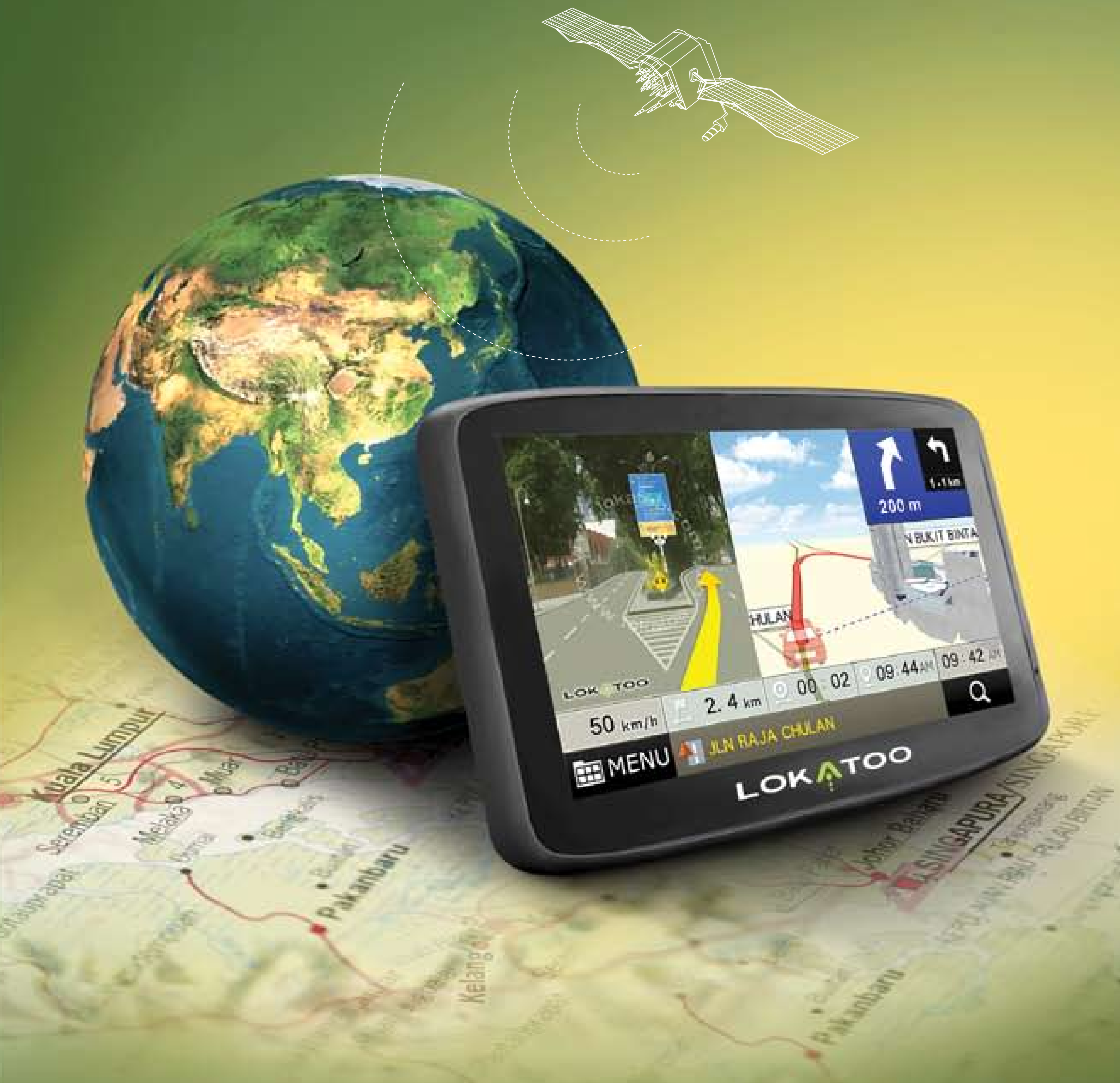
AMTEL HOLDINGS BERHAD

Incorporated In Malaysia (409449-A)



ANNUAL REPORT **2011**

CONTENTS

NOTICE
of the Fifteenth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting ("15th AGM") of Amtel Holdings Berhad ("AHB" or "Company") will be held at Bilik Selangor, Kelab Shah Alam Selangor, No. 1A, Jalan Aerobik 13/43, Persiaran Kayangan, 40704 Shah Alam, Selangor Darul Ehsan on Wednesday, 30 May 2012 at 10.00 a.m. for the purpose of transacting the following businesses:-

AGENDA

1. To receive and adopt the Audited Financial Statements for the financial year ended 30 November 2011 together with the Reports of the Directors and Auditors thereon.

   Please refer to Explanatory Note 1 on Ordinary Business

2. To approve the Directors' fees of RM170,000.00 for the financial year ended 30 November 2011.

   Resolution 1

3. 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. Mr. Wong Tuck Kuan **Resolution 2**

   ii. Mr. Chang Pak Hing **Resolution 3**

4. To re-appoint Messrs. Moore Stephens AC as Auditors of the Company and to authorise the Directors to fix their remuneration.

   Resolution 4

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

5. **Ordinary Resolution**
   Authority to allot and issue shares

   "**THAT**, subject always to the Companies Act, 1965, 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 Companies Act, 1965 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."

   Resolution 5

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

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

Petaling Jaya
7 May 2012

NOTICE of the Fifteenth Annual General Meeting *(cont'd)*

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 May 2012 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 PJS7/19, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding this meeting or adjourned meeting.*

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 Companies Act, 1965 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 in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

Explanatory Notes on Ordinary Business:

1. *This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 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 2 and Resolution 3 are stated in Profile of Directors on pages 6 to 8 of this Annual Report. Their securities holdings in the Company are stated on page 103 of this Annual Report.*

Explanatory Notes on Special Business:

Resolution 5 – Authority to allot and issue shares

The Company had at its 14th Annual General Meeting ("AGM") held on 30 May 2011 obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 132D of the Companies Act, 1965. The Company did not issue any shares pursuant to this mandate as at the date of this notice.

The proposed Ordinary Resolution No. 5 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 15th 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. Siow Hock Lee
Independent Non-Executive Director

Mr. Chang Pak Hing
Independent Non-Executive Director

Mr. Ng Ah Chong
Non-Independent Executive Director

Mr. Wong Tuck Kuan
Non-Independent Executive Director

COMPANY SECRETARIES

Ms. Chan Phooi Sze
(MAICSA 7051780)

Ms. Hoh Yit Foong
(LS 0018)

AUDITORS

Moore Stephens AC
A-37-1 Level 37
Menara UOA Bangsar
No. 5 Jalan Bangsar Utama 1
59000 Kuala Lumpur
Tel : (603) 2302 1888
Fax : (603) 2302 1999

REGISTERED OFFICE

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

SHARE REGISTRARS

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

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

WEBSITE ADDRESS

www.amtel.com.my

GROUP
Corporate Structure

AMTEL HOLDINGS BERHAD

Information & Communication

- **100%** Amtel Cellular Sdn. Bhd.
  - **68%** AmNavi Sdn. Bhd.
  - **35%** Milan Utama Sdn. Bhd.
- **100%** Amtel Communications Sdn. Bhd.

Telecommunication Equipment & Services

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

Others

- **100%** AAV Industries Sdn. Bhd.
- **100%** Amtel Group Sdn. Bhd.
- **100%** Amtel Technology Sdn. Bhd.
- **100%** Ideal Move Capital Sdn. Bhd.
- **100%** Metrarama Sdn. Bhd.
- **50.25%** Topweb Sdn. Bhd.
- **40%** Amtel Networks Sdn. Bhd.

PROFILE
of Directors

YTM. TUNKU DATO' SERI KAMEL BIN TUNKU RIJALUDIN

(Independent Non-Executive Chairman)

YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin, a Malaysian aged 58, was appointed 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. YTM. Tunku Dato' Seri Kamel is also an independent non-executive Chairman of Masterskill Education Group Berhad which is a public company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). He also sits on the Board of other private limited companies.

He does not have any family relationship with any director and/or major shareholder of AHB, nor has he any conflict of interest with AHB. He has no convictions for any offences within the past ten (10) years other than traffic offences. He attended all five (5) of the meetings of the Board held during the financial year ended 30 November 2011.

DATO' KOID HUN KIAN

(Group Managing Director)

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

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

He does not have any family relationship with any director and/or major shareholder of AHB, nor has he any conflict of interest with AHB, except that he is a substantial shareholder of AHB and Simfoni Kilat Sdn. Bhd., which is also a substantial shareholder of AHB. He has no convictions for any offences within the past ten (10) years other than traffic offences. He attended all five (5) of the meetings of the Board held during the financial year ended 30 November 2011.

PROFILE of Directors *(cont'd)*

NG AH CHONG

(Non-Independent Executive Director)

Mr. Ng Ah Chong, a Malaysian aged 69, is a Non-Independent Executive Director of AHB. He was appointed as a Director of AHB on 31 July 1997. Mr. Ng is also a director in a subsidiary company 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. He attended all five (5) of the meetings of the Board held during the financial year ended 30 November 2011.

SIOW HOCK LEE

(Independent Non-Executive Director)

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

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

Mr. Siow is presently an Independent Non-Executive Director of Caely Holdings Berhad and Green Ocean Corporation Berhad, both are public companies listed on the Main Market and ACE Market of Bursa Securities respectively.

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

He does not have any family relationship with any director and/or major shareholder of AHB, nor has he any conflict of interest with AHB. He has no convictions for any offences within the past ten (10) years other than traffic offences. He attended all five (5) of the meetings of the Board held during the financial year ended 30 November 2011.

PROFILE of Directors *(cont'd)*

WONG TUCK KUAN
(Non-Independent Executive Director)

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

Mr. Wong graduated with a Bachelor of Science degree in Electrical Engineering from the Montana State University, United States of America in 1984. He has more than twenty (20) years of working experience in project management, two-way 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 systems 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. He attended all of the five (5) Board meetings held during the financial year ended 30 November 2011.

CHANG PAK HING
(Independent Non-Executive Director)

Mr. Chang Pak Hing, a Malaysian aged 65, is an Independent and 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. He attended all of the five (5) Board meetings held during the financial year ended 30 November 2011.

PROFILE
of Group General Manager

TAN WOON HUEI
(Group General Manager)

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

Ms. Tan graduated with a Bachelor of Business Administration degree from University of Acadia, Canada in 1983. She joined as General Manager of Amtel Cellular Sdn. Bhd. ("AMCSB"), a major subsidiary of AHB engaged in the sale and marketing of navigation GPS 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 114,000 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.

CHAIRMAN'S
Statement

On behalf of the Board of Directors of Amtel Holdings Berhad, it gives me great pleasure to present to you the Annual Report and Audited Financial Statements of the Group and of the Company for the financial year ended 30 November 2011.

INDUSTRY OVERVIEW

2011 had been a challenging year for the auto industry and its related businesses. The earthquake that rocked Japan in early 2011 and the flash floods that hit Thailand had repercussions on the auto industry worldwide and Malaysia was no exception. On the local front, the production had experienced hiccups due to the delay in the supply of auto parts from Japan and/or Thailand. However, the woes for the supply of imported auto parts managed to ease in the second half of 2011 and production had since recovered some lost grounds with the launch of new models by our national car manufacturers to meet demand. Amidst this unfavourable business environment, total vehicle sales as released by Malaysia Automotive Association was 599,877 units, a marginal drop of 0.9% from 2010's 605,156 units.

The Information, Communication and Technology segment which is central to the Group's core business supplies Telematics related products to our local market. Being a key local supplier, sales in this segment has continued to grow due to the strong demand despite the setback faced by the automakers industry in general.

FINANCIAL RESULTS

For financial year 2011, the Group maintained its commendable performance by posting yet another consecutive year of profit.

The Group reported turnover of RM61.414 million, representing an increase of RM2.144 million or approximately 3.6% as compared to RM 59.270 million achieved in the preceding financial year 2010. The Group recorded profit before taxation ("PBT") of RM4.289 million for financial year 2011 compared to RM3.809 million registered in the preceding financial year 2010, representing a growth of approximately 12.6%. The improvement in PBT was mainly attributable to higher margin from the sale of new Telematics software and mapping products, reduction in finance costs and better profit contribution from the associated company.

Consequently, the Group's profit after tax improved by 6.2% to RM3.682 million as compared to RM3.468 million in the preceding year. The Group's total equity stood at RM41.247 million for the financial year under review compared with RM37.620 million in the previous financial year.

REVIEW OF PERFORMANCE

Information, Communications and Technology ("ICT") Segment

The ICT segment continued to be the major contributor to revenue and profit of the Group registering growth in both revenue and PBT. Segment revenue for the year under review increased by approximately 9.8% to RM60.308 million compared to RM54.880 million the year before. Correspondingly the PBT grew by 41.5% to RM4.735 million compared to the previous year of RM3.346 million.

The Telematics related products have contributed positively to the Group's performance ever since its commercialisation. During the financial year, the business expanded further due to the sales of our new Telematics software and mapping products.

