Fixed income fund with a licensed fund management company		11,314,858	13,461,037	3,788,538	3,316,356
Cash at banks and in hand		9,241,173	4,286,246	1,503,164	114,123
		20,556,031	17,747,283	5,291,702	3,430,479
Cash deposits with licensed banks		4,936,729	8,993,581	–	–
Bank overdrafts	26	(78,567)	(55,970)	–	–
		25,414,193	26,684,894	5,291,702	3,430,479
Cash deposits with licensed banks under lien	22	(2,443,173)	(7,119,377)	–	–
		22,971,020	19,565,517	5,291,702	3,430,479

33. DIVIDENDS

The Company paid a first and final dividend of 5 sen per ordinary share of RM1 each less 25% tax amounting to RM1,847,890 on 28 June 2013 in respect of the financial year ended 2012.

The directors recommended a first and final single tier dividend of 4 sen per ordinary share of RM1 each amounting to RM1,971,083 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 2014.

34. 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.

34. RELATED PARTY DISCLOSURES (cont'd)

(b) Related party transactions and balances

The transactions with subsidiaries are as follows:-

	Company 2013 RM	Company 2012 RM
Dividend received/receivable from subsidiaries	(3,871,500)	(3,402,000)
Management fees received/receivable from subsidiaries	(1,067,037)	(1,045,411)
Management fees paid/payable to subsidiaries	37,354	36,605
Rental of motor vehicles paid/payable to a subsidiary	112,800	88,875
Rental of premises paid/payable to a subsidiary	80,900	78,900

The transactions with associates are as follows:-

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Purchases from an associate	6,892,300	8,020,000	–	–
Management fees received/ receivable from an associate	(187,925)	(182,073)	(122,232)	(122,236)
Rental of premises received/ receivable from associates	(51,200)	(37,666)	–	–

Information regarding outstanding balances arising from related party transactions are disclosed in Notes 20, 21 and 29.

(c) Compensation of key management personnel

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

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

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Short term employee benefits (including benefits-in-kind)	2,786,465	3,140,114	713,378	940,723
Post-employment benefits	272,377	282,413	60,156	82,008
	3,058,842	3,422,527	773,534	1,022,731

35. CAPITAL COMMITMENT

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Intangible assets				
- Approved and contracted for	942,348	882,615	–	–

36. CONTINGENT LIABILITIES

	Company 2013 RM	Company 2012 RM
In respect of corporate guarantees given by the Company to financial institutions for banking and credit facilities granted to the subsidiaries	7,508,092	9,127,108

37. SEGMENT INFORMATION

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

Information and Communication Technology	Inclusive of Telematics and navigation products and services, telecommunication products, Geographical Information System (GIS) development and research businesses.
Telecommunication, Infrastructure and Services	Inclusive of installation, testing and commissioning of utilities, telecommunication and fibre optic cables and associated civil works 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 of the segment.

37. SEGMENT INFORMATION (cont'd)

(a) Operating Segment

Group	Note	Information and Communication Technology RM	Telecommunication, Infrastructure and Services RM	Others RM	Eliminations RM	Consolidated RM
2013						
Segment Revenue						
External revenue		37,325,064	2,935,909	187,925	–	40,448,898
Inter-segment revenue	(i)	3,449,912	–	5,345,859	(8,795,771)	–
Total revenue		40,774,976	2,935,909	5,533,784	(8,795,771)	40,448,898
Segment Results						
Interest income		97,163	88,505	121,147	–	306,815
Interest expense		(70,484)	(7,196)	(343,382)	–	(421,062)
Depreciation of property, plant and equipment		(494,934)	(71,196)	(341,400)	–	(907,530)
Amortisation of intangible assets		(1)	–	–	–	(1)
Share of results of associates		104,990	(5,067)	–	–	99,923
Other non-cash items	(ii)	96,302	(51,885)	135,796	–	180,213
Segment profit/(loss) before taxation		3,425,147	(231,107)	(1,300,211)	–	1,893,829
Tax (expense)/credit		(660,132)	12,755	43,800	–	(603,577)
Segment Assets						
Additions to non-current assets other than financial instruments and deferred tax assets		521,508	606,504	309,747	–	1,437,759
Total segment assets		27,988,461	5,210,318	28,996,150	–	62,194,929
Segment Liabilities						
Total segment liabilities		7,831,758	1,312,230	8,246,240	–	17,390,228

37. SEGMENT INFORMATION (cont'd)

(a) Operating Segment (cont'd)

Group	Note	Information and Communication Technology RM	Telecommunication, Infrastructure and Services RM	Others RM	Eliminations RM	Consolidated RM
2012						
Segment Revenue						
External revenue		53,937,223	1,446,581	182,073	–	55,565,877
Inter-segment revenue	(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 of property, plant and equipment		(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	(ii)	(1,302,145)	7,797	214,703	–	(1,079,645)
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

