

AMTEL HOLDINGS BERHAD
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2010**

Contents	Pages
Directors' Report	1 – 4
Statement by Directors	5
Statutory Declaration	5
Independent Auditors' Report to the Members	6 – 7
Balance Sheets	8 – 9
Income Statements	10
Consolidated Statement of Changes in Equity	11
Statement of Changes in Equity	12
Cash Flow Statements	13 – 15
Notes to the Financial Statements	16 – 65

AMTEL HOLDINGS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 30 November 2010.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services. The principal activities of the subsidiary companies are set out in Note 6 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) for the year	<u>3,468,149</u>	<u>(687,660)</u>
Attributable to:-		
Equity holders of the Company	3,847,191	
Minority interests	<u>(379,042)</u>	
	<u>3,468,149</u>	

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year and the Directors do not recommend any dividend payment for the current financial year.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and, the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

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

CURRENT ASSETS

Before the income statements and the balance sheets of the Group and of the Company were made out, the Directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person, or
- (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

In the opinion of the Directors:-

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

ISSUE OF SHARES

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

DIRECTORS OF THE COMPANY

The Directors in office since the date of the last report are as follow:-

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

The interest of the Directors in office as at the end of the financial year in the shares of the Company and its subsidiary companies during the financial year according to the registers required to be kept under Section 134 of the Companies Act, 1965 are as follow:-

	Number of Ordinary Shares of RM1 each			
	At 1.12.09	Bought	Sold	At 30.11.10
Interest in the Company				
Direct interest				
Koid Hun Kian	9,267,299	1,327,622	(1,317,333)	9,277,588
Ng Ah Chong	1,066,666	-	-	1,066,666
Siow Hock Lee	65,333	-	-	65,333
Wong Tuck Kuan	61,666	-	-	61,666
Indirect interest *				
Koid Hun Kian	439,000	1,737,333	-	2,176,333
Ng Ah Chong	55,300	-	-	55,300
Siow Hock Lee	33,333	-	-	33,333
Being shares held through a company in which the Director is deemed interested				
Koid Hun Kian	3,217,937	-	-	3,217,937

* Pursuant to Section 134(12)(c) of the Companies Act, 1965 on disclosure of interests held by spouse.

By virtue of his interest in the shares of the Company, Koid Hun Kian is also deemed interested in the shares of the subsidiary companies to the extent the Company has an interest.

In accordance with Article 80 of the Company's Articles of Association, Koid Hun Kian and Siow Hock Lee retire by rotation at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

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 remuneration received or due and receivable by the directors and the estimated value of benefit-in-kind shown 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.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENT

Significant event arising during the financial year is disclosed in Note 43 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 of Directors in accordance with their resolution dated 21 March 2011.

TUNKU DATO' SERI KAMEL
BIN TUNKU RIJALUDIN

KOID HUN KIAN

Company No.: 409449-A

AMTEL HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements as set out on pages 8 to 65, are drawn up in accordance with the Companies Act, 1965 and the Financial Reporting Standards 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 2010 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution dated 21 March 2011.

TUNKU DATO' SERI KAMEL
BIN TUNKU RIJALUDIN

KOID HUN KIAN

STATUTORY DECLARATION

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

I, Koid Hun Kian, being the Director primarily responsible for the financial management of the AMTEL HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements as set out on pages 8 to 65, 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 21 March 2011

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 balance sheets as at 30 November 2010, and the income statements, statements of changes in equity and cash flow statements 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 on pages 8 to 65.

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 control as the directors determine is 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 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 of 30 November 2010 and of its financial performance and cash flows for the financial year then ended.

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 subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiary companies of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

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.

Other Reporting Responsibilities

The supplementary information set out in Note 22 to the financial statement is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

MOORE STEPHENS AC
Chartered Accountants
AF 001826

Kuala Lumpur
21 March 2011

AU TAI WEE
1551/01/13 (J)
Chartered Accountant

AMTEL HOLDINGS BERHAD
(Incorporated in Malaysia)

BALANCE SHEETS AS AT 30 NOVEMBER 2010

ASSETS	Note	Group		Company	
		2010 RM	2009 RM	2010 RM	2009 RM
Non-current assets					
Property, plant and equipment	4	2,711,931	2,843,971	13,508	10,713
Prepaid land lease payments	5	30,891	31,224	-	-
Investment in subsidiary companies	6	-	-	18,540,207	26,040,207
Interest in associated companies	7	112,520	73,051	-	-
Intangible assets	8	316,838	506,939	-	-
Other investments	9	9,202,153	5,035,742	1,757,369	2,322,086
Other receivables	15	314,902	983,650	314,902	983,650
Investment properties	10	168,717	13,514,280	-	-
Deferred tax assets	11	900,000	900,000	-	-
		13,757,952	23,888,857	20,625,986	29,356,656
Current assets					
Inventories	12	5,930,777	2,749,305	-	-
Short term investments	13	276,075	426,996	-	-
Trade receivables	14	12,888,744	11,977,722	-	-
Dividend receivables		-	-	479,006	-
Other receivables, deposits and prepayments	15	2,959,519	2,379,700	852,064	1,111,271
Tax assets	16	127,195	57,311	-	2,746
Amount owing by subsidiary companies	17	-	-	4,509,095	4,506,617
Amount owing by associated companies	18	462,750	538,436	38,468	32,011
Cash deposits with licensed banks	19	10,830,193	3,706,074	-	-
Cash and bank balances		4,919,416	2,004,404	15,048	10,586
		38,394,669	23,839,948	5,893,681	5,663,231
Non-current assets held for sale	20	-	2,155,526	-	-
		38,394,669	25,995,474	5,893,681	5,663,231
TOTAL ASSETS		52,152,621	49,884,331	26,519,667	35,019,887

AMTEL HOLDINGS BERHAD
(Incorporated in Malaysia)

BALANCE SHEETS AS AT 30 NOVEMBER 2010 (cont'd)

		Group		Company	
	Note	2010	2009	2010	2009
		RM	RM	RM	RM
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	21	49,277,066	49,277,066	49,277,066	49,277,066
Reserves	22	(11,933,256)	(15,780,447)	(23,181,532)	(22,493,872)
		37,343,810	33,496,619	26,095,534	26,783,194
Minority interests		275,909	654,951	-	-
Total Equity		37,619,719	34,151,570	26,095,534	26,783,194
Liabilities					
Non-current liabilities					
Hire purchase payables	23	670,814	846,699	-	-
Deferred tax liabilities	25	13,936	12,876	-	-
		684,750	859,575	-	-
Current liabilities					
Trade payables	26	7,709,409	6,413,111	-	-
Other payables, deposits and accruals	27	2,679,453	3,927,254	248,504	202,964
Amount owing to subsidiary companies	17	-	-	21,098	7,937,468
Provisions	28	1,148,940	826,318	154,045	96,261
Bank borrowings	29	1,856,378	3,213,385	-	-
Hire purchase payables	23	240,231	219,081	-	-
Tax liabilities		213,741	274,037	486	-
		13,848,152	14,873,186	424,133	8,236,693
Total liabilities		14,532,902	15,732,761	424,133	8,236,693
TOTAL EQUITY AND LIABILITIES		52,152,621	49,884,331	26,519,667	35,019,887

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

AMTEL HOLDINGS BERHAD
(Incorporated in Malaysia)

INCOME STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2010

		Group		Company	
	Note	2010	2009	2010	2009
		RM	RM	RM	RM
Operating revenue	30	59,263,353	55,525,614	1,811,869	976,147
Cost of sales	31	(45,890,268)	(43,606,447)	-	-
Gross profit		13,373,085	11,919,167	1,811,869	976,147
Other operating income		1,932,510	830,943	276,463	3,729,631
Distribution costs		(1,133,967)	(1,163,454)	-	-
Administrative costs		(8,017,528)	(6,303,026)	(1,315,716)	(968,134)
Other operating costs		(2,053,465)	(1,762,776)	(1,460,276)	(1,653,625)
		(11,204,960)	(9,229,256)	(2,775,992)	(2,621,759)
Profit/(Loss) from operations		4,100,635	3,520,854	(687,660)	2,084,019
Finance costs		(331,511)	(537,328)	-	(1,998)
		3,769,124	2,983,526	(687,660)	2,082,021
Share of associated companies' results		39,469	60,980	-	-
Profit/(Loss) before taxation	32	3,808,593	3,044,506	(687,660)	2,082,021
Taxation	33	(340,444)	(271,854)	-	-
Profit/(Loss) for the year		3,468,149	2,772,652	(687,660)	2,082,021
Attributable to:-					
Equity holders of the Company		3,847,191	2,717,610		
Minority interests		(379,042)	55,042		
		3,468,149	2,772,652		
Earnings per share attributable to equity holders of the Company					
Profit per ordinary share (sen)	34	7.81	5.51		

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

Company No. : 409449-A

AMTEL HOLDINGS BERHAD
(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2010**

	<---- Attributable to Equity Holders of the Company ---->					
	Share Capital RM	Non- Distributable Share Premium RM	Accumulated Losses RM	Sub-total RM	Minority Interests RM	Total Equity RM
At 1.12.08	49,277,066	4,774,665	(23,272,722)	30,779,009	740,431	31,519,440
Acquisition from minority interests	-	-	-	-	(140,522)	(140,522)
Profit for the year *	-	-	2,717,610	2,717,610	55,042	2,772,652
At 30.11.09	49,277,066	4,774,665	(20,555,112)	33,496,619	654,951	34,151,570
Profit for the year *	-	-	3,847,191	3,847,191	(379,042)	3,468,149
At 30.11.10	49,277,066	4,774,665	(16,707,921)	37,343,810	275,909	37,619,719

* Total income and expenses recognised during the year.

