Genetec Technology BERHAD

(445537-W)

2011
ANNUAL REPORT

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE CHAIRMAN
Ronnie J Ortscheid

MANAGING DIRECTOR
Chin Kem Weng

EXECUTIVE DIRECTOR
Tan Moon Teik
Lam Choon Wah

NON-EXECUTIVE DIRECTOR
Hew Voon Foo (Independent)
Wong Wai Tzing (Independent)
Teh Kim Seng (Independent)
Chen Khai Voon (Non-Independent)

ALTERNATE DIRECTOR
Ong Phoe Be (Alternate to Chen Khai Voon)

AUDIT COMMITTEE

Hew Voon Foo (Chairman)
Wong Wai Tzing
Teh Kim Seng
Chen Khai Voon

COMPANY SECRETARY

Low Sook Kuan - MAICSA 7047833

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Lot 7, Jalan P10/11, Seksyen 10
Kawasan Perusahaan Bangi
43650 Bandar Baru Bangi
Selangor Darul Ehsan
Malaysia
Tel : +603 8926 6388
Fax : +603 8926 9689

REGISTRAR

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

AUDITORS

Messrs KPMG
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : +603 7721 3388
Fax : +603 7721 3399

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
United Overseas Bank (Malaysia) Berhad
OCBC Al-Amin Bank Berhad
AmBank (M) Berhad

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad:
Listed on 7 November 2005
Stock Name : GENETEC
Stock Code : 0104

WEBSITE

www.genetec.net

Email

genetec@genetec.net

INVESTOR RELATIONS

ZJ Advisory Sdn Bhd
Suite 22B, 22nd Floor
Sunway Tower
86, Jalan Ampang
50450 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel : +603 2032 2328
Fax : +603 2032 1328

CORPORATE STRUCTURE
as at 30 June 2011

Genetec Technology
BERHAD

100%
GENETEC GLOBAL TECHNOLOGIES, INC.
(Incorporated in United States of America)

80%
SYSTEMS SOUTH, INC.
(Incorporated in United States of America)

60%
IP SYSTEMS, INC.
(Incorporated in United States of America)

60%
FAS TECHNOLOGY SOLUTION SDN BHD

60%
FAS MANUFACTURING SDN BHD

51%
CLT ENGINEERING SDN BHD

100%
CLT ENGINEERING (THAILAND) CO., LTD
(Incorporated in Thailand)

49%
TGT TECHNOLOGY LIMITED
(Incorporated in Thailand)

BOARD OF DIRECTORS

RONNIE J ORTSCHEID

EXECUTIVE DIRECTOR, AMERICAN, Aged 60

- *Chairman of Board of Directors*

Ronnie J Ortscheid ("**Ron**") was appointed to the Board of the Company on 15 November 2010. He is a graduate from General Motors Institute Of Engineering and Management (now known as Kettering University) with degrees in Mechanical Engineering, Controls and Polymer Processing. He has vast experience in the automation and manufacturing systems business from diverse industry segments. Over the last 40 years, he has held senior management positions in international companies such as General Motors, Honeywell, Rockwell-Allen Bradley, Bosch and Doerfer Corporation. Except for the Company, Ron has no directorship in other public listed companies.

HEW VOON FOO

INDEPENDENT NON-EXECUTIVE DIRECTOR, MALAYSIAN, Aged 50

- *Chairman of Audit Committee*
- *Chairman of Nomination Committee*
- *Chairman of Remuneration Committee*

Mr Hew was appointed to the Board of the Company on 6 February 2009. He is a member of the Chartered Institute of Management Accountants (CIMA) and the Malaysian Institute of Accountants (MIA). He has extensive experience in financial management gained over the years in an audit firm and as financial controller in a local manufacturing company. Besides the Company, he also sits on the Board of ATIS Corporation Berhad, EP Manufacturing Berhad and few of its wholly-owned subsidiaries.

WONG WAI TZING

INDEPENDENT NON-EXECUTIVE DIRECTOR, MALAYSIAN, Aged 53

- *Member of Audit Committee*

Ms Wong was appointed to the Board of the Company on 26 January 2011. She holds a Bachelor of Laws degree from the University of London. She is an Associate Member of the Institute of Chartered Secretaries and Administrators. She started her legal career in 1991 after working as a qualified company secretary for many years and was made a partner in a leading legal firm in 1996. She has actively been involved in corporate and commercial work since 1991 covering mergers and acquisitions, take-overs, joint ventures and shareholders' agreements, technical assistance agreements, time-sharing scheme, securities, distributionship and franchise agreements. Except for the Company, Ms Wong has no directorship in other public listed companies.

TEH KIM SENG

INDEPENDENT NON-EXECUTIVE DIRECTOR, MALAYSIAN, Aged 44

- *Member of Audit Committee*
- *Member of Nomination Committee*
- *Member of Remuneration Committee*

Mr Teh was appointed to the Board of the Company on 26 January 2011. He holds a Bachelor of Laws from the Leeds University, England and received the Master of Laws from Cambridge University, England in 1989. With over 19 years of experience in the legal, mergers and acquisition, corporate finance, venture capital and financial services arenas, Mr Teh runs Netrove Ventures Corp, a regional boutique venture capital and business advisory firm headquartered in Hong Kong and with offices in Bangkok, Guangzhou, Hanoi and Kuala Lumpur. Residing in Hong Kong, Mr Teh initially worked as an attorney in London and then in Hong Kong, specialising in Corporate Finance and Mergers & Acquisitions. He then served as the Chief Operating Officer of a regional investment bank headquartered in Hong Kong for a number of years before founding Netrove Ventures Corp in 1999. Mr Teh is currently Chairman of Netrove Ventures Corp and sits on the boards of various privately and publicly owned enterprises across Asia. Except for the Company, Mr Teh has no directorship in other public listed companies in Malaysia.

CHEN KHAI VOON

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR, MALAYSIAN, Aged 51

- *Member of Audit Committee*
- *Member of Remuneration Committee*

Mr Chen was appointed to the Board of the Company on 3 November 1998. He completed his Diploma in Accounting in 1981 and for the next eight years, gained experience in both the financial and distribution industries. In 1989, he founded KVC Electric (M) Sdn Bhd (now known as KVC Industrial Supplies Sdn Bhd) and Group ("**KVC Group**"). Since then, he changed the industrial supply landscape and spearhead the KVC Group to be the leading One-Stop Industrial Supply Provider in Malaysia. Besides the Company, Mr Chen is currently the Group Managing Director of ATIS Corporation Berhad and also sits on the Board of Mutiara Goodyear Development Berhad.

CHIN KEM WENG

MANAGING DIRECTOR, MALAYSIAN, Aged 41

Mr Chin was appointed as the Managing Director of the Company on 27 October 1997. He has a Diploma in Mechanical Engineering from the Institute Technology of Butterworth and specialises in the area of design. Upon graduation in 1991, he joined Applied Magnetics Malaysia Sdn Bhd (Disc Drive Recording Heads Group) (Applied Magnetics) as a Technical Specialist. He was involved mainly in the design of mechanical tooling and maintenance of automation equipment. He then joined Quantum Peripheral Indonesia (QPI) in Indonesia, as an expatriate engineer and managed the automation project at the plant. Subsequently, he was seconded to the QPI office in the USA for a year where he undertook research and development work related to new technology. With his expertise and technical know-how, he left QPI in 1997 to co-found the Company with Mr Chen Khai Voon. Except for the Company, Mr Chin has no directorship in other public listed companies.

BOARD OF DIRECTORS

TAN MOON TEIK
EXECUTIVE DIRECTOR, MALAYSIAN, Aged 40

Mr Tan was appointed to the Board of the Company on 8 October 2010. He completed his Diploma in Electronic Engineering from Linton Institute of Technology in 1993. Upon graduation in 1993, he joined ABK Electronic Pte Ltd in Singapore as a process technician. He left to join Alantac Engineering Pte Ltd, Singapore two years later and was working as a Sales/Project Manager for 4 years. In 2000, he started the business in fabrication capabilities of machine parts and toolings for equipment and replications of systems and equipment until 2003 he founded CLT Engineering Sdn Bhd ("**CLT**"), a subsidiary of the Company. He has extensive experience in areas of fabrication and automation business covering electronic, hard disk drive and other high-technology industries. Except for the Company, Mr Tan has no directorship in other public listed companies.

LAM CHOON WAH
EXECUTIVE DIRECTOR, MALAYSIAN, Aged 40

Mr Lam was appointed to the Board of the Company on 19 November 2010. He completed his Diploma in Electronic Engineering from Linton Institute of Technology in 1992. He started his career in Sony Display Pte Ltd in Singapore as a process technician. He left to join Sony Electronic (M) Sdn Bhd two years later and was working as an assistant engineer for a year. From 1995 to 2002, he joined Fico Asia Sdn Bhd as Engineer, System Assembly and subsequently served as Section Head, Assembly Department. In 2003, he joined CLT as Project Manager and was subsequently appointed as General Manager since 2006 and Chief Operation Officer since January 2010, a position which he is still holding until now. Except for the Company, Mr Lam has no directorship in other public listed companies.

ONG PHOE BE
ALTERNATE DIRECTOR TO CHEN KHAI VOON, MALAYSIAN, Aged 41

- *Member of Nomination Committee*

Ms Ong was appointed as Alternate Director to Mr. Chen Khai Voon on 26 January 2011. She started her career with Messrs KPMG, an audit firm from December 1989 to September 1994. In 1994, she completed the Malaysian Institute of Certified Public Accountants professional course and joined Arab-Malaysian Merchant Bank Berhad (now known as AmMerchant Bank Berhad) ("**AMB**") in the same year. She left AMB in 1996 and moved on to Tanco Holdings Berhad ("**Tanco**"). She was the head of Corporate Planning Department for Tanco for about four years. She then joined KVC Group in June 2000 as its Head of Corporate Finance and subsequently was appointed as the Group Chief Financial Officer of ATIS Corporation Berhad, a position that she occupied till 2006. Prior to her present position, she was an Executive Director of the Company since 1 November 2007. Except for the Company, Ms Ong has no directorship in other public listed companies.

Notes:

(1) None of the Directors has:
- *any family relationship with any other Directors and/or major shareholders of the Company.*
- *any conflict of interest with the Company.*
- *had conviction for any offence within the past ten (10) years, other than for traffic offences.*

(2) The details of attendance of each Director at Board meetings are set out on page 10 of the Annual Report.

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

"As the Executive Chairman of Genetec Technology Berhad ("Genetec") and on behalf of the Board, I am delighted to report that Genetec delivered excellent results for the financial year ended 31 March 2011 ("FY 2011")."

My first year with Genetec was a busy one and ended with us achieving a record breaking year with revenue of RM123.1 million and pretax profit of RM18.3 million. I am pleased to report that we are now one of the leading automation providers for the hard disk drive industry ("**HDD**"). During the year, Genetec took a 51% equity interest in CLT Engineering Sdn Bhd ("**CLT**") for a purchase consideration of RM26.42 million. The coming together of Genetec and CLT is a strategic move for both organizations as we combined our strengths and further solidified our market position in the automation industry. Genetec is known in the market for its engineering and design prowess while CLT's forte lies in build to print and fabrication capabilities. This merger was completed in August 2010 and immediately showed results with Genetec achieving its highest level of revenue and profitability levels.

During the year, we have also set in motion a strategic mid and long-term plan for Genetec to become a global automation company with multiple divisions serving a wide variety of industries. The implementation of phase 1 of this plan started with our first initial acquisition of a US-based company, Systems South Inc. ("**Systems South**") for a cash purchase consideration of USD1.69 million in December 2010. Systems South specializes in material handling, assembly process, robotics, custom conveyor solutions and other custom built machines for a diverse range of market segments. With Systems South, Genetec has an immediate base in the United States of America ("**USA**") and this enables us to tap into Systems South's existing business and customer base and markets and to quickly grow the business volume and expand it's customer base even further.

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

Our global diversification plan gained further momentum when we acquired a 60% equity interest in IP Systems Inc. ("**IPS**"), another US-based company for a total cash consideration of USD2.25 million in February 2011. IPS is involved in the fabrication and manufacture of customised containment systems specially designed for pharmaceutical, sterilization, medical and commercial nuclear and alternative energy industries. This acquisition enables us to have an immediate leverage on IPS's expertise, technology and technical know-how to expand into the Asian markets. In addition, Genetec through IPS is able to offer integrated automation solutions to IPS's existing and potential new customers. This acquisition was completed in April 2011.

These expansion initiatives are just the beginning phase of our strategic plan to become a global player in the automation industry. With multiple manufacturing locations in the USA, Malaysia and Thailand, Genetec now has the capability to provide automation and manufacturing solutions to its customers at cost effective prices. We have also expanded our manufacturing facilities in Malaysia and Thailand by acquiring a approximately 75,000 square feet factory in Subang Jaya as well as a approximately 6,100 square feet facility in Bangkok. Our facility Bangkok is already in operations in April 2011 while our facility in Subang Jaya will be ready by early of 2012.

DIVIDEND

In line with our strong performance, our Board recommended first and final tax-exempt dividend of 10% per ordinary share of RM0.10 each, amounting to RM3.5 million for the financial year ended 31 March 2011.

BUSINESS OUTLOOK

The global recovery began in 2010 and is expected to continue into 2011. We began the new financial year end with a strong secured book order of RM98.8 million generated from multiple industries. Going forward, we will continue to maintain our core strength and market position in the HDD industry as this industry is expected to grow from USD33.4 billion in 2010 to USD48.2 billion in 2015. Beyond HDD, we expect contribution to increase from other industry segments such as the lucrative hazardous material containment sector, pharmaceutical, medical and automotive. These non-HDD segments contribute approximately 30% to our current book orders.

Genetec will continue to aggressively implement and execute our strategic plans of being a global automation player with multiple divisions in multiple industries. We will continue to seek out opportunities that fit into our strategic plans and goals while we grow our various business units organically.

A WORD OF APPRECIATION

During the year, we have several new appointments to the Board of Genetec. On behalf of my fellow board members, I warmly welcome Mr. Tan Moon Teik and Mr. Lam Choon Wah who were appointed as Executive Directors. At the same time, I am also pleased to welcome Ms. Wong Wai Tzing and Mr. Teh Kim Seng to join our Board as Independent Non-Executive Directors. These fine individuals bring along a wealth of experience, knowledge and expertise that we as a board and company have benefitted from.

On behalf of the Board of Directors, I would also like to express my sincere gratitude and appreciation to the Independent Non-Executive Chairman, Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain and Executive Director, Mr. Tan Kok Ang who have resigned from the board during the year. We thank you for their guidance and counsel during their tenure with us.

My first year with Genetec as the Executive Chairman has been eventful and I truly enjoyed working hand-in-hand with our team of executive directors and management team. I appreciate the hard work, commitment and dedication of all our employees in Malaysia, Thailand and the USA. Last but not least, to all our shareholders, customers, bankers, financiers, business associates and the regulatory authorities for their continued support and confidence in Genetec Group.

RONNIE J ORTSCHEID
Executive Chairman

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("**Board**") is committed to ensure that the highest standards of corporate governance are observed throughout the Group so that the affairs of the Group are conducted with integrity and professionalism with the objective of protecting and enhancing shareholder value and the financial performance of Genetec Technology Berhad ("**Genetec**"). To this end, the Board continues to support the recommendations of the Malaysian Code of Corporate Governance (the "**Code**").

The Board is pleased to disclose below a description on how the Group has applied the principles of good governance and the extent to which it has complied with the best practices set out in the Code.

1. DIRECTORS

(a) The Board

The Board currently consists of eight (8) members comprising:-

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

There is an Alternate Director on the Board.

The current Chairman was not the previous CEO of the Group. The Board structure ensures that no individual or group of individuals dominates the Board's decision making process. The Board composition complies with the Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the ACE Market ("**Listing Requirements**") that requires a minimum of one-third of the Board to be independent directors. The Board members are from various professions with a wide range of skills, knowledge, business and financial experience that are essential to direct and manage a dynamic and expanding Group. The profile of each Director is set out on pages 4 to 6 of the Annual Report.