Telecommunications, Infrastructure and Services Segment

Segment revenue for the year dropped to RM3.190 million as compared to RM4.729 million in the previous year. As a result, the segment closed the year with a modest PBT of RM22,633 compared to RM529,929 recorded in the preceding year.

The lower revenue and profit posted for the year under review was mainly due to lower sales reported by the subsidiary involved in the telecommunications infrastructure and civil works business. Business activities for infrastructure and fibre optic cable works took a slower pace due to the dearth of telecommunications cable

CHAIRMAN'S Statement *(cont'd)*

REVIEW OF PERFORMANCE *(cont'd)*

***Telecommunications, Infrastructure and Services Segment** (cont'd)*

projects in the market. Some of the civil works projects were shelved due to stiff competition and profit erosion caused by escalating costs of these projects. Despite the unfavourable market sentiment, the Management holds a positive view in securing new projects and expects a moderate performance in 2012.

During the year, the Group disposed of its 50.8% equity investments in Damansara Duta Sdn. Bhd. together with its wholly owned subsidiary, Talk Connect Sdn. Bhd.. Both companies are involved in the marketing of alternate telephony charges services. The disposal is in line with the Group's strategy to divest its non-core business to strengthen its financial position and stay focused in what it knows best. The sales revenue from both subsidiaries during the financial year accounted for 5% of the Group's turnover. Following the disposal, we expect lower revenue and profit contributions from the Telecommunications, Infrastructure and Services segment in future.

Other Segments

Business activities that contributed to this segment's revenue for the year mainly comprised investment holding and provisioning of management services. Segment revenue declined to RM2.098 million from RM3.551 million reported last year as a result of lesser sales of electronic components by a subsidiary engaged in the general trading business. Consequently, segment loss before tax for the current financial year slipped to RM468,507 compared to loss of RM67,011 for the previous year corresponding period. A point to note though – in the previous financial year, the results have been buoyed by a one-off gain of RM1,000,417 from the disposal of investment properties.

DIVIDEND

The Board of Directors does not recommend the payment of any dividend for the financial year ended 30 November 2011.

BUSINESS OUTLOOK AND FUTURE PROSPECTS

Globally, economists are predicting the economic growth for 2012 to subdue, given the world financial environment and political instability. Malaysia's automotive industry is bracing for a tougher 2012 following the stringent lending guidelines imposed by Bank Negara that came into effect from January 2012. Frost & Sullivan is projecting Malaysia's total industry volume for vehicle sales to grow by a subdued 1.2% in 2012 to 612,000 units due to uncertainties in the global economic outlook and concerns on domestic loan approval rates.

The Group remains cautious and has implemented various programs to improve operational efficiencies and productivity to face the future challenging business environment.

The Group will continue to expand the core business of the ICT segment. There are ongoing and new development activities set to take place to improve and enhance the quality and services of its Telematics products. Moving forward, the Group will continue to assess and unlock all new business opportunities to broaden its products and customers' base, with the objective of maximising long term growth and strengthening the shareholder's value.

Barring any unforeseen circumstances, the Group is confident of maintaining its earnings momentum and deliver positive growth in its performance for the next financial year.

ACKNOWLEDGMENTS

On behalf of the Board of Directors, I would like to extend our sincere appreciation to all our shareholders, valued customers, suppliers, business associates, bankers, fund managers and the relevant Government authorities for their continuous support and confidence in the Group. I wish to thank our management team and staff for their commitment and unwavering dedication which has contributed to another year of success. Last but not least, I wish to express my gratitude to my fellow directors for their dedication and valuable guidance rendered to the Group.

TUNKU DATO' SERI KAMEL
Chairman

STATEMENT
on Corporate Governance

THE CODE

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

BOARD OF DIRECTORS' COMMITMENT

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

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

(1) THE BOARD OF DIRECTORS

(a) The Role of the Board

The Board assumes the overall responsibility for corporate governance, strategic direction, formulation of policies, risk management and overseeing the investments and proper conduct of the Group's business.

The Board is assisted by three (3) Board Committees namely, the Audit Committee, the Nomination Committee and the Remuneration Committee all of which operate within clearly defined terms of reference. The respective committees report to the Board on issues considered and their recommendation thereon. The ultimate responsibility and the final decision on all matters rest with the Board.

(b) Board Balance and Composition

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

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

The above composition is in compliance with the Main Market Listing Requirements of Bursa Securities which require that one-third (1/3) of the Board should comprise independent non-executive directors.

The Board members with their different professional backgrounds and specialisations, collectively bring with them a vast range of experience in the field of trading, marketing, manufacturing, accounting, corporate affairs and management. A brief description of the background and profiles of the Directors is set out on page 6 to 8 of this Annual Report.

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

STATEMENT on Corporate Governance *(cont'd)*

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

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

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

(c) Board Meetings

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

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

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

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

Name of Director	Total 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

(d) Supply of Information

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

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

STATEMENT on Corporate Governance *(cont'd)*

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

(d) Supply of Information *(cont'd)*

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

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

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

(e) Appointment to the Board

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

The Nomination Committee comprises the following Directors:-

i) Mr. Chang Pak Hing (Chairman/Independent Non-Executive Director);

ii) YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin (Member/Independent Non-Executive Chairman); and

iii) Mr. Siow Hock Lee (Member/Independent Non-Executive Director).

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

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

The Nomination Committee met once during the financial year.

(f) Retirement and Re-election of Directors

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

STATEMENT on Corporate Governance *(cont'd)*

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

(g) Directors' Training

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

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

During the financial year, the seminars, forums and training programmes attended by the Directors are summarised as follows:-

Directors	Seminars/Training Programmes Attended
YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin	• Director's Duties Conference 2011
Mr. Siow Hock Lee	• Introduction to Malaysian Taxation Principles and Procedures: Workshop 4 – Employment Income • Introduction to Malaysian Taxation Principles and Procedures: Workshop 5 – Special Topics • Introduction to Malaysian Taxation Principles and Procedures: Workshop 6 – Tax Audits & Investigations • Tax Planning for Mergers & Acquisitions • Comprehensive Overview of Standards
Dato' Koid Hun Kian	• Director's Duties Conference 2011
Mr. Ng Ah Chong	• Corporate Governance Guide: Towards Boardroom Excellence • Sustainability Programme for Corporate Malaysia (Industry Sector: Trading Services & Industrial Products)
Mr. Chang Pak Hing	• Sustainability Programme for Corporate Malaysia (Industry Sector: Trading Services & Industrial Products)
Mr. Wong Tuck Kuan	• Sustainability Programme for Corporate Malaysia (Industry Sector: Trading Services & Industrial Products)

(h) Remuneration of Directors

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

STATEMENT on Corporate Governance *(cont'd)*

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

(h) Remuneration of Directors *(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.

The annual fees payable to the Directors is subject to the shareholders' approval at the AGM.

(i) Remuneration Committee

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

The Remuneration Committee comprises the following Directors:-

i) Mr. Siow Hock Lee (Chairman/Independent Non-Executive Director);

ii) YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin (Member/Independent Non-Executive Chairman); and

iii) Dato' Koid Hun Kian (Member/Group Managing Director).

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

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

The Remuneration Committee met once during the financial year.

(ii) Details of the Directors' Remuneration

The aggregate remuneration of the Company's Directors comprising remuneration received from the Company and subsidiary companies for the financial year ended 30 November 2011 categorised into appropriate components are as follows:-

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Fees	18	188
Salaries and Bonuses	685	-
Other Emoluments	83	-
Benefits-in-kind	31	-
Total	817	188

STATEMENT on Corporate Governance *(cont'd)*

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

(h) Remuneration of Directors *(cont'd)*

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

The number of Directors of the Company whose fees and remuneration for the financial year ended 30 November 2011 falls within the following bands are:-

	Number of Directors	
Range of Remuneration	**Executive**	**Non-Executive**
Below RM50,000	-	2
RM50,001 to RM100,000	-	1
RM100,001 to RM200,000	2	-
RM200,001 to RM500,000	1	-
Total	3	3

(2) RELATIONSHIP AND COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

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

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

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

(3) ACCOUNTABILITY AND AUDIT

(a) Financial Reporting

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

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

STATEMENT on Corporate Governance *(cont'd)*

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

(b) Internal Controls

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

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

The overview of the state of internal controls within the Group is provided in the Statement on Internal Control as set out on pages 25 to 27 of this Annual Report.

(c) Relationship with the Auditors

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

The 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 21 to 24 of this Annual Report.

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

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

In the process of preparing the financial statements of the Group and of the Company for the financial year ended 30 November 2011, the Directors have:-

- adopted appropriate accounting policies that are consistently applied;
- made judgements and estimates that are reasonable and prudent; and
- ensured that all applicable approved accounting standards have been followed.

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

STATEMENT on Corporate Governance *(cont'd)*

(5) OTHER COMPLIANCE INFORMATION

(a) Utilisation of proceeds raised from corporate proposal

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

(b) Share Buy-Back

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

(c) Option, Warrants or Convertibles Securities

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

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

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

(e) Sanctions and/or Penalties

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 RM14,204.00.

(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 given 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 properties which are measured at fair value.

STATEMENT on Corporate Governance *(cont'd)*

(6) CORPORATE SOCIAL RESPONSIBILITY (CSR) PRACTICES

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

(a) The Community

As a caring corporate citizen, the Group continues to contribute funds to charitable and welfare organisations and sponsorship for sporting event of association to raise funds for the under-privileged.

For the wellness of the communities, the Group has offered internship programme for students from local varsities and employed fresh graduates majoring in surveying science, geoinformatics and geomatic from UiTM, UTM, USM and UM for various posts in our Information, Communication and Technology business segment.

(b) The Workplace and Environment Health

As part of the human capital development, the Group has conducted various in-house training programmes focusing mainly on productivity and job related training to equip the employees with the required skills and knowledge. Staff has also attended other external training/seminars to further broaden their knowledge and keep them abreast with new relevant developments in furtherance of their duties effectively. During the financial year, in house blood test campaign and vaccination were carried out for the health betterment of the employees.

The Group values the importance of environmental and resources conservation. Recycling of office stationery and used papers and promoting good practices on energy saving are among some of the conservation measures taken by the Group.

AUDIT
Committee Report

COMPOSITION

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

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

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

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

*member of Malaysian Institute of Accountants

TERMS OF REFERENCE

1. Membership

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

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

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

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

2. Meetings

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

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

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

AUDIT Committee Report *(cont'd)*

TERMS OF REFERENCE *(cont'd)*

3. Authority

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

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

4. Functions

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

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

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

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

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

AUDIT Committee Report *(cont'd)*

SUMMARY OF ACTIVITIES

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

Name	**Attendance (No. of meetings)**
YTM. Tunku Dato' Seri Kamel bin Tunku Rijaludin	5/5
Mr. Siow Hock Lee	5/5
Mr. Chang Pak Hing	5/5

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

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

INTERNAL AUDIT FUNCTION

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

AUDIT Committee Report *(cont'd)*

INTERNAL AUDIT FUNCTION *(cont'd)*

The audit areas covered by PKM during the year are as follows:-

a) Telematics business unit that includes software development, surveying, mapping, market research and intelligence, customer relationship and human resources management. During the review of the business areas, they have established the respective risk areas, tolerance level and established internal controls evaluation procedures and subsequently carried out the compliance testing procedures.

b) PKM also re-visited the project business unit on the risk assessment and internal controls carried out in the year 2008. They have reviewed the operation management, marketing and business environment, human resource and administration, operation management in terms of systems, procedures and documentation and their sustainability.

The results of PKM's review were presented to the Audit Committee for discussion and deliberation. Risk areas that required immediate attention from the Management had been acted upon and mitigating action plans which have been or will be implemented are addressed accordingly. The outcome of the risk assessment exercise had been concluded satisfactorily.

STATEMENT
on Internal Control

INTRODUCTION

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

BOARD RESPONSIBILITY

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

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

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

RISK ASSESSMENT

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

The ongoing process is regularly reviewed by the Board and includes updating the system of internal controls when there are changes in the business environment or regulatory guidelines.

KEY ELEMENTS OF INTERNAL CONTROLS

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

- There is an organisation structure in place, which clearly defines lines of responsibility and delegation of authority for all aspects of the business;

- Management meetings are carried out by the Group Managing Director and/or Group General Manager together with Business Unit Heads/Divisional Heads to identify, discuss and resolve business development, operational, financial and corporate issues;

- Reviews are also conducted to ensure that actual performance is in compliance with the agreed 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;

- The Business Unit Heads/Divisional Heads are responsible for the identification and evaluation of significant risks applicable to their areas of business together with the design and operation of suitable internal control mechanism;

STATEMENT on Internal Control *(cont'd)*

KEY ELEMENTS OF INTERNAL CONTROLS *(cont'd)*

- Regular and comprehensive information are provided to management, covering financial performance and key business indicators, such as average collection term given to customers, average inventory holding days and cash flow performance;

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

- The systems of internal controls are monitored internally by the Group Managing Director and Group General Manager and the Finance Department.

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

INTERNAL AUDIT FUNCTION

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

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

- To ensure the reliability, quality, integrity, completeness and timeliness of the financial and operational information; reporting system is in place.