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

AMTEL HOLDINGS BERHAD
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2010**

	Share Capital RM	Non- Distributable Share Premium RM	Accumulated Losses RM	Total Equity RM
At 1.12.08	49,277,066	4,774,665	(29,350,558)	24,701,173
Profit for the year *	-	-	2,082,021	2,082,021
At 30.11.09	49,277,066	4,774,665	(27,268,537)	26,783,194
Loss for the year *	-	-	(687,660)	(687,660)
At 30.11.10	49,277,066	4,774,665	(27,956,197)	26,095,534

* Total income and expenses recognised during the year.

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

AMTEL HOLDINGS BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2010

		Group		Company	
	Note	2010 RM	2009 RM	2010 RM	2009 RM
Cash Flows from Operating Activities					
Profit/(Loss) before taxation		3,808,593	3,044,506	(687,660)	2,082,021
Adjustments for:-					
Allowance for doubtful debts due from subsidiary companies		-	-	1,176,719	155,000
Amortisation of intangible assets		190,101	190,101	-	-
Amortisation of prepaid land lease payments		333	13,207	-	-
Bad debts written off		5,341	15,193	-	-
Depreciation of property, plant and equipment		868,564	683,128	6,246	6,534
Dividend income from other investments		(105,601)	(26,548)	(24,139)	(23,017)
Gain on disposal of non-current assets held for sale		(1,000,417)	-	-	-
Gain on disposal of leasehold land		-	(54,943)	-	-
Gain on disposal of property, plant and equipment		(21,025)	(153,129)	-	(38,000)
Impairment loss on investment in subsidiary companies		-	-	-	500,000
Interest expenses		316,118	508,346	-	1,998
Interest income		(460,119)	(135,589)	(276,463)	-
Inventories written off		2,736	12,941	-	-
Loss on disposal of investment in a subsidiary company		-	66,700	-	660,964
Net provision for employee benefits		62,688	(4,365)	57,784	13,846
Net provision for warranty costs		259,934	109,741	-	-
Property, plant and equipment written off		-	178,222	-	-
Reversal of allowances for doubtful debts		(39,992)	(21,476)	-	-
Share of results of associated companies		(39,469)	(60,980)	-	-
Unrealised loss/(gain) on foreign exchange		43,856	(5,459)	-	-
Waiver of debts from a subsidiary company		-	-	-	(3,691,631)
Write down/(Reversal of write down) of short term investments		150,921	(198,810)	-	-
Operating profit/(loss) before working capital changes carried down		4,042,562	4,160,786	252,487	(332,285)

AMTEL HOLDINGS BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2010 (cont'd)

		Group		Company	
	Note	2010 RM	2009 RM	2010 RM	2009 RM
Operating profit/(loss) before working capital changes brought down		4,042,562	4,160,786	252,487	(332,285)
(Increase)/Decrease in inventories		(3,184,208)	1,114,023	-	-
(Increase)/Decrease in trade and other receivables		(787,442)	(5,330,368)	448,949	(5,792)
Increase in trade and other payables		4,641	2,618,948	45,540	9,034
Cash generated from/(used in) operations		75,553	2,563,389	746,976	(329,043)
Interest paid		(316,118)	(508,346)	-	(1,998)
Interest received		460,119	135,589	276,463	-
Income tax refunded		3,232	-	3,232	-
Income tax paid		(472,796)	(184,989)	-	-
Net cash (used in)/generated from operating activities		(250,010)	2,005,643	1,026,671	(331,041)
Cash Flows from Investing Activities					
Acquisition of minority interests		-	(140,522)	-	(140,522)
Acquisition of short term investments		-	(8,586)	-	-
Advances to subsidiary companies		-	-	(1,595,567)	(258,217)
Dividend received from other investments		105,601	26,548	24,139	23,017
Dividend received from subsidiary companies		-	-	7,500,000	-
(Placement)/Drawdown of pledged fixed deposits		(4,626,900)	210,210	-	-
Proceeds from disposal of a subsidiary company, net of cash disposed	35	-	329,051	-	340,860
Proceeds from disposal of non-current assets held for sale		16,501,506	-	-	-
Proceeds from disposal of leasehold land		-	974,870	-	-
Proceeds from disposal of other investments		-	-	564,717	-
Proceeds from disposal of property, plant and equipment		44,526	1,662,661	9,483	38,000
Proceeds from disposal of unquoted shares in an associated company		-	1,200,000	-	1,200,000
Purchase of other investments		(4,166,411)	(1,357,504)	-	(790,468)
Purchase of plant and equipment	36	(695,025)	(483,620)	(18,524)	(9,735)
Repayment from/(Advances to) associated company		75,686	158,505	(6,457)	(19,582)
Net cash generated from investing activities carried down		7,238,983	2,571,613	6,477,791	383,353

AMTEL HOLDINGS BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2010 (cont'd)

		Group		Company	
	Note	2010 RM	2009 RM	2010 RM	2009 RM
Net cash generated from investing activities brought down		7,238,983	2,571,613	6,477,791	383,353
Cash Flows from Financing Activities					
(Repayment to)/Advances from subsidiary companies		-	-	(7,500,000)	27,624
Drawdown from bankers' acceptances		661,149	118,126	-	-
Net repayment of bills payable		(211,000)	(250,063)	-	-
Payment of hire purchase payables		(219,735)	(497,445)	-	(92,360)
Repayment of term loans		(1,898,106)	(2,751,961)	-	-
Net cash used in financing activities		<u>(1,667,692)</u>	<u>(3,381,343)</u>	<u>(7,500,000)</u>	<u>(64,736)</u>
Net increase/(decrease) in cash and cash equivalents		5,321,281	1,195,913	4,462	(12,424)
Cash and cash equivalents at beginning of the year		<u>4,342,654</u>	<u>3,146,741</u>	<u>10,586</u>	<u>23,010</u>
Cash and cash equivalents at end of the year	37	<u><u>9,663,935</u></u>	<u><u>4,342,654</u></u>	<u><u>15,048</u></u>	<u><u>10,586</u></u>

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

AMTEL HOLDINGS BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30 NOVEMBER 2010

1. CORPORATE INFORMATION

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

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 subsidiary companies are set out in Note 6. 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 Board of Directors' resolution dated 21 March 2011.

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 Companies Act, 1965 and Financial Reporting Standards issued by the Malaysian Accounting Standards Board ("MASB") and complied with the provisions of the Companies Act 1965.

On 1 December 2009, the Group adopted FRS 8, *Operating Segments* which is effective for financial periods beginning 1 July 2009. FRS 8, which replaces FRS 114, *Segment Reporting*, requires entities to disclose segment information based on the information reviewed by the entity's chief operating decision maker for the purpose of making decisions about allocating resources to the segments and assessing their performance. The standard also requires entity-wide disclosures which include information about products and services, geographical areas in which the Group operates, and revenue of the Group's major customers. The management determined that the reportable operating segment in accordance with the standard is similar to the internal management report. The Group has adopted FRS 8 retrospectively. Accordingly, the comparative segment information has been re-presented. As this is a disclosure standard, it has no impact on the financial position or financial result of the Group.

2. BASIS OF PREPARATION (cont'd)**(a) Statement of Compliance (cont'd)**

The MASB has issued the following new and revised FRSs, Amendments to FRSs, IC Interpretations and Technical Releases (“TRs”) that are not yet effective and have not been early adopted in preparing these financial statements:-

		For financial periods beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3	Business Combinations (Revised)	1 July 2010
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 101	Presentation of Financial Statements (Revised)	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 124	Related Party Disclosures (Revised)	1 January 2012
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
FRS 127	Consolidated and Separate Financial Statements (Revised)	1 July 2010
Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters (Amendment to FRS 1)		1 January 2011
Improving Disclosures about Financial Instruments (Amendments to FRS 7)		1 January 2011
Additional Exemptions for First-time Adopters (Amendments to FRS 1)		1 January 2011
Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)		1 January 2011
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		1 January 2010
Amendments to FRS 2 Share-based Payment: Vesting Conditions and Cancellations		1 January 2010
Amendments to FRS 2 Share-based Payment		1 July 2010
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations		1 July 2010
Amendments to FRS 132 Financial Instruments: Presentation		1 January 2010/ 1 March 2010
Amendments to FRS 138 Intangible Assets		1 July 2010
Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives		1 January 2010
Amendments to FRSs contained in the document entitled “Improvements to FRSs (2009)”		1 January 2010
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 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010

2. BASIS OF PREPARATION (cont'd)**(a) Statement of Compliance (cont'd)**

		For financial periods beginning on or after
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15	Arrangements for the Construction of Real Estate	1 January 2012
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
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
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives		1 July 2010
TR 3	Guidance on Disclosures of Transition to IFRSs	31 December 2010
TR i-3	Presentation of Financial Statements of Islamic Financial Institutions	1 January 2010
TR i-4	Shariah Compliant Sale Contracts	1 January 2011

By virtue of the exemption in FRS 4, 7 and 139, the impact of applying the respective FRSs on these financial statements upon their first adoption as required by paragraph 30(b) of FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* is not disclosed.