37. SEGMENT INFORMATION (cont'd)

(a) Operating Segment (cont'd)

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

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

	Group	
	2013 RM	2012 RM
Bad debts written off	63,414	–
Development costs written off	–	1,236,605
Impairment loss on property, plant and equipment	94,686	70,997
Inventories written off	–	59,416
Loss/(Gain) on foreign exchange- unrealised	32,484	(8,330)
Net provision/(reversal of provision) for employee benefits	4,528	(90,260)
Property, plant and equipment written off	3,156	–
Net fair value gain on held for trading investments	(66,257)	(16,565)
Gain on disposal of property, plant and equipment	(173,658)	(142,891)
Reversal of provision for warranty costs	(138,566)	(29,327)
	(180,213)	1,079,645

(b) Geographical Segment

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

	Group	
	2013 RM	2012 RM
Malaysia	40,448,898	55,565,877

Non-current assets are all located in Malaysia.

(c) Information about Major Customers

Revenue from major customers of the Group amounted to RM33,324,039 (2012: RM50,358,593) arising from sales by the Information and Communication Technology segment.

38. SIGNIFICANT EVENTS

(a) On 29 April 2013, the Company disposed of its entire shareholding in Amtel Networks Sdn. Bhd. ("ANSB") comprising 200,000 ordinary shares of RM1 each to the Company's wholly-owned subsidiary, Amtel Resources Sdn. Bhd. ("ARSB") for a cash consideration of RM1.

On the same date, ARSB acquired an additional 5% equity interest in ANSB comprising 25,000 ordinary shares of RM1 each for a cash consideration of RM1 from an existing shareholder of ANSB. As a result of this acquisition, ARSB holds 45% equity interest in ANSB.

On 2 May 2013, ANSB increased its paid up share capital from 500,000 ordinary shares of RM1 each to 600,000 ordinary shares of RM1 each whereby ARSB has proportionately subscribed for its 45% equity interest comprising 45,000 ordinary shares of RM1 each for a cash consideration of RM45,000.

38. SIGNIFICANT EVENTS (cont'd)

(b) On 11 July 2013, the Company disposed of its entire shareholding comprising 100,000 ordinary shares of RM1 each, representing 100% equity interests in Ideal Move Capital Sdn. Bhd. ("IMCSB") for a cash consideration of RM2. Following the disposal, IMCSB ceased to be the subsidiary of the Company.

(c) On 31 October 2013, the Company acquired the remaining 49.75% equity interest in Topweb Sdn. Bhd. ("TWSB") for a cash consideration of RM135,000. Consequently, TWSB is a wholly-owned subsidiary of the Company.

(d) On 21 November 2013, the Company's wholly-owned subsidiary, Amtel Cellular Sdn. Bhd. ("AMCSB") has entered into a Shareholders' and Joint Venture Agreement ("JV Agreement") with Asia World Technology Pte. Ltd. ("AWT") to establish a joint venture company ("JV Company") in Singapore with the objectives of penetrating into Singapore market on navigation for auto and mobile industry and develop and own high quality Singapore map data to be used for both navigation and web based portal applications. The JV Company, namely Amtel Pte. Ltd. ("APL"), a private limited company was incorporated on 3 December 2013. Pursuant to this JV Agreement, AMCSB and AWT each holds 70% and 30% equity interest in APL respectively.

39. 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.

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.

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

(a) Credit Risk (cont'd)

Financial guarantee (cont'd)

The maximum exposure to credit risk amounts to RM7,513,995 (2012: RM9,127,108; 1.12.2011: 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 maintain sufficient levels of cash and available banking facilities at a reasonable level to their overall debt position to meet their working capital requirement.

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.

2013	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
Group						
Financial liabilities:-						
Trade payables	5,233,065	5,233,065	5,233,065	–	–	–
Other payables and accruals	2,332,688	2,332,688	2,332,688	–	–	–
Term loan	7,289,091	8,788,037	985,692	985,692	2,957,076	3,859,577
Finance lease payables	930,187	1,011,716	305,055	293,484	413,177	–
Bank overdrafts	78,567	78,567	78,567	–	–	–
Bankers' acceptance	219,000	220,554	220,554	–	–	–
	16,082,598	17,664,627	9,155,621	1,279,176	3,370,253	3,859,577
Company						
Financial liabilities:-						
Other payables and accruals	414,676	414,676	414,676	–	–	–

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

(b) Liquidity Risk (cont'd)

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

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

2012	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
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	419,064	327,714	608,214	–
Bank overdrafts	55,970	55,970	55,970	–	–	–
Bankers' acceptance	1,102,933	1,109,887	1,109,887	–	–	–
	21,355,281	23,306,736	13,233,357	1,001,873	2,851,680	6,219,826
Company						
Financial liabilities:-						
Other payables and accruals	893,304	893,304	893,304	–	–	–
Amounts owing to subsidiaries	322,000	322,000	322,000	–	–	–
As at 1.12.2011						
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' acceptance	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	–	–	–

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

(c) Interest Rate Risk

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

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

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

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

Borrowings at floating rates amounting to RM7,586,658 (2012: RM9,107,455; 1.12.2011: RM1,315,539) expose the Group to cash flow interest rate risk whilst finance lease payables at fixed rate amounting to RM930,187 (2012: RM1,236,718; 1.12.2011: RM881,011) expose the Group to fair value interest rate risk.