- To ensure the adequacy and effectiveness of the Group's systems of internal controls; and

- To provide reasonable but not absolute assurance against the risk of material misstatements in the financial statements of the Company and of the Group.

The duties of the Internal Auditor are as follows:-

- To audit all business units and operations, including the following:-
    - Review of the adequacy of operational controls;
    - Management of Group's assets; and
    - Quality of management information systems and other systems of accounting controls within the Group.

- To develop an audit risk profile that identifies the high risk areas categorised by the Group entities and its functional area;

- To provide timely, accurate and complete information to the Audit Committee covering the financial and operational performance of all business units and the Group as a whole;

- To carry out regular visits to operating units which aims to monitor compliance with procedures and controls and assess the integrity of financial information; and

- To conduct investigations with regard to specific areas of concern as and when requested by the Audit Committee and the Management.

STATEMENT on Internal Control *(cont'd)*

INTERNAL AUDIT FUNCTION *(cont'd)*

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

During the financial year, the Audit Committee continued to outsource the internal audit function of the Group to an external firm of consultants, PKM. The main objective of PKM is to carry out review of the risk assessment and the internal control systems of the Group and provide the Audit Committee with the assurance on their adequacy and effectiveness. PKM reports directly to the Audit Committee and carry out audits in accordance with the internal audit plans as approved by the Audit Committee.

The audit areas covered by PKM during the year are as follows:-

a) Telematics business unit that includes software development, surveying, mapping, market research and intelligence, customer relationship and human resources management. During the review of the business areas, they have established the respective risk areas, tolerance level and established internal controls evaluation procedures and subsequently carried out the compliance testing procedures.

b) PKM also re-visited the project business unit on the risk assessment and internal controls carried out in the year 2008. They have reviewed the operation management, marketing and business environment, human resource and administration, operation management in terms of systems, procedures and documentation and their sustainability.

The results of PKM's review were presented to the Audit Committee for discussion and deliberation. Risk areas that required immediate attention from the Management had been acted upon and mitigating action plans which have been or will be implemented are addressed accordingly. The outcome of the risk assessment exercise had been concluded satisfactorily. The total costs incurred by the internal audit function in respect of the financial year ended 30 November 2011 was RM51,720.00.

CONCLUSION

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

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

REPORTS AND FINANCIAL STATEMENTS

for the year ended 30 November 2011

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 2011.

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/(Loss) net of tax	3,682,158	(1,598,091)
Attributable to:-		
Owners of the parent	3,632,461	(1,598,091)
Non-controlling interests	49,697	-
	3,682,158	(1,598,091)

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year.

ISSUE OF SHARES

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

DIRECTORS

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

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

DIRECTORS' Report *(cont'd)*

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares of RM1 each			
	At 1.12.10	**Bought**	**Sold**	**At 30.11.11**
Interest in the Company				
Direct interest				
Dato' Koid Hun Kian	9,277,588	1,217,300	(2,500,000)	7,994,888
Ng Ah Chong	1,066,666	-	-	1,066,666
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	5,394,270 *	2,500,000	-	7,894,270 *
Ng Ah Chong	55,300 **	-	-	55,300 **
Siow Hock Lee	33,333 **	-	-	33,333 **

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

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

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

DIRECTORS' BENEFITS

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

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

DIRECTORS' Report *(cont'd)*

RESERVES AND PROVISIONS

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

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

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

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

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

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

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

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

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

In the opinion of the Directors:-

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

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

DIRECTORS' Report *(cont'd)*

SIGNIFICANT EVENTS

Significant events arising during the financial year are disclosed in Note 37 to the financial statements.

AUDITORS

The auditors, Messrs. Moore Stephens 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 2012.

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 101, are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 November 2011 and of their financial performance and cash flows for the year then ended.

The supplemental information set out in Note 42 to the financial statements 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 2012.

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 the financial statements as set out on pages 36 to 101, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at
Puchong in the state of Selangor Darul Ehsan
on 20 March 2012

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 2011 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 year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 36 to 101.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and 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 control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 November 2011 and of their financial performance and cash flows for the year then ended.

INDEPENDENT Auditors' Report *(cont'd)*

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purpose of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 42 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad ("Bursa Securities") and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information 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 Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Securities. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Securities.

OTHER MATTERS

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

MOORE STEPHENS AC
AF 001826
Chartered Accountants

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

Kuala Lumpur
20 March 2012

STATEMENTS
of Comprehensive Income
for the year ended 30 November 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Operating revenue	4	**61,414,006**	59,269,703	**1,592,660**	1,787,730
Cost of sales	5	**(46,041,733)**	(45,890,268)	**-**	-
Gross profit		**15,372,273**	13,379,435	**1,592,660**	1,787,730
Other operating income		**971,632**	1,926,160	**65,552**	300,602
Distribution expenses		**(1,667,177)**	(1,133,967)	**-**	-
Administrative expenses		**(7,631,283)**	(8,032,851)	**(1,429,796)**	(1,315,716)
Other operating expenses		**(2,770,630)**	(2,053,465)	**(1,826,507)**	(1,460,276)
		(12,069,090)	(11,220,283)	**(3,256,303)**	(2,775,992)
Profit/(Loss) from operations		**4,274,815**	4,085,312	**(1,598,091)**	(687,660)
Finance costs		**(172,819)**	(316,188)	**-**	-
		4,101,996	3,769,124	**(1,598,091)**	(687,660)
Share of results of associates		**187,316**	39,469	**-**	-
Profit/(Loss) before tax	6	**4,289,312**	3,808,593	**(1,598,091)**	(687,660)
Tax expense	7	**(607,154)**	(340,444)	**-**	-
Profit/(Loss) net of tax, representing total comprehensive income for the year		**3,682,158**	3,468,149	**(1,598,091)**	(687,660)

	Note	Group 2011 RM	Group 2010 RM
Profit attributable to:-			
Owners of the parent		**3,632,461**	3,847,191
Non-controlling interests		**49,697**	(379,042)
		3,682,158	3,468,149
Total comprehensive income attributable to:-			
Owners of the parent		**3,632,461**	3,847,191
Non-controlling interests		**49,697**	(379,042)
		3,682,158	3,468,149
Basic earnings per share (sen)	8	**7.37**	7.81

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

STATEMENTS
of Financial Position
as at 30 November 2011

	Note	Group 2011 RM	Group 2010 RM (Restated)	Group As at 1.12.2009 RM (Restated)	Company 2011 RM	Company 2010 RM
ASSETS						
Non-current assets						
Property, plant and equipment	9	**1,769,158**	2,742,822	2,875,195	**33,211**	13,508
Investment in subsidiaries	10	**-**	-	-	**18,540,207**	18,540,207
Investment in associates	11	**337,636**	112,520	73,051	**-**	-
Intangible assets	12	**1,643,867**	316,838	506,939	**-**	-
Other investments	13	**1,450,000**	1,291,000	1,291,000	**1,450,000**	1,291,000
Other receivables, deposits and prepayments	18	**-**	314,902	983,650	**-**	314,902
Investment properties	14	**168,717**	168,717	13,514,280	**-**	-
Deferred tax assets	15	**361,500**	900,000	900,000	**-**	-
		5,730,878	5,846,799	20,144,115	**20,023,418**	20,159,617
Current assets						
Inventories	16	**1,895,977**	5,930,777	2,749,305	**-**	-
Other investments	13	**4,295,713**	4,310,637	426,996	**-**	-
Trade receivables	17	**11,273,473**	12,888,744	11,977,722	**-**	-
Dividend receivables		**-**	-	-	**-**	479,006
Other receivables, deposits and prepayments	18	**2,772,473**	2,959,519	2,379,700	**413,013**	852,064
Tax assets	19	**185,022**	127,195	57,311	**-**	-
Amounts owing by subsidiaries	20	**-**	-	-	**2,618,394**	4,509,095
Amounts owing by associates	21	**25,298**	462,750	538,436	**4,298**	38,468
Cash deposits with licensed banks	22	**9,303,020**	10,830,193	3,706,074	**-**	-
Cash and bank balances		**19,570,934**	8,796,007	5,749,146	**2,068,890**	481,417
		49,321,910	46,305,822	27,584,690	**5,104,595**	6,360,050
Non-current assets held for sale	23	**-**	-	2,155,526	**-**	-
		49,321,910	46,305,822	29,740,216	**5,104,595**	6,360,050
TOTAL ASSETS		**55,052,788**	52,152,621	49,884,331	**25,128,013**	26,519,667

STATEMENTS of Financial Position *(cont'd)*

as at 30 November 2011

	Note	Group 2011 RM	Group 2010 RM (Restated)	Group As at 1.12.2009 RM (Restated)	Company 2011 RM	Company 2010 RM
EQUITY AND LIABILITIES						
Equity						
Share capital	24	**49,277,066**	49,277,066	49,277,066	**49,277,066**	49,277,066
Reserves	25	**(8,141,795)**	(11,933,256)	(15,780,447)	**(24,620,623)**	(23,181,532)
Equity attributable to owners of the parent		**41,135,271**	37,343,810	33,496,619	**24,656,443**	26,095,534
Non-controlling interests		**111,391**	275,909	654,951	**-**	-
Total Equity		**41,246,662**	37,619,719	34,151,570	**24,656,443**	26,095,534
Liabilities						
Non-current liabilities						
Finance lease payables	26	**578,213**	670,814	846,699	**-**	-
Deferred tax liabilities	27	**17,049**	13,936	12,876	**-**	-
		595,262	684,750	859,575	**-**	-
Current liabilities						
Trade payables	28	**7,569,510**	7,709,409	6,413,111	**-**	-
Other payables, deposits and accruals	29	**2,675,326**	2,679,453	3,927,254	**317,829**	248,504
Amounts owing to subsidiaries	20	-	-	-	**-**	21,098
Provisions	30	**1,164,780**	1,148,940	826,318	**153,255**	154,045
Bank borrowings	31	**1,315,539**	1,856,378	3,213,385	**-**	-
Finance lease payables	26	**302,798**	240,231	219,081	**-**	-
Tax liabilities		**182,911**	213,741	274,037	**486**	486
		13,210,864	13,848,152	14,873,186	**471,570**	424,133
Total liabilities		**13,806,126**	14,532,902	15,732,761	**471,570**	424,133
TOTAL EQUITY AND LIABILITIES		**55,052,788**	52,152,621	49,884,331	**25,128,013**	26,519,667

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 year ended 30 November 2011

	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
		<-- Attributable to Owners of the Parent -->						
		<------Non Distributable ----->						
At 1.12.09		49,277,066	4,774,665	-	(20,555,112)	33,496,619	654,951	34,151,570
Total comprehensive income for the year		-	-	-	3,847,191	3,847,191	(379,042)	3,468,149
At 30.11.10/1.12.10		49,277,066	4,774,665	-	(16,707,921)	37,343,810	275,909	37,619,719
Effect of adopting FRS 139		-	-	159,000	-	159,000	-	159,000
At 1.12.10 (restated)		49,277,066	4,774,665	159,000	(16,707,921)	37,502,810	275,909	37,778,719
Total comprehensive income for the year		-	-	-	3,632,461	3,632,461	49,697	3,682,158
Disposal of subsidiaries	10	-	-	-	-	-	(214,215)	(214,215)
At 30.11.11		**49,277,066**	**4,774,665**	**159,000**	**(13,075,460)**	**41,135,271**	**111,391**	**41,246,662**

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 year ended 30 November 2011

		Non- <------- Distributable ------->			
	Share Capital RM	**Share Premium RM**	**Fair Value Adjustment Reserve RM**	**Accumulated Losses RM**	**Total Equity RM**
At 1.12.09	49,277,066	4,774,665	-	(27,268,537)	26,783,194
Total comprehensive income for the year	-	-	-	(687,660)	(687,660)
At 30.11.10/1.12.10	49,277,066	4,774,665	-	(27,956,197)	26,095,534
Effect of adopting FRS 139	-	-	159,000	-	159,000
At 1.12.10 (restated)	49,277,066	4,774,665	159,000	(27,956,197)	26,254,534
Total comprehensive income for the year	-	-	-	(1,598,091)	(1,598,091)
At 30.11.11	**49,277,066**	**4,774,665**	**159,000**	**(29,554,288)**	**24,656,443**

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

STATEMENTS
of Cash Flows
for the year ended 30 November 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Cash flows from operating activities					
Profit/(Loss) before tax		**4,289,312**	3,808,593	**(1,598,091)**	(687,660)
Adjustments for:-					
Amortisation of intangible assets		**190,101**	190,101	**-**	-
Bad debts written off		**28,800**	5,341	**-**	-
Depreciation of property, plant and equipment		**696,567**	868,897	**11,127**	6,246
Dividend income from other investments		**(116,567)**	(34,562)	**-**	-
Dividend income from fixed income fund		**(216,583)**	(71,049)	**(19,263)**	(24,139)
Gain on disposal of non-current assets held for sale		**-**	(1,000,417)	**-**	-
Loss/(Gain) on disposal of property, plant and equipment		**129,807**	(21,025)	**-**	-
Impairment loss on amounts owing by subsidiaries		**-**	-	**1,527,151**	1,176,719
Impairment loss on trade receivable		**2,517**	-	**-**	-
Interest expense		**172,819**	316,118	**-**	-
Interest income		**(322,332)**	(460,109)	**(46,289)**	(276,463)
Inventories written off		**-**	2,736	**-**	-
Gain on disposal of subsidiaries	10	**(41,819)**	-	**-**	-
Net provision for employee benefits		**(40,137)**	62,688	**(790)**	57,784
Provision for warranty costs		**87,004**	297,537	**-**	-
Property, plant and equipment written off		**3**	-	**-**	-
Reversal of impairment loss on trade receivables		**-**	(39,992)	**-**	-
Share of results of associates		**(187,316)**	(39,469)	**-**	-
Unrealised loss on foreign exchange		**13,549**	43,856	**-**	-
Net fair value loss on held for trading investments		**131,491**	150,921	**-**	-
Operating profit/(loss) before working capital changes carried down		**4,817,216**	4,080,165	**(126,155)**	252,487