The adoption of the other FRSs, Amendments to FRSs, IC Interpretations and TRs is not expected to have any significant impact on the financial statements of the Group and of the Company upon their initial application, except for FRS 101, FRS 117, FRS 3 and FRS 127 on changes in accounting policies as indicated below.

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 of 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 income statements, together with all other items of recognised income and expense, either in one single statement, or in two link statements. The Group and the Company are currently evaluating the format to adopt. New terminologies will replace '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 reclassification of items in the financial statements. The adoption of this revised standard will only impact the form and content of the presentation of the Group's and of the Company's financial statements in the next financial year.

2. BASIS OF PREPARATION (cont'd)

(a) Statement of Compliance (cont'd)

Amendments to FRS 117 Leases

The amendments remove the specific guidance on classifying leasehold land as operating lease. As such, leases of land will be classified as either finance or operating lease based on the general principle of FRS 117. Consequently, upon initial application, leasehold land where in substance a finance lease will be classified from “prepaid land lease payments” to “property, plant and equipment” and measured as such retrospectively. The following are the expected effects on the consolidated balance sheet as at 30 November 2010 arising from the above change in accounting policy:-

Balance Sheets

	Group RM
Decrease in prepaid land lease payments	30,891
Increase in property, plant and equipment	<u>30,891</u>

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 loses 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 minority shareholders to be absorbed by minority shareholders instead of by the parent. The Group will apply the changes of revised FRS 3 and FRS 127 prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

(b) Basis of Measurement

The measurement bases applied in the presentation of the financial statement of the Group and of the Company included cost, recoverable amount and net realisable value. Estimates are used in measuring these values.

(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 consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency. All financial information presented in RM has been rounded to nearest RM, unless otherwise stated.

2. BASIS OF PREPARATION (cont'd)

(d) Significant Accounting Estimates and Judgements

The preparation of financial statements of the Group and of the Company requires management to make assumptions, estimates and judgements that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Assumptions and estimates are reviewed on an ongoing basis and are recognized in the period in which the assumption or estimate is revised.

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

- i. Amortisation of intangible assets (Note 8) – the cost of intangible assets is amortised using on the straight line method over the assets' useful lives. Management estimates the useful lives of these intangible assets to be within 2 – 5 years of their expected benefit. The amortisation period and amortisation method are reviewed at each balance sheet date.
- ii. Deferred tax asset (Note 11) – deferred tax asset is recognised for all unutilised tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the unutilised tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax asset that can be recognised, based on the expected future financial performance of the Group.
- iii. Depreciation of property, plant and equipment (Note 4) - the cost of property, plant and equipment is depreciated using the straight line method 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, therefore future depreciation charges could be revised.
- iv. Provision for warranty costs (Note 28) – provision for warranty costs is in respect of products sold under warranty by subsidiary companies. 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.
- v. Non-current receivables (Note 15) – Non-current receivables are stated at fair value of deferred consideration which was determined by discounting all future receipts using effective interest method. Management estimates the interest rate that discounts all future receipts to the current consideration to be received from the Purchasers.
- vi. Taxation (Note 33) – 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 Company recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the periods in which the outcome is known.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

The consolidated financial statements incorporated the audited financial statements of the Company and all its subsidiary companies which are disclosed in Note 6 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.

Subsidiary companies are consolidated using the purchase method, from the date of acquisition being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. The assets, liabilities and contingent liabilities assumed of a subsidiary company 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 transactions and events in similar circumstances.

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.

Minority interest represents the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minority interests' share of the fair value of net assets at the acquisition date and the (minorities' share of) changes in the equity since then.

The consolidated financial statements are prepared on the basis that the excess of the losses attributable to minority shareholders over their equity interest will be absorbed by the Group. All profits subsequently reported by the subsidiary company will be allocated to the Group until the minority shareholders' share of losses previously absorbed by the Group has been recovered.

(b) Subsidiary Companies

A subsidiary company is an enterprise in which the Group has the power to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Investments in subsidiary companies, which are eliminated on consolidation, are stated at cost less accumulated impairment losses, if any, in the Company's financial statements. Impairment loss is determined on individual basis.

Gains or losses arising from the disposal of an investment is determined as the difference between the estimated net disposal proceeds and the carrying amount of the investment, and is recognised in the income statement.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Associated Companies

Associated companies are entities in which the Group has significant influence and that is neither a subsidiary company nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not to have control over those policies.

Investment in associated companies is accounted for in the Group's consolidated financial statements using the equity method. The Group's investment in associated companies is recognised in the consolidated balance sheet at cost plus the Group's share of post-acquisition net results of the associated company less impairment loss, if any, determined on an individual basis. The Group's share of results of the associated company is recognised in the consolidated income statement from the date that significant influence commences until the date that significant influence ceases. Unrealised gains and losses on transactions between the Group and the associated companies are eliminated to the extent of the Group's interest in the associated company.

When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company. Consistent accounting policies are applied for transactions and events in similar circumstances.

Goodwill relating to an associated company is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the fair value of the associated company's net identifiable assets and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the results of the associated company in the period in which the investment is acquired.

Investments in associated companies are stated at cost, less impairment losses, if any, in the Company's financial statements.

On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is included in the income statement.

(d) Intangible Assets

i. Goodwill

Goodwill acquired in a business combination represents the difference between the purchase consideration and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities in the subsidiary companies at the date of acquisition.

Goodwill is allocated to cash generating units and is stated at cost at balance sheet date less accumulated impairment losses, if any. Impairment test is performed annually at balance sheet date. Goodwill is also tested for impairment when any indication of impairment exists. Impairment losses recognised are not reversed in subsequent periods.

Upon the disposal of an interest in a subsidiary company, the related goodwill will be included in the computation of gain or loss on disposal of the interest in the subsidiary company in the consolidated income statement.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Intangible Assets (cont'd)

ii. Research and Development

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

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

Development costs which are considered to have finite useful lives, are stated at cost less any impairment losses and are amortised over the expected commercial lives of the underlying products. Amortisation is provided from the commencement of the commercial production of the product on the straight line basis over a period of 2 – 5 years. Impairment is assessed whenever there is an indication of impairment. The amortisation period and method are also reviewed at each balance sheet date.

iii. License Rights

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

License rights which include intellectual property, will be amortised over the estimated useful life and assessed for impairment annually and 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 2 – 5 years. The amortisation period and amortisation method are reviewed at each balance sheet date.

(e) 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 assets as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group 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 the income statement as and when they are incurred.

Freehold land is not depreciated and all other property, plant and equipment are depreciated to write off the cost of the property, plant and equipment over their estimated useful lives.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Property, Plant and Equipment and Depreciation (cont'd)

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 financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

(f) Investment Properties

Investment properties consist of land and buildings held for long term purposes for capital appreciation or rental income or both. The Group has adopted the cost method in measuring investment property. Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land included in investment properties are not amortised.

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

(g) Impairment of Assets

The carrying amounts of assets other than inventories, deferred tax assets, assets arising from employee benefits and financial assets are reviewed at each balance sheet 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 of sales 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 the income statement

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Impairment of Assets (cont'd)

The reversal of impairment loss recognised on an asset, other than goodwill due to a subsequent increase in recoverable amount 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 is recognised in the income statement. However, the reversal of impairment losses recognised on a revalued asset will be treated as revaluation surplus to the extent that the reversal does not exceed the amount previously held in revaluation reserve in respect of the same asset.

(h) 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 income statement. Gains are not recognised in excess of any cumulative impairment loss.

(i) 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.

(j) Employee Benefits

i. Short Term Employee Benefits

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

ii. Defined Contribution Plans

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Foreign Currencies

Transactions in Foreign Currencies

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the income statement for the year.

(l) Tax Expense

Tax expense comprises current and deferred tax. Tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or tax loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference 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 benefit will be realised.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Revenue Recognition

i. Goods Sold

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

ii. Services

Revenue from services is recognised when the services are rendered.

iii. Revenue from Contracts

Revenue from contracts is recognised on the percentage of completion method when the outcome of the contracts can be reliably estimated, in the proportion which total costs incurred to date bear to the total estimated costs of the contracts.

iv. Rental Income

Rental income is recognised in the income statement on the straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

v. Dividend Income

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

vi. Interest Income

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

vii. Management Fee Income

Management fee income is recognised on an accrual basis.

(n) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation. The increase in the provision due to the passage of time is recognised as finance costs.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Borrowing Costs

Borrowing costs in respect of expenditure incurred on acquisition of property, plant and equipment are capitalised during the period when activities to plan, develop and construct these assets are undertaken. Capitalisation of borrowing costs ceases when these assets are ready for their intended use or sale.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

(p) Lease Payments

i. Finance Leases

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

The finance lease is 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 finance charge is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of the estimated useful life of the asset and the lease term.

ii. Operating Leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on the straight-line basis over the lease period.