The Board assumes the primary responsibility for leading and controlling the Group towards realising long term shareholders' values. The Board has the overall responsibility for reviewing and adopting strategic plans for the Group, ensuring the adequacy and integrity of the Company's system of internal control, succession planning for senior management, investor relations programme and shareholders' communication policy.

There is a clear division of responsibilities between the Executive Chairman and the Managing Director ("**MD**") to ensure that there is a balance of power and authority. The Executive Chairman is responsible for the orderly conduct of the Board and ensures that the Board receives sufficient information to enable them to participate actively in Board decision whilst the MD is responsible for the day to day management of the business as well as the implementation of policies and strategies adopted by the Board. The Executive Directors have a primary responsibility to manage and monitor the Group's business and ensuring the effective allocation of resources.

The Independent Directors are independent of the management and major shareholders. The Independent Directors have the necessary skill and experience to bring an independent judgement to bear on the decision-making process of the Group to ensure that a fully balanced and unbiased deliberation process is in place. They provide an unbiased and independent view, advice and judgement taking into account the interests of the Group, shareholders, employees, customers, business associates and other stakeholders.

The three (3) Independent Directors, by virtue of their roles and responsibilities, in effect represent minority shareholders' interest in Genetec. The Independent Directors engage proactively with the management and with both the external as well as the internal auditors.

All the Directors have given their undertaking to comply with the Listing Requirements and the Independent Directors have confirmed their independence in writing.

(b) Board Meetings

The Board meets on a quarterly basis, with additional meetings convened as and when necessary. Prior to each Board meeting, the Directors are each provided with the relevant documents and information to enable them to obtain a comprehensive understanding of the agenda to be deliberated upon to enable them to arrive at an informed decision.

1. DIRECTORS (CONTINUED)

(b) Board Meetings (continued)

The Board has a formal schedule of matters specifically reserved for decision making to ensure that the direction and control of the Group is firmly in its hand. These involve significant areas of the Groups' business including major investment decisions, approval of corporate plans, acquisition and disposal of business segments. Management and performance of the Group and other strategic issues that may affect the Group's business are also deliberated.

During the financial year ended 31 March 2011, five (5) meetings were held and the record of the Directors' attendance is as follows:

Name of Directors	Total No. of Meetings Attended	% of Attendance
Ronnie J Ortscheid *(appointed w.e.f . 15 November 2010)*	2/2	100
Hew Voon Foo	5/5	100
Wong Wai Tzing *(appointed w.e.f. 26 January 2011)*	1/1	100
Teh Kim Seng *(appointed w.e.f. 26 January 2011)*	1/1	100
Chen Khai Voon	5/5	100
Chin Kem Weng	5/5	100
Tan Moon Teik *(appointed w.e.f. 8 October 2010)*	2/2	100
Lam Choon Wah *(appointed w.e.f. 19 November 2010)*	1/1	100
Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain *(resigned w.e.f. 1 October 2010)*	3/3	100
Tan Kok Ang *(resigned w.e.f 26 January 2011)*	4/4	100
Ong Phoe Be *(resigned w.e.f. 26 January 2011)*	4/4	100

Note:
Meetings were held on 20 May 2010, 1 July 2010, 5 August 2010, 19 November 2010 and 21 February 2011.

(c) Supply of Information

The members of the Board in their individual capacity have access to appropriate and timely information in the form and quality necessary for the discharge of their duties and responsibilities.

The Board has full access to the advices and services of company secretaries who are responsible to the Board for ensuring that all Board procedures are followed and that applicable laws and regulations are complied with.

Besides having direct access to management staff, the Directors may also obtain independent professional advice at the Company's expense, when necessary, in furtherance of their duties.

(d) Directors' Remuneration

(i) Remuneration Procedure

The remuneration of each Director, is determined by the Board, as a whole after taking into account of pay and employment condition within the industry. The individual Directors do not participate in discussion and decision of their own remuneration.

1. DIRECTORS (CONTINUED)

(d) Directors' Remuneration (continued)

(i) Remuneration Procedure (continued)

The Board has authorised the Nomination Committee to review annually the performance of the Non-Executive Directors and makes on specific adjustments in remuneration and/or reward payments that reflect their respective contributions and responsibilities for the year.

(ii) Remuneration Package

The details of the remuneration (including benefit-in-kind) of the Directors of the Company in respect of the financial year ended 31 March 2011 are as follows:

	Salaries RM	Fees RM	Bonuses RM	Benefits-in-kind RM	Other Emoluments RM	Total RM
Executive Directors	791,436	-	122,000	34,800	369,500	1,317,736
Non-Executive Directors	-	82,000	-	-	-	82,000

The number of Directors whose remuneration during the year falls within the respective bands is as follows:

	Number of Directors	
Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	-	4*
RM50,001 - RM100,000	1*	1
RM100,001 - RM150,000	1	-
RM150,001 - RM200,000	1*	-
RM200,001 - RM250,000	-	-
RM250,001 - RM300,000	1	-
RM300,001 - RM350,000	1	-

**One of the director has resigned during the year*

(e) Code of Conduct

The Board has adopted and implemented a Code of Conduct which reflects Genetec's values of integrity, respect, trust and openness. It provides clear direction on conducting business, interacting with community, government, business partner and general workplace behaviour.

All the members of the Board and employees have understood the Code of Conduct.

(f) Re-election of Directors

In accordance with the Company's Articles of Association, one-third of the Board is required to retire at every Annual General Meeting ("**AGM**") and be subject to re-election by shareholders. In addition, all Directors shall retire from office at least once in every three (3) years. A retiring Director is eligible for re-election. Newly appointed Directors shall hold office until the next AGM of the Company and shall be eligible for re-election.

1. DIRECTORS (CONTINUED)

(g) Directors' Training and Induction

All Directors have completed the Mandatory Accreditation Programme and Continuing Education Programme (CEP) prescribed and accredited by Bursa Securities.

Although CPE for Directors has been repealed by Bursa Securities with effect from 1 January 2005, the Board has decided that it shall, continually keep abreast of the new developments of the regulatory requirements and attend training courses that will aid them in the discharge of their duties. The Board has prescribed minimum trainings to be attained by each Director in each financial year.

For the financial year ended 31 March 2011, programs attended are seminars and workshop organised by relevant regulatory authorities, trainers and/or professional bodies on topics covering the areas such as Impact & Overview GST in Malaysia, CIMA Breakfast Budget Briefing 2011, Sustainability Programme For Corporate Malaysia. From time to time, the Board also receives updates, particularly on regulatory and legal developments relevant to the Company and Directors.

2. THE BOARD COMMITTEES

(a) Audit Committee

The details are set out in the Audit Committee Report of this Annual Report.

(b) Nomination Committee ("NC")

The Board has on 23 March 2006 established a NC and the present members are:-

Hew Voon Foo *(Chairman)*
Teh Kim Seng
Ong Phoe Be

The NC is responsible for identifying and making recommendations of new nominees to the Board for consideration, who shall then collectively decide on the candidates to be appointed. The NC also reviews on an annual basis, it is satisfied that the size of the Board is optimum and there is appropriate mix of skills and experience and other qualities, including core competencies in the composition of the Board.

Terms of Reference

1. Objectives and Functions

1.1 To recommend to the Board or consider the proposed candidates by the officer, director or shareholder, within the bounds of practicability, candidates for directorship in the Company, to be appointed either as an additional Director or to fill a vacancy or to be re-elected upon retirement by rotation at an annual general meeting of the Company.

1.2 To consider, in making its recommendations for candidate(s) who are nominated for appointment or re-election onto the Board :-

- skills, knowledge, expertise and experience;
- professionalism;
- integrity; and

In the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities or functions as expected from Independent Non-Executive Directors.

2. THE BOARD COMMITTEES (CONTINUED)

(b) Nomination Committee (continued)

Terms of Reference (continued)

1. Objectives and Functions (continued)

1.3 To recommend to the Board, Directors to fill the seats on any Board Committee(s) as may from time to time be established by the Board for the Company.

1.4 To assist the Board in reviewing on an annual basis, the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board.

1.5 To carry out on an annual basis, a formal assessment of the effectiveness of the Board as a whole, the committees of the Board, and assessing the contribution of each director, including Independent Non-Executive Directors as well as the Chief Executive Officer.

2. Membership

2.1 The NC, consisting of not less than three (3) Directors, shall be appointed by the Board pursuant to a Board Resolution with such qualification(s) as the Board may deem appropriate.

2.2 The Chairman of the NC shall be appointed by the Board, or failing which by the NC Members themselves.

3. Meetings and Decisions

3.1 The NC will hold its meetings as and when the need arises to fulfill its duties.

3.2 A quorum shall consist of two (2) Members.

3.3 Notice of not less than three (3) working days shall be given for the calling of any meeting to those entitled and required to be present.

3.4 Matters raised and tabled at all meetings shall be decided by a majority of votes of the Members.

3.5 In the event of an equality of votes, the Chairman of the NC shall have a second or casting vote.

3.6 A resolution in writing, signed by a majority of the Members for the time being who are sufficient to form a quorum shall be as valid and effective as if it had been deliberated and decided upon at a meeting of the NC. Any such resolution may consist of several documents in like form, each signed by one (1) or more Members. The expression “in-writing” and “signed” include approval by legible confirmed transmission by telefax, cable or telegram.

3.7 Proceedings of all meetings held and resolutions passed as referred to Clause 3.6 above shall be recorded by the secretary and kept at the Company’s registered office.

3.8 Every Member of the Board shall have the right at any time to inspect the minutes of all meetings held and resolutions passed by the NC and the nominations or proposals submitted thereat.

4. Compliance

4.1 The provisions of Articles 130, 131 and 132 of the Company’s Articles of Association except as otherwise expressly provided in these Terms of Reference shall apply to the NC.

2. THE BOARD COMMITTEES (CONTINUED)

(b) Nomination Committee (continued)

Attendance at NC Meetings

The NC met one (1) time during the financial year ended 31 March 2011. The details of attendance of each NC members at the NC meeting are as follows:

NC Member	Total No. of Meetings Attended	% of Attendance
Hew Voon Foo	1/1	100
Ong Phoe Be	1/1	100
Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain *(resigned w.e.f. 1 October 2010)*	1/1	100

Note:
Meeting was held on 20 May 2010.

(c) Remuneration Committee ("RC")

The Board has on 30 June 2009 established a RC and the present members are:-

Hew Voon Foo *(Chairman)*
Teh Kim Seng
Chen Khai Voon

The RC's primary function is to set the policy framework and recommend to the Board on the remuneration packages of the Executive Directors in all its forms. Executive Directors shall play no part in decisions on their own remuneration. The determination of the remuneration package for Non-Executive Directors shall be a matter for the Board as a whole. The Director concerned shall abstain from deliberations and voting on decisions in respect of his individual remuneration package.

The RC has the authority to examine a particular issue and reports back to the Board its recommendations.

Remuneration Policy

The RC reviews annually the performance of the MD and Directors of the Company and submits recommendations to the Board on specific adjustments in remuneration and/or reward payments that reflect their respective contribution for the year, and which are competitive and are in tandem with the Company's corporate objectives, culture and strategy.

The remuneration package comprises of a number of separate elements such as basic salary, allowances, fees, bonus and other non-cash benefits.

In the case of MD and Executive Directors, the component parts of remuneration shall be structured so as to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration shall be linked to their experience and the level of responsibilities undertaken.

2. THE BOARD COMMITTEES (CONTINUED)

(c) Remuneration Committee ("RC") (continued)

Terms of Reference

1. Objectives

1.1 To achieve a balance between setting the level and structure of the remuneration package of MD and Executive Directors so as to be able to attract and retain the best against its interest in not paying excessive remuneration.

1.2 To ensure that the level of remuneration for Non-Executive Directors and Independent Directors are linked to their level of responsibilities undertaken and contributions to the effective functioning of the Board.

2. Functions

2.1 To recommend to the Board the remuneration and compensation of the MD and Directors of the Company in all its forms, which may include to review annually:-

2.2.1 the overall remuneration policy for MD and Directors to ensure that rewards commensurate with their contributions to the Company's growth and profitability; and that the remuneration policy supports the Company's objectives and shareholder value and is consistent with the Company's culture and strategy;

2.2.2 the performance of the MD and the Executive Directors and recommend to the Board specific adjustments in remuneration and/or reward payments if any, reflecting their contributions for the year; and which are competitive and consistent with the Company's objectives, culture and strategy;

2.2.3 the level of remuneration for Non-Executive Directors and Independent Directors are linked to their level of responsibilities undertaken and contributions to the effective functioning of the Board; and

2.2.4 the remuneration packages for Members of Board Committee (if any) to ensure that they commensurate with the scope of responsibilities especially for lead role positions such as Board Chairman and Independent Non-Executive Director held and reviews and recommends changes to the Board whenever necessary.

2.2 Any such other functions as may be delegated by the Board from time to time.

3. Membership

3.1 The RC shall comprise wholly or mainly of Non-Executive Directors and number at least three (3) in total.

3.2 The Chairman of the RC shall be a Non-Executive Director appointed by the Board, or failing which by the RC members themselves.

4. Secretary

4.1 The secretary of RC shall be the company secretary.

5. Meeting and Decisions

5.1 The RC shall meet at least once in each year or otherwise as it decides.

5.2 A quorum shall consist of two (2) Members.

2. THE BOARD COMMITTEES (CONTINUED)

(c) Remuneration Committee (continued)

Terms of Reference (continued)

5. Meeting and Decisions (continued)

5.3 Executive Directors and Non-Executive Directors shall abstain from the deliberations and voting decisions in respect of their respective remuneration either at the RC or Board level as the case may be.

5.4 Matters raised and tabled at all meetings shall be decided by a majority of votes of the Members.

5.5 In the event of an equality of votes, the Chairman of the RC shall have a second or casting vote.

5.6 A resolution in writing, signed by a majority of the Members for the time being who are sufficient to form a quorum shall be as valid and effective as if it had been deliberated and decided upon at a meeting of the RC. Any such resolution may consist of several documents in like form, each signed by one (1) or more Members. The expression "in-writing" and "signed" included approval by legible confirmed transmission by telefax, cable or telegram.

5.7 The Secretary of RC shall record, prepare and circulate the minutes of the meetings of the RC and ensure that the minutes are properly kept and produced for inspection if required.

5.8 Every member of the Board shall have the right at any time to inspect the minutes of all meetings held and resolutions passed by the RC and the nominations of proposals submitted thereat.

6. Authority

6.1 The RC shall be entitled to call for advice internally from the Human Resources Managers, Accountants and other staffs or from external sources, when necessary at the Company's expense.

6.2 The RC shall have full and unrestricted access to information, records, properties and employees of the Company.

7. Compliance

7.1 The provisions of Articles 130, 131 and 132 of the Company's Articles of Association except as otherwise expressly provided in these Terms of Reference shall apply to the RC.

Attendance at RC Meetings

The RC met one (1) time during the financial year ended 31 March 2011. The details of attendance of each RC members at the RC meeting are as follows:

RC Member	Total No. of Meetings Attended	% of Attendance
Hew Voon Foo	1/1	100
Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain *(resigned w.e.f 1 October 2010)*	1/1	100
Chen Khai Voon	1/1	100

Note:
Meeting was held on 1 July 2010

2. THE BOARD COMMITTEES (CONTINUED)

(d) Employee's Share Option Scheme ("ESOS") Committee

The administration of the Company's ESOS was assigned by the Board to the ESOS Committee. The ESOS Committee consists of Directors and Senior Management and all of them are in executive capacity:

No.	Name	Designation
1	Chin Kem Weng (Chairman)	Managing Director
2	Tan Moon Teik	Executive Director
3	Lam Choon Wah	Executive Director
4	Sow Ewe Lee	Chief Operating Officer
5	Tan Kon Hoan	Financial Controller

The ESOS Committee has the power to administer the Company's ESOS in accordance with the ESOS By-Law as approved by the relevant authorities and for such purposes as the ESOS Committee deems fit.