STATEMENTS of Cash Flows *(cont'd)*

for the year ended 30 November 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Operating profit/(loss) before working capital changes brought down		**4,817,216**	4,080,165	**(126,155)**	252,487
Decrease/(Increase) in inventories		**4,034,800**	(3,184,208)	**-**	-
Decrease/(Increase) in trade and other receivables		**1,769,332**	(787,442)	**1,232,959**	448,949
(Decrease)/Increase in trade and other payables		**(51,940)**	(35,587)	**69,325**	45,540
Cash generated from operations		**10,569,408**	72,928	**1,176,129**	746,976
Interest paid		**(172,819)**	(316,118)	**-**	-
Interest received		**322,332**	460,109	**46,289**	276,463
Income tax refunded		**340**	3,232	**-**	3,232
Income tax paid		**(184,606)**	(472,796)	**-**	-
Net cash from/(used in) operating activities		**10,534,655**	(252,645)	**1,222,418**	1,026,671
Cash flows from investing activities					
Addition in held for trading investment		**4,706**	-	**-**	-
Addition in intangible assets		**(1,517,130)**	-	**-**	-
Additional investment in associates		**(37,800)**	-	**-**	-
Repayment from/(Advances to) subsidiaries		**-**	-	**363,550**	(1,595,567)
Dividend income from other investments		**116,567**	34,562	**-**	-
Dividend income from fixed income fund		**216,583**	71,049	**19,263**	24,139
Dividend received from subsidiaries		**-**	-	**-**	7,500,000
Placement of pledged cash deposits		**(151,016)**	(4,626,900)	**-**	-
Proceeds from disposal of subsidiaries, net of cash disposed of	10	**36,013**	-	**-**	-
Proceeds from disposal of non-current assets held for sale		**-**	16,501,506	**-**	-
Proceeds from disposal of property, plant and equipment		**650,720**	44,526	**-**	9,483
Purchase of property, plant and equipment	9	**(260,930)**	(695,025)	**(30,830)**	(18,524)
Repayment from/(Advances to) associates		**437,452**	75,686	**34,170**	(6,457)
Net cash (used in)/from investing activities carried down		**(504,835)**	11,405,404	**386,153**	5,913,074

STATEMENTS of Cash Flows *(cont'd)*

for the year ended 30 November 2011

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Net cash (used in)/from investing activities carried down		**(504,835)**	11,405,404	**386,153**	5,913,074
Cash flows from financing activities					
Repayment to subsidiaries		**-**	-	**(21,098)**	(7,500,000)
(Net repayment)/drawdown of bankers' acceptance		**(233,000)**	450,149	**-**	-
Payment of finance lease payables		**(277,034)**	(219,735)	**-**	-
Repayment of term loans		**-**	(1,898,106)	**-**	-
Net cash used in financing activities		**(510,034)**	(1,667,692)	**(21,098)**	(7,500,000)
Net increase/(decrease) in cash and cash equivalents		**9,519,786**	9,485,067	**1,587,473**	(560,255)
Effects of foreign exchange rate changes		**6,064**	2,625	**-**	-
Cash and cash equivalents at beginning of the year		**17,575,088**	8,087,396	**481,417**	1,041,672
Cash and cash equivalents at end of the year	32	**27,100,938**	17,575,088	**2,068,890**	481,417

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 2011

1. CORPORATE INFORMATION

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

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

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

The financial statements were authorised for issue in accordance with a resolution passed at the Board of Directors' meeting held on 20 March 2012.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

New and revised FRSs, Amendments to FRSs, Issues Committee ("IC") Interpretations and Technical Release ("TR") adopted

On 1 December 2010, the Group and the Company adopted new and revised FRSs, Amendments to FRSs, IC Interpretations and TR as follows:-

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs
FRS 127	Consolidated and Separate Financial Statements (Revised)
FRS 139	Financial Instruments: Recognition and Measurement

Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2 Share-based Payment
Amendments to FRS 2 Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 132 Financial Instruments: Presentation
Amendments to FRS 138 Intangible Assets

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

30 November 2011

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

(a) Statement of compliance *(cont'd)*

New and revised FRSs, Amendments to FRSs, Issues Committee ("IC") Interpretations and Technical Release ("TR") adopted *(cont'd)*

Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments : Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives

Amendments to FRSs contained in the document entitled "Improvements to FRSs (2009)"

IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

TR i-3	Presentation of Financial Statements of Islamic Financial Institutions

The adoption of the above FRSs, Amendments to FRSs, IC Interpretations and TR does not have any effect on the financial statements of the Group and of the Company except for those discussed below.

FRS 7 Financial Instruments: Disclosures

Prior to 1 December 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 30 November 2011.

FRS 3 Business Combinations (Revised) and FRS 127 Consolidated and Separate Financial Statements (Revised)

The revised FRS 3 introduces a number of significant changes to the accounting for business combinations with greater use of fair value. These changes include recognising all acquisition-related costs as expense, measuring any pre-existing interest at fair value and allowing measurement of non-controlling interest (previously known as minority interest) at either fair value or at its proportionate share of the acquiree's net identifiable assets. The revised FRS 127 requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group losses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the non-controlling interests to be absorbed by minority shareholders instead of by the parent even if the losses exceed the non-controlling interests in the subsidiary's equity. The Group has applied the changes of revised FRS 3 and FRS 127 prospectively. There is no financial impact on the financial statements of the Group for the current financial year other than changes in accounting policies.

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

30 November 2011

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

(a) Statement of compliance *(cont'd)*

New and revised FRSs, Amendments to FRSs, Issues Committee ("IC") Interpretations and Technical Release ("TR") adopted *(cont'd)*

FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line item. In addition, the revised standard introduces the statement of comprehensive income. It presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one single statement. New terminologies have replaced 'balance sheet' with 'statement of financial position' and 'cash flow statement' with 'statement of cash flows'.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

The revised FRS 101 was adopted retrospectively by the Group and the Company.

Amendments to FRSs: Improvements to FRSs (2009) – FRS 117 Leases

Prior to 1 December 2010, for all leases of land and buildings, if title is not expected to pass to the lessee by end of the lease term, the lessee normally does not receive substantially all of the risks and rewards incidental to ownership. Hence, all leasehold land held for own use was classified by the Group as operating lease. The amendments to FRS 117 require an entity with existing leases of land and buildings to reassess the classification of land as finance or operating lease based on the general principle of FRS 117.

The Group has reassessed and determined that the long term leasehold land of the Group which is in substance a finance lease and has reclassified the leasehold land to property, plant and equipment. The Group has adopted the amendments to FRS 117 retrospectively. The effects on the comparative figures arising from the above change in the accounting policy are as follows:-

	Group RM
At 1.12.2009	
Statement of Financial Position	
Increase in property, plant and equipment	31,224
Decrease in prepaid land lease payment	(31,224)
At 30.11.2010	
Statement of Financial Position	
Increase in property, plant and equipment	30,891
Decrease in prepaid land lease payment	(30,891)
Statement of Cash Flows	
Amortisation of prepaid land lease payment	(333)
Depreciation of property, plant and equipment	333

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

30 November 2011

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

(a) Statement of compliance *(cont'd)*

New and revised FRSs, Amendments to FRSs, Issues Committee ("IC") Interpretations and Technical Release ("TR") adopted *(cont'd)*

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 December 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of accumulated losses as at 1 December 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:-

Financial instruments

Prior to 1 December 2010, the Group classified its investment in quoted equity instruments and unit trusts which were held for trading purposes as current investments and unquoted equity instruments and transferable club membership which were held for non-trading purposes as non-current investments. Non-current investments were carried at cost less impairment loss whilst current investments were carried at lower of cost and market value. Upon the adoption of FRS 139, these investments, except for those whose fair value cannot be reliably measured, are designated at 1 December 2010 as available-for-sale or fair value through profit or loss financial assets and accordingly are stated at their fair values as at that date amounting to RM4,401,637. The adjustments to the previous carrying amounts are recognised as adjustments to the opening balance of accumulated losses as at 1 December 2010. Investment in equity instruments whose fair value cannot be reliably measured amounting to RM1,200,000 at 1 December 2010 continued to be carried at cost less impairment loss.

Impairment of trade receivables

Prior to 1 December 2010, provision for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 December 2010, the Group has remeasured the allowance for impairment loss as at that date in accordance with FRS 139 and no difference was recognised as adjustments to the opening balance of accumulated losses as at that date.

The following are effects arising from the adoption of FRS 139:-

	Increase	
	As at 30.11.2011 RM	**As at 1.12.2010 RM**
Statement of Financial Position		
Group		
Other investments	**159,000**	159,000
Fair value adjustment reserve	**159,000**	159,000

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

30 November 2011

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

(a) Statement of compliance *(cont'd)*

New and revised FRSs, Amendments to FRSs, Issues Committee ("IC") Interpretations and Technical Release ("TR") adopted *(cont'd)*

Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

The amendment to FRS 127 removes the definition of cost method currently set out in FRS 127 and therefore, making the distinction between pre- and post-acquisition profit no longer required. Instead, an entity is required to recognise all dividends from subsidiaries, jointly-controlled entities or associates in its separate financial statements. The Group has applied the amendment prospectively. There is no financial impact on the financial statements of the Group for the current financial year other than changes in accounting policies.

MFRS Framework, new and revised FRSs, Amendments to FRSs, IC Interpretations and TR issued but not yet effective

On 19 November 2011, MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework") in conjunction with the MASB's plan to converge with International Financial Reporting Standards ("IFRS") in 2012. The MFRS Framework comprises Standards as issued by the International Accounting Standards Board ("IASB") that are effective on 1 January 2012 and new/revised Standards that will be effective after 1 January 2012.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer.

As such, the Group and the Company will prepare their first financial statements using the MFRS Framework for the year ending 30 November 2013. In presenting their first MFRS financial statements, the Group and the Company may be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework.

The Group and the Company is currently in the process of determining the impact arising from the adoption of the MFRS Framework.

At the date of authorisation of these financial statements, MASB has issued the following new and revised FRSs, Amendments to FRSs, IC Interpretations and TR that are not yet effective and have not been early adopted in preparing these financial statements:-

	For financial periods beginning on or after
Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters (Amendment to FRS 1)	1 January 2011
Additional Exemptions for First-time Adopters (Amendments to FRS 1)	1 January 2011

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

30 November 2011

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

(a) Statement of compliance *(cont'd)*

MFRS Framework, new and revised FRSs, Amendments to FRSs, IC Interpretations and TR issued but not yet effective *(cont'd)*

		For financial periods beginning on or after
Improving Disclosures about Financial Instruments (Amendments to FRS 7)		1 January 2011
Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)		1 January 2011
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"		1 January 2011
IC Interpretation 4	Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Prepayments of a Minimum Funding Requirement (Amendments to IC Interpretation 14)		1 July 2011
TR i-4	Shariah Compliant Sale Contracts	1 January 2011

The Group and the Company will adopt the above Amendments to FRSs, IC Interpretations and TR for the financial year beginning 1 December 2011 but do not expect the adoption to have any significant impact on the financial performance and position of the Group and of the Company upon their initial application.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Significant accounting estimates and judgements

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

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

30 November 2011

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

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

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

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

(ii) Useful life of property, plant and equipment (Note 9) - the cost of property, plant and equipment is depreciated on a straight line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 50 years. These are common life expectancies applied generally. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets resulting in revision of future depreciation charges.

(iii) Useful life of intangible assets (Note 12) - the cost of intangible assets is amortised on a straight line basis over the assets' useful lives. Management estimates the useful lives of these intangible assets to be within 2 to 5 years of their expected benefit. The amortisation period and amortisation method are reviewed at each reporting date.

(iv) Capitalisation and amortisation of development expenditure (Note 12) - The Group follows the guidance of *FRS 138 Intangible Assets* in determining the amount and nature of development expenditure to be capitalised and its subsequent amortisation. The assessment of the capitalisation criteria as disclosed in Note 3(j)(i) requires ongoing estimates on the future outcome of the development projects. Any changes from the previous estimates will impact the initial and subsequent capitalisation of the development expenditure as well as its future amortisation charges.

(v) Impairment of available-for-sale financial assets (Note 13) - The Group classifies investment in unquoted shares and transferable club membership as available-for-sale financial assets and recognises movements in its fair value in equity. When there is a significant or prolonged decline in fair value below their cost, management determine whether it is an impairment that should be recognised in profit or loss. The determination of what is "significant" or "prolonged" requires judgement.