(q) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) Due from Customer on Contract (cont'd)

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.

(r) Segment Reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by their respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are disclosed in Note 42, including the factors used to identify the reportable segments and the measurement basis of segment information.

(s) Financial Instruments

Financial instruments are classified as assets, liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to financial instruments classified as assets or liabilities are reported as expense or revenue. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

The recognised financial instruments comprise cash and cash equivalents, pledged cash deposits, trade and other receivables, trade and other payables, bank borrowings, ordinary shares and other investments. These instruments are recognised in the financial statements when contracts or contractual arrangements are entered into with the counter-parties.

The unrecognised financial instruments are financial guarantees given to subsidiary companies. The financial guarantees would be recognised as liabilities when obligations to pay the counter-parties are assessed as being probable.

i. Receivables

Receivables are stated at cost less allowance for doubtful debts, if any, which is the anticipated realisable values. Known bad debts are written off and specific allowance is made for those debts considered to be doubtful of collection.

Non-current receivables are stated at fair value of deferred consideration which was determined by discounting all future receipts using effective interest method. The difference between the fair value and the nominal amount of the consideration is recognised as interest income in the income statement.

ii. Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) Financial Instruments (cont'd)

iii. Interest Bearings Bank Borrowings

Interest bearing bank borrowings which include term loans, bills payable, bankers' acceptances, suppliers' credit financing scheme and bank overdrafts are stated at the amount of proceeds received, net of transaction costs.

iv. Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

v. Cash and Cash Equivalents

Cash and cash equivalents comprise of 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.

vi. Other Non-current Investments

Non-current investments other than investments in subsidiary companies, associated companies and investment properties are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

vii. Short Term Investments

Short term investments are carried at the lower of cost and market value. Increases or decreases in the carrying amount of short term investments are recognised in the income statement. On disposal of short term investments, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land	Apartment and Buildings	Plant, Machinery and Tools	Renovation, Furniture, Fixture, Fittings, Office Equipment and Electrical Installation	Motor Vehicles	Total
Cost	RM	RM	RM	RM	RM	RM
At 1.12.09	803,023	396,186	769,454	2,336,244	2,423,885	6,728,792
Additions	-	-	-	683,654	76,371	760,025
Disposals	-	-	-	(25,710)	(97,725)	(123,435)
At 30.11.10	803,023	396,186	769,454	2,994,188	2,402,531	7,365,382
Accumulated Depreciation and Impairment Losses						
At 1.12.09	12,365	33,512	686,851	2,002,189	1,149,904	3,884,821
Charge for the year	-	6,896	20,555	511,786	329,327	868,564
Disposals	-	-	-	(2,211)	(97,723)	(99,934)
At 30.11.10	12,365	40,408	707,406	2,511,764	1,381,508	4,653,451
Net Carrying Amount						
At 30.11.10	790,658	355,778	62,048	482,424	1,021,023	2,711,931

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

Group	Freehold Land	Apartment and Buildings	Plant, Machinery and Tools	Renovation, Furniture, Fixture, Fittings, Office Equipment and Electrical Installation	Motor Vehicles	Total
Cost	RM	RM	RM	RM	RM	RM
At 1.12.08	803,023	2,176,114	3,715,172	3,022,020	2,184,117	11,900,446
Additions	-	-	19,611	270,362	1,363,647	1,653,620
Disposals	-	(1,689,828)	(1,906,682)	(38,838)	(1,123,879)	(4,759,227)
Written off	-	-	(706,630)	(634,041)	-	(1,340,671)
Reclassification	-	-	(12,117)	12,117	-	-
Disposal of a subsidiary company	-	(90,100)	(339,900)	(295,376)	-	(725,376)
At 30.11.09	803,023	396,186	769,454	2,336,244	2,423,885	6,728,792
Accumulated Depreciation and Impairment Losses						
At 1.12.08	12,365	548,198	3,401,222	2,553,487	1,756,331	8,271,603
Charge for the year	-	19,699	47,015	358,935	257,479	683,128
Disposals	-	(510,985)	(1,836,511)	(38,293)	(863,906)	(3,249,695)
Written off	-	-	(572,858)	(589,591)	-	(1,162,449)
Reclassification	-	-	(12,117)	12,117	-	-
Disposal of a subsidiary company	-	(23,400)	(339,900)	(294,466)	-	(657,766)
At 30.11.09	12,365	33,512	686,851	2,002,189	1,149,904	3,884,821
Net Carrying Amount						
At 30.11.09	790,658	362,674	82,603	334,055	1,273,981	2,843,971

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

Company	Furniture, Fixture, Fittings and Office Equipment RM	Motor Vehicles RM	Renovation RM	Total RM
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
Cost				
At 1.12.08	90,845	639,049	63,787	793,681
Additions	9,735	-	-	9,735
Disposal	-	(639,049)	-	(639,049)
At 30.11.09	100,580	-	63,787	164,367
Accumulated Depreciation				
At 1.12.08	83,333	639,049	63,787	786,169
Charge for the year	6,534	-	-	6,534
Disposal	-	(639,049)	-	(639,049)
At 30.11.09	89,867	-	63,787	153,654
Net Carrying Amount				
At 30.11.09	10,713	-	-	10,713

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

The plant and equipment under hire purchase instalment plans are as follow:-

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Cost				
Motor vehicles	<u>1,590,987</u>	<u>1,685,615</u>	<u>-</u>	<u>-</u>
Net Carrying Amount				
Motor vehicles	<u>1,009,068</u>	<u>1,461,665</u>	<u>-</u>	<u>-</u>

5. PREPAID LAND LEASE PAYMENTS

	Group	
	2010	2009
	RM	RM
At cost,		
At beginning of the year	32,220	1,042,367
Less: Disposal	<u>-</u>	<u>(1,010,147)</u>
At end of the year	32,220	32,220
Less: Accumulated amortisation		
At beginning of the year	996	78,009
Amortisation	333	13,207
Less: Disposal	<u>-</u>	<u>(90,220)</u>
At end of the year	<u>(1,329)</u>	<u>(996)</u>
	<u>30,891</u>	<u>31,224</u>

The leasehold land of the Group has an unexpired lease period of more than 50 years.

6. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2010	2009
	RM	RM
Unquoted shares, at cost		
At beginning of the year	33,779,373	34,640,675
Addition	-	140,522
Disposal	-	(1,001,824)
Dividend paid out of pre-acquisition profit	<u>(7,500,000)</u>	<u>-</u>
At end of the year	26,279,373	33,779,373
Less: Impairment loss		
At beginning of the year	<u>(7,739,166)</u>	<u>(7,239,166)</u>
Addition	<u>-</u>	<u>(500,000)</u>
	<u>(7,739,166)</u>	<u>(7,739,166)</u>
At end of the year	<u>18,540,207</u>	<u>26,040,207</u>

The details of the subsidiary companies are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2010	2009	
Held by the Company				
Amtel Cellular Sdn. Bhd.	Malaysia	100%	100%	Distribution of navigation products and trading of electronic and telecommunications related products.
Amtel Communications Sdn. Bhd.	Malaysia	100%	100%	Import, distribution and servicing of two way radio communications products and the design, implementation and management of telecommunications projects.
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.
* Amtel Resources Sdn. Bhd.	Malaysia	100%	100%	Contractors for installation, jointing and testing of utilities, telecommunications and fibre optic cables and associated civil works.

6. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The details of the subsidiary companies are as follows:- (cont'd)

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2010	2009	
Held by the Company				
AAV Industries Sdn. Bhd.	Malaysia	100.0%	50.1%	Trading and assembling 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%	50.8%	General trading and marketing of alternate telephony charges services.
Held through Damansara Duta Sdn. Bhd.				
Talk Connect Sdn. Bhd.	Malaysia	50.8%	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 firms of auditors other than Moore Stephens AC.

7. INTEREST IN ASSOCIATED COMPANIES

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Unquoted shares, at cost				
At beginning of the year	26,759	4,536,352	-	6,970,000
Less: Disposal	-	(2,886,139)	-	(4,460,800)
Less: Transfer to other investment (Note 9)	-	(1,623,454)	-	(2,509,200)
At end of the year	26,759	26,759	-	-
Share of results of associated companies				
At beginning of the year	46,292	4,072,918	-	-
Current year share of results	39,469	60,980	-	-
Disposal	-	(2,616,070)	-	-
Transfer to other investment (Note 9)	-	(1,471,536)	-	-
At end of the year	85,761	46,292	-	-
Less: Impairment loss				
At beginning of the year	-	4,119,949	-	2,492,750
Reversal arising from disposal	-	(2,224,959)	-	(1,183,550)
Transfer to other investment (Note 9)	-	(1,894,990)	-	(1,309,200)
	-	-	-	-
	112,520	73,051	-	-

7. INTEREST IN ASSOCIATED COMPANIES (cont'd)

The summarised financial information of the associated companies are as follows:-

	Group	
	2010	2009
	RM	RM
Assets and Liabilities		
Current assets	1,310,073	1,840,950
Non-current assets	274,693	248,681
Total assets	1,584,766	2,089,631
Current liabilities	1,076,256	1,836,869
Non-current liabilities	148,715	8,814
Total liabilities	1,224,971	1,845,683
Results		
Revenue	4,293,950	3,100,893
Profit for the year	115,847	206,414

The associated companies are as follow:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2010	2009	
Held by the Company				
* Amtel Networks Sdn. Bhd.	Malaysia	40%	40%	Contractors 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	30%	30%	Trading and distribution of products, project implementation and management for telecommunication products, software, radio frequency, identification detector, navigation products and information computer technology products.