3. RELATIONSHIP WITH SHAREHOLDERS

The Group recognises the importance of accountability to its investors and shareholders and thus, has maintained an active communication policy to ensure that all shareholders are kept informed of significant company developments in accordance with the Listing Requirements. The Group communicates information on the operations, activities and performance of the Group to the shareholders, stakeholders and the public through the following:

(i) Timely quarterly results announcements, annual reports and various announcements made to Bursa Securities:-

	Date of Issue/ Released	Number of Days After End of Year/Quarter	Bursa Securities Deadline
Annual Report 2011	25 July 2011	116	30 September 2011
Annual Report 2010	14 July 2010	105	30 September 2010
2011 Quarterly Results			
1st Quarter	5 August 2010	36	31 August 2010
2nd Quarter	19 November 2010	50	30 November 2010
3rd Quarter	21 February 2011	52	28 February 2011
4th Quarter	24 May 2011	54	31 May 2011

(ii) AGM
The Group's AGM remains as the principal forum for dialogue with shareholders who are encouraged to participate in the question and answer session. Executive Directors and Chairman are available to respond to shareholders' questions raised during the meeting;

(iii) As part of the Board's responsibility in developing and implementing an investor relations programme, regular discussions are held between the Company and analyst/investors throughout the year. Presentations based on permissible disclosures are made to explain the Group's performance and major development programmes; and

(iv) Other Channels of Communications

(a) Apart from the above, the Board encourages other channel of communication with investors. For this purpose, investors may direct their queries to Investor Relations, ZJ Advisory Sdn. Bhd.

(b) The Group's website at www.genetec.net which shareholders as well as members of the public are invited to access for the latest information on the Group.

4. ACCOUNTABILITY AND AUDIT

The Board has established an Audit Committee to oversee the financial reporting and effectiveness of the internal control of the Group. The Audit Committee comprises four (4) Directors, the majority of whom are Independent Non-Executive Directors. The Board shall ensure the term of office and performance of the Audit Committee and each of its members are being reviewed at least once in every three (3) years to determine whether the members have carried out their duties in accordance with the Audit Committee's terms of reference. The terms of reference, responsibilities and activities of the Audit Committee are set out in the Audit Committee Report on pages 23 to 28 of this Annual Report.

4.1 Financial Reporting

The Board is mindful of its responsibility to present a balanced and fair assessment of the Group's position and prospects through the annual financial statements and quarterly announcements of results to the Bursa Securities. The Audit Committee assists in reviewing the information disclosed to ensure accuracy and adequacy. The Directors are responsible to ensure the annual financial statements are prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia. A statement by the Directors on their responsibilities in preparing the financial statements is set out on page 96 of this Annual Report.

4.2 Internal Control

The Board acknowledges its overall responsibility for continuous maintenance of a sound system of internal control to safeguard shareholders' investment and the Group's assets. While every effort is made to manage the significant risks, by its nature, the system can only provide reasonable but not absolute assurance against material misstatement or loss. Ongoing reviews are carried out by the Board, with the assistance of the Audit Committee and external auditors, to safeguard the Group's assets. The internal audit function has been outsourced to independent professional consultants to carry out reviews on the Group's overall corporate governance and internal control processes.

The Statement on Internal Control by the Directors is set out on page 21 and 22 of the Annual Report.

4.3 Relationship with the External Auditors

The external auditors Messrs KPMG, have continued to report to shareholders of the Company on their opinion which are included as part of the Group's financial reports with respect to their audit on each year's statutory financial statements. The Company has always established a transparent, independent and formal relationship with the auditors to meet their professional requirements. The auditors also highlight to the Audit Committee and Board of Directors on matters that require the Board's attention.

COMPLIANCE STATEMENT

The Group has complied with the principles and best practices as set out in parts 1 and 2 respectively of the Code.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 30 June 2011.

RONNIE J ORTSCHEID
Chairman

CORPORATE SOCIAL RESPONSIBILITY

Our corporate responsibility (CR) strategy addresses the four pillars outlined in the Bursa Malaysia CR Framework i.e. Environment, Community, Marketplace and Workplace.

As a responsible corporate citizen, we have initiated, supported and successfully implemented various social, community and environmental projects.

COMMUNITY

(a) Youth Development and Education

As one of the leading industrial automation manufacturers, we have a responsibility to contribute to the capabilities of tomorrow's workforce. Education is one of the key areas where we believe our support is important, and where we can make a real difference. We have launched the following programmes:

- Young Apprenticeships Scheme – A collaboration effort between Genetec and a pre-designated training centre to provide form five school leavers an employment opportunity upon completion of form five.

- Internship Program – work with various public and private higher education providers such as universities, colleges and polytechnic to provide practical training for their students.

(b) Graduate Employment

Upon graduation, Genetec offers these students employment opportunities and mentorship with continuous advice, guidance and support. Genetec realizes that these initiatives do not only enhance the human capital of Genetec but also helps the government in reducing unemployment rate.

WORKPLACE

(a) Human Capital Development

Genetec considers its people as the most valuable asset. We believe training and development is important in developing and upgrading skills, knowledge and attitudes to ensure optimal performance. We provided financial assistance for those who wish to pursue for higher education. We constantly provide in-house and external training programmes to enhance and increase employees job-related skills knowledge and experience.

(b) Staff Welfare

We therefore offer our staff an attractive benefits package, including Personal Accident Insurance, Employees' Share Option Scheme (ESOS) and in-house surau. Several activities were organised throughout the year to create social balance and maintain harmony and build better rapport such as social gatherings, company trips, team building activities and yearly reviews.

Sport and competitive activities were held throughout the year to engage our employees.

(c) Human Rights

Genetec treats all staff with dignity, fairness and respect. Genetec is committed in upholding basic Human Rights. We abide by the non-discrimination laws. We do not discriminate unfairly on any basis. We treat all staff equally regardless of their religion, races, sex, age and nationality.

WORKPLACE (CONTINUED)

(d) Health and Safety

We strive to maintain a safe and healthy working environment for all our employees. Preventive actions are taken to mitigate risks such as:

- Allocating First Aid Kit boxes in office premises.
- Emphasize safety awareness on work place by placing signboards and notices.
- Engaging employees in fire evacuation drills. Employees are trained on how to use fire extinguisher during emergency.
- Provide industrial safety masks, goggles, gloves and shoes for staff who need to work on machine.

ENVIRONMENT

(a) Energy Savings

Genetec is committed to the cause of energy savings by educating our staff on the importance of energy conservation such as instilling good habit of switching off the light and air-conditioning during lunch time or when they are out from the office. We have also installed auto-off time clock system on air-conditioning.

(b) Green Environment

Genetec is committed to streamline all internal transactions and communications towards a paperless office to build the awareness of green environment.

MARKETPLACE

(a) Ethical Business Culture

The creation and proactive management of a culture of integrity, ethical behaviour and honesty that is pervasive throughout the organisation as well as a zero tolerance of fraud and unethical conduct means that the way in which Genetec Group behaves in making its profits is just as important as the profits that it makes.

STATEMENT ON INTERNAL CONTROL

1. INTRODUCTION

The Board of Directors of Genetec Technology Berhad ("the Board") is committed in maintaining a sound system of internal controls throughout the Group and is pleased to provide the following statement which outlines the nature and scope of internal control of the Group during the year under review.

This Statement on Internal Control is made in accordance with the Malaysian Code on Corporate Governance and paragraph 15.26 (b) of the Bursa Malaysia Securities Berhad Listing Requirements, which requires Malaysian public listed companies to make a statement about their state of internal control, as a Group, in their annual report.

2. BOARD RESPONSIBILITY

The Malaysian Code of Corporate Governance requires the Board to maintain a sound system of internal control to safeguard shareholders' investment and Group's assets. The Board recognises the importance of sound internal control for good corporate governance and further affirms the overall responsibility for Genetec Group's system of internal control. It covers not only financial, but also operational controls, and for reviewing the adequacy and integrity of those systems on an on-going basis.

The associated company has not been dealt with as part of the Group for purposes of applying the above guidance as the associated company has its own systems of internal controls in place.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives. Accordingly, the internal control system can only provide reasonable and not absolute assurance against material misstatement or loss.

Frameworks of the Group's internal control system, including the processes in place to review its adequacy, are as follows:

(a) Risk Management Framework

The Board maintains the Group's risk management policy and framework whereby risk areas that could have a potentially significant impact on the Group's mid to long term business objectives are identified, evaluated and assessed.

This exercise was performed by the Risk Management Committee ("RMC") which comprises the Chief Operating Officer and Departmental Managers / Heads. The RMC then puts in place controls and plans to mitigate the risks faced by the Group.

The RMC reports to the Board, the identified risks, its evaluation and actions taken in managing the significant risks faced by the Group.

(b) Internal Control System

The Group's key internal control processes are based on the principles of COSO (Committee of Sponsoring Organisations of the Treadway Commission) Guidance on Internal Controls – Integrated Framework as follows:

Control Environment

- The Group has a clear vision, mission, corporate philosophy and strategic direction that serves as the road map of the Group's direction and the way forward which have been established and communicated to employees at all levels.
- An organisation structure with defined lines of responsibility and accountability of the Board and Management has been established and is aligned to the business and operations requirements.
- Lines of responsibility and defined limits of authority have been established and where applicable, reviewed for relevance.
- Employees' training and development programs as well as occupational health and safety courses are emphasised at all levels of employees to enhance their work quality, ability, safety concept and competencies in the achievement of the Group's objectives.

2. BOARD RESPONSIBILITY (CONTINUED)

(b) Internal Control System (continued)

Risk Assessment

- RMC re-assessed significant risks which could potentially affect the strategic and operational objectives of the Company and the Committee charted the corrective measures required to mitigate those risks identified.
- RMC met twice during the financial year to review and update the Group's principal risks.

Control Activities

- The ISO procedures and Company's standard operating policies and procedures reflect current practices of the business processes and key functions. Internal control measures and practices have been incorporated into these procedures to enhance controls and monitoring of day-to-day operations.
- The Company has cascaded down these documented procedures to its employees for implementation. Compliance in their day-to-day operations is monitored by the respective departmental managers to ensure the highest quality of work and products.
- The established Occupational Safety and Health Policy governs the Group's moral, social and legal responsibilities to provide a safe and healthy work environment for employees, contractors, customers and visitors.
- External audits, internal audits and ISO audits are carried out yearly, twice a year and once a year respectively as a basis to improve operational efficiencies and consistency of quality of products and work standards.

Information and Communication

- Quarterly management meetings attended by all heads of departments are held to discuss and resolve issues or challenges faced with regards to operational, performance and administrative matters. The proceedings of these meetings are documented in the minutes for further action and reference.
- The implemented enterprise resource planning system provides informative and relevant reports and assist in the decision making process.

Monitoring

- Quality and internal audits are conducted during the financial year and the results and findings of these audits are communicated to the process owners and departmental heads for discussion and corrective action.
- Management constantly monitors the gaps and highlighted issues through the conduct of follow-up audits to improve on current processes and internal controls.
- Quarterly reviews on budgets are conducted to highlight any instances of significant variances that arose during the year which may require immediate management action.

CONCLUSION

The external auditors have reviewed this Statement on Internal Control for the inclusion in the annual report for the year ended 31 March 2011 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

Management will continue to take measures and maintain an ongoing commitment to strengthen the Group's control environment and processes. During the financial year, there were no material losses caused by the breakdown in internal controls.

This statement was made in accordance with a resolution of the Board dated 30 June 2011.

AUDIT COMMITTEE REPORT

Members of the Audit Committee shall not have a relationship which in the opinion of the Board of Directors, would interfere with the exercise of independent judgement in carrying out the functions of the Audit Committee. Members of the Audit Committee shall possess wisdom, sound judgement, objectivity, independent attitude, management experience and knowledge of the industry. All members of the Audit Committee are financially literate.

COMPOSITION OF THE AUDIT COMMITTEE

The present members of the Audit Committee of the Company are as follows:

Chairman

Hew Voon Foo *(redesignated from Member to Chairman w.e.f. 11 February 2011)*
(Independent Non-Executive Director / MIA Member)

Members

Wong Wai Tzing *(appointed w.e.f. 11 February 2011)*
(Independent Non-Executive Director)

Teh Kim Seng *(appointed w.e.f. 4 May 2011)*
(Independent Non-Executive Director)

Chen Khai Voon
(Non-Independent Non-Executive Director)

TERMS OF REFERENCE

1. Objectives

1.1 To provide additional assurance to the Board by giving objective and independent review of Group's financial, operational and administrative controls and procedures.

1.2 To assist the Board in establishing and maintaining internal controls for areas of risks as well as safeguarding of assets within the Group.

1.3 To assess and supervise the quality of audits conducted by the Internal Auditors and External Auditors.

1.4 To reinforce the independence of the External Auditors and to assure that the External Auditors will have free rein in the audit process.

1.5 To provide a forum for regular, informal and private discussion with the External Auditors, Internal Auditors or both, excluding the attendance of other Directors and employees of the Company.

1.6 To reinforce the objectivity of the Internal Auditors and ensure they report directly to the Audit Committee.

2. Membership

2.1 The Audit Committee shall be appointed by the Board pursuant to a Board Resolution.

2.2 It shall comprise of at least three (3) Members all of whom are Non-Executive Directors with a majority being Independent Directors.

2.3 The Chairman of the Audit Committee shall be appointed by the Board, or failing which, by the Members of the Audit Committee themselves. The Chairman shall be an Independent Director.

2.4 If the number of Members is reduced to below three (3) as a result of resignation or death of a Member, or for any other reason(s) the Member ceases to be a Member of the Audit Committee, the Board shall, within three (3) months of that event, appoint amongst such other non-executive Directors, a new Member to make up the minimum number required therein.

2.5 All Members of the Audit Committee should be financially literate.

TERMS OF REFERENCE (CONTINUED)

2. Membership (continued)

2.6 At least one (1) Member of the Audit Committee:-

2.6.1 must be a member of the Malaysian Institute of Accountants ("MIA"); or

2.6.2 if he/she is not a member of MIA, he/she must have at least three (3) years' of working experience and:-

(a) he/she must have passed the examination specified in Part I of the 1st Schedule of the Accountants Act, 1967; or

(b) he/she must be a member of one (1) of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or

2.6.3 fulfill such other requirements as may from time to time be prescribed or approved by the Bursa Malaysia Securities Berhad ("Bursa Securities").

2.7 An alternate Director is not eligible for membership in the Audit Committee.

3. Authority

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

3.2 It shall have full and unlimited access of any information pertaining the Company as well as direct communication channels with the Internal Auditors, External Auditors and employees of the Group.

3.3 It shall also have the resources which are required to perform its duties inclusive the authority to obtain independent legal or other professional advice and to secure attendance of outsiders with relevant experience and expertise if it considers this necessary.

3.4 It shall also have the power to establish Sub-Audit Committee(s) and delegate its powers to such Sub-Audit Committee(s) for the purpose of carrying out certain investigations on its behalf in such manner as the Audit Committee deems fit and necessary and, to appoint such officers within the Group as members of the Sub-Audit Committee(s).

4. Functions

4.1 To review the following and report the same to the Board:-

4.1.1 with both the Internal Auditors and External Auditors their audit plans and reports.

4.1.2 with the External Auditors, the evaluation of the adequacy and effectiveness of the internal control systems as well as the administrative, operating and accounting policies employed.

4.1.3 the assistance given by the officers and employees of the Group to the Internal Auditors and External Auditors.

4.1.4 the Company's quarterly and annual/year end consolidated financial statements and thereafter to submit them to the Board, focusing particularly on any changes in or implementation of major accounting policies and practices; significant adjustments arising from the audit; significant and unusual events; the going concern assumption; compliance with accounting standards and other legal requirements.

TERMS OF REFERENCE (CONTINUED)

4. Functions (continued)

4.1.5 the External Auditors' management letter, Management's response and resignation letter.

4.1.6 any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that arises questions of Management integrity.