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

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

30 November 2011

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

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

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

(vii) Impairment loss on trade receivables (Note 17) - The Group assesses at each reporting date whether there is any objective evidence that a receivable is impaired. Allowances are applied where events or changes in circumstances indicate that the balances may not be collectable. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables at the reporting date.

(viii) Provision for warranty costs (Note 30) - provision for warranty costs is in respect of products sold under warranty by subsidiaries. A provision is recognised for expected warranty claims on products sold based on past experience. The assumptions used to calculate the provision for warranties were based on the sales made and warranty claims received.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

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

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

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

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

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

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

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

30 November 2011

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

(a) Basis of consolidation *(cont'd)*

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

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

(b) Foreign currencies

(i) Foreign currencies transactions

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

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

(c) Revenue recognition

(i) Goods sold

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

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

30 November 2011

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

(c) Revenue recognition *(cont'd)*

(ii) Services

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

(iii) Rental income

Rental income is recognised on an accrual basis.

(iv) Dividend income

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

(v) Interest income

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

(vi) Management fee income

Management fee income is recognised on an accrual basis.

(vii) Commission income

Commission income is recognised on an accrual basis.

(d) Employee benefits

(i) Short term employee benefits

Wages, salaries, social security contributions and bonuses are recognised as expenses in the 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.

(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.

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

30 November 2011

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

(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.

(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 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.

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

30 November 2011

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

(h) Tax expense *(cont'd)*

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.

The principal annual rates used for this purpose are:-

Apartment and 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.

NOTES to the Financial Statements *(cont'd)*
30 November 2011

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

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

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

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

(j) Intangible assets

(i) Research and development

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

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

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

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

(ii) License rights and software

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

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

Development costs in-progress is not amortised.

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

30 November 2011

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.

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

30 November 2011

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

(m) Associates *(cont'd)*

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

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

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

(n) Impairment of non-financial assets

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

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

(o) Inventories

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

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

(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.

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

30 November 2011

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

(p) Financial assets *(cont'd)*

(i) Financial assets at FVTPL

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

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

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

The Group classifies the following financial assets as FVTPL:-
- investment in quoted shares; and
- investment in quoted unit trusts.

(ii) Loans and receivables

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

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

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

The Group and the Company classify the following financial assets as loans and receivables:-
- cash and cash equivalents, except for bank overdraft; and
- trade and other receivables, including amounts owing by subsidiaries and associates.

(iii) Available-for-sale financial assets

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

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

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

30 November 2011

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

(p) Financial assets *(cont'd)*

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

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 Group commit to purchase or sell the asset.

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

(q) Fair value estimation of unquoted equity securities

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

(r) Impairment of financial assets

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

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

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

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

30 November 2011

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

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

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

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

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

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

(ii) Available-for-sale financial assets

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

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

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

(iii) Unquoted equity securities carried at cost

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

(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.

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

30 November 2011

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

(t) Non-current assets held for sale

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

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

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

(u) 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.

(v) 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.

(w) Financial liabilities

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

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

(i) Other financial liabilities

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

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

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

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

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

30 November 2011

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

(w) Financial liabilities *(cont'd)*

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.

(x) 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.

(y) 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.

(z) Segment reporting

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

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

30 November 2011

4. OPERATING REVENUE

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

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Sales of goods and services	**58,104,011**	54,506,085	**-**	-
Contract revenue	**1,891,104**	3,064,575	**-**	-
Commission revenue	**1,296,324**	1,664,481	**-**	-
Management fees	**6,000**	-	**1,592,660**	1,187,730
Dividend income				
– other investments	**116,567**	34,562	**-**	-
– subsidiaries	**-**	-	**-**	600,000
	61,414,006	59,269,703	**1,592,660**	1,787,730

5. COST OF SALES

Cost of sales of the Group comprise the following:-

	Group	
	2011	**2010**
	RM	**RM**
Cost of sales of goods and services	**44,824,834**	43,933,452
Contract costs	**1,216,899**	1,956,816
	46,041,733	45,890,268

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

30 November 2011

6. PROFIT/(LOSS) BEFORE TAX

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

	Group		Company	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Amortisation of intangible assets	**190,101**	190,101	-	-
Auditors' remuneration:-				
– current year	**78,200**	77,400	**25,000**	22,000
– overprovision in prior year	**(1,410)**	-	-	-
– other services provided by auditors of the Company	**5,000**	5,000	**5,000**	5,000
Bad debts written off	**28,800**	5,341	-	-
Depreciation of property, plant and equipment	**696,567**	868,897	**11,127**	6,246
Direct operating expenses of investment properties				
– non-generating income	**916**	816	**916**	816
Dividend income from other investments	**(116,567)**	(34,562)	-	-
Dividend income from fixed income fund	**(216,583)**	(71,049)	**(19,263)**	(24,139)
Dividend income from subsidiaries	-	-	-	(600,000)
Gain on disposal of non-current assets held for sale	-	(1,000,417)	-	-
Loss/(Gain) on disposal of property, plant and equipment	**129,807**	(21,025)	-	-
Loss/(Gain) on foreign exchange:-				
– realised	**25,522**	(10,953)	-	-
– unrealised	**13,549**	43,856	-	-
Independent Non-executive Directors:-				
– Fees				
– Directors of the Company	**152,000**	152,000	**152,000**	152,000
– Director of subsidiary	**36,000**	36,000	-	-
Impairment loss on amounts owing by subsidiaries	-	-	**1,527,151**	1,176,719
Impairment loss on trade receivable	**2,517**	-	-	-
Interest expense	**172,819**	316,118	-	-
Interest income	**(322,332)**	(460,109)	**(46,289)**	(276,463)
Inventories written off	-	2,736	-	-
Gain on disposal of subsidiaries	**(41,819)**	-	-	-
Net provision for employee benefits	**(40,137)**	62,688	**(790)**	57,784
Provision for warranty costs	**87,004**	297,537	-	-
Personnel expenses (including key management personnel):-				
– Contribution to Employees Provident Fund and social security contribution	**589,946**	603,940	**90,235**	88,583
– Salaries and others	**6,015,571**	5,832,210	**960,807**	850,885
Property, plant and equipment written off	**3**	-	-	-
Rental income	**(46,450)**	(26,907)	-	-
Rental of motor vehicles	**26,800**	-	**26,800**	-
Rental of premises	**517,293**	471,862	**78,250**	75,000
Reversal of impairment loss on trade receivables	-	(39,992)	-	-
Net fair value loss on held for trading investments	**131,491**	150,921	-	-

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

30 November 2011

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

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

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Directors of the Company				
– fees	**18,000**	18,000	**18,000**	18,000
– other emoluments	**768,064**	773,944	**669,880**	663,159
Directors of the subsidiaries				
– fees	**96,000**	96,000	**-**	-
– other emoluments	**1,104,021**	1,077,433	**-**	-

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

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Executive Directors of the				
– Company	**30,900**	30,900	**30,900**	30,900
– subsidiaries	**42,258**	37,300	**-**	-

7. TAX EXPENSE

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Current tax expense:-				
Malaysian income tax				
– Current year	**51,605**	292,776	**-**	-
– Under provision in prior year	**13,936**	46,608	**-**	-
	65,541	339,384	**-**	-
Deferred tax expense:-				
– relating to origination and reversal of temporary differences	**541,613**	1,060	**-**	-
Tax expense	**607,154**	340,444	**-**	-

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

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

30 November 2011

7. TAX EXPENSE *(cont'd)*

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

	Group		Company	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Profit/(Loss) before tax	**4,289,312**	3,808,593	**(1,598,091)**	(687,660)
Tax at the Malaysian statutory income tax rate of 25%	**1,072,300**	952,100	**(399,500)**	(171,900)
Tax effect of non-taxable income	**(181,100)**	(290,700)	**(16,400)**	(219,100)
Tax effect of non-deductible expenses	**436,718**	534,236	**447,300**	358,400
Deferred tax assets not recognised during the year	**15,700**	434,800	-	32,600
Utilisation of previously unrecognised deferred tax assets	**(750,400)**	(436,600)	**(31,400)**	-
Deferred tax assets recognised during the year	**-**	(900,000)	**-**	-
Underprovision of current tax expense in prior years	**13,936**	46,608	**-**	-
Tax expense	**607,154**	340,444	**-**	-

The Company has an estimated unabsorbed capital allowances and unutilised tax losses of RM751,500 (2010: RM852,700) and RM175,000 (2010: RM175,000) available for set-off against future taxable profits.

Tax savings during the year arising from:-

	Group		Company	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Utilisation of current year tax losses	**26,000**	700	**-**	-
Utilisation of previously unutilised tax losses	**1,421,700**	1,438,600	**-**	-

The Company has an estimated balance in the tax exempt income account of RM1,639,000 (2010: RM1,639,000) available for distribution by way of tax exempt dividend which arose from the followings:-

(i) chargeable income amounted to RM617,000 (2010: 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 (2010: RM1,022,000).

The Group has an estimated unutilised tax losses and unabsorbed capital allowances of RM8,604,350 (2010: RM11,513,900) and RM2,699,000 (2010: RM3,305,900) respectively, available for set-off against future taxable profits.

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

30 November 2011

8. BASIC EARNINGS PER SHARE (SEN)

Basic earnings per share of the Group is calculated based on the profit attributable to owners of the parent of RM3,632,461 (2010: RM3,847,191) divided by the number of ordinary shares of RM1 each in issue during the year of 49,277,066 (2010: 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	Apartment and Buildings RM	Plant, Machinery and Tools RM	Renovation, Furniture, Fixture, Fittings, Office Equipment and Electrical Installation RM	Motor Vehicles RM	Total RM
Cost							
At 1.12.10							
As previously stated	803,023	-	396,186	769,454	2,994,188	2,402,531	7,365,382
Effect of adopting the amendments to FRS 117	-	32,220	-	-	-	-	32,220
As restated	803,023	32,220	396,186	769,454	2,994,188	2,402,531	7,397,602
Additions	-	-	-	-	244,754	263,176	507,930
Disposals	(779,593)	-	-	(54,158)	(30,406)	-	(864,157)
Written off	-	-	-	-	(291,132)	(44,218)	(335,350)
Disposal of subsidiaries (Note 10)	-	-	-	-	(125,626)	-	(125,626)
At 30.11.11	23,430	32,220	396,186	715,296	2,791,778	2,621,489	6,580,399
Accumulated Depreciation and Impairment Loss							
At 1.12.10							
As previously stated	12,365	-	40,408	707,406	2,511,764	1,381,508	4,653,451
Effect of adopting the amendments to FRS 117	-	1,329	-	-	-	-	1,329
As restated	12,365	1,329	40,408	707,406	2,511,764	1,381,508	4,654,780
Charge for the year	-	333	6,899	14,397	302,776	372,162	696,567
Disposals	-	-	-	(54,158)	(29,472)	-	(83,630)
Written off	-	-	-	-	(291,129)	(44,218)	(335,347)
Disposal of subsidiaries (Note 10)	-	-	-	-	(121,129)	-	(121,129)
At 30.11.11	12,365	1,662	47,307	667,645	2,372,810	1,709,452	4,811,241
Net Carrying Amount							
At 30.11.11	11,065	30,558	348,879	47,651	418,968	912,037	1,769,158

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

30 November 2011

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

Group	Freehold Land RM	Long Term Leasehold Land RM	Apartment and Buildings RM	Plant, Machinery and Tools RM	Renovation, Furniture, Fixture, Fittings, Office Equipment and Electrical Installation RM	Motor Vehicles RM	Total RM
Cost							
At 1.12.09							
As previously stated	803,023	-	396,186	769,454	2,336,244	2,423,885	6,728,792
Effect of adopting the amendments to FRS 117	-	32,220	-	-	-	-	32,220
As restated	803,023	32,220	396,186	769,454	2,336,244	2,423,885	6,761,012
Additions	-	-	-	-	683,654	76,371	760,025
Disposals	-	-	-	-	(25,710)	(97,725)	(123,435)
At 30.11.10 (Restated)	803,023	32,220	396,186	769,454	2,994,188	2,402,531	7,397,602
Accumulated Depreciation and Impairment Loss							
At 1.12.09							
As previously stated	12,365	-	33,512	686,851	2,002,189	1,149,904	3,884,821
Effect of adopting the amendments to FRS 117	-	996	-	-	-	-	996
As restated	12,365	996	33,512	686,851	2,002,189	1,149,904	3,885,817
Charge for the year	-	333	6,896	20,555	511,786	329,327	868,897
Disposals	-	-	-	-	(2,211)	(97,723)	(99,934)
At 30.11.10 (Restated)	12,365	1,329	40,408	707,406	2,511,764	1,381,508	4,654,780
Net Carrying Amount							
At 30.11.10 (Restated)	790,658	30,891	355,778	62,048	482,424	1,021,023	2,742,822
At 1.12.09 (Restated)	790,658	31,224	362,674	82,603	334,055	1,273,981	2,875,195

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

30 November 2011

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

Company	Furniture, Fixture, Fittings and Office Equipment RM	Renovation RM	Total RM
Cost			
At 1.12.10	**108,938**	**63,787**	**172,725**
Additions	**30,830**	**-**	**30,830**
Written off	**(5,617)**	**-**	**(5,617)**
At 30.11.11	**134,151**	**63,787**	**197,938**
Accumulated Depreciation			
At 1.12.10	**95,430**	**63,787**	**159,217**
Charge for the year	**11,127**	**-**	**11,127**
Written off	**(5,617)**	**-**	**(5,617)**
At 30.11.11	**100,940**	**63,787**	**164,727**
Net Carrying Amount			
At 30.11.11	**33,211**	**-**	**33,211**
Cost			
At 1.12.09	100,580	63,787	164,367
Additions	18,524	-	18,524
Disposal	(10,166)	-	(10,166)
At 30.11.10	108,938	63,787	172,725
Accumulated Depreciation			
At 1.12.09	89,867	63,787	153,654
Charge for the year	6,246	-	6,246
Disposal	(683)	-	(683)
At 30.11.10	95,430	63,787	159,217
Net Carrying Amount			
At 30.11.10	13,508	-	13,508

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

30 November 2011

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

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

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Cost				
Motor vehicles	**1,854,159**	1,590,987	**-**	-
Net Carrying Amount				
Motor vehicles	**910,202**	1,009,068	**-**	-

During the year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM507,930 (2010: RM760,025) and RM30,830 (2010: RM18,524) respectively which are satisfied by the following:-

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Cash payments	**260,930**	695,025	**30,830**	18,524
Finance lease arrangement	**247,000**	65,000	**-**	-
	507,930	760,025	**30,830**	18,524

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

Property, plant and equipment of a subsidiary amounting to RM748,069 (2010: RM659,503) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 31.