* Audited by firms of auditors other than Moore Stephens AC.

8. INTANGIBLE ASSETS

	Group	
	2010	2009
	RM	RM
Cost		
At beginning/end of the year	<u>950,504</u>	<u>950,504</u>
Accumulated Amortisation		
At beginning of the year	443,565	253,464
Addition	<u>190,101</u>	<u>190,101</u>
At end of the year	<u>(633,666)</u>	<u>(443,565)</u>
Net Carrying Amount	<u>316,838</u>	<u>506,939</u>

This is in respect of purchase of license rights on the Global Positioning System Software Engine and costs incurred on the development of the In-Car Navigation System.

9. OTHER INVESTMENTS

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Unit trusts quoted in Malaysia	7,911,153	3,744,742	466,369	1,031,086
Transferable club membership	<u>91,000</u>	<u>91,000</u>	<u>91,000</u>	<u>91,000</u>
At cost	8,002,153	3,835,742	557,369	1,122,086
Unquoted shares transferred from interest in associated companies (Note 7)				
- At beginning of the year	1,200,000	1,623,454	1,200,000	2,509,200
- Share of results of associated company	-	1,471,536	-	-
- Impairment loss	-	(1,894,990)	-	(1,309,200)
- At end of the year	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>
	<u>9,202,153</u>	<u>5,035,742</u>	<u>1,757,369</u>	<u>2,322,086</u>
Market value of unit trusts	<u>7,911,153</u>	<u>3,744,742</u>	<u>466,369</u>	<u>1,031,086</u>

In previous financial year, the Company has transferred 414,000 units of unquoted shares (representing 18% equity interest in an associate company – Permata Makmur Sdn. Bhd.) from interest in associated companies.

10. INVESTMENT PROPERTIES

	Group	
	2010	2009
	RM	RM
Freehold land, at cost		
At beginning of the year	12,701,041	12,701,041
Less: Classified to non-current assets held for sale (Note 20)	<u>(12,532,324)</u>	<u>-</u>
At end of the year	168,717	12,701,041
Impairment loss		
At beginning of the year	48,642	48,642
Less: Classified to non-current assets held for sale (Note 20)	<u>(48,642)</u>	<u>-</u>
At end of the year	<u>-</u>	<u>(48,642)</u>
	168,717	12,652,399
Land improvement costs		
At beginning of the year	861,881	861,881
Less: Classified to non-current assets held for sale (Note 20)	<u>(861,881)</u>	<u>-</u>
At end of the year	<u>-</u>	<u>861,881</u>
	<u>168,717</u>	<u>13,514,280</u>
Fair value	<u>209,000</u>	<u>14,367,176</u>

11. DEFERRED TAX ASSETS

	Group	
	2010	2009
	RM	RM
At beginning of the year	900,000	854,000
Transfer from income statement (Note 33)	<u>-</u>	<u>46,000</u>
At end of the year	<u>900,000</u>	<u>900,000</u>

11. DEFERRED TAX ASSETS (cont'd)

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

	Group	
	2010	2009
	RM	RM
Differences between the carrying amounts of property, plant and equipment and their tax base	63,900	13,500
Deductible temporary differences in respect of expenses	199,000	110,200
Unutilised tax losses	<u>637,100</u>	<u>776,300</u>
	<u>900,000</u>	<u>900,000</u>

The deferred tax assets recognised in the financial statements is in respect of unutilised tax losses 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 asset has been recognised in the financial statements are as follow:-

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Unutilised tax losses	9,496,400	13,272,900	134,800	67,600
Unabsorbed capital allowances	2,430,200	2,254,200	852,300	840,600
Deductible temporary differences in respect of expenses	266,700	290,100	150,300	98,600
Differences between the carrying amounts of property, plant and equipment and their tax base	<u>16,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>12,210,100</u>	<u>15,817,200</u>	<u>1,137,400</u>	<u>1,006,800</u>

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

12. INVENTORIES

	Group	
	2010	2009
	RM	RM
At cost,		
Finished goods	5,910,437	1,146,065
Raw materials and consumables	<u>20,340</u>	<u>20,507</u>
	5,930,777	1,166,572
At net realisable value,		
Finished goods	<u>-</u>	<u>1,582,733</u>
	<u><u>5,930,777</u></u>	<u><u>2,749,305</u></u>

13. SHORT TERM INVESTMENTS

	Group	
	2010	2009
	RM	RM
Shares quoted in Malaysia, at cost		
At beginning of the year	481,251	472,665
Additions	-	8,586
At end of the year	481,251	481,251
Less: Write down to market value		
At beginning of the year	54,255	253,065
Reversal of write down	-	(198,810)
Written down	150,921	-
At end of the year	<u>(205,176)</u>	<u>(54,255)</u>
	<u>276,075</u>	<u>426,996</u>
Market value of quoted shares	<u><u>276,075</u></u>	<u><u>426,996</u></u>

14. TRADE RECEIVABLES

	Group	
	2010	2009
	RM	RM
Trade receivables	13,191,280	12,325,345
Due from customer on contract	-	-
Less: Allowance for doubtful debts	<u>(302,536)</u>	<u>(347,623)</u>
	<u><u>12,888,744</u></u>	<u><u>11,977,722</u></u>

14. TRADE RECEIVABLES (cont'd)

	Group	
	2010	2009
	RM	RM
Due from customer on contract comprise:-		
Contract costs incurred to date	-	1,420,000
Less: progress billings	-	(1,420,000)
	<u>-</u>	<u>-</u>

The Group's normal trade credit term is 90 days or less.

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

	Group	
	2010	2009
	RM	RM
United States Dollar	257,179	941,847
Singapore Dollar	-	959

Included in trade receivables of the Group in the previous financial year was an amount owing by an associated company amounting to RM213,000.

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Non-current Asset				
Other receivables	<u>314,902</u>	<u>983,650</u>	<u>314,902</u>	<u>983,650</u>
Current Assets				
Other receivables	955,400	1,390,184	838,790	1,101,115
Deposits	282,628	244,199	2,280	2,280
Prepayments	<u>1,721,491</u>	<u>745,317</u>	<u>10,994</u>	<u>7,876</u>
	<u>2,959,519</u>	<u>2,379,700</u>	<u>852,064</u>	<u>1,111,271</u>

Included in other receivables of the Group and of the Company is an amount of RM 1,153,692 (2009: RM2,077,250) receivable from the Purchasers for the disposal of 32% equity interest in an associated company, Permata Makmur Sdn Bhd. The amount consists of RM314,902 (2009: RM983,650, due after 1 year) and RM838,790 (2009: RM1,093,600, due within 1 year) respectively.

Included in prepayment of the Group is an amount of RM844,215 (2009: RM Nil) being payment for the use, customisation and development of Global Positioning System navigation software engines.

16. TAX ASSETS

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Tax recoverable	50,554	46,886	-	1,446
Tax paid in advance	76,641	10,425	-	1,300
	<u>127,195</u>	<u>57,311</u>	<u>-</u>	<u>2,746</u>

17. AMOUNT OWING BY/(TO) SUBSIDIARY COMPANIES

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

	Company	
	2010	2009
	RM	RM
Amount owing by subsidiary companies	20,575,479	19,396,282
Less: Allowance for doubtful debts		
At beginning of the year	14,889,665	14,734,665
Addition	1,176,719	155,000
At end of the year	<u>(16,066,384)</u>	<u>(14,889,665)</u>
	<u>4,509,095</u>	<u>4,506,617</u>
Amount owing to subsidiary companies	<u>(21,098)</u>	<u>(7,937,468)</u>

18. AMOUNT OWING BY ASSOCIATED COMPANIES

The amount is non-trade in nature, unsecured, interest free and repayable on demand in cash.

19. CASH DEPOSITS WITH LICENSED BANKS

The cash deposits with licensed banks of the Group amounting to RM5,765,296 (2009: RM1,138,396) have been pledged as securities for bank guarantee facilities and banking facilities of the Group as disclosed in Note 29.

The effective interest rates range from 1.5% - 2.8% (2009 : 1.5% - 3.4%) per annum.

20. NON-CURRENT ASSETS HELD FOR SALE

	Group	
	2010	2009
	RM	RM
Freehold land, at cost		
At beginning of the year	2,016,318	2,016,318
Add: Classified from investment properties (Note 10)	12,532,324	-
Less: Disposal during the year	<u>(14,548,642)</u>	<u>-</u>
At end of the year	-	2,016,318
Impairment loss		
At beginning of the year	-	-
Add: Classified from investment properties (Note 10)	48,642	-
Less: Disposal during the year	<u>(48,642)</u>	<u>-</u>
At end of the year	-	-
	-	2,016,318
Land improvement costs		
At beginning of the year	139,208	139,208
Add: Classified from investment properties (Note 10)	861,881	-
Less: Disposal during the year	<u>(1,001,089)</u>	<u>-</u>
At end of the year	-	139,208
	-	<u>2,155,526</u>

On 18 July 2010, the subsidiary company, Metrarama Sdn. Bhd. ("MSB") has 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.