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

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

If the interest rate had been 50 basis point higher/lower and all other variables held constant, the Group's profit net of tax for the financial year ended 30 November 2013 would decrease/increase by RM28,450 (2012: RM34,153) as a result of exposure to floating rate borrowings.

(d) Foreign Currency Risk

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

The Group has transactional currency exposures arising from purchases and direct costs that are denominated in currencies other than the respective functional currencies of Group entities, primarily RM. The foreign currencies in which these transactions are denominated are mainly USD, 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 RM208,477 (2012: RM224,838; 1.12.2011: RM400,420).

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

The Group believes that no reasonably possible changes in the risk variable could affect the results of the Group as the Group's financial instruments denominated in foreign currency are minimal.

(e) Market Risk

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

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

At the reporting date, if Bursa Malaysia KLCI had been 1% higher/lower, with all other variables held constant, the Group's profit net of tax would increase/decrease by RM37,600 (2012: RM3,106) as a result of increase/decrease in the fair value of investments in equity instrument classified as held for trading.

40. 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 floating rate borrowings are reasonable approximation of fair values.

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

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

	Group		Company	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
2013				
Financial Liabilities				
Finance lease payables	930,187	952,498	–	–
2012				
Financial Liabilities				
Finance lease payables	1,236,718	1,240,260	–	–
As at 1.12.2011				
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.

41. FAIR VALUE HIERARCHY

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

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

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

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

As at 30 November 2013, 30 November 2012 and as at 1 December 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

	2013		2012		As at 1.12 2011	
	Carrying Amount RM	Level 1 Fair Value RM	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	480,370	480,370	414,113	414,113	139,878	139,878
- Quoted unit trusts	4,533,024	4,533,024	–	–	4,155,835	4,155,835
Available-for-sale financial assets						
- Transferable club membership	250,000	250,000	250,000	250,000	250,000	250,000
- Unquoted shares	–	–	1,200,000	1,200,000	–	–
Company						
Available-for-sale financial assets						
- Transferable club membership	250,000	250,000	250,000	250,000	250,000	250,000
- Unquoted shares	–	–	1,200,000	1,200,000	–	–

During the financial year ended 30 November 2013, 30 November 2012 and as at 1 December 2011, there was no transfer between fair value measurement hierarchy.

42. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 30 November 2013 and 30 November 2012.

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

The Group monitors capital using a gearing ratio, which is net debts divided by total capital. Net debts comprise borrowings (including finance lease payables) less cash and cash equivalents (excluding bank overdrafts) whilst total capital is the total equity of the Group. The gearing ratio as at 30 November 2013 and 30 November 2012, which is within the Group's objectives of capital management are as follows:-

	Group	
	2013 RM	2012 RM
Total interest-bearing borrowings	8,516,845	10,344,173
Less: Cash and cash equivalents	(25,414,193)	(26,684,894)
Total net cash	(16,897,348)	(16,340,721)
Total equity	44,804,701	45,515,339
Debt to equity ratio (%)	*	*

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

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 2013 and 2012 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Securities") dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants.

The accumulated losses of the Group and of the Company as at 30 November 2013 and 30 November 2012 are analysed as follows:-

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Total accumulated losses of the Company and its subsidiaries:-				
- realised	(30,827,012)	(29,898,167)	(26,313,510)	(27,553,094)
- unrealised	(997,202)	(1,047,917)	–	–
	(31,824,214)	(30,946,084)	(26,313,510)	(27,553,094)
Total share of retained earnings/(accumulated losses) from associates:-				
- realised	835,459	735,536	–	–
	(30,988,755)	(30,210,548)	(26,313,510)	(27,553,094)
Less: Consolidation adjustments	21,209,237	21,193,062	–	–
Total accumulated losses	(9,779,518)	(9,017,486)	(26,313,510)	(27,553,094)

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 2013

Location	Description and Existing Use	Tenure	Lease Expiry Date	Land Area/ Built-up Area (sq. feet)	Date of Acquisition/ Completion	Approximate Age of Building (Years)	Net Book Value RM
Lot No. TH 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	11	84,407
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	11	135,151
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 Bandar 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	15	15,462,368
TOTAL							**15,850,643**