4.2 To identify and direct any special projects or major findings of internal investigations it deems necessary and management response.

4.3 To recommend/nominate a person or persons as the External Auditors. To consider the suitability for re-appointment of External Auditors, audit fee and any question of resignation or removal of the External Auditors.

4.4 To discuss with the External Auditors before the audit commences, the nature and scope of their audit and ensure co-ordination where more than one audit firm is involved.

4.5 To discuss problems and reservations arising from the interim and final audits, and any other matter the External Auditors may wish to discuss in the absence of Management, where necessary.

4.6 To verify the allocation of options pursuant to the Employees' Share Option Scheme ("ESOS") as being in compliance with the criteria set out in the ESOS and to make such statement to be included in the Annual Report of the Company in relation to a share scheme for employees.

4.7 To review reports and consider recommendations of the Sub-Audit Committee(s), if any.

4.8 To review reports of the internal audit function directly which is independent of the activities it audits and should be performed with impartiality, proficiency and due professional care.

4.9 To do the following, in relation to the internal audit function:-

4.9.1 to establish an internal audit function which is independent of the activities it audits;

4.9.2 review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

4.9.3 review the internal audit programme, process, the results of the internal audit programme, process or investigation undertaken and whether or not appropriate actions are taken on the recommendations of the internal audit function;

4.9.4 review any appraisal or assessment of the performance of members of the internal audit function;

4.9.5 review of the effectiveness of the risk management, internal control and governance processes within the Group;

4.9.6 approve any appointment or termination of senior staff members of the internal audit function which is performed internally; and

4.9.7 take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning which is performed internally.

4.10 To carry out such other functions and consider other topics as may be agreed upon from time to time with the Board.

TERMS OF REFERENCE (CONTINUED)

5. Meetings

5.1 The Audit Committee will hold regular meetings as and when the need arises and any such additional meetings as the Chairman of the Audit Committee so decides to fulfill its duties. Audit committee members may participate in a meeting of the Audit Committee by means of a conference telephone or similar electronic tele-communicating equipment by means of which all person participating in the meeting can hear each other and participate throughout the duration of the communication between the Audit Committee members and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

5.2 A quorum shall consist of two (2) Members. The majority of Members present must be Independent Directors.

5.3 Unless otherwise determined by the Members from time to time, seven (7) clear days' notice of all Audit Committee meetings shall be given except in the case of an emergency, where reasonable notice of every Audit Committee meeting shall be given in writing.

5.4 Matters raised and tabled at all meetings shall be decided by a majority of votes of the Members.

5.5 A resolution in writing, signed by a majority of the Members for the time being who are sufficient to form a quorum shall be as valid and effective as if it had been deliberated and decided upon at a meeting of the Audit Committee. Any such resolution may consist of several documents in like form, each signed by one (1) or more Members. The expression "in-writing" and "signed" include approval by legible confirmed transmission by telefax, cable or telegram.

5.6 Proceedings of all meetings held and resolutions passed as referred to in Clause 5.5 above shall be recorded by the Secretary and kept at the Company's registered office.

5.7 Every member of the Board shall have the right at any time to inspect the minutes of all meetings held and resolutions passed by the Audit Committee and the reports submitted thereat.

5.8 The Audit Committee has the explicit right to convene meetings with the External Auditors, Internal Auditors or both, excluding the attendance of executive directors of board, management and/or employees. The External Auditors and Internal Auditors shall have the right to appear and be heard at any meeting and shall appear before the Audit Committee when so required by the Audit Committee.

5.9 Upon the request of the External Auditors, the Chairman shall convene a meeting to consider any matters the External Auditors believe should be brought to the attention of the Directors or shareholders of the Company.

5.10 The Executive Directors of any company within the Group, representatives of the Internal Auditors, the Management and any employee of the Group, as the case requires, may be requested to attend such meetings.

5.11 The finance director/officer, the head or representative of internal audit and a representative of the External Auditors shall on invitation attend the Audit Committee meetings. Other board members may attend the Audit Committee meetings upon the invitation of the Audit Committee. However, the Audit Committee shall meet with the External Auditors and/or Internal Auditors at least twice in a financial year without the presence of the executive board members of the Company.

6. Compliance

6.1 The provisions of Articles 130, 131, 132 and 133 of the Company's Articles of Association except as otherwise expressly provided in these Terms of Reference shall apply to the Audit Committee.

ATTENDANCE AT AUDIT COMMITTEE MEETINGS

The Audit Committee met four (4) times during the financial year ended 31 March 2011. The details of attendance of each Audit Committee member at the Audit Committee meetings are as follows:

Audit Committee Member	Total No. of Meetings Attended	% of Attendance
Hew Voon Foo	4/4	100
Chen Khai Voon	4/4	100
Wong Wai Tzing *(appointed w.e.f. 11 February 2011)*	1/1	100
Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain *(resigned w.e.f. 1 October 2010)*	3/3	100

Note:
Meetings were held on 20 May 2010, 1 July 2010, 5 August 2010, and 21 February 2011.

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR

The Audit Committee carried out the following activities in discharging their duties and responsibilities:

Financial Results

(i) Review of the Group's quarterly financial results and annual audited financial statements of the Group including the announcements pertaining thereto, before recommending to the Board for their consideration and approval prior to the release of Group's results to Bursa Securities;

(ii) Review of the Group's compliance on the following areas, where relevant:
- Listing Requirements of Bursa Securities for the ACE Market;
- Provisions of the Companies Act, 1965 and other legal requirements; and
- Applicable approved accounting standards in Malaysia.

External Audit

(i) Review of external auditors' scope of work, their terms of engagement, proposed audit remuneration and audit plan for the financial year ended 31 March 2011;

(ii) Review of external auditors' audit strategies and plan and further discuss their approach in areas of emphasis;

(iii) Review of results and any issues arising from the audit of the financial year end statements and the resolution of issues highlighted in their report to the Committee;

(iv) Review of the external auditors performance and independence before recommending to the Board their re-appointment and remuneration;

(v) Recommendations made by the external auditors in respect of control weaknesses during the course of their audit were duly noted by the Audit Committee and highlighted to the Board; and

(vi) The Audit Committee had met twice with the External Auditors without executive board members present during financial year ended 31 March 2011.

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR (CONTINUED)

Internal Audit

(i) Review of internal auditors' audit plan for the financial year ended 31 March 2011 to ensure that principal risk areas and key processes are adequately identified and covered in the plan.

Related Party Transactions

(i) Review of related party transactions for compliance with the Listing Requirements of Bursa Securities for ACE Market and the appropriateness of such transactions before recommending them to the Board for its approval; and

(ii) Review of the procedures for securing the shareholders' mandate for Recurrent Related Party Transactions.

Others

(i) Review of the Group's compliance with relevant provisions set under the Malaysian Code of Corporate Governance for the purpose of preparing the Corporate Governance Statement and Statement of Internal Control pursuant to the Listing Requirements of Bursa Securities for ACE Market;

(ii) Review the adequacy of the terms of reference of the Committee; and

(iii) Meet with the non-executive directors and independent members without the presence of the executive board members.

INTERNAL AUDIT FUNCTIONS / ACTIVITIES AND COSTS

The Group's internal audit functions are outsourced to, CGRM Infocomm Sdn Bhd, an independent professional firm, which reports directly to the Audit Committee and assists the Board of Directors in monitoring and managing risks and internal controls. The Audit Committee approves the internal audit plan tabled during the Audit Committee meeting during the financial year.

The Internal Audit Charter sets out the terms of reference, role, organisation status, responsibility and authority of internal audit function within the Group. The scope of internal audit covers the audits on risk management, internal control, governance and compliance activities of the Group. The reviews were carried out with reference to the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors.

CGRM Infocomm Sdn Bhd is totally independent and maintains its objectivity during the conduct of audits as it does not involve in day-to-day operations of the Group.

The approach adopted by the Group is of a risk based approach to assess and review the implementation and monitoring of controls of the subsidiary companies. The audit encompasses the following activities:-

- Review and assess the risk management and governance structure of the Group.
- Review and appraise the soundness, adequacy and application of accounting, financial and other key controls promoting effective control in the Group.
- Ascertain the extent to which the Group's assets are safeguarded.
- Ascertain the level of compliance to the Group policy and procedures.
- Recommend improvements to the existing system of risk management, internal control and governance.

The costs of the internal audit function paid to CGRM Infocomm Sdn Bhd for the financial year ended 31 March 2011 was RM13,202 (2010: RM31,000).

FINANCIAL STATEMENTS

DIRECTORS' REPORT
for the year ended 31 March 2011

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 March 2011.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, designing and building of customised factory automation equipment and integrated vision inspection systems from conceptual design, development of prototype to mass replication of equipment, whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements. Except for the new principal activities arising from the acquisition of subsidiaries as disclosed in Note 28 to the financial statements, there has been no significant change in the nature of these activities during the year.

RESULTS

	Group RM	Company RM
Profit for the year attributable to:		
Owners of the Company	12,419,792	9,104,724
Minority interests	2,735,601	-
	15,155,393	9,104,724

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the year under review except as disclosed in the financial statements.

DIVIDENDS

No dividend was paid during the year and the Directors recommended a first and final tax-exempt dividend of 1 sen per share totalling RM3,517,380 in respect of the year ended 31 March 2011.

DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:

Chin Kem Weng
Chen Khai Voon
Hew Voon Foo
Tan Moon Teik (appointed on 8 October 2010)
Ronnie J Ortscheid (appointed on 15 November 2010)
Lam Choon Wah (appointed on 19 November 2010)
Wong Wai Tzing (appointed on 26 January 2011)
Teh Kim Seng (appointed on 26 January 2011)
Ong Phoe Be (Alternate Director to Chen Khai Voon) (resigned as Director on 26 January 2011 and appointed as Alternate Director to Chen Khai Voon on 26 January 2011)
Mej Jen (Rtd) Dato' Haji Fauzi bin Hussain (resigned on 1 October 2010)
Tan Kok Ang (resigned on 26 January 2011)

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the ordinary shares and options over shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.10 each			
	At 1.4.2010/date of appointment	**Bought**	**Sold**	**At 31.3.2011**
Interests in the Company:				
Chin Kem Weng				
- Direct	26,100,000	28,500,000	-	54,600,000
Tan Moon Teik				
- Direct	602,000	96,000,000	(10,000,000)	86,602,000
Chen Khai Voon				
- Indirect	48,250,000	48,250,000	-	96,500,000
Hew Voon Foo				
- Indirect	40,000	-	-	40,000
Ong Phoe Be				
- Direct	-	2,400,000	-	2,400,000

	Number of options over ordinary shares of RM0.10 each			
	At 1.4.2010/date of appointment	**Granted**	**Exercised**	**At 31.3.2011**
Chin Kem Weng	1,200,000	1,200,000	(2,400,000)	-
Ong Phoe Be	1,200,000	1,200,000	(2,400,000)	-

By virtue of their interests in the shares of the Company, Chin Kem Weng, Tan Moon Teik and Chen Khai Voon are also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Directors holding office at 31 March 2011 had any interest in the ordinary shares and options over shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements of the Company or the fixed salary of a full time employee of the Company or of related corporations) 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.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the issue of options pursuant to the Employees' Share Option Scheme ("ESOS"). The ESOS expired on 20 September 2010.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its authorised share capital from RM25,000,000 to RM50,000,000 through the creation of an additional 250,000,000 ordinary shares of RM0.10 each.

During the financial year, the Company issued:

(a) 121,612,000 new ordinary shares of RM0.10 each via bonus issue on the basis of 1 new ordinary share for every 1 existing ordinary share held, by way of capitalisation of RM4,498,419 and RM7,662,781 from share premium account and retained earnings, respectively.

(b) 12,814,000 new ordinary shares of RM0.10 each arising from the exercise of employees' share options of which 12,514,000 shares were exercised at RM0.15 and 300,000 shares were exercised at RM0.30.

(c) 96,000,000 new ordinary shares of RM0.10 each to the vendors of CLT Engineering Sdn. Bhd. ("CLT"), at an issue price of RM0.27 per share as part of the purchase consideration to acquire a 51% equity interest in CLT. Subsequently, CLT became a 51% owned subsidiary of the Company.

There were no other changes in the authorised, issued and paid-up capital of the Company during the financial year. There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the year apart from the issue of options pursuant to the ESOS.

At an extraordinary general meeting held on 16 September 2005, the Company's shareholders approved the establishment of an ESOS of not more than 10% of the issued share capital of the Company at any point in time during the tenure of the ESOS, to eligible Directors and employees of the Group.

The salient features of the scheme are as follows:

(i) Eligible employees are those who must be at least eighteen (18) years of age, employed on a full time basis by any company in the Group and must have been confirmed in service on the date of offer.

(ii) The option is personal to the grantee and is non-assignable and non-transferable.

(iii) The option price shall be determined based on the initial public offer price or weighted average market price of the Company's ordinary shares for the five (5) market days preceding the date of offer subject to a discount of not more than ten percent (10%), or at the par value of the ordinary shares of the Company, whichever is higher.

(iv) The ESOS shall be in force for a period of five (5) years from the date of commencement on 21 September 2005. However, an extension to the scheme may be effected by the Company upon recommendation of the Option Committee, subject to an aggregate duration of ten (10) years from the date of commencement.

(v) No option shall be granted for less than one hundred (100) ordinary shares or more than the maximum allowable allotment and shall be in multiples of one hundred (100) ordinary shares.

OPTIONS GRANTED OVER UNISSUED SHARES (CONTINUED)

The options offered to take up unissued ordinary shares of RM0.10 each and the exercise prices are as follows:

		Number of options over ordinary shares of RM0.10 each			
Date of offer	Exercise price RM	At 1.4.2010	Exercised	Transferred to the new scheme*	At 31.3.2011
19 October 2005	0.30	6,578,000	(300,000)	(6,278,000)	-

		Number of options over ordinary shares of RM0.10 each				
Date of offer	Exercise price	Transferred from old scheme* RM	Granted	Lapsed	Exercised	At 31.3.2011
4 May 2010	0.15	6,278,000	6,278,000	(42,000)	(12,514,000)	-

* On May 2010, the Company implemented a bonus issue on the basis of 1 new ordinary share for every 1 existing ordinary share held. The unexercised share options under the old scheme were transferred to the new scheme. The Company granted further options on the basis of 1 share option for every 1 existing unexercised share option with a revised exercise price of RM0.15.

The ESOS expired on 20 September 2010.

SIGNIFICANT EVENTS DURING THE YEAR

(i) In May 2010, the Company implemented a bonus issue of 121,612,000 new ordinary shares of RM0.10 each on the basis of 1 new ordinary share for every 1 existing ordinary share held, by way of capitalisation of RM4,498,419 and RM7,662,781 from share premium account and retained earnings, respectively.

(ii) In May 2010, the Company disposed of 40% equity interest in FAS Manufacturing Sdn. Bhd. (FASM) to a third party for a total cash consideration of RM100,000. Following the partial disposal, FASM became a 60% owned subsidiary of the Company.

(iii) In August 2010, the Company acquired 51% equity interest in CLT from a third party, for a total consideration of RM26,420,000 satisfied by the issuance of 96,000,000 ordinary shares of the Company and RM500,000 in cash.

(iv) In October 2010, CLT entered into a conditional sale and purchase agreement with a third party to acquire a piece of leasehold land together with a building on the land for a total cash consideration of RM11.5 million. The approval of the acquisition has been obtained from the shareholders of the Company at an Extraordinary General Meeting held on 21 February 2011. The acquisition was completed in May 2011.

(v) In December 2010, the Company incorporated a new wholly owned subsidiary in the United States of America, Genetec Global Technologies, Inc. ("GT Global") with an issued and paid up capital of 100 shares of common stock of USD0.01 each.

SIGNIFICANT EVENTS DURING THE YEAR (CONTINUED)

(vi) In December 2010, GT Global acquired 80% equity interest in Systems South, Inc. ("SS") from a third party in the United States of America, for a total consideration of USD1,688,000 (approximately RM5,234,000) satisfied by cash. Under the Share Sale Agreement, GT Global is required to purchase another 5 shares of SS by 31 December 2011 at a cash consideration of USD105,500.