21. SHARE CAPITAL

	Group/Company			
	Number of shares		Amount	
	2010	2009	2010	2009
			RM	RM
Ordinary shares of RM1 each				
Authorised	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>
Issued and fully paid:-				
At beginning of the year/				
end of the year	<u>49,277,066</u>	<u>49,277,066</u>	<u>49,277,066</u>	<u>49,277,066</u>

22. RESERVES

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Non distributable share premium	4,774,665	4,774,665	4,774,665	4,774,665
Accumulated losses	<u>(16,707,921)</u>	<u>(20,555,112)</u>	<u>(27,956,197)</u>	<u>(27,268,537)</u>
	<u>(11,933,256)</u>	<u>(15,780,447)</u>	<u>(23,181,532)</u>	<u>(22,493,872)</u>

The accumulated losses as at balance sheet date may be analysed as follows:-

	Group	Company
	2010	2010
	RM	RM
Total accumulated losses of the Company and its subsidiary companies:-		
Realised	(36,107,921)	(27,956,197)
Unrealised	<u>(61,861)</u>	<u>-</u>
	(36,169,782)	(27,956,197)
Total share of retained earnings/(accumulated losses) from associated companies:-		
Realised	90,381	-
Unrealised	<u>(4,620)</u>	<u>-</u>
	85,761	-
	(36,084,021)	(27,956,197)
Add: Consolidation adjustments	<u>19,376,100</u>	<u>-</u>
Total accumulated losses	<u>(16,707,921)</u>	<u>(27,956,197)</u>

Comparative figures are not required in the first financial year of complying with the Realised and Unrealised Profits/Losses disclosure.

23. HIRE PURCHASE PAYABLES

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Gross instalments payments	1,021,398	1,225,207	-	-
Less: Future finance charges	<u>(110,353)</u>	<u>(159,427)</u>	<u>-</u>	<u>-</u>
Total present value of hire purchase payables	<u>911,045</u>	<u>1,065,780</u>	<u>-</u>	<u>-</u>

23. HIRE PURCHASE PAYABLES (cont'd)

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Current Liabilities				
Payable within 1 year				
Gross instalments payments	289,728	280,817	-	-
Less: Future finance charges	(49,497)	(61,736)	-	-
Total present value of hire purchase payables	240,231	219,081	-	-
Non-current Liabilities				
Payable after 1 year				
Gross instalments payments	731,669	944,390	-	-
Less: Future finance charges	(60,855)	(97,691)	-	-
Present value of hire purchase payables	670,814	846,699	-	-
Total present value of hire purchase payables	911,045	1,065,780	-	-

The maturity profile of the hire purchase payables are as follows:-

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Payable within 1 year	240,231	219,081	-	-
Payable after 1 year but not later than 2 years	256,331	233,728	-	-
Payable after 2 years but not later than 3 years	220,619	248,341	-	-
Payable after 3 years but not later than 4 years	127,595	211,146	-	-
Payable after 4 years but not later than 5 years	32,673	153,484	-	-
Payable after 5 years	33,596	-	-	-
	911,045	1,065,780	-	-

The hire purchase payables of the Group bear effective interest at rates ranging from 4.37% - 7.00% (2009 : 2.38% - 7.35%) per annum.

24. TERM LOANS

	Group	
	2010	2009
	RM	RM
Secured		
Term Loan I		
Repayable in 36 monthly instalments over a period of 3 years commencing April 2008 and bears interest at 7.25% per annum	-	1,080,000
Term Loan II		
Repayable within 6 months from the date of each drawdown commencing December 2007 and bears interest at 7.0% per annum	-	818,106
	-	1,898,106
Repayment more than 1 year but not more than 2 years	-	-
Repayment within 1 year (Note 29)	-	1,898,106

The term loans facilities are secured and supported as disclosed in Note 29.

In the previous financial year, the term loans bore effective interest at rates ranging from 6.1% - 8.0% per annum.

25. DEFERRED TAX LIABILITIES

	Group	
	2010	2009
	RM	RM
At beginning of the year	12,876	12,307
Transfer from income statement (Note 33)	1,060	569
At end of the year	13,936	12,876

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

	Group	
	2010	2009
	RM	RM
Differences between the carrying amount of property, plant and equipment and its tax base	13,936	12,876

The normal trade credit term granted to the Group is 120 days or less (2009: 120 days or less).

26. TRADE PAYABLES

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

	Group	
	2010	2009
	RM	RM
Renminbi	638,823	307,500
United States Dollar	<u>667,418</u>	<u>116,108</u>

Included in trade payables of the Group is an amount owing to an associated company of RM500,000 (2009: RM607,500).

27. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Other payables	441,008	449,351	-	-
Deposits	2,400	1,551,300	-	-
Accruals	<u>2,236,045</u>	<u>1,926,603</u>	<u>248,504</u>	<u>202,964</u>
	<u>2,679,453</u>	<u>3,927,254</u>	<u>248,504</u>	<u>202,964</u>

Included in deposits of the Group in the previous financial year was an amount of RM1,550,000 being deposits received upon execution of the Sales and Purchase Agreement to dispose of the freehold land as disclosed in Note 20. The transaction was completed on 18 July 2010.

28. PROVISIONS

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Provision for warranty costs				
At beginning of the year	644,135	534,394	-	-
Additions	675,597	380,660	-	-
Reversals/utilisation	(415,663)	(270,919)	-	-
At end of the year	904,069	644,135	-	-
Provision for employee benefits				
At beginning of the year	182,183	186,548	96,261	82,415
Additions	233,721	174,343	78,580	32,954
Utilisation	(171,033)	(178,708)	(20,796)	(19,108)
At end of the year	<u>244,871</u>	<u>182,183</u>	<u>154,045</u>	<u>96,261</u>
	<u>1,148,940</u>	<u>826,318</u>	<u>154,045</u>	<u>96,261</u>

28. PROVISIONS (cont'd)

Provision for warranty cost is in respect of products sold under warranty by subsidiary companies. A 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.

29. BANK BORROWINGS

	Group	
	2010	2009
	RM	RM
Unsecured		
Bank overdrafts (Note 37)	320,378	229,428
Bills payable	-	211,000
Bankers' acceptances	<u>1,536,000</u>	<u>874,851</u>
	1,856,378	1,315,279
Secured		
Term loans repayable within twelve months (Note 24)	<u>-</u>	<u>1,898,106</u>
	<u><u>1,856,378</u></u>	<u><u>3,213,385</u></u>

The bank overdrafts and bankers' acceptances facilities are repayable within one year, and bear interest at rates ranging from 6.91 % to 7.55% (2009 : 6.15 % to 9.05%) per annum.

These facilities together with the secured term loans facilities as disclosed in Note 24 are secured and supported by the following:-

- (a) debentures comprising fixed and floating charges over all present and future assets and undertakings of subsidiary companies;
- (b) cash deposits with licensed banks of subsidiary companies, and
- (c) a deed of assignment of all contract proceeds receivable from an associated company of a subsidiary company, under a contract for the development of Digitised Navigation Capable Maps.

30. OPERATING REVENUE

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

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Sales of goods and services	54,506,085	48,317,680	-	-
Contract revenue	3,064,575	5,277,760	-	-
Commission revenue	1,664,481	1,903,626	-	-
Management fees	-	-	1,187,730	953,130
Dividend income	<u>28,212</u>	<u>26,548</u>	<u>624,139</u>	<u>23,017</u>
	<u><u>59,263,353</u></u>	<u><u>55,525,614</u></u>	<u><u>1,811,869</u></u>	<u><u>976,147</u></u>

31. COST OF SALES

Cost of sales of the Group comprise of the following:-

	Group	
	2010	2009
	RM	RM
Cost of sales of goods and services	43,933,452	39,730,826
Contract costs	<u>1,956,816</u>	<u>3,875,621</u>
	<u>45,890,268</u>	<u>43,606,447</u>

32. PROFIT/(LOSS) BEFORE TAXATION

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

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Allowance for doubtful debts due from subsidiary companies	-	-	1,176,719	155,000
Amortisation of intangible assets	190,101	190,101	-	-
Amortisation of prepaid land lease payments	333	13,207	-	-
Auditors' remuneration:-				
- current year	77,400	72,600	22,000	20,000
- other services	5,000	5,000	5,000	5,000
Bad debts written off	5,341	15,193	-	-
Depreciation of property, plant and equipment	868,564	683,128	6,246	6,534
Dividend income from other investments	(105,601)	(26,548)	(24,139)	(23,017)
Gain on disposal of non-current assets held for sale	(1,000,417)	-	-	-
Gain on disposal of leasehold land	-	(54,943)	-	-
Gain on disposal of property, plant and equipment	(21,025)	(153,129)	-	(38,000)
(Gain)/Loss on foreign exchange:-				
- realised	(10,953)	16,095	-	-
- unrealised	43,856	(5,459)	-	-
Impairment loss on investment in subsidiary companies	-	-	-	500,000
Interest expenses	316,118	508,346	-	1,998
Interest income	(460,119)	(135,589)	(276,463)	-
Inventories written off	2,736	12,941	-	-
Loss on a disposal of investment in a subsidiary company	-	66,700	-	660,964
Net provision for employee benefits	62,688	(4,365)	57,784	13,846
Net provision for warranty costs	259,934	109,741	-	-