Analysis of Shareholdings

as at 31 March 2014

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	:	2,499

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	% of Issued Capital
1 - 99	397	15.90	15,803	0.03
100 - 1,000	288	11.52	231,977	0.47
1,001 - 10,000	1,476	59.06	4,639,781	9.42
10,001 - 100,000	278	11.12	8,593,339	17.44
100,001 - less than 5% of issued shares	58	2.32	27,632,041	56.07
5% and above of issued shares	2	0.08	8,164,125	16.57
Total	2,499	100.00	49,277,066	100.00

SUBSTANTIAL SHAREHOLDERS

AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2014

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

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

DIRECTORS' SHAREHOLDINGS

AS AT 31 MARCH 2014

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	1,624,566	3.30	55,300**	0.11
YTM. Tunku Dato' Seri Kamel BinTunku Rijaludin	200,000	0.41	–	–
Siow Hock Lee	65,333	0.13	614,333**	1.25
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 and its related corporations during the financial year to the extent that the Company has an interest.

Analysis of Shareholdings (cont'd)

TOP THIRTY LARGEST SECURITIES ACCOUNT HOLDERS
AS PER THE RECORD OF DEPOSITORS AS AT 31 MARCH 2014

	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.	HDM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lee Chye Khern	1,856,813	3.77
7.	Informational Sdn. Bhd.	1,800,000	3.65
8.	Ng Ah Chong	1,624,566	3.30
9.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sin Yong Lean	1,313,900	2.67
10.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Koid Hun Kian	1,180,700	2.40
11.	Koid Siang Loong	1,000,000	2.03
12.	Koid Siang Lunn	1,000,000	2.03
13.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt An for UBS AG Singapore	723,733	1.47
14.	Kang Khoon Seng	600,000	1.22
15.	Chen Bee Yoke	581,000	1.18
16.	Koid Suang Suang	500,000	1.01
17.	Ong Khiam Cheang	500,000	1.01
18.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Kim Ser	484,966	0.98
19.	Lim Tuan Guan	473,000	0.96
20.	Amerjeet Singh A/L Naib Singh	432,934	0.88
21.	Ng Weng Keong	403,200	0.82
22.	Tan Ah Lee	380,000	0.77
23.	Lim Bee Chin	323,000	0.66
24.	HLIB Nominees (Tempatan) Sdn. Bhd. EON Bank Berhad for Lee Chin Yen	316,000	0.64
25.	Tan Hong Cheng	315,000	0.63
26.	Ng Choy Yong	266,200	0.54
27.	HDM Nominees (Asing) Sdn. Bhd. UOB Kay Hian Pte. Ltd. for Tan Hian Theng	258,666	0.52
28.	Zeito Plastic Components Sdn. Bhd.	225,000	0.46
29.	Chew Boon Swee	220,000	0.45
30.	Chua Lee Guan	210,900	0.43
	Total	**31,275,036**	**63.47**

AMTEL HOLDINGS BERHAD (409449-A)
(Incorporated in Malaysia)

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

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

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

of ....

[FULL ADDRESS]

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

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

of ....

or failing him/her...

of ....

or failing him/her, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held at Bilik Petaling, Kelab Shah Alam Selangor, No. 1A Jalan Aerobik 13/43, Persiaran Kayangan, 40704 Shah Alam, Selangor Darul Ehsan on Thursday, 29 May 2014 at 10.00 a.m. and any adjournment thereof.

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

No.	Ordinary Resolution	For	Against
1.	Declaration of a first and final single tier dividend of 4.0 sen per ordinary share		
2.	Approval of the payment of Directors' fees		
3.	Re-election of Dato' Koid Hun Kian as Director		
4.	Re-election of Mr. Siow Hock Lee as Director		
5.	Re-appointment of Messrs. Baker Tilly 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		

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

No. of Shares held	

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

....
Signature/Common Seal

Dated this........................... day of.............................2014

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 22 May 2014 shall be entitled to attend, speak and vote at this meeting.
2. A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised in that behalf, and shall be deposited at the Registered Office of the Company at No. 7, Jalan PJS 7/19, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding this meeting or adjourned meeting.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless the proportion of holdings represented by each proxy is specified.
5. A member shall be entitled to appoint more than one (1) proxy to attend and vote at this meeting provided that the provisions of Section 149(1)(c) of the Act are complied with.
6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
7. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

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AFFIX
STAMP

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

Please fold here

AMTEL HOLDINGS BERHAD (409449-A)
No.7, Jalan PJS 7/19, Bandar Sunway
47500 Subang Jaya, Selangor Darul Ehsan
Tel: 603-5632 2449 Fax: 603-5637 0042

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