OTHER STATUTORY INFORMATION

Before the statements of financial position and statements of comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

(i) all known bad debts have been written off and adequate provision made for doubtful debts, and

(ii) any current assets which were unlikely to be realised in the ordinary course of business 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:

(i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

(ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or

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

(iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

(i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

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

No contingent liability or other liability of any company in the Group 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 substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except for the effects arising from the acquisition of the new subsidiaries and derivative gain and realised gain on foreign exchange as disclosed in Note 17 to the financial statements, the results of the operations of the Group and of the Company for the financial year ended 31 March 2011 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

CHIN KEM WENG

TAN MOON TEIK

Bandar Baru Bangi, Selangor

Date: 30 June 2011

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2011

	Note	Group 31.3.2011 RM	Group 31.3.2010 RM restated	Group 1.4.2009 RM restated	Company 31.3.2011 RM	Company 31.3.2010 RM restated	Company 1.4.2009 RM restated
Assets							
Property, plant and equipment	3	28,351,844	20,347,282	19,514,574	19,784,043	20,299,882	19,514,574
Goodwill	4	26,014,665	-	-	-	-	-
Investments in subsidiaries	5	-	-	-	26,656,809	59,997	7
Investment in an associate	6	20,648	5,772	-	49,000	49,000	49,000
Deferred tax assets	7	-	-	50,000	-	-	50,000
Total non-current assets		54,387,157	20,353,054	19,564,574	46,489,852	20,408,879	19,613,581
Inventories	8	16,163,160	13,915,640	3,162,888	3,799,618	12,512,056	3,162,888
Derivatives	9	798,061	-	-	721,694	-	-
Trade and other receivables	10	40,555,485	16,325,523	5,593,120	19,650,160	16,277,064	5,593,120
Amounts due from subsidiaries	11	-	-	-	9,903,105	1,511,938	221,683
Current tax assets		-	27,360	22,161	-	27,360	22,161
Cash and cash equivalents	12	15,004,724	3,259,340	12,978,830	8,545,472	3,255,389	12,947,996
Total current assets		72,521,430	33,527,863	21,756,999	42,620,049	33,583,807	21,947,848
Total assets		126,908,587	53,880,917	41,321,573	89,109,901	53,992,686	41,561,429

STATEMENTS OF FINANCIAL POSITION
as at 31 March 2011

		Group			Company		
		31.3.2011	31.3.2010	1.4.2009	31.3.2011	31.3.2010	1.4.2009
		RM	RM	RM	RM	RM	RM
	Note		restated	restated		restated	restated
Equity							
Share capital		35,173,800	12,131,200	12,080,800	35,173,800	12,131,200	12,080,800
Share premium		18,378,913	4,690,039	4,498,419	18,378,913	4,690,039	4,498,419
Reserves		19,362,967	15,790,719	12,072,569	16,572,262	16,311,912	12,319,425
Total equity attributable to owners of the Company		72,915,680	32,611,958	28,651,788	70,124,975	33,133,151	28,898,644
Minority interests		8,625,592	-	-	-	-	-
Total equity	13	81,541,272	32,611,958	28,651,788	70,124,975	33,133,151	28,898,644
Liabilities							
Loans and borrowings	15	8,719,256	7,196,080	7,690,666	6,762,874	7,196,080	7,690,666
Deferred tax liabilities	7	585,582	189,000	-	130,000	189,000	-
Total non-currentliabilities		9,304,838	7,385,080	7,690,666	6,892,874	7,385,080	7,690,666
Loans and borrowings	15	18,652,690	1,319,124	862,694	4,462,187	1,319,124	862,694
Trade and other payables	16	15,881,904	12,564,755	4,116,425	7,511,985	12,155,331	4,109,425
Current tax liabilities		1,527,883	-	-	117,880	-	-
Total current liabilities		36,062,477	13,883,879	4,979,119	12,092,052	13,474,455	4,972,119
Total liabilities		45,367,315	21,268,959	12,669,785	18,984,926	20,859,535	12,662,785
Total equity and liabilities		126,908,587	53,880,917	41,321,573	89,109,901	53,992,686	41,561,429

The notes set out on pages 44 to 91 are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
for the year ended 31 March 2011

		Group		Company	
	Note	2011 RM	2010 RM	2011 RM	2010 RM
Revenue		123,048,491	52,527,690	75,198,757	53,156,064
Cost of sales		(97,099,990)	(44,092,031)	(60,036,261)	(44,628,477)
Gross profit		25,948,501	8,435,659	15,162,496	8,527,587
Other income		2,408,660	1,185,054	2,151,968	1,185,054
Distribution expenses		(2,106,726)	(1,848,108)	(1,478,308)	(1,737,851)
Administrative expenses		(6,357,696)	(2,417,387)	(3,714,785)	(2,314,641)
Other expenses		(674,073)	(112,371)	(2,186,864)	(97,571)
Results from operating activities		19,218,666	5,242,847	9,934,507	5,562,578
Finance income		150,015	71,523	138,783	71,523
Finance costs		(1,074,754)	(562,789)	(682,326)	(562,411)
Operating profit		18,293,927	4,751,581	9,390,964	5,071,690
Share of profits of equity accounted associate, net of tax		14,876	5,772	-	-
Profit before tax	17	18,308,803	4,757,353	9,390,964	5,071,690
Income tax expense	19	(3,153,410)	(383,943)	(286,240)	(383,943)
Profit for the year		15,155,393	4,373,410	9,104,724	4,687,747
Other comprehensive income, net of tax					
Foreign currency translation differences of foreign operations		(3,170)	-	-	-
Other comprehensive income for the year, net of tax		(3,170)	-	-	-
Total comprehensive income for the year		15,152,223	4,373,410	9,104,724	4,687,747

STATEMENTS OF COMPREHENSIVE INCOME
for the year ended 31 March 2011

	Note	Group		Company	
		2011	2010	2011	2010
		RM	RM	RM	RM
Profit attributable to:					
Owners of the Company		12,419,792	4,413,410	9,104,724	4,687,747
Minority interests		2,735,601	(40,000)	-	-
Profit for the year		15,155,393	4,373,410	9,104,724	4,687,747
Total comprehensive income attributable to:					
Owners of the Company		12,416,622	4,413,410	9,104,724	4,687,747
Minority interests		2,735,601	(40,000)	-	-
Total comprehensive income for the year		15,152,223	4,373,410	9,104,724	4,687,747

	Note	Group	
		2011	2010
		RM	RM
			restated
Basic earnings per ordinary share (sen)	20	3.94	1.82
Diluted earnings per ordinary share (sen)	20	N/A	1.77

The notes set out on pages 44 to 91 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2011

		Attributable to owners of the Company							
		Non-distributable				*Distributable*			
Group	**Note**	**Share capital**	**Share premium**	**Translation reserve**	**Share option reserve**	**Retained earnings**	**Total**	**Minority interests**	**Total equity**
		RM RM	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	
At 1 April 2009		12,080,800	4,498,419	-	1,424,610	10,647,959	28,651,788	-	28,651,788
Total comprehensive income for the year		-	-	-	-	4,413,410	4,413,410	(40,000)	4,373,410
Share options exercised		50,400	100,800	-	-	-	151,200	-	151,200
Transfer to share premium for ESOS exercised		-	90,820	-	(90,820)	-	-	-	-
Transfer to retained earnings for ESOS lapsed		-	-	-	(148,306)	148,306	-	-	-
Dilution of interests in a subsidiary	28	-	-	-	-	-	-	40,000	40,000
Dividends to owners of the Company	21	-	-	-	-	(604,440)	(604,440)	-	(604,440)
At 31 March 2010/ 1 April 2010		12,131,200	4,690,039	-	1,185,484	14,605,235	32,611,958	-	32,611,958
Total comprehensive income for the year		-	-	(3,170)	-	12,419,792	12,416,622	2,735,601	15,152,223
Issue of ordinary shares	13	9,600,000	16,320,000	-	-	-	25,920,000	-	25,920,000
Bonus issue	13	12,161,200	(4,498,419)	-	-	(7,662,781)	-	-	-
Share options exercised	13	1,281,400	685,700	-	-	-	1,967,100	-	1,967,100
Transfer to share premium for ESOS exercised		-	1,181,593	-	(1,181,593)	-	-	-	-
Transfer to retained earnings for ESOS lapsed		-	-	-	(3,891)	3,891	-	-	-
Acquisition of subsidiaries	28	-	-	-	-	-	-	5,889,991	5,889,991
At 31 March 2011		35,173,800	18,378,913	(3,170)	-	19,366,137	72,915,680	8,625,592	81,541,272

The notes set out on pages 44 to 91 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2011

		Attributable to owners of the Company				
		Non-distributable			Distributable	
Company	**Note**	**Share capital RM**	**Share premium RM**	**Share option reserve RM**	**Retained earnings RM**	**Total RM**
At 1 April 2009		12,080,800	4,498,419	1,424,610	10,894,815	28,898,644
Total comprehensive income for the year		-	-	-	4,687,747	4,687,747
Share options exercised		50,400	100,800	-	-	151,200
Transfer to share premium for ESOS exercised		-	90,820	(90,820)	-	-
Transfer to retained earnings for ESOS lapsed		-	-	(148,306)	148,306	-
Dividends to owners of the Company	21	-	-	-	(604,440)	(604,440)
At 31 March 2010/1 April 2010		12,131,200	4,690,039	1,185,484	15,126,428	33,133,151
Total comprehensive income for the year		-	-	-	9,104,724	9,104,724
Issue of ordinary shares	13	9,600,000	16,320,000	-	-	25,920,000
Bonus issue	13	12,161,200	(4,498,419)	-	(7,662,781)	-
Share options exercised	13	1,281,400	685,700	-	-	1,967,100
Transfer to share premium for ESOS exercised		-	1,181,593	(1,181,593)	-	-
Transfer to retained earnings for ESOS lapsed		-	-	(3,891)	3,891	-
At 31 March 2011		35,173,800	18,378,913	-	16,572,262	70,124,975

The notes set out on pages 44 to 91 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
for the year ended 31 March 2011

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
		restated		restated
Cash flows from operating activities				
Profit before tax	18,308,803	4,757,353	9,390,964	5,071,690
Adjustments for:				
Depreciation of property, plant and equipment	1,805,499	1,355,004	1,284,257	1,352,867
Finance costs	803,549	481,061	556,851	481,061
Finance income	(150,015)	(71,523)	(138,783)	(71,523)
Gain on disposal of property, plant and equipment	(8,580)	(38,322)	(8,580)	(38,322)
Gain on partial disposal of investment in a subsidiary	-	-	(100,000)	-
Gain on partial disposal of a subsidiary	(100,000)	-	-	-
Impairment loss on amounts due from subsidiaries	-	-	1,500,000	-
Impairment loss on investments in subsidiaries	-	-	59,997	-
Inventories written off	39,606	103,834	39,606	103,834
Property, plant and equipment written off	-	4,951	-	4,951
Reversal of allowance for doubtful debts	-	(30,557)	-	(30,557)
Reversal of impairment loss for trade receivables	(43,965)	-	(43,965)	-
Share of profits of equity accounted associate	(14,876)	(5,772)	-	-
Unrealised derivative gain	(798,061)	-	(721,694)	-
Unrealised foreign exchange loss/(gain)	471,347	(968,438)	456,688	(968,796)
Operating profit before working capital changes	20,313,307	5,587,591	12,275,341	5,905,205
Changes in working capital:				
Inventories	17,676,689	(10,856,586)	8,672,832	(9,453,002)
Trade and other receivables	3,116,056	(9,783,096)	(3,752,332)	(9,734,637)
Subsidiaries	-	-	(9,891,167)	(1,290,255)
Trade and other payables	(31,000,000)	8,498,019	(4,676,833)	8,095,953
Cash generated from/(used in) operations	10,106,052	(6,554,072)	2,627,841	(6,476,736)
Income tax paid	(2,854,923)	(150,143)	(200,000)	(150,143)
Net cash from/(used in) operating activities	7,251,129	(6,704,215)	2,427,841	(6,626,879)
Cash flows from investing activities				
Acquisition of property, plant and equipment	(1,702,443)	(2,378,259)	(779,345)	(2,328,722)
Acquisition of subsidiaries, net of	3,576,096	-	-	-
cash acquired Increase of investments in subsidiaries	-	-	(636,809)	(59,990)
Interest received from deposits	150,015	71,523	138,783	71,523
Proceeds from disposal of property, plant and equipment	19,507	223,918	19,507	223,918
Proceeds from partial disposal of interest in a subsidiary	100,000	40,000	-	-
Net cash from/(used in) investing activities	2,143,175	(2,042,818)	(1,257,864)	(2,093,271)

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
		restated		restated
Cash flows from financing activities				
Dividends paid to owners of the Company	-	(604,440)	-	(604,440)
Drawdown of revolving credits	4,000,000	-	4,000,000	-
Interest paid on loans and borrowings	(803,549)	(481,061)	(556,851)	(481,061)
Proceeds from issue of shares from exercise of ESOS	1,967,100	151,200	1,967,100	151,200
Repayment of finance lease liabilities	(110,373)	(425,132)	(137,184)	(425,132)
Repayment of term loans	(359,959)	(406,024)	(359,959)	(406,024)
(Repayment)/ Drawdown of bankers' acceptances	(2,342,139)	793,000	(793,000)	793,000
Net cash from/(used in) financing activities	2,351,080	(972,457)	4,120,106	(972,457)
Net increase/(decrease) in cash and cash equivalents	11,745,384	(9,719,490)	5,290,083	(9,692,607)
Cash and cash equivalents at beginning of year	3,259,340	12,978,830	3,255,389	12,947,996
Cash and cash equivalents at end of year	15,004,724	3,259,340	8,545,472	3,255,389

Cash and cash equivalents

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

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Cash and bank balances	14,999,516	3,254,272	8,540,264	3,250,321
Deposits placed with licensed banks	5,208	5,068	5,208	5,068
	15,004,724	3,259,340	8,545,472	3,255,389

Acquisition of property, plant and equipment

During the year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM4,002,443 (2010 - RM2,378,259) and RM779,345 (2010 - RM2,328,722) respectively, of which RM2,300,000 (2010 - Nil) and Nil (2010 - Nil) respectively were acquired by means of finance lease.

The notes set out on pages 44 to 91 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Genetec Technology Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE market of Bursa Malaysia Securities Berhad. The address of the principal place of business and registered office of the Company is as follows:

Principal place of business/Registered office
Lot 7, Jalan P10/11, Seksyen 10
Kawasan Perusahaan Bangi
43650 Bandar Baru Bangi
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the year ended 31 March 2011 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in an associate. The financial statements of the Company as at and for the year ended 31 March 2011 do not include other entities.

The Company is principally engaged in investment holding, designing and building of customised factory automation equipment and integrated vision inspection systems from conceptual design, development of prototype to mass replication of equipment, whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements.

The financial statements were authorised for issue by the Board of Directors on 30 June 2011.

1. BASIS OF PREPARATION

(A) STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standards (FRS), generally accepted accounting principles and the Companies Act, 1965 in Malaysia.