32. PROFIT/(LOSS) BEFORE TAXATION (cont'd)

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

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Personnel expenses (including key management personnel):-				
- Contribution to Employees Provident Fund and social security contribution	603,940	482,483	88,583	66,491
- Salaries and others	6,020,210	4,457,934	1,002,885	699,626
Property, plant and equipment written off	-	178,222	-	-
Rental income	(26,907)	(34,050)	-	-
Rental of premises	471,862	415,087	75,000	75,000
Reversal of allowances for doubtful debts	(39,992)	(21,476)	-	-
Waiver of debts from a subsidiary company	-	-	-	(3,691,631)
Write down/(Reversal of write down) of short term investments	<u>150,921</u>	<u>(198,810)</u>	<u>-</u>	<u>-</u>

Included in personnel expenses are:-

Directors' Remuneration

The aggregate amounts of emoluments receivable by directors of the Company during the financial year are as follows:-

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Directors of the Company				
Executive Directors				
- fees	18,000	18,000	18,000	18,000
- other emoluments	<u>773,944</u>	<u>578,056</u>	<u>663,159</u>	<u>474,328</u>
Independent Non-executive Directors				
- fees	<u>188,000</u>	<u>185,000</u>	<u>152,000</u>	<u>152,000</u>

The aggregate amount of emoluments receivable by directors of the subsidiary companies during the financial year are as follows:-

	Group	
	2010	2009
	RM	RM
Directors of the subsidiary companies		
- fee	96,000	96,000
- other emoluments	<u>1,077,433</u>	<u>924,804</u>

32. PROFIT/(LOSS) BEFORE TAXATION (cont'd)

Directors' benefits-in-kind in respect of utilisation of the Group's and of the Company's plant and equipment are as follows:-

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Executive Directors	<u>68,200</u>	<u>62,366</u>	<u>30,900</u>	<u>30,900</u>

33. TAXATION

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Based on results for the year	292,776	323,052	-	-
Origination of temporary differences (Note 25)	1,060	569	-	-
Reversal of temporary differences (Note 11)	-	(46,000)	-	-
	1,060	(45,431)	-	-
Under/(Over) provision in prior years	<u>46,608</u>	<u>(5,767)</u>	<u>-</u>	<u>-</u>
Tax expense	<u>340,444</u>	<u>271,854</u>	<u>-</u>	<u>-</u>

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

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Profit/(Loss) before taxation	<u>3,808,593</u>	<u>3,044,506</u>	<u>(687,660)</u>	<u>2,082,021</u>
Tax at the Malaysian statutory income tax rate of 25%	952,100	761,100	(171,900)	520,500
Tax effect of non-taxable revenue	(290,700)	(225,300)	(219,100)	(928,700)
Tax effect of non-deductible expenses	534,236	285,821	358,400	218,400
Deferred tax assets not recognised during the year	434,800	238,000	32,600	189,800
Utilisation of previously unrecognised deferred tax assets	(436,600)	(782,000)	-	-
Deferred tax assets recognised during the year	(900,000)	-	-	-
Under/(Over) provision in prior years - taxation	<u>46,608</u>	<u>(5,767)</u>	<u>-</u>	<u>-</u>
Tax expense	<u>340,444</u>	<u>271,854</u>	<u>-</u>	<u>-</u>

33. TAXATION (cont'd)

Pursuant to Paragraph 2B, Schedule 1 of the Income Tax Act 1967 that was introduced with effect from the year of assessment 2009, the subsidiary companies with paid up capital of RM2.5 million or less no longer qualified for the preferential tax rate of 20% on the first RM500,000 of chargeable income.

The Company has an estimated unabsorbed capital allowances and unutilised tax losses of RM852,300 (2009: RM840,600) and RM134,800 (2009: RM67,600) available for set-off against future taxable profits.

Tax savings during the financial year arising from:-

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Utilisation of current year tax losses	700	-	-	-
Utilisation of previously unrecognised tax losses	<u>1,438,600</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Company has an estimated balance in the tax exempt income account of RM1,639,000 (2009: RM1,639,000) available for distribution by way of tax exempt dividend which arose from the following:-

- (i) chargeable income amounted to RM617,000 (2009: 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 (2009: RM1,022,000).

The Group has an estimated unutilised tax losses and unabsorbed capital allowances of RM12,044,800 (2009: RM16,378,100) and RM2,430,200 (2009: RM2,254,200) respectively, available for set-off against future taxable profits.

34. PROFIT PER ORDINARY SHARE (SEN)

The profit per ordinary share of the Group is calculated based on the profit after taxation and minority interests of RM3,847,191 (2009: RM2,717,610) divided by the number of ordinary shares of RM1 each in issue during the year of 49,277,066.

35. DISPOSAL OF A SUBSIDIARY COMPANY

In the previous financial year, the Company disposed of 600,000 ordinary shares of RM1 each representing 100% equity interests in Viva-World Industries Sdn. Bhd. ("VWISB") for a cash consideration of RM340,860.

35. DISPOSAL OF A SUBSIDIARY COMPANY (cont'd)

(i) Effect On Consolidated Income Statements

The effect on the consolidated results of the Group from their effective date of disposal in the previous financial year were as follows:-

	Group 2009 RM
Revenue	-
Cost of sales	(45,295)
Gross profit	(45,295)
Other operating income	67,943
Selling and distribution costs	(667)
Administrative costs	(106,692)
Other operating costs	(3,702,780)
	(3,810,139)
Loss from operations	(3,787,491)
Finance costs	(78)
Loss for the year	(3,787,569)

(ii) Effect On Consolidated Financial Positions

The financial positions of the subsidiary companies as at the effective date of disposal in the previous financial year were as follow:-

	Group 2009 RM
Property, plant and equipments	67,610
Fixed deposit	6,249
Cash and bank balances	11,809
Inventories	350,587
Other receivables	5,347
Tax assets	5,224
Other payables and accruals	(39,266)
Net assets of subsidiary company / Net cash disposed of	407,560
Loss on disposal of subsidiary company	(66,700)
Proceeds from disposal of subsidiary company	340,860
Less: Cash and bank balances of subsidiary companies disposed of	(11,809)
Cash flow on disposal, net of cash disposed of	329,051

36. PURCHASE OF PLANT AND EQUIPMENT

During the year, the Group and the Company acquired plant and equipment with an aggregate cost of RM760,025 (2009: RM1,653,620) and RM18,524 (2009: RM9,735) respectively which are satisfied by the following:-

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Hire purchasing financing	65,000	1,170,000	-	-
Cash payments	<u>695,025</u>	<u>483,620</u>	<u>18,524</u>	<u>9,735</u>
	<u>760,025</u>	<u>1,653,620</u>	<u>18,524</u>	<u>9,735</u>

37. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:-

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Cash and bank balances	4,919,416	2,004,404	15,048	10,586
Cash deposits with licensed banks	10,830,193	3,706,074	-	-
Bank overdrafts (Note 29)	<u>(320,378)</u>	<u>(229,428)</u>	<u>-</u>	<u>-</u>
	15,429,231	5,481,050	15,048	10,586
Cash deposits with licensed banks under lien (Note 19)	<u>(5,765,296)</u>	<u>(1,138,396)</u>	<u>-</u>	<u>-</u>
	<u>9,663,935</u>	<u>4,342,654</u>	<u>15,048</u>	<u>10,586</u>

38. CONTINGENT LIABILITIES - UNSECURED

	Company	
	2010	2009
	RM	RM
In respect of corporate guarantees given by the Company to financial institutions and trade creditors for banking and and credit facilities granted to the subsidiary companies	<u>1,536,000</u>	<u>3,200,037</u>

39. INTER-COMPANY TRANSACTIONS

The transactions with related companies are as follows:-

	Company	
	2010	2009
	RM	RM
Allowance for doubtful debts due from subsidiary companies	1,176,719	155,000
Dividend from subsidiary company	(600,000)	-
Dividend paid out of pre-acquisition profit from subsidiary companies	(7,500,000)	-
Management fees charged to subsidiary companies	(1,187,730)	(953,130)
Rental of premises payable to a subsidiary company	33,900	33,900
Waiver of debts from a subsidiary company	-	(3,691,631)

40. RELATED PARTY TRANSACTIONS

(i) The transactions with an associated company are as follows:-

	Group	
	2010	2009
	RM	RM
Disposal of property, plant and equipment to an associated company	-	(15,000)
Management fee paid to an associated company	74,420	80,763
Purchases from an associated company	4,293,950	2,659,500
Rental of premise received from an associated company	(17,400)	(14,800)

Information regarding outstanding balances arising from related party transactions as at 30 November 2010 are disclosed in Notes 14, 18 and 26.

(ii) Compensation of key management personnel

Key management personnel includes personnel having authority and responsibility for planning, directing and controlling the activities of the entity.