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

30 November 2011

10. INVESTMENT IN SUBSIDIARIES

	Company 2011 RM	2010 RM
Unquoted shares		
At cost,		
At beginning of the year	**26,279,373**	33,779,373
Dividend paid out of pre-acquisition profit	**-**	(7,500,000)
At end of the year	**26,279,373**	26,279,373
Less: Accumulated impairment loss		
At beginning/end of the year	**(7,739,166)**	(7,739,166)
	18,540,207	18,540,207

An impairment loss on investment in subsidiaries has been recognised as the subsidiaries are inactive and it is unlikely that the Company will recover the cost of investments.

Investment in subsidiaries of a subsidiary amounting to RM680,000 (2010: RM680,000) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 31.

The details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Effective Equity 2011	Interest 2010	Principal Activities
Held by the Company				
Amtel Cellular Sdn. Bhd.	Malaysia	**100%**	100%	Distribution of telematics products and trading of electronic and telecommunications related products.
Amtel Communications Sdn. Bhd.	Malaysia	**100%**	100%	Trading and servicing of two way radio communications products and telecommunications related products.
Amtel Group Sdn. Bhd.	Malaysia	**100%**	100%	Investment holding and provision of management services to its related companies.
Ideal Move Capital Sdn. Bhd.	Malaysia	**100%**	100%	Money lending.
Metrarama Sdn. Bhd.	Malaysia	**100%**	100%	Property investment and investment holding.

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

30 November 2011

10. INVESTMENT IN SUBSIDIARIES *(cont'd)*

The details of the subsidiaries are as follows:- *(cont'd)*

Name of Company	Country of Incorporation	Effective Equity Interest 2011	Effective Equity Interest 2010	Principal Activities
Held by the Company *(cont'd)*				
* Amtel Resources Sdn. Bhd.	Malaysia	**100%**	100%	Contractor for installation, jointing and testing of utilities, telecommunications and fibre optic cables and associated civil works.
AAV Industries Sdn. Bhd.	Malaysia	**100%**	100%	Trading of electronic and telecommunications products.
Topweb Sdn. Bhd.	Malaysia	**50.25%**	50.25%	General trading and distribution of telecommunication products.
Amtel Technology Sdn. Bhd.	Malaysia	**100%**	100%	Product design, development consultancy, full turnkey product development and supplies.
Held through Amtel Communications Sdn. Bhd.				
Damansara Duta Sdn. Bhd.	Malaysia	**-**	50.8%	General trading and marketing of alternate telephony charges services.
Held through Damansara Duta Sdn. Bhd.				
Talk Connect Sdn. Bhd.	Malaysia	**-**	50.8%	General trading and marketing of alternate telephony charges services.
Held through Amtel Cellular Sdn. Bhd.				
AmNavi Sdn. Bhd.	Malaysia	**68%**	68%	Geographical Information System (GIS) development and research business and related products.

* Audited by a firm of auditors other than Moore Stephens AC.

Disposal of subsidiaries

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

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

30 November 2011

10. INVESTMENT IN SUBSIDIARIES *(cont'd)*

Disposal of subsidiaries *(cont'd)*

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

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

11. INVESTMENT IN ASSOCIATES

	Group		**Company**	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Unquoted shares				
At cost,				
At beginning of the year	**26,759**	26,759	**-**	-
Additions	**37,800**	-	**-**	-
At end of the year	**64,559**	26,759	**-**	-
Share of results of associates				
At beginning of the year	**85,761**	46,292	**-**	-
Current year share of results	**187,316**	39,469	**-**	-
At end of the year	**273,077**	85,761	**-**	-
	337,636	112,520	**-**	-

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

30 November 2011

11. INVESTMENT IN ASSOCIATES *(cont'd)*

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

	Group	
	2011	**2010**
	RM	**RM**
Assets and Liabilities		
Total assets	**2,801,043**	1,584,766
Total liabilities	**1,841,615**	1,224,971
Results		
Operating revenue	**7,622,380**	4,293,950
Profit net of tax	**599,631**	115,847

The details of the associates are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2011	Effective Equity Interest 2010	Principal Activities
Held by the Company				
* Amtel Networks Sdn.Bhd.	Malaysia	**40%**	40%	Contractor for installation, jointing and testing of utilities, telecommunications and fibre optic cables and associated civil works.
Held through Amtel Cellular Sdn. Bhd.				
Milan Utama Sdn. Bhd.	Malaysia	**35%**	30%	Trading and distribution of telecommunication products, telematics products and information computer technology products, project implementation and management services.

* Audited by a firm of auditors other than Moore Stephens AC.

Cost of investment in associates of a subsidiary amounting to RM388,800 (2010: RM351,000) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 31.

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

30 November 2011

12. INTANGIBLE ASSETS

Group	License Rights RM	Development Costs RM	Development Costs In-progress RM	Total RM
Cost				
At 1.12.10	**320,000**	**630,504**	**-**	**950,504**
Addition	**-**	**-**	**1,517,130**	**1,517,130**
At 30.11.11	**320,000**	**630,504**	**1,517,130**	**2,467,634**
Accumulated Amortisation				
At 1.12.10	**213,330**	**420,336**	**-**	**633,666**
Amortisation for the year	**64,000**	**126,101**	**-**	**190,101**
At 30.11.11	**277,330**	**546,437**	**-**	**823,767**
Net carrying amount				
At 30.11.11	**42,670**	**84,067**	**1,517,130**	**1,643,867**
Cost				
At 1.12.09/30.11.10	320,000	630,504	-	950,504
Accumulated Amortisation				
At 1.12.09	149,330	294,235	-	443,565
Amortisation for the year	64,000	126,101	-	190,101
At 30.11.10	213,330	420,336	-	633,666
Net carrying amount				
At 30.11.10	106,670	210,168	-	316,838

The license rights of the Global Positioning System Software Engine and the development costs relating to the In-Car Navigation System have an average remaining amortisation period of one year (2010: two years).

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 year end.

Intangible assets of a subsidiary amounting to RM1,601,197 (2010: RM210,168) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 31.

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

30 November 2011

13. OTHER INVESTMENTS

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Non-current				
Available-for-sale investments				
At fair value,				
– Transferable club membership	**250,000**	91,000	**250,000**	91,000
At cost,				
– Unquoted shares	**1,200,000**	1,200,000	**1,200,000**	1,200,000
Total non-current investments	**1,450,000**	1,291,000	**1,450,000**	1,291,000
Current				
Held for trading investments				
At fair value,				
– Quoted shares	**139,878**	276,075	**-**	-
– Quoted unit trusts	**4,155,835**	4,034,562	**-**	-
Total current investments	**4,295,713**	4,310,637	**-**	-
At market value,				
– Quoted investments	**4,295,713**	4,310,637	**-**	-

Prior to 1 December 2010, the current investments were carried at lower of cost and market value, determined on aggregate basis. The non-current investments were stated at cost less impairment loss. The fair value information has not been disclosed for the unquoted shares as its fair value cannot be measured reliably as no active market is available.

Investment in quoted unit trusts is redeemable upon one day notice and bears dividend yield at a rate of 3.01% (2010: 2.71%) per annum as at year end.

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

30 November 2011

14. INVESTMENT PROPERTIES

	Group 2011 RM	2010 RM
Freehold land, at cost		
At beginning of the year	**168,717**	12,701,041
Less: Classified to non-current assets held for sale (Note 23)	**-**	(12,532,324)
At end of the year	**168,717**	168,717
Less: Accumulated impairment loss		
At beginning of the year	**-**	48,642
Less: Classified to non-current assets held for sale (Note 23)	**-**	(48,642)
At end of the year	**-**	-
Land improvement costs		
At beginning of the year	**-**	861,881
Less: Classified to non-current assets held for sale (Note 23)	**-**	(861,881)
At end of the year	**-**	-
	168,717	168,717
Fair value	**263,800**	209,000

Investment properties of a subsidiary amounting to RM168,717 (2010: RM168,717) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 31.

15. DEFERRED TAX ASSETS

	Group 2011 RM	2010 RM
At beginning of the year	**900,000**	900,000
Recognised in profit or loss	**(538,500)**	-
At end of the year	**361,500**	900,000

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

30 November 2011

15. DEFERRED TAX ASSETS *(cont'd)*

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

	Group 2011 RM	Group 2010 RM
Differences between the carrying amounts of property, plant and equipment and their tax base	**32,100**	63,900
Deductible temporary differences in respect of expenses	**236,600**	199,000
Unutilised tax losses	**472,100**	637,100
Development costs	**(379,300)**	-
	361,500	900,000

The deferred tax assets recognised in the financial statements is in respect of unutilised tax losses and other deductible temporary differences 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	
	2011 RM	2010 RM	2011 RM	2010 RM
Unutilised tax losses	**6,715,950**	8,965,500	**175,000**	175,000
Unabsorbed capital allowances	**2,699,000**	3,305,900	**751,500**	852,700
Deductible temporary differences in respect of expenses	**137,200**	282,400	**126,500**	151,000
Differences between the carrying amounts of property, plant and equipment and their tax base	**84,500**	21,800	**-**	-
	9,636,650	12,575,600	**1,053,000**	1,178,700

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

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

30 November 2011

16. INVENTORIES

	Group 2011 RM	Group 2010 RM
At cost,		
Trading goods	**1,895,977**	5,910,437
Raw materials and consumables	**-**	20,340
	1,895,977	5,930,777

Inventories of a subsidiary amounting to RM1,797,788 (2010: RM3,408,489) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 31.

17. TRADE RECEIVABLES

	Group 2011 RM	Group 2010 RM
Third parties	**11,578,526**	13,191,280
Less: Allowance for impairment loss	**(305,053)**	(302,536)
	11,273,473	12,888,744

Trade receivables of a subsidiary amounting to RM9,706,216 (2010: RM8,445,912) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 31.

(a) Credit term of trade receivables

The Group's normal trade credit terms extended to customers range from 30 to 90 days (2010: 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 2011 RM
Neither past due nor impaired	**9,755,391**
1 to 30 days past due not impaired	**178,300**
31 to 60 days past due not impaired	**206,000**
61 to 90 days past due not impaired	**388,785**
More than 91 days past due not impaired	**744,997**
	1,518,082
Impaired	**305,053**
	11,578,526

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

30 November 2011

17. TRADE RECEIVABLES *(cont'd)*

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

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

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

Receivables that are past due but not impaired
Trade receivables of the Group amounting to 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 2011 RM
As at beginning of the year	**302,536**
Charge for the year (Note 6)	**2,517**
As at end of the year	**305,053**

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

18. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Non-current Asset				
Other receivables	-	314,902	-	314,902
Current Assets				
Other receivables	**1,036,707**	955,400	**400,652**	838,790
Deposits	**239,538**	282,628	**2,280**	2,280
Prepayments	**1,496,228**	1,721,491	**10,081**	10,994
	2,772,473	2,959,519	**413,013**	852,064

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

30 November 2011

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

Included in other receivables of the Group and of the Company is an amount of RM399,979 (2010: RM1,153,692) receivable from the purchaser for the disposal of 32% equity interest in an associate, Permata Makmur Sdn. Bhd.. The amount consists of RM nil (2010: RM314,902) which is due after one year and RM399,979 (2010: RM838,790) which is due within one year respectively.

Also included in other receivables of the Group is RM565,675 (2010: RM nil) 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. during the year.

Included in prepayments of the Group in the previous year was an amount of RM844,215 being advance payment for the use of navigation software engines pursuant to an agreement entered into by a subsidiary with a third party in November 2010.