The Group and the Company have not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the Group and the Company:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010

- FRS 1, *First-time Adoption of Financial Reporting Standards* (revised)
- FRS 3, *Business Combinations* (revised)
- FRS 127, *Consolidated and Separate Financial Statements* (revised)
- Amendments to FRS 2, *Share-based Payment*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, *Intangible Assets*
- IC Interpretation 12, *Service Concession Agreements*
- IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, *Distributions of Non-cash Assets to Owners*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
  - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopter
  - Additional Exemption for First-time Adopters
- Amendments to FRS 7, *Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments*
- Amendments to FRS 2, *Group Cash-settled Share Based Payment Transactions*
- IC Interpretation 4, *Determining whether an Arrangement contains a Lease*
- IC Interpretation 18, *Transfer of Assets from Customers*
- Improvements to FRS (2010)

1. BASIS OF PREPARATION (CONTINUED)

(A) STATEMENT OF COMPLIANCE (CONTINUED)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011
- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012
- FRS 124, *Related Party Disclosures* (revised)
- IC Interpretation 15, *Agreements for the Construction of Real Estate*

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning 1 April 2011 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, except for IC Interpretation 12 which is not applicable to the Group and the Company; and

- from the annual period beginning 1 April 2012 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2011 and 1 January 2012, except for IC Interpretation 15 which is not applicable to the Group and the Company.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively or which requires extended disclosures, is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption, other than expected changes in accounting policies as discussed below:

(i) FRS 3 (revised), *Business Combinations*

FRS 3 (revised) incorporates the following changes that are likely to be relevant to the Group's operations:

- The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations.
- Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss.
- Transactions costs, other than share and debt issue costs, will be expensed as incurred.
- Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.
- Any minority (will be known as non-controlling) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

FRS 3 (revised), which becomes mandatory for the Group's 2012 consolidated financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the Group's 2012 consolidated financial statements.

(ii) FRS 127 (2010), *Consolidated and Separate Financial Statements*

- The amendments to FRS 127 require changes in group composition to be accounted for as equity transactions between the group and its minority (will be known as non-controlling) interest holders. Currently, changes in group composition are accounted for in accordance with the accounting policies as described in Note 2(a)(iii).

1. BASIS OF PREPARATION (CONTINUED)

(A) STATEMENT OF COMPLIANCE (CONTINUED)

(ii) FRS 127 (2010), *Consolidated and Separate Financial Statements* (continued)

- The amendments to FRS 127 require all losses attributable to minority interest to be absorbed by minority interest i.e., the excess and any further losses exceeding the minority interest in the equity of a subsidiary are no longer charged against the Group's interest. Currently, such losses are accounted for in accordance with the accounting policies as described in Note 2(a)(iv).

Material impacts of initial application of a standard, an amendment or an interpretation, which will be applied retrospectively, are disclosed below:

IC Interpretation 4, *Determining whether an Arrangement contains a Lease*

IC Interpretation 4 provides guidance on determining whether certain arrangements are, or contain, leases that are required to be accounted for in accordance with FRS 117, *Leases.* Where an arrangement is within the scope of FRS 117, the Group and the Company apply FRS 117 in determining whether the arrangement is a finance or an operating lease.

The adoption of IC Interpretation 4 will result in a change in accounting policy which will be applied retrospectively in accordance with FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* in which certain arrangements are to be accounted for as a finance lease.

The above changes in accounting policies are not expected to have material impacts to the Group and the Company.

Following the announcement by the MASB on 1 August 2008, the Group's and the Company's financial statements will be prepared in accordance with the International Financial Reporting Standards (IFRS) framework for annual periods beginning on 1 April 2012.

(B) BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(C) FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM.

(D) USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

1. BASIS OF PREPARATION (CONTINUED)

(D) USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 4 - measurement of the recoverable amounts of cash-generating units
- Note 23 - contingencies
- Note 28 - business combinations

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by Group entities, other than those disclosed in the following notes:

- Note 2(c) - Financial instruments
- Note 2(e) - Leased assets
- Note 2(s) - Operating segments

(A) BASIS OF CONSOLIDATION

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less any impairment losses, unless the investment is held for sale.

(ii) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investment in an associate is accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or included in a disposal group that is classified as held for sale. The consolidated financial statements include the Group's share of the profit or loss of the equity accounted associates, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted associate, the carrying amount of that interest including any long-term investments is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Investment in an associate is stated in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(A) BASIS OF CONSOLIDATION (CONTINUED)

(iii) Changes in Group composition

The Group treats all changes in group composition as equity transactions between the Group and its minority interests holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against the Group's profit or loss.

(iv) Minority interests

Minority interests at the end of the reporting period, being the portion of the net identifiable assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Minority interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the comprehensive income for the year between minority interests and the owners of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated with all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(B) FOREIGN CURRENCY

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency and the amortised cost in foreign currency translated at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date.

Foreign currency differences arising on retranslation are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(B) FOREIGN CURRENCY (CONTINUED)

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the FCTR.

(C) FINANCIAL INSTRUMENTS

Arising from the adoption of FRS 139, *Financial Instruments: Recognition and Measurement*, with effect from 1 April 2010, financial instruments are categorised and measured using accounting policies as mentioned below. Before 1 April 2010, different accounting policies were applied. Significant changes to the accounting policies are discussed in Note 30.

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(C) FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

(a) Financial assets at fair value through profit or loss (continued)

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see note 2(j)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises derivatives.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(C) FINANCIAL INSTRUMENTS (CONTINUED)

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(D) PROPERTY, PLANT AND EQUIPMENT

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgably, prudently and without compulsion. The fair value of other items of plant and equipment is based on quoted market prices for similar items when available and replacement cost when appropriate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within “other income” or “other expenses” respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(D) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. The estimated useful lives for the current and comparative periods are as follows:

Leasehold land	50 years
Buildings	50 years
Electrical equipment, renovation, furniture and fittings	5 - 12 years
Plant and machineries	10 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the reporting period.

(E) LEASED ASSETS

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition of the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the Group’s and the Company’s statement of financial position.

In the previous years, a leasehold land that normally had an indefinite economic life and title was not expected to pass to the lessee by the end of the lease term was treated as an operating lease. The payment made on entering into or acquiring a leasehold land that was accounted for as an operating lease represents prepaid lease payments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(E) LEASED ASSETS (CONTINUED)

(ii) Operating lease (continued)

The Group and the Company have adopted the amendment made to FRS 117, *Leases* in 2010 in relation to the classification of lease of land. Leasehold land which in substance is a finance lease has been reclassified and measured as such retrospectively.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(F) GOODWILL

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses.

For acquisitions prior to 1 April 2006, goodwill represented the excess of the cost of acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

For business acquisitions beginning from 1 April 2006, goodwill represents the 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 of the acquiree.

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

Amortisation

Goodwill is not amortised but is tested for impairment annually and whenever there is an indication that it may be impaired.

(G) INVENTORIES

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

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

The fair value of inventory acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(H) RECEIVABLES

Prior to 1 April 2010, receivables were initially recognised at their costs and subsequently stated at cost less allowance for doubtful debts.

Following the adoption of FRS 139, trade and other receivables are categorised and measured as loans and receivables in accordance with note 2(c).

(I) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand, balances and deposits with banks.

Cash and cash equivalents are categorised and measured as loans and receivables in accordance with policy note 2(c).

(J) IMPAIRMENT

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investments in subsidiaries and investment in an associate) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

(ii) Other assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a *pro rata* basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(J) IMPAIRMENT (CONTINUED)

(ii) Other assets (continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(K) EQUITY INSTRUMENTS

Instruments classified as equity are stated at cost on initial recognition and not remeasured subsequently.

Issue expenses

Costs directly attributable to issue of instruments classified as equity are recognised as a deduction from equity.

(L) EMPLOYEE BENEFITS

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group and the Company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's and the Company's contributions to statutory pension funds are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(ii) Share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

The fair value of employee share options is measured using a Black Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(M) PROVISIONS

A provision is recognised if, as a result of a past event, the Group and the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(N) REVENUE AND OTHER INCOME

(i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, traded discount 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) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(O) BORROWING COSTS

Borrowing costs are recognised in profit or loss using the effective interest method.

(P) AFFILIATE

An affiliate is a company which holds a direct or indirect interest of not less than 20% but not exceeding 50% in the equity of the Company, and exercises significant influence over the financial and operating policies of the Company.

(Q) INCOME TAX

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(Q) INCOME TAX (CONTINUED)

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, and 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 loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

(R) EARNINGS PER SHARE

The Group presents basic and diluted earnings per share data for its ordinary shares (EPS).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(S) OPERATING SEGMENTS

In the previous years, a segment was a distinguishable component of the Group that was engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment) which was subject to risks and rewards that were different from those of other segments.

Following the adoption of FRS 8, *Operating Segments*, an operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Operating Officer of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Land RM	Buildings RM	Electrical equipment, renovation, furniture and fittings RM	Plant and machineries RM	Motor vehicles RM	Building-in-progress RM	Total RM
Cost							
At 1 April 2009, restated	2,846,590	1,673,457	2,323,052	5,345,530	1,443,507	10,294,595	23,926,731
Reclassification	-	9,712,901	255,044	326,650	-	(10,294,595)	-
Additions	-	1,774,017	228,443	201,600	174,199	-	2,378,259
Disposals	-	-	(165,019)	(45,100)	(646,670)	-	(856,789)
Written off	-	(4,951)	-	-	-	-	(4,951)
At 31 March 2010, restated/1 April 2010	2,846,590	13,155,424	2,641,520	5,828,680	971,036	-	25,443,250
Acquisition through business combinations	560,000	1,016,893	1,032,784	2,754,890	453,978	-	5,818,545
Additions	-	262,103	894,677	2,524,190	321,473	-	4,002,443
Disposals	-	-	(21,825)	(3,600)	-	-	(25,425)
At 31 March 2011	3,406,590	14,434,420	4,547,156	11,104,160	1,746,487	-	35,238,813
Depreciation							
At 1 April 2009, restated	95,685	94,158	974,762	2,523,847	723,705	-	4,412,157
Depreciation for the year	56,936	246,845	283,249	565,246	202,728	-	1,355,004
Disposals	-	-	(69,198)	(37,816)	(564,179)	-	(671,193)
At 31 March 2010, restated/1 April 2010	152,621	341,003	1,188,813	3,051,277	362,254	-	5,095,968
Depreciation for the year	56,932	279,752	430,651	747,393	290,771	-	1,805,499
Disposals	-	-	(10,899)	(3,599)	-	-	(14,498)
At 31 March 2011	209,553	620,755	1,608,565	3,795,071	653,025	-	6,886,969
Carrying amounts							
At 1 April 2009, restated	2,750,905	1,579,299	1,348,290	2,821,683	719,802	10,294,595	19,514,574
At 31 March 2010, restated/1 April 2010	2,693,969	12,814,421	1,452,707	2,777,403	608,782	-	20,347,282
At 31 March 2011	3,197,037	13,813,665	2,938,591	7,309,089	1,093,462	-	28,351,844

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Land RM	Buildings RM	Electrical equipment, renovation, furniture and fittings RM	Plant and machineries RM	Motor vehicles RM	Building-in-progress RM	Total RM
Cost							
At 1 April 2009, restated	2,846,590	1,673,457	2,323,052	5,345,530	1,443,507	10,294,595	23,926,731
Reclassification	-	9,712,901	255,044	326,650	-	(10,294,595)	-
Additions	-	1,774,017	178,906	201,600	174,199	-	2,328,722
Disposals	-	-	(165,019)	(45,100)	(646,670)	-	(856,789)
Written off	-	(4,951)	-	-	-	-	(4,951)
At 31 March 2010, restated/1 April 2010	2,846,590	13,155,424	2,591,983	5,828,680	971,036	-	25,393,713
Additions	-	262,103	230,220	77,470	209,552	-	779,345
Disposals	-	-	(21,825)	(3,600)	-	-	(25,425)
At 31 March 2011	2,846,590	13,417,527	2,800,378	5,902,550	1,180,588	-	26,147,633
Depreciation							
At 1 April 2009, restated	95,685	94,158	974,762	2,523,847	723,705	-	4,412,157
Depreciation for the year	56,936	246,845	281,112	565,246	202,728	-	1,352,867
Disposals	-	-	(69,198)	(37,816)	(564,179)	-	(671,193)
At 31 March 2010, restated/1 April 2010	152,621	341,003	1,186,676	3,051,277	362,254	-	5,093,831
Depreciation for the year	56,932	266,603	303,611	468,771	188,340	-	1,284,257
Disposals	-	-	(10,899)	(3,599)	-	-	(14,498)
At 31 March 2011	209,553	607,606	1,479,388	3,516,449	550,594	-	6,363,590
Carrying amounts							
At 1 April 2009, restated	2,750,905	1,579,299	1,348,290	2,821,683	719,802	10,294,595	19,514,574
At 31 March 2010, restated/1 April 2010	2,693,969	12,814,421	1,405,307	2,777,403	608,782	-	20,299,882
At 31 March 2011	2,637,037	12,809,921	1,320,990	2,386,101	629,994	-	19,784,043

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.1 SECURITY

At 31 March 2011, properties of the Group and of the Company with carrying amounts of RM14,734,763 (2010, restated - RM13,181,982) and RM13,171,019 (2010, restated - RM13,181,982) are charged to a bank as securities for secured bank loans granted to the Group and the Company (see Note 15).

3.2 LEASED ASSETS

At 31 March 2011, the net carrying amounts of leased assets are as follows:

	Group		Company	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Plant and machineries	2,447,933	-	-	-
Motor vehicles	750,229	233,654	303,900	233,654
	3,198,162	233,654	303,900	233,654

3.3 CHANGE IN ESTIMATES

During the year, the Company acquired a 51% owned subsidiary, CLT. The useful lives of the property, plant and equipment of CLT were revised to be aligned with the Group's accounting policy as disclosed in Note 2(d)(iii). The revision has resulted in an increase in depreciation expense for the current year amounting to RM10,718.

3.4 LAND

Included in the carrying amounts of land are:

	Group			Company		
	31.3.2011 RM	**31.3.2010 RM restated**	**1.4.2009 RM restated**	**31.3.2011 RM**	**31.3.2010 RM restated**	**1.4.2009 RM restated**
Freehold land	560,000	-	-	-	-	-
Leasehold land	2,637,037	2,693,969	2,750,905	2,637,037	2,693,969	2,750,905
	3,197,037	2,693,969	2,750,905	2,637,037	2,693,969	2,750,905

The carrying amounts of land at 1 April 2009 and 31 March 2010 have been adjusted following the adoption of the amendments to FRS 117, *Leases*, where leasehold land, which in substance is a finance lease, has been reclassified from prepaid lease payments to property, plant and equipment.

4. GOODWILL

GROUP

Cost	RM
At 1 April 2009/31 March 2010/1 April 2010	251,545
Acquisition through business combinations	26,014,665
At 31 March 2011	26,266,210
Impairment loss	
At 1 April 2009/31 March 2010/1 April 2010/31 March 2011	251,545
Carrying amounts	
At 1 April 2009/31 March 2010/1 April 2010	-
At 31 March 2011	26,014,665

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the business units acquired, at which the goodwill is monitored for internal management purposes.

The recoverable amounts of the business units were based on value in use and were determined by the management.

Value in use was determined by assessing the budgets of the business units and was based on the following key assumptions:

- Cash flows were projected based on past experience, actual operating results and the 1-year business plan in 2012. Cash flows for a further 9-year period were extrapolated using a constant growth rate of 10-20% per annum. Management believes that this 10 year projection period was justified due to the long-term nature of the industrial automation business and long term relationships with existing customers.

- Revenue was projected to grow at an annual rate of 10-20% from the current actual figures. Management believes this is achievable looking at past trends of the Group and the growing demand and prices of the industrial automation business.

- Operating costs are also forecasted to grow at an annual rate of 5-10% to cater for inflation.

- A pre-tax discount rate of 7% was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the average effective borrowing rate of the Group for the past few years.

The values assigned to the key assumptions represent management's assessment of future trends in the business units' principal activities and are based on both external sources and internal sources (historical data).

5. INVESTMENTS IN SUBSIDIARIES

	Company	
	2011	2010
	RM	RM
Unquoted shares in Malaysia, at cost	26,866,804	309,995
Less: Accumulated impairment losses	(209,995)	(249,998)
	26,656,809	59,997

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Effective ownership interest 2011	Effective ownership interest 2010
CLT Engineering Sdn. Bhd. ^	Fabrication of machine parts and toolings for equipment and replications of systems and equipment	51%	-
FAS Manufacturing Sdn. Bhd. #	Fabrication of machine parts and toolings for equipments. The Company commenced its business operations during the year	60%	100%
FAS Technology Solution Sdn. Bhd.	Design and development of standard automated industrial equipment	60%	60%
Genetec Global Technologies, Inc *, @	Investment holding	100%	-
Subsidiary of Genetec Global Technologies, Inc.			
Systems South, Inc. ^, @	Design and manufacturing of custom equipment solutions	80%	-

All the subsidiaries are incorporated in Malaysia, except for Genetec Global Technologies, Inc. and Systems South, Inc. which are incorporated in the United States of America.