The remuneration of key management personnel is disclosed as follows:-

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Short term employee benefits	2,938,461	2,171,498	722,650	538,560
Post-employment benefit	320,652	211,118	88,583	66,491

41. CONTRACTUAL COMMITMENT

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Intangible assets (Note 43)				
- Approved and contracted for	<u>4,783,885</u>	<u>-</u>	<u>-</u>	<u>-</u>

42. SEGMENTAL ANALYSIS - GROUP

The primary segment reporting format is according to business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services provided. Secondary information is reported geographically. As the Group's businesses are solely operated in Malaysia only, geographical segment in respect of segment revenue based on geographical location of its customers is presented.

Segment 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 capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

(i) By Business Segments

The Group comprises the following main business segments:-

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, general trading and money lending activities, neither which are of a sufficient size to be reported separately.

42. SEGMENTAL ANALYSIS – GROUP (cont'd)**(i) By Business Segment (cont'd)**

2010	Note	Information and Communication Technology RM	Telecommunications Infrastructure and Services RM	Others RM	Eliminations RM	Consolidated RM
Segment Revenue						
External revenue		52,951,612	4,729,056	1,582,685	-	59,263,353
Inter-segment revenue	(a)	1,928,326	-	1,961,730	(3,890,056)	-
Total revenue		54,879,938	4,729,056	3,544,415	(3,890,056)	59,263,353
Segment Result						
Interest income		160	76,782	383,177	-	460,119
Interest expenses		291,202	7,038	17,878	-	316,118
Depreciation and amortisation		655,802	71,829	141,266	-	868,897
Share of results of associated companies		38,934	-	535	-	39,469
Other non-cash items		490,220	7,397	(866,305)	-	(368,688)
Segment profit/(loss) before taxation	(b)	3,345,675	529,929	(67,011)	-	3,808,593
Taxation		56,274	203,429	80,741	-	340,444
Segment Assets						
Investment in associated companies		112,520	-	-	-	112,520
Additions to property, plant and equipment		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						
Tax liabilities		93,281	-	120,460	-	213,741
Deferred tax liabilities		-	13,936	-	-	13,936
Total segment liabilities		11,468,298	1,574,520	1,490,084	-	14,532,902

42. SEGMENTAL ANALYSIS – GROUP (cont'd)**(i) By Business Segment (cont'd)**

2009	Note	Information and Communication Technology RM	Telecommunications Infrastructure and Services RM	Others RM	Eliminations RM	Consolidated RM
Segment Revenue						
External revenue		47,516,545	7,184,693	824,376	-	55,525,614
Inter-segment revenue	(a)	1,320,340	162,038	1,277,130	(2,759,508)	-
Total revenue		48,836,885	7,346,731	2,101,506	(2,759,508)	55,525,614
Segment Result						
Interest income		40,068	80,576	14,945	-	135,589
Interest expenses		483,926	5,413	19,007	-	508,346
Depreciation and amortisation		423,305	80,181	192,849	-	696,335
Share of results of associated companies		64,758	-	(3,778)	-	60,980
Other non-cash items	(b)	335,142	(22,896)	(30,699)	-	281,547
Segment profit/(loss) before taxation		2,990,812	892,817	(839,123)	-	3,044,506
Taxation		33,548	237,770	536	-	271,854
Segment Assets						
Investment in associated companies		73,051	-	-	-	73,051
Additions to property, plant and equipment		1,216,445	177,333	259,842	-	1,653,620
Total segment assets		21,062,023	6,479,611	22,342,697	-	49,884,331
Segment Liabilities						
Tax liabilities		115,514	48,039	110,484	-	274,037
Deferred tax liabilities		-	12,876	-	-	12,876
Total segment liabilities		11,494,380	1,301,968	2,936,413	-	15,732,761

42. SEGMENTAL ANALYSIS – GROUP (cont'd)

(i) By Business Segment (cont'd)

- (a) Inter-segment revenue are in respect of fee revenue received and 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.
- (b) Other material non-cash items consist of the following items as presented in the respective notes to the financial statements:-

	Group	
	2010	2009
	RM	RM
Amortisation of intangible assets	190,101	190,101
Bad debts written off	5,341	15,193
Gain on disposal of non-current assets held for sale	(1,000,417)	-
Inventories written off	2,736	12,941
Net provision for employee benefits	62,688	(4,365)
Net provision for warranty costs	259,934	109,741
Property, plant and equipment written off	-	178,222
Reversal of allowances for doubtful debts	(39,992)	(21,476)
Write down/(Reversal of write down) of short term investments	150,921	(198,810)
	<u>(368,688)</u>	<u>281,547</u>

(ii) By Geographical Segments

Segment revenue based on geographical location of its customers are as follows:-

	Group	
	2010	2009
	RM	RM
Malaysia	57,708,880	54,734,189
Europe	<u>1,554,473</u>	<u>791,425</u>
	<u>59,263,353</u>	<u>55,525,614</u>

Non-current assets are all located in Malaysia.

(iii) Information About Major Customers

Revenue from major customers of the Group amount to RM38,329,230 (2009: RM26,241,538), arising from sales by the information and communication technology segment.

43. SIGNIFICANT EVENT

On 25 November 2010, the Company via its wholly-owned subsidiary company, namely Amtel Cellular Sdn Bhd entered into an agreement with Ezgo Co. Ltd, Korea for the use, customisation and development of Global Positioning System navigation software engines at a total contract price of USD1.8 million.

44. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Policies

The Group is exposed to a variety of risks in the normal course of business. The Group's risk management seeks to minimize the potential adverse effects from these exposures. The management reviews and agrees policies for managing each of these risks as follows:-

i. Foreign Currency Risk

The Group is exposed to foreign currency risk as a result of its normal trade activities when the currency denomination differs from its functional currencies. Foreign exchange exposure in transactional currencies other than functional currencies of the operating entities is kept to an acceptable level.

ii. Interest Rate Risk

The Group's exposure to interest rate risk relates to interest bearing financial assets and financial liabilities which include fixed deposits, staff car loans and short term deposits, loans, bank borrowings and hire purchase payables.

- Interest bearing financial assets

Cash deposits are short term in nature and are not held for speculative purposes but are placed to satisfy conditions for banking facilities granted to the Group, as disclosed in Note 19.

- Interest bearing financial liabilities

Interests bearing financial liabilities include hire purchase payables, bank overdrafts and bankers' acceptances. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rates borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and the nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against interest rate hikes.

iii. Credit Risk

The Group's exposure to credit risk arises from its receivables and the maximum risk associated with recognised financial assets is their carrying amount as presented in the balance sheet.

The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit risks are minimised and monitored by dealing only with business partners with high creditworthiness.

44. FINANCIAL INSTRUMENTS (cont'd)

(a) Financial Risk Management Policies (cont'd)

iv. Market Risks

The Group's principal exposure to market risk arises from the other investment held for long term purposes. As the principal investment sums are protected, the exposure to market risk is minimal.

v. Liquidity and Cash Flow Risks

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met.

As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position.

(b) Fair Values

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

i. Cash and Cash Equivalents, Receivables and Payables

The carrying amounts approximate fair values due to the relatively short term maturity of these financial assets and liabilities.

ii. Quoted Investments

The fair values of quoted investments is determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

iii. Borrowings

The carrying amount of bank overdrafts and bankers' acceptances approximate their fair values due to the relatively short term maturity of these financial liabilities.

iv. Non-current Receivables

The fair value of non-current receivables is determined by discounting all future receipts of deferred consideration using effective interest method.

44. FINANCIAL INSTRUMENTS (cont'd)**(b) Fair Values (cont'd)**

The fair value of hire purchase payables are estimated using discounted cash flow analysis, based on current lending rates for similar types of lending and borrowing arrangements. The carrying amounts and fair values of these financial liabilities recognised in the balance sheet of the Group as at balance sheet date are stated as below:-

	Group		Company	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
2010				
Financial Liabilities				
- Hire purchase payables	<u>911,045</u>	<u>942,014</u>	<u>-</u>	<u>-</u>
2009				
Financial Liabilities				
- Hire purchase payables	<u>1,065,780</u>	<u>1,088,991</u>	<u>-</u>	<u>-</u>

The nominal/notional amount and fair value of financial instruments not recognised in the balance sheets are as follows:-

	Company	
	Nominal/ Notional Amount RM	Fair Value RM
2010		
Contingent liabilities	<u>1,536,000</u>	<u>*</u>
2009		
Contingent liabilities	<u>3,200,037</u>	<u>*</u>

* It is not practical to estimate the fair value of the contingent liabilities reliably due to uncertainties of timing, costs and eventual outcome.

45. COMPARATIVE FIGURES

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

	Group		Company	
	As	As	As	As
	Reclassified	Previously Classified	Reclassified	Previously Classified
	2010	2009	2010	2009
	RM	RM	RM	RM
Income statements				
Cost of sales	43,606,447	43,112,113	-	-
Distribution costs	1,163,454	1,409,836	-	-
Administrative costs	6,303,026	5,279,691	968,134	967,743
Other operating costs	1,762,776	3,012,040	-	-
Finance costs	537,328	559,351	1,998	2,389