Included in prepayments of the Group is an amount of RM1,318,573 (2010: RM802,937) being advances to suppliers for purchase of trading goods.

Other receivables, deposits and prepayments of a subsidiary amounting to RM1,554,771 (2010: RM1,757,126) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 31.

19. TAX ASSETS

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

20. AMOUNTS OWING BY/(TO) SUBSIDIARIES

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

	Company	
	2011	**2010**
	RM	**RM**
Amounts owing by subsidiaries	**20,211,929**	20,575,479
Less: Allowance for impairment loss		
At beginning of the year	**16,066,384**	14,889,665
Charge for the year (Note 6)	**1,527,151**	1,176,719
At end of the year	**(17,593,535)**	(16,066,384)
	2,618,394	4,509,095
Amounts owing to subsidiaries	**-**	(21,098)

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

30 November 2011

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 1.75% to 3.2% (2010: 1.5% to 2.8%) per annum as at year end with maturity period ranging from 1 day to 365 days (2010: 1 day to 365 days).

Included in the deposits of the Group is an amount of RM5,916,312 (2010: RM5,765,296) pledged as security for banking facilities granted to subsidiaries as disclosed in Note 31.

23. NON-CURRENT ASSETS HELD FOR SALE

	Group	
	2011 RM	**2010 RM**
Freehold land, at cost		
At beginning of the year	-	2,016,318
Add: Classified from investment properties (Note 14)	-	12,532,324
Less: Disposal during the year	-	(14,548,642)
At end of the year	-	-
Impairment loss		
At beginning of the year	-	-
Add: Classified from investment properties (Note 14)	-	48,642
Less: Disposal during the year	-	(48,642)
At end of the year	-	-
	-	-
Land improvement costs		
At beginning of the year	-	139,208
Add: Classified from investment properties (Note 14)	-	861,881
Less: Disposal during the year	-	(1,001,089)
At end of the year	-	-
	-	-

In the previous year, a subsidiary, Metrarama Sdn. Bhd. completed the disposal of the freehold land with the land improvement costs held under Lot Nos. 41, 80 and 4154-4165, Mukim 1, District of Province Wellesley Central, State of Penang for a total cash consideration of RM16.5 million.

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

30 November 2011

24. SHARE CAPITAL

	Group/Company			
	Number of shares		Amount	
	2011	2010	2011 RM	2010 RM
Ordinary shares of RM1 each:-				
Authorised	**100,000,000**	100,000,000	**100,000,000**	100,000,000
Issued and fully paid	**49,277,066**	49,277,066	**49,277,066**	49,277,066

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

25. RESERVES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Accumulated losses	**(13,075,460)**	(16,707,921)	**(29,554,288)**	(27,956,197)
Non-distributable:-				
– Share premium	**4,774,665**	4,774,665	**4,774,665**	4,774,665
– Fair value adjustment reserve	**159,000**	-	**159,000**	-
	(8,141,795)	(11,933,256)	**(24,620,623)**	(23,181,532)

26. FINANCE LEASE PAYABLES

	Group	
	2011 RM	2010 RM
Future minimum lease payments	**964,154**	1,021,398
Less: Future finance charges	**(83,143)**	(110,353)
Total present value of minimum lease payments	**881,011**	911,045

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

30 November 2011

26. FINANCE LEASE PAYABLES *(cont'd)*

	Group 2011 RM	Group 2010 RM
Current Liabilities		
Payable within 1 year		
Future minimum lease payments	**345,504**	289,728
Less: Future finance charges	**(42,706)**	(49,497)
Present value of minimum lease payments	**302,798**	240,231
Non-current Liabilities		
Payable after 1 year but not later than 5 years		
Future minimum lease payments	**618,650**	731,669
Less: Future finance charges	**(40,437)**	(60,855)
Present value of minimum lease payments	**578,213**	670,814
	881,011	911,045

The finance lease payables of the Group bear effective interest at rates ranging from 4.37% - 7.00% (2010 : 4.37% - 7.00%) per annum.

27. DEFERRED TAX LIABILITIES

	Group 2011 RM	Group 2010 RM
At beginning of the year	**13,936**	12,876
Recognised in profit or loss	**3,113**	1,060
At end of the year	**17,049**	13,936

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

	Group 2011 RM	Group 2010 RM
Differences between the carrying amount of property, plant and equipment and its tax base	**17,049**	13,936

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

30 November 2011

28. TRADE PAYABLES

The normal trade credit term granted to the Group is 90 days or less (2010: 120 days or less).

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

	Group	
	2011	**2010**
	RM	**RM**
Chinese Renminbi ("RMB")	**161,474**	638,823
United States Dollar ("USD")	**672,633**	789,110

Included in trade payables of the Group is an amount owing to an associate of RM1,368,000 (2010: RM500,000).

29. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Other payables	**182,783**	441,008	**-**	-
Deposits	**2,400**	2,400	**-**	-
Accruals	**2,490,143**	2,236,045	**317,829**	248,504
	2,675,326	2,679,453	**317,829**	248,504

30. PROVISIONS

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Provision for warranty costs				
At beginning of the year	**904,069**	644,135	**-**	-
Additions	**87,004**	297,537	**-**	-
Utilisation	**(31,027)**	(37,603)	**-**	-
At end of the year	**960,046**	904,069	**-**	-
Provision for employee benefits				
At beginning of the year	**244,871**	182,183	**154,045**	96,261
Additions	**165,847**	233,721	**44,114**	78,580
Utilisation	**(205,984)**	(171,033)	**(44,904)**	(20,796)
At end of the year	**204,734**	244,871	**153,255**	154,045
	1,164,780	1,148,940	**153,255**	154,045

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

30 November 2011

30. PROVISIONS *(cont'd)*

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

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

31. BANK BORROWINGS

	Group	
	2011	**2010**
	RM	**RM**
Secured		
Bank overdrafts	**12,539**	320,378
Bankers' acceptances	**1,303,000**	1,536,000
	1,315,539	1,856,378

The bank overdrafts and bankers' acceptances facilities are repayable on demand and within one year respectively, and bear interest at rates ranging from 6.94% to 7.50% (2010 : 6.91 % to 7.55%) 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.

32. CASH AND CASH EQUIVALENTS

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

		Group		Company	
		2011	**2010**	**2011**	**2010**
	Note	**RM**	**RM**	**RM**	**RM**
Fixed income fund with licensed fund management company (redeemable upon 7 days notice)		**5,132,742**	3,656,924	**281,771**	320,835
Cash at banks and in hand		**14,438,192**	5,139,083	**1,787,119**	160,582
Balance carried down		**19,570,934**	8,796,007	**2,068,890**	481,417

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

30 November 2011

32. CASH AND CASH EQUIVALENTS *(cont'd)*

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Balance brought down		**19,570,934**	8,796,007	**2,068,890**	481,417
Cash deposits with licensed banks		**9,303,020**	10,830,193	**-**	-
Investment in quoted unit trusts	13	**4,155,835**	4,034,562	**-**	-
Bank overdrafts	31	**(12,539)**	(320,378)	**-**	-
		33,017,250	23,340,384	**2,068,890**	481,417
Cash deposits with licensed banks under lien	22	**(5,916,312)**	(5,765,296)	**-**	-
		27,100,938	17,575,088	**2,068,890**	481,417

The fixed income fund bears dividend yield at rates ranging from 2.13% to 2.92% (2010: 1.90% to 2.81%) per annum as at year end.

Cash and cash equivalents of a subsidiary amounting to RM8,352,030 (2010: RM2,565,169) have been pledged as security for banking facilities granted to the subsidiary as disclosed in Note 31.

33. RELATED PARTY DISCLOSURES

(a) Identity of related parties

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

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

(b) Related party transactions and balances

The transactions with subsidiaries are as follows:-

	Company 2011 RM	Company 2010 RM
Impairment loss on amounts owing by subsidiaries	**1,527,151**	1,176,719
Dividend from subsidiaries	**-**	(600,000)
Dividend paid out of pre-acquisition profit from subsidiaries	**-**	(7,500,000)
Management fees received/receivable from subsidiaries	**(1,588,660)**	(1,187,730)
Management fees paid/payable to a subsidiary	**28,000**	-
Rental of premises paid/payable to a subsidiary	**33,900**	33,900
Rental of motor vehicles paid/payable to a subsidiary	**26,800**	-

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

30 November 2011

33. RELATED PARTY DISLCOSURES *(cont'd)*

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

The transactions with associates are as follows:-

	Group	
	2011	**2010**
	RM	**RM**
Management fees received/receivable from an associate	**(6,000)**	-
Management fee paid to an associate	**-**	74,420
Other income received/receivable from an associate	**(180,000)**	-
Purchases from an associate	**7,622,380**	4,293,950
Rental of premise received from associates	**(14,400)**	(17,400)

Information regarding outstanding balances arising from related party transactions are disclosed in Notes 20, 21 and 28.

(c) Compensation of key management personnel

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

The remuneration of key management personnel are as follows:-

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Short term employee benefits				
(including benefits-in-kind)	**3,566,760**	3,058,311	**861,869**	760,050
Post-employment benefits	**332,896**	320,652	**86,931**	88,583
	3,899,656	3,378,963	**948,800**	848,633

34. CONTRACTUAL COMMITMENT

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Intangible assets				
– Approved and contracted for	**2,728,350**	4,783,885	**-**	-

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

30 November 2011

35. CONTINGENT LIABILITIES

	Company	
	2011	**2010**
	RM	**RM**
In respect of corporate guarantees given by the Company to financial institutions for banking and credit facilities granted to the subsidiaries	**1,422,054**	2,019,072

36. SEGMENT INFORMATION

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

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

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

Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment results represent profit or loss before taxation of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment assets

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

Segment liabilities

Segment liabilities are measured based on all liabilities.

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

30 November 2011

36. SEGMENT INFORMATION *(cont'd)*

(a) Operating Segment

	Note	Information and Communication Technology RM	Telecommunications Infrastructure and Services RM	Others RM	Eliminations RM	Consolidated RM
2011						
Segment Revenue						
External revenue		57,976,887	3,189,558	247,561	-	61,414,006
Inter-segment revenue	(i)	2,331,045	-	1,850,660	(4,181,705)	-
Total revenue		60,307,932	3,189,558	2,098,221	(4,181,705)	61,414,006
Segment Results						
Interest income		-	91,274	231,058	-	322,332
Interest expense		(151,197)	(8,813)	(12,809)	-	(172,819)
Depreciation		(490,338)	(74,846)	(131,383)	-	(696,567)
Amortisation of intangible assets		(190,101)	-	-	-	(190,101)
Share of results of associates		188,314	-	(998)	-	187,316
Other non-cash items	(ii)	(43,207)	(131,732)	(136,276)	-	(311,215)
Segment profit/(loss) before taxation		4,735,186	22,633	(468,507)	-	4,289,312
Tax expense		(550,985)	(38,318)	(17,851)	-	(607,154)
Segment Assets						
Additions to non-current assets other than financial instruments and deferred tax assets		1,984,932	5,572	34,556	-	2,025,060
Total segment assets		29,051,236	5,973,458	20,028,094	-	55,052,788
Segment Liabilities						
Total segment liabilities		12,231,751	1,297,767	276,608	-	13,806,126

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

30 November 2011

36. SEGMENT INFORMATION *(cont'd)*

(a) Operating Segment *(cont'd)*

	Note	Information and Communication Technology RM	Tele-communications Infrastructure and Services RM	Others RM	Eliminations RM	Consolidated RM
2010						
Segment Revenue						
External revenue		52,951,612	4,729,056	1,589,035	-	59,269,703
Inter-segment revenue	(i)	1,928,326	-	1,961,730	(3,890,056)	-
Total revenue		54,879,938	4,729,056	3,550,765	(3,890,056)	59,269,703
Segment Results						
Interest income		160	75,682	384,267	-	460,109
Interest expense		(291,202)	(7,038)	(17,878)	-	(316,118)
Depreciation		(655,802)	(71,829)	(141,266)	-	(868,897)
Amortisation of intangible assets		(190,101)	-	-	-	(190,101)
Share of results of associates		38,934	-	535	-	39,469
Other non-cash items	(ii)	(354,062)	13,628	838,789	-	498,355
Segment profit/(loss) before taxation		3,345,675	529,929	(67,011)	-	3,808,593
Tax expense		(56,274)	(203,429)	(80,741)	-	(340,444)
Segment Assets						
Additions to non-current assets other than financial instruments and deferred tax assets		658,904	76,244	24,877	-	760,025
Total segment assets		25,056,850	7,202,244	19,893,527	-	52,152,621
Segment Liabilities						
Total segment liabilities		11,468,298	1,574,520	1,490,084	-	14,532,902

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

30 November 2011

36. SEGMENT INFORMATION *(cont'd)*

(a) Operating Segment *(cont'd)*

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

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

	Group	
	2011 **RM**	**2010** **RM**
Bad debts written off	**28,800**	5,341
Gain on disposal of non-current assets held for sale	**-**	(1,000,417)
Gain on disposal of subsidiaries	**(41,819)**	-
Loss/(Gain) on disposal of property, plant and equipment	**129,807**	(21,025)
Impairment loss on trade receivable	**2,517**	-
Inventories written off	**-**	2,736
Loss on foreign exchange - unrealised	**13,549**	43,856
Net provision for employee benefits	**(40,137)**	62,688
Provision for warranty costs	**87,004**	297,537
Property, plant and equipment written off	**3**	-
Reversal of impairment loss on trade receivables	**-**	(39,992)
Net fair value loss on held for trading investments	**131,491**	150,921
	311,215	(498,355)

(b) Geographical Segments

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

		Group	
		2011 **RM**	**2010** **RM**
Malaysia	**61,289,062**	57,715,230	
Europe	**124,944**	1,554,473	
		61,414,006	59,269,703

Non-current assets are all located in Malaysia.