@ Subsidiaries are not required to be audited under the requirements in United States of America. Subsidiaries have been consolidated based on management accounts. Results of these subsidiaries are not material to the Group.
^ Acquired during the year
* Incorporated during the year
# Partially disposed during the year

6. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Unquoted shares outside Malaysia, at cost	49,000	49,000	49,000	49,000
Share of post-acquisition losses	(28,352)	(43,228)	-	-
	20,648	5,772	49,000	49,000

The details of the associate are as follows:

Name of associate	Principal activities	Country of incorporation	Effective ownership interest 2011	Effective ownership interest 2010	Financial year end
TGT Technology Limited	Provision of engineering and technical services including designing of machine, machinery equipment and accessories of industrial products	Thailand	49%	49%	31 December

Summary financial information on the associate, not adjusted for the percentage ownership held by the Group:

	Revenue (100%) RM	Profit (100%) RM	Total assets (100%) RM	Total liabilities (100%) RM
2011				
TGT Technology Limited*	1,252,743	30,359	190,278	238,781
2010				
TGT Technology Limited^	881,954	32,188	252,528	318,647

* Results of this associate are based on audited financial statements as at 31 December 2010 and management financial statements from 1 January 2011 to 31 March 2011. Results of this associate are not material to the Group.

^ Results of this associate were based on audited financial statements as at 31 December 2009 and management financial statements from 1 January 2010 to 31 March 2010. Results of this associate were not material to the Group.

7. DEFERRED TAX (ASSETS)/LIABILITIES

Recognised deferred tax (assets)/liabilities

Deferred tax (assets) and liabilities are attributable to the following:

	Property, plant and equipment RM	Unutilised tax losses RM	Other temporary differences RM	Total RM
Group				
At 1 April 2009	74,000	(49,000)	(75,000)	(50,000)
Recognised in profit or loss (Note 19)	181,000	49,000	9,000	239,000
At 31 March 2010/1 April 2010	255,000	-	(66,000)	189,000
Acquisition through business combinations	455,582	-	-	455,582
Recognised in profit or loss (Note 19)	401,000	-	(460,000)	(59,000)
At 31 March 2011	1,111,582	-	(526,000)	585,582
Company				
At 1 April 2009	74,000	(49,000)	(75,000)	(50,000)
Recognised in profit or loss (Note 19)	181,000	49,000	9,000	239,000
At 31 March 2010/1 April 2010	255,000	-	(66,000)	189,000
Recognised in profit or loss (Note 19)	(59,000)	-	-	(59,000)
At 31 March 2011	196,000	-	(66,000)	130,000

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group 2011 RM	Group 2010 RM
Unabsorbed capital allowances	(190,000)	(46,000)
Unutilised tax losses	(2,373,000)	(1,510,000)
Deductible temporary differences	119,000	13,000
	(2,444,000)	(1,543,000)
At 25%	(611,000)	(385,750)

The unabsorbed capital allowances, unutilised tax losses and deductible temporary differences do not expire under current tax legislation. Deferred tax assets of the Group have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

8. INVENTORIES

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
At cost:				
Raw materials	630,877	228,128	235,102	228,128
Consumables	4,909,408	2,027,723	1,929,837	2,027,723
Work-in-progress	10,192,808	11,581,566	1,568,474	10,177,982
Finished goods	430,067	78,223	66,205	78,223
	16,163,160	13,915,640	3,799,618	12,512,056
Recognised in profit or loss:				
Inventories recognised as cost of sales	78,150,570	35,032,732	49,954,528	35,226,900
Inventories written off	39,606	103,834	39,606	103,834

9. DERIVATIVES

	Group	Company
2011	RM	RM
Financial assets at fair value through profit or loss and represented at fair value:		
- Derivatives	798,061	721,694

The Group and the Company also entered into derivative contracts in 2010 but the comparative figures as at 31 March 2010 have not been presented in accordance with the transitional provisions of FRS 139.

10. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Trade					
Trade receivables		34,644,745	14,290,973	18,402,921	14,290,973
Less: Individual impairment allowance		-	(43,965)	-	(43,965)
		34,644,745	14,247,008	18,402,921	14,247,008
Non-trade					
Other receivables	10.1	2,393,935	79,033	115,128	34,854
Deposits	10.2	2,028,505	64,600	67,745	60,720
Prepayments	10.3	1,488,300	1,934,882	1,064,366	1,934,482
	10.4	40,555,485	16,325,523	19,650,160	16,277,064

10. TRADE AND OTHER RECEIVABLES

10.1 At 31 March 2011, included in other receivables of the Group is an amount of RM2,234,268 (2010 - Nil) due from companies which were acquired subsequent to the financial year-end as disclosed in Note 29.

10.2 At 31 March 2011, included in deposits of the Group is an amount of RM1,679,996 (2010 - Nil) being advances paid for the acquisition of a piece of leasehold land together with a building on the land. The remaining unpaid consideration has been disclosed as capital commitments under Note 24.

10.3 Included in prepayments of the Group and of the Company is an amount of RM1,318,901 (2010 - RM1,923,939) and RM1,048,730 (2010 - RM1,923,939), respectively, being advances paid to suppliers for goods acquired.

10.4 Analysis of foreign currency exposure for significant receivables

Significant receivables outstanding at year end that are not in the functional currencies of the Group entities are as follows:

		Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Functional currency	**Foreign currency**				
RM	USD	18,698,886	12,017,306	15,200,146	12,017,306

11. AMOUNTS DUE FROM SUBSIDIARIES

	Note	Company 2011 RM	Company 2010 RM
Trade			
Amounts due from subsidiaries	11.1	872,127	541,105
Non-trade			
Amounts due from subsidiaries	11.1	11,821,439	2,261,294
Less: Individual impairment allowance		(2,790,461)	(1,290,461)
		9,030,978	970,833
		9,903,105	1,511,938

11.1 INTER COMPANY BALANCES

The trade balances due from subsidiaries are subject to normal trade terms.

The non-trade balances due from subsidiaries are unsecured, interest free and are repayable on demand.

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Cash and bank balances	14,999,516	3,254,272	8,540,264	3,250,321
Deposits placed with licensed banks	5,208	5,068	5,208	5,068
	15,004,724	3,259,340	8,545,472	3,255,389

13. CAPITAL AND RESERVES

Share capital

	Group and Company			
	Number of shares		Amount	
	2011	2010	2011 RM	2010 RM
Ordinary shares of RM0.10 each:				
Authorised				
At 1 April 2010/2009	250,000,000	250,000,000	25,000,000	25,000,000
Created during the year	250,000,000	-	25,000,000	-
At 31 March	500,000,000	250,000,000	50,000,000	25,000,000
Issued and fully paid				
At 1 April 2010/2009	121,312,000	120,808,000	12,131,200	12,080,800
Issued during the year	96,000,000	-	9,600,000	-
Bonus issue	121,612,000	-	12,161,200	-
Issue of shares under ESOS (Note 14)	12,814,000	504,000	1,281,400	50,400
At 31 March	351,738,000	121,312,000	35,173,800	12,131,200

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share premium. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

13. CAPITAL AND RESERVES (CONTINUED)

Section 108 tax credit

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank and distribute all of its distributable reserves at 31 March 2011 if paid out as dividends.

The Finance Act, 2007 introduced a single tier company income tax system with effect from 1 January 2008. As such, the Section 108 tax credit as at 31 March 2011 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

14. EMPLOYEE BENEFITS

Share-based payments

On 16 September 2005, the Group established a share option scheme that entitles eligible Directors and employees of the Group to purchase shares in the Company. On 19 October 2005, the Company granted the options to eligible Directors and employees at an exercise price of RM0.30 each for an ordinary share of RM0.10 each in the Company.

The terms and conditions relating to the grants of the share option programme are as follows:

Grant date	Number of instruments ’000	Vesting conditions	Contractual life of options
19 October 2005	11,653	Exercisable 1 year after listing date	5 years

On May 2010, the Company implemented a bonus issue on the basis of 1 new ordinary share for every 1 existing ordinary share held. The unexercised share options under the old scheme were transferred to the new scheme. The Company granted further options on the basis of 1 new share option for every 1 existing unexercised share option with a revised exercise price of RM0.15.

The number of share options is as follows:

	Weighted average exercise price 2011	Number of options 2011 ’000	Weighted average exercise price 2010	Number of options 2010 ’000
Outstanding at 1 April 2010/2009	0.30	6,578	0.30	7,905
Granted during the year	0.15	6,278	-	-
Exercised during the year	0.15	(12,814)	0.30	(504)
Lapsed during the year	0.15	(42)	0.30	(823)
Outstanding at 31 March	-	-	0.30	6,578
Exercisable at 31 March	-	-	0.30	6,578

14. EMPLOYEE BENEFITS (CONTINUED)

Share-based payments (continued)

The ESOS expired on 20 September 2010.

During the year, 12,814,000 share options were exercised. The weighted average share price for the year was RM0.26 (2010 - RM0.36).

The fair value of services received in return of share options granted is based on the fair value of share options granted, measured using the Black Scholes model, with the following inputs.

Fair value of share options and assumptions

	Group and Company	
	2011	**2010**
Weighted average share price before bonus issue	RM0.46	RM0.36
Weighted average share price after bonus issue	RM0.26	-
Exercise price before bonus issue	RM0.30	RM0.30
Exercise price after bonus issue	RM0.15	-
Expected volatility (weighted average volatility)	47%	47%
Option life (expected weighted average life)	-	6 months

Value of employee services received for issue of share options

There were no expenses recognised as share-based payments during the current and previous financial year.

15. LOANS AND BORROWINGS

	Group		Company	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Non-current				
Finance lease liabilities	1,956,382	84,282	-	84,282
Secured bank loans	6,762,874	7,111,798	6,762,874	7,111,798
	8,719,256	7,196,080	6,762,874	7,196,080
Current				
Finance lease liabilities	651,785	137,184	84,282	137,184
Bankers' acceptances (secured)	13,623,000	-	-	-
Bankers' acceptances (unsecured)	-	793,000	-	793,000
Revolving credits (secured)	4,000,000	-	4,000,000	-
Secured bank loans	377,905	388,940	377,905	388,940
	18,652,690	1,319,124	4,462,187	1,319,124
	27,371,946	8,515,204	11,225,061	8,515,204

15. LOANS AND BORROWINGS (CONTINUED)

Security

The bank loans and revolving credits of the Group and of the Company are secured over the properties of the Group and the Company (see Note 3) and letter of negative pledge obtained from the Company. The secured portion of bankers' acceptances of a subsidiary is secured over the properties of the subsidiary and a corporate guarantee by the Company.

Significant covenants

The secured bank loans of the Group and of the Company are subject to the fulfilment of the following significant covenants:

(i) Maximum gearing of 2.0 times.

(ii) Valuation report issued by a valuation firm which is acceptable to the banker's panel of valuers upon completion of the property to be financed, evidencing the Open Market Value of the land and the completed building at not less than RM10 million.

Finance lease liabilities

Finance lease liabilities are payable as follows:

	2011			2010		
	Future minimum lease payments RM	Interest RM	Present value of minimum lease payments RM	Future minimum lease payments RM	Interest RM	Present value of minimum lease payments RM
Group						
Less than one year	784,482	(132,697)	651,785	147,576	(10,392)	137,184
Between one and five years	2,170,059	(213,677)	1,956,382	86,078	(1,796)	84,282
	2,954,541	(346,374)	2,608,167	233,654	(12,188)	221,466
Company						
Less than one year	86,078	(1,796)	84,282	147,576	(10,392)	137,184
Between one and five years	-	-	-	86,078	(1,796)	84,282
	86,078	(1,796)	84,282	233,654	(12,188)	221,466

16. TRADE AND OTHER PAYABLES

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Trade					
Trade payables		11,369,113	11,379,173	5,407,338	11,039,174
Non-trade					
Other payables		654,554	215,691	400,383	163,218
Accruals		3,858,237	969,891	1,704,264	952,939
	16.1	15,881,904	12,564,755	7,511,985	12,155,331

16.1 ANALYSIS OF FOREIGN CURRENCY EXPOSURE FOR SIGNIFICANT PAYABLES

Significant payables outstanding at year end that are not in the functional currencies of the Group entities are as follows:

Functional currency	Foreign currency	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
RM	USD	418,116	1,262,911	384,961	1,262,911

17. PROFIT BEFORE TAX

	Group 2011 RM	Group 2010 RM restated	Company 2011 RM	Company 2010 RM restated
Profit before tax is arrived at after charging:				
Auditors' remuneration:				
- statutory audit	105,000	42,000	43,000	36,000
- other services	12,000	6,000	12,000	6,000
Depreciation of property, plant and equipment	1,805,499	1,355,004	1,284,257	1,352,867
Finance costs:				
- finance lease liabilities	29,514	25,148	10,391	25,148
- bankers' acceptances	317,699	85,733	90,124	85,733
- bank loans	456,336	370,180	456,336	370,180
- other bank charges	271,205	81,728	125,475	81,350
Impairment loss on:				
- amounts due from subsidiaries	-	-	1,500,000	-
- investments in subsidiaries	-	-	59,997	-

17. PROFIT BEFORE TAX (CONTINUED)

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
		restated		restated
Inventories written off	39,606	103,834	39,606	103,834
Loss on foreign exchange:				
- realised	130,696	420	93,144	-
- unrealised	471,347	-	456,688	-
Personnel expenses (including key management personnel):				
- Contributions to Employees Provident Fund	1,265,088	628,404	754,170	611,472
- Wages, salaries and others	14,547,790	7,064,473	7,589,161	6,694,949
Property, plant and equipment written off	-	4,951	-	4,951
Rental expense on properties	327,560	324,085	34,400	311,205

and after crediting:

	Group 2011 RM	Group 2010 RM restated	Company 2011 RM	Company 2010 RM restated
Derivative gain	2,162,962	-	1,963,595	-
Finance income from deposits	150,015	71,523	138,783	71,523
Gain on disposal of property, plant and equipment	8,580	38,322	8,580	38,322
Gain on foreign exchange				
- realised	586	69,303	-	35,333
- unrealised	-	968,438	-	968,796
Gain on partial disposal of investment in a subsidiary	-	-	100,000	-
Gain on partial disposal of a subsidiary	100,000	-	-	-
Reversal of allowance for doubtful debts	-	30,557	-	30,557
Reversal of impairment loss for trade receivables	43,965	-	43,965	-

18. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows:

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Directors:				
- Remuneration	941,956	497,172	577,436	496,484
- Fees	154,000	69,000	82,000	18,000
- Other short term employee benefits	75,800	34,800	34,800	34,800
Total short-term employee benefits	1,171,756	600,972	694,236	549,284

During the year, in addition to above benefits received from the Group and the Company, one of the Directors of the Company received payment for services rendered to the Group and the Company in the normal course of business amounting to RM328,500.