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

30 November 2011

36. SEGMENT INFORMATION *(cont'd)*

(c) Information about Major Customers

Revenue from major customers of the Group amount to RM43,795,222 (2010: RM39,442,141) arising from sales by the Information and Communication Technology segment.

37. SIGNIFICANT EVENTS

(a) On 25 August 2011, the Group acquired additional 5% equity interest in an associate, Milan Utama Sdn. Bhd. via its wholly-owned subsidiary, namely Amtel Cellular Sdn. Bhd. for a cash consideration of RM37,800.

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

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Group's financial risk management policy seeks to minimise 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 guarantees provided in respect of banking facilities granted to the subsidiaries.

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

30 November 2011

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

(a) Credit Risk *(cont'd)*

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

Financial guarantee

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

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

The maximum exposure to credit risk amounts to RM1,422,054 (2010: RM2,019,072) representing the outstanding credit facilities of the subsidiaries guaranteed by the Company at the reporting date. At the reporting date, there was no indication that the subsidiaries would default on their repayment.

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

(b) Liquidity Risk

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

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

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

30 November 2011

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

(b) Liquidity Risk *(cont'd)*

Analysis of financial instruments by remaining contractual maturities

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

	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Total RM
2011						
Group						
Financial liabilities:-						
Trade payables	7,569,510	7,569,510	7,569,510	-	-	7,569,510
Other payables and accruals	2,675,326	2,675,326	2,675,326	-	-	2,675,326
Provisions	1,164,780	1,164,780	1,164,780	-	-	1,164,780
Finance lease payables	881,011	964,154	345,504	294,528	324,122	964,154
Bank overdrafts	12,539	12,539	12,539	-	-	12,539
Bankers' acceptance	1,303,000	1,326,155	1,326,155	-	-	1,326,155
	13,606,166	13,712,464	13,093,814	294,528	324,122	13,712,464

	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Total RM
2011						
Company						
Financial liabilities:-						
Other payables and accruals	317,829	317,829	317,829	-	-	317,829
Provisions	153,255	153,255	153,255	-	-	153,255
	471,084	471,084	471,084	-	-	471,084

(c) Interest Rate Risk

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

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

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

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

30 November 2011

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

(c) Interest Rate Risk *(cont'd)*

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

Borrowings at floating rates amounting to RM1,315,539 expose the Group to cash flow interest rate risk whilst finance lease payables at fixed rate amounting to RM881,011 expose the Group to fair value interest rate risk.

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

Sensitivity analysis for interest rate risk
If the interest rate had been 50 basis point higher/lower and all other variables held constant, the Group's profit net of tax for the year ended 30 November 2011 would decrease/increase by RM4,933 as a result of exposure to floating rate borrowings.

(d) Foreign Currency Risk

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

The Group has transactional currency exposures arising from purchases and direct costs that are denominated in a currency other than the respective functional currencies of Group entities, primarily RM. The foreign currencies in which these transactions are denominated are mainly USD, Singapore Dollars ("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 RM400,420 (2010: RM465,322).

Sensitivity analysis for foreign currency risk
The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the foreign currencies exchange rates against RM, with all other variables held constant.

		Group 2011 RM Profit net of tax
USD/RM	– strengthened 5%	**(14,140)**
	– weakened 5%	**14,140**
SGD/RM	– strengthened 2%	**1,590**
	– weakened 2%	**(1,590)**
RMB/RM	– strengthened 2%	**(2,420)**
	– weakened 2%	**2,420**

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

30 November 2011

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

(e) Market Risk *(cont'd)*

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices. The Group is exposed to market price risk arising from its investment in quoted unit trusts and investments in quoted shares listed on the Bursa Securities. These instruments are classified as held for trading. As the amount of the investment is minimal, the Group's income and operating cash flows are not excessively exposed to changes in the market price.

39. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

(b) Other investments

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

(c) Borrowings

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

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

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

30 November 2011

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

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

	Group Carrying Amount RM	Group Fair Value RM	Company Carrying Amount RM	Company Fair Value RM
2011				
Financial Assets				
Other investments				
– Unquoted shares in Malaysia	**1,200,000**	**- #**	**1,200,000**	**- #**
Financial Liabilities				
Finance lease payables	**881,011**	**888,129**	**-**	**-**
2010				
Financial Assets				
Other investments				
— Unquoted shares in Malaysia	1,200,000	- #	1,200,000	- #
Financial Liabilities				
Finance lease payables	911,045	942,014	-	-

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

40. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the years ended 30 November 2011 and 30 November 2010.

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

30 November 2011

40. CAPITAL MANAGEMENT *(cont'd)*

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

The Group monitors capital using a gearing ratio, which is net debts divided by total capital plus net debts. Net debts comprise borrowings (including finance lease payables) less cash and cash equivalents (excluding bank overdrafts) whilst total capital is the total equity of the Group. The gearing ratio as at 30 November 2011 and 2010, which are within the Group's objectives of capital management are as follows:-

	Group	
	2011	**2010**
	RM	**RM**
Total interest bearing borrowings	**2,196,550**	2,767,423
Less:		
Cash and cash equivalents	**(33,017,250)**	(23,340,384)
Total net debts	**(30,820,700)**	(20,572,961)
Total equity	**41,246,662**	37,619,719
Debt to equity ratio (%)	*****	*

* Not meaningful

41. COMPARATIVE FIGURES

The following comparative figures have been reclassified due to effect of adopting the Amendments to FRS 117 and to conform with current year presentation:-

	Group		Company	
	As Reclassified RM	**As Previously Classified RM**	**As Reclassified RM**	**As Previously Classified RM**
Statement of Financial Position				
Cash and bank balances	8,796,007	4,919,416	481,417	15,048
Other investments (non-current)	1,291,000	9,202,153	1,291,000	1,757,369
Other investments (current)	4,310,637	276,075	-	-
Property, plant and equipment	2,742,822	2,711,931	-	-
Prepaid land lease payments	-	30,891	-	-
Statement of Comprehensive Income				
Operating revenue	59,269,703	59,263,353	1,787,730	1,811,869
Other operating income	1,926,160	1,932,510	300,602	276,463
Administrative expenses	8,032,851	8,017,528	-	-
Finance costs	316,118	331,511	-	-

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

30 November 2011

42. 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 2011 is presented in accordance with the directive issued by 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 year end is analysed as follows:-

	Group		Company	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Total accumulated losses of the Company and its subsidiaries:-				
– realised	**(33,976,086)**	(36,107,921)	**(29,554,288)**	(27,956,197)
– unrealised	**(629,144)**	(61,861)	**-**	-
	(34,605,230)	(36,169,782)	**(29,554,288)**	(27,956,197)
Total share of retained earnings/ (accumulated losses) from associates:-				
– realised	**273,077**	90,381	**-**	-
– unrealised	**-**	(4,620)	**-**	-
	(34,332,153)	(36,084,021)	**(29,554,288)**	(27,956,197)
Less: Consolidation adjustments	**21,256,693**	19,376,100	**-**	-
Total accumulated losses	**(13,075,460)**	(16,707,921)	**(29,554,288)**	(27,956,197)

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 2011

Location	Description and Existing Use	Tenure	Lease Expiry Date	Land Area/ Built-up Area (sq. feet)	Date of Acquisition/ Completion	Approximate Age of Building (Years)	Net Book Value RM
14316 Geran 10838 Mukim Sungai Petani District of Kuala Muda Kedah Darul Aman	3-storey residential link house Vacant	Freehold	–	840/ 1,483	9.10.1995/ 31.5.1999	12	65,885
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	9	86,505
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	9	138,214
Lot No. P.T. 1365 H.S. (M) 2388 Mukim Ampang Pechah Taman Bukit Bujang Kuala Kubu Bahru Selangor Darul Ehsan	Single storey semi-detached house Vacant	Leasehold	2.12.2103	3,200	21.9.2006	6	99,898
Plot No. 31, Phase 1B Kesuma Lakes C.T. 12115, Lot No. 771 Mukim of Beranang District of Ulu Langat Selangor Darul Ehsan	Bungalow land Vacant	Freehold	–	10,552	19.11.2002	–	168,717
TOTAL							**559,219**

ANALYSIS
of Shareholdings
as at 5 April 2012

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	:	2,735

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	of Issued % Capital
1 – 99	386	14.11	15,389	0.03
100 - 1,000	326	11.92	267,376	0.54
1,001 - 10,000	1,657	60.59	5,262,465	10.68
10,001 - 100,000	304	11.12	9,472,404	19.22
100,001 - less than 5% of issued shares	60	2.19	26,095,307	52.96
5% and above of issued shares	2	0.07	8,164,125	16.57
Total	2,735	100.00	49,277,066	100.00

SUBSTANTIAL SHAREHOLDERS
AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 5 APRIL 2012

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

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

DIRECTORS' SHAREHOLDINGS
AS AT 5 APRIL 2012

Name	Direct No. of shares held	%	Indirect No. of shares held	%
Dato' Koid Hun Kian	7,994,888	16.22	7,894,270	16.02
Ng Ah Chong	1,066,666	2.16	55,300*	0.11
Siow Hock Lee	65,333	0.13	33,333**	0.07
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 to the extent that the Company has an interest.

ANALYSIS of Shareholdings *(cont'd)*

as at 5 April 2012

TOP THIRTY LARGEST SECURITIES ACCOUNT HOLDERS
AS PER THE RECORD OF DEPOSITORS AS AT 5 APRIL 2012

	Name of Shareholder	No. Shares Held	%
1.	Dato' Koid Hun Kian	4,946,188	10.04
2.	Simfoni Kilat Sdn. Bhd.	3,217,937	6.53
3.	Tan Seow Eng	2,176,333	4.42
4.	Mayban Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Koid Hun Kian	1,868,000	3.79
5.	HDM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lee Chye Khern	1,769,413	3.59
6.	Mayban Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Goh Hock Leong	1,695,700	3.44
7.	ECML Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Koid Hun Kian	1,180,700	2.40
8.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng New Soon	1,125,200	2.28
9.	Ng Ah Chong	1,066,666	2.16
10.	Koid Siang Loong	1,000,000	2.03
11.	Koid Siang Lunn	1,000,000	2.03
12.	Mayban Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sin Yong Lean	883,400	1.79
13.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt An for UBS AG Singapore	723,733	1.47
14.	Kang Khoon Seng	629,700	1.28
15.	Ng Peng Hong	603,800	1.23
16.	Lim Eng Chong	544,400	1.10
17.	Cheng Lee San	539,000	1.09
18.	Koid Suang Suang	500,000	1.01
19.	Cimsec Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Ng Weng Keong	482,200	0.98
20.	Lim Tuan Guan	477,300	0.97
21.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Weng Keong	448,066	0.91
22.	Tan Ah Lee	380,000	0.77
23.	HLG Nominee (Tempatan) Sdn. Bhd. Pledged Securities Account for Lee Chin Yen	316,000	0.64
24.	Tan Hong Cheng	315,000	0.64
25.	Kam Lai Yong	303,000	0.61
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	0.53
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	**29,372,502**	**59.61**

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

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

I/We ______________________________ Contact No. ______________________

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

of ____

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

______________________________ (NRIC No. ______________________)

of ____

or failing him/her ____

of ____

or failing him/her, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Fifteenth Annual General Meeting of the Company to be held at Bilik Selangor, Kelab Shah Alam Selangor, No. 1A Jalan Aerobik 13/43, Persiaran Kayangan, 40704 Shah Alam, Selangor Darul Ehsan on Wednesday, 30 May 2012 at 10.00 a.m. and any adjournment thereof.

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

No.	Resolution	For	Against
1.	Approval of the payment of Directors' fees		
2.	Re-election of Mr. Wong Tuck Kuan as Director		
3.	Re-election of Mr. Chang Pak Hing as Director		
4.	Re-appointment of Messrs. Moore Stephens AC as Auditors of the Company and to authorise the Directors to fix their remuneration		
5.	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 ______________________ 2012

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 May 2012 shall be entitled to attend, speak and vote at this meeting.*
2. *A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.*
3. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised in that behalf, and shall be deposited at the Registered Office of the Company at No. 7, Jalan PJS 7/19, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding this meeting or adjourned meeting.*
4. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless the proportion of holdings represented by each proxy is specified.*
5. *A member shall be entitled to appoint more than one (1) proxy to attend and vote at this meeting provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 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 in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

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AFFIX
STAMP

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

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

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