19. INCOME TAX EXPENSE

Recognised in profit or loss

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Current tax expense				
Malaysian				
- current year	3,374,254	172,640	500,000	172,640
- prior year	(161,844)	(27,697)	(154,760)	(27,697)
	3,212,410	144,943	345,240	144,943
Deferred tax expense				
- origination and reversal of temporary differences	(59,000)	239,000	(59,000)	239,000
Total income tax expense	3,153,410	383,943	286,240	383,943
Reconciliation of tax expense				
Profit before tax	18,308,803	4,757,353	9,390,964	5,071,690
Income tax using Malaysian tax rate of 25%	4,577,201	1,189,338	2,347,741	1,267,923
Non-deductible expenses	512,767	260,153	93,223	258,318
Tax incentive (Pioneer status)	(1,999,964)	(1,114,601)	(1,999,964)	(1,114,601)
Effect of deferred tax assets not recognised	225,250	76,750	-	-
Over provision in prior years	(161,844)	(27,697)	(154,760)	(27,697)
	3,153,410	383,943	286,240	383,943

20. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the year ended 31 March 2011 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2011	**2010**
	RM	**RM**
Profit attributable to ordinary shareholders	12,419,792	4,413,410

20. EARNINGS PER ORDINARY SHARE (CONTINUED)

Basic earnings per ordinary share (continued)

Weighted average number of ordinary shares

	2011	2010 restated*
Issued ordinary shares at 1 April	121,312,000	120,808,000
Effect of exercise of ESOS	8,790,427	20,821
Bonus issue	121,612,000	121,612,000
Effect of ordinary shares issued in August 2010	63,123,288	-
Weighted average number of ordinary shares at 31 March	314,837,715	242,440,821

* The previous year's weighted average number of shares have been adjusted to take into account the bonus issue during the year.

	2011 Sen	2010 Sen restated
Basic earnings per ordinary share	3.94	1.82

Diluted earnings per ordinary share

Diluted earnings per ordinary share is not shown for the year ended 31 March 2011 as there are no potential dilutive effect to the ordinary shares of the Company following the expiration of ESOS on 20 September 2010.

The calculation of diluted earnings per ordinary share for the year ended 31 March 2010 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group 2010 RM
Profit for the year attributable to ordinary shareholders	4,413,410

Weighted average number of ordinary shares (diluted)

	2010 restated*
Weighted average number of ordinary shares at 31 March	242,440,821
Effect of share options on issue	6,578,000
Weighted average number of ordinary shares (diluted) at 31 March	249,018,821

* The number of ordinary shares have been adjusted to reflect the bonus issue on the basis of 1 new ordinary share for every 1 existing ordinary share during the year.

20. EARNINGS PER ORDINARY SHARE (CONTINUED)

Diluted earnings per ordinary share (continued)

	2010 Sen restated
Diluted earnings per ordinary share	1.77

21. DIVIDENDS

After the reporting period, the Directors recommended a first and final tax-exempt dividend of 1 sen per share totalling RM3,517,380 in respect of the year ended 31 March 2011. This dividend will be recognised in subsequent financial period upon approval by the owners of the Company.

Dividends recognised by the Company in the prior year were:

	Sen per share (tax exempt)	Total amount RM	Date of payment
2010			
First interim 2010 ordinary	0.5	604,440	29 March 2010

22. SEGMENT REPORTING

The entire Group operates under a single reportable segment, the industrial automation segment, which is the Group's strategic business unit. The Group's Chief Operating Officer reviews internal management on at least a quarterly basis. No segment reporting is presented as the Group operates solely in the industrial automation segment which operates predominantly in Malaysia. Other geographical segment which is United States of America does not qualify as a reportable segment.

23. CONTINGENCIES

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	Company	
	2011 RM	2010 RM
Guarantees given to financial institutions for facilities granted to a subsidiary	13,623,000	-

24. CAPITAL COMMITMENTS

	Group	
	2011	2010
	RM	RM
Capital expenditure commitments		
Property, plant and equipment		
Contracted but not provided for and payable within one year	10,350,000	-

25. RELATED PARTIES

Identity of related parties

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

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Subsidiaries				
FAS Technology Solution Sdn. Bhd.				
Sales	-	-	(878,275)	(541,104)
CLT Engineering Sdn. Bhd.				
Purchases	-	-	57,454	-
Sales	-	-	(950)	-
Subsidiaries of an affiliate company				
KVC Industrial Supplies Sdn. Bhd.				
Purchases	1,632,885	837,812	1,320,248	837,812
TSA Industries Sdn. Bhd.				
Purchases	126,474	100,501	20,880	100,501
Cotel Precision Industries Sdn. Bhd.				
Purchases	14,871	-	14,871	-
Associate				
TGT Technology Limited				
Servicing fee	682,345	703,137	682,345	703,137
Purchases	351,548	141,494	351,548	141,494

25. RELATED PARTIES (CONTINUED)

Identity of related parties (continued)

In the opinion of the Directors, the terms and conditions for the above transactions are based on normal trade terms. All the outstanding balances are unsecured and expected to be settled in cash.

Information regarding outstanding balances arising from subsidiaries is disclosed in Note 11. As at 31 March 2011, the balances outstanding to subsidiaries of an affiliate company, KVC Industrial Supplies Sdn. Bhd. and TSA Industries Sdn. Bhd are RM224,776 (2010 - RM206,753) and RM65,933 (2010 - RM25,337), respectively while there are no balances owing to Cotel Precision Industries Sdn. Bhd.. There are also no balances owing to an associate, TGT Technology Limited as at 31 March 2011 and 31 March 2010.

26. FINANCIAL INSTRUMENTS

Certain comparative figures have not been presented for 31 March 2010 by virtue of the exemption given in paragraph 44AA of FRS 7.

26.1 CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables (L&R);
(b) Fair value through profit or loss (FVTPL); and
(c) Other financial liabilities measured at amortised cost (OL).

	Carrying amount RM	L&R RM	FVTPL RM
2011			
Financial assets			
Group			
Derivatives	798,061	-	798,061
Trade and other receivables	40,555,485	40,555,485	-
Cash and cash equivalents	15,004,724	15,004,724	-
	56,358,270	55,560,209	798,061
Company			
Derivatives	721,694	-	721,694
Trade and other receivables	19,650,160	19,650,160	-
Amounts due from subsidiaries	9,903,105	9,903,105	-
Cash and cash equivalents	8,545,472	8,545,472	-
	38,820,431	38,098,737	721,694

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.1 CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

	Carrying amount RM	OL RM
2011		
Financial liabilities		
Group		
Loans and borrowings	27,371,946	27,371,946
Trade and other payables	15,881,904	15,881,904
	43,253,850	43,253,850
Company		
Loans and borrowings	11,225,061	11,225,061
Trade and other payables	7,511,985	7,511,985
	18,737,046	18,737,046

26.2 NET GAINS AND LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	Group 2011 RM	Company 2011 RM
Net gains/(losses) arising on:		
Fair value through profit or loss	2,162,962	1,963,595
Loans and receivables	(365,688)	(1,826,767)
Financial liabilities measured at amortised cost	(1,083,056)	(722,643)
	714,218	(585,815)

26.3 FINANCIAL RISK MANAGEMENT

The Group and the Company have exposure to the following risks from the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

26.4 CREDIT RISK

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from their receivables from customers. The Company also provides loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to a subsidiary.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 CREDIT RISK (CONTINUED)

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally financial guarantees of banks, shareholders or directors of customers are obtained, and credit evaluations are performed on customers requiring credit over a certain amount.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 30 days, which are deemed to have higher credit risk, are monitored individually.

The exposure of credit risk for receivables as at the end of the reporting period by geographic region was:

	Group 2011 RM	Company 2011 RM
Domestic	19,812,878	4,715,898
Asia	17,086,528	14,537,655
North America	3,640,701	396,607
Others	15,378	-
	40,555,485	19,650,160

Impairment losses

The ageing of trade receivables (excluding inter company balances) as at the end of the reporting period was:

Group	Gross RM	Individual impairment RM	Net RM
2011			
Not past due	23,715,503	-	23,715,503
Past due 0 - 30 days	2,209,715	-	2,209,715
Past due more than 30 days	8,719,527	-	8,719,527
	34,644,745	-	34,644,745

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 CREDIT RISK (CONTINUED)

Receivables (continued)

Impairment losses (continued)

Company	Gross RM	Individual impairment RM	Net RM
2011			
Not past due	13,385,457	-	13,385,457
Past due 0 - 30 days	1,770,011	-	1,770,011
Past due more than 30 days	3,247,453	-	3,247,453
	18,402,921	-	18,402,921

No allowance for impairment losses of trade receivables has been made for any receivables as the Group and the Company monitor the results and repayments of these customers regularly and are confident of the ability of the customers to repay the balances owing.

The movements in the allowance for impairment losses of trade receivables during the year were:

	Group and Company 2011 RM
At 1 April 2010	43,965
Impairment loss reversed	(43,965)
At 31 March 2011	-

The allowance account in respect of receivables is used to record impairment losses. Unless the Group and the Company are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

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

The Company monitors on an ongoing basis the results of the subsidiary and repayments made by the subsidiary.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 CREDIT RISK (CONTINUED)

Financial guarantees (continued)

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM13,623,000 (2010 - Nil) representing the outstanding banking facilities of the subsidiary as at the end of the reporting period.

As at the end of the reporting period, there was no indication that the subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Inter company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Group and the Company monitor the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

During the year, the Group has made further allowances for impairment losses on amounts due from subsidiaries amounting to RM1,500,000 (2010 - Nil), resulting in a total impairment of RM2,790,461 (2010 - RM1,290,461). For the remaining net balances not provided for, the Directors are confident that no further allowances are required and the balances are recoverable.

26.5 LIQUIDITY RISK

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from their various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.5 LIQUIDITY RISK (CONTINUED)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

2011	Carrying amount RM	Contractual interest rate/ coupon	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 -5 years RM	More than 5 years RM
Group							
Non-derivative financial liabilities							
Finance lease liabilities	2,608,167	2.98 - 6.46	2,954,541	784,482	626,306	1,543,753	-
Secured bank loans	7,140,779	*	9,650,162	819,185	823,630	2,470,605	5,536,742
Revolving credits	4,000,000	**	4,292,000	4,292,000	-	-	-
Bankers' acceptances	13,623,000	2.70 - 4.22	14,094,356	14,094,356	-	-	-
Trade and other payables	15,881,904	-	15,881,904	15,881,904	-	-	-
Company							
Non-derivative financial liabilities							
Finance lease liabilities	84,282	3.56	86,078	86,078	-	-	-
Secured bank loans	7,140,779	*	9,650,162	819,185	823,630	2,470,605	5,536,742
Revolving credits	4,000,000	**	4,292,000	4,292,000	-	-	-
Trade and other payables	7,511,985	-	7,511,985	7,511,985	-	-	-

* Represents lenders' cost of funds rate plus a fixed rate of 0.15%.

** Represents lenders' cost of funds rate plus a fixed rate of 1%.

26.6 MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's and the Company's financial position or cash flows. The Group and the Company are not exposed to other price risk.

26.6.1 Currency risk

The Group and the Company are exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities and the functional currency of the Company. The currency giving rise to this risk is primarily U.S. Dollar (USD).

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.6 MARKET RISK (CONTINUED)

26.6.1 Currency risk (continued)

Risk management objectives, policies and processes for managing the risk

In the management of foreign currency risk, the Group and the Company enter into foreign currency forward contracts in the normal course of business, where appropriate, to manage their exposure against foreign currency fluctuations on sales and purchases transactions denominated in foreign currencies.

Exposure to foreign currency risk

The Group's and the Company's exposure to foreign currency (a currency which is other than the currency of the Company entities) risk, based on carrying amounts as at the end of the reporting period is as disclosed in Note 10 and Note 16.

Currency risk sensitivity analysis

Foreign currency risk arises from Group entities which have a USD functional currency.

A 10 percent strengthening of USD against the RM during the reporting period would have increased post-tax profit or loss by RM26,000. This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10 percent weakening of RM against the above currency during the reporting period would have had equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remained constant.

26.6.2 Interest rate risk

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group and the Company place cash balances with reputable banks to generate interest income for the Group and the Company. The Group and the Company manage their interest rate risk by placing such balances on varying maturities and interest rate terms.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.6 MARKET RISK (CONTINUED)

26.6.2 Interest rate risk (continued)

Exposure to interest rate risk (continued)

	Group 2011 RM	Company 2011 RM
Fixed rate instruments		
Financial assets	5,208	5,208
Financial liabilities	16,231,167	84,282
	16,236,375	89,490
Floating rate instruments		
Financial liabilities	11,140,779	11,140,779

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 30 basis points (bp) in interest rates during the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Profit or loss	
	30 bp increase	30 bp decrease
Group and Company	RM	RM
2011		
Floating rate instruments	(216,000)	216,000

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.7 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	2011		2010	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group				
Forward exchange contracts:				
Assets	798,061	798,061	*	1,395,868
Secured bank loans	7,140,779	7,140,779	7,500,738	7,500,738
Finance lease liabilities	2,608,167	2,608,167	221,466	221,466
Company				
Forward exchange contracts:				
Assets	721,694	721,694	*	1,395,868
Secured bank loans	7,140,779	7,140,779	7,500,738	7,500,738
Finance lease liabilities	84,282	84,282	221,466	221,466

* Prior to the adoption of FRS 139, the Group and the Company have already opted to measure derivatives at their fair values with the gain or loss recognised in profit or loss. In 2010, these forward exchange contracts were disclosed as part of trade receivables of the Group and the Company.

The following summarises the methods used in determining the fair value of financial instruments reflected in the above table.

Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Non-derivative financial assets and financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. The fair values of secured bank loans of the Group and the Company approximate their carrying amounts as it is a floating rate loan. For finance leases, the market rate of interest is determined by reference to similar lease agreements, of which results in the fair values also approximate their carrying amounts.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.7 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Interest rates used to determine fair value

The interest rates used to discount estimated cash flows, when applicable, are as follows:

	Group		Company	
	2011	2010	2011	2010
Secured bank loans	6.45%	6.45%	6.45%	6.45%
Finance lease liabilities	4.72%	3.56%	3.56%	3.56%

27. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The debt-to-equity ratios at 31 March 2011 and at 31 March 2010 were as follows:

	Group		Company	
	2011	2010	2011	2010
Total borrowings (Note 15)	27,371,946	8,515,204	11,225,061	8,515,204
Less: Cash and cash equivalents (Note 12)	(15,004,724)	(3,259,340)	(8,545,472)	(3,255,389)
	12,367,222	5,255,864	2,679,589	5,259,815
Total equity	81,541,272	32,611,958	70,124,975	33,133,151
Debt-to-equity ratio	0.15	0.16	0.04	0.16

There were no changes in the Group's and the Company's approach to capital management during the financial year.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

The significant loan covenants of the Group and the Company are disclosed in Note 15 and the Group and the Company have complied with the covenants.

28. BUSINESS COMBINATIONS

28.1 ACQUISITION OF SUBSIDIARIES

(i) In August 2010, the Company acquired 51% equity interest in CLT from a third party, for a total consideration of RM26,420,000 satisfied by the issuance of 96,000,000 ordinary shares of the Company and RM500,000 in cash. The Company incurred incidental costs of RM236,809 on the acquisition exercise which were capitalised as part of the acquisition costs.

(ii) In December 2010, GT Global acquired 80% equity interest in SS from a third party in the United States of America, for a total consideration of USD1,688,000 (approximately RM5,234,000) satisfied by cash. Under the Share Sale Agreement, GT Global is required to purchase another 5 shares of SS by 31 December 2011 at a cash consideration of USD105,500. The Company incurred incidental costs of RM350,029 on the acquisition exercise which were capitalised as part of the acquisition costs.

28.2 INCORPORATION OF A SUBSIDIARY

In December 2010, the Company incorporated a new wholly owned subsidiary in the United States of America, GT Global, with an issued and paid up capital of 100 shares of common stock of USD0.01 each. For the 3 months ended 31 March 2011, the subsidiary did not contribute any results to the Group as it only operates as the investment holding company of SS.

28.3 PARTIAL DISPOSAL OF A SUBSIDIARY

In May 2010, the Company disposed of 40% equity interest in FASM to a third party for a total cash consideration of RM100,000. Following the partial disposal, FASM became a 60% owned subsidiary of the Company. The partial disposal resulted in a gain on disposal of RM100,000 to both the Group and the Company.

28.4 PRIOR YEAR PARTIAL DISPOSAL OF A SUBSIDIARY

In June 2010, FAS Technology Solution Sdn. Bhd. ("FASTECH"), a subsidiary, increased its issued and paid-up capital from 10 ordinary shares of RM1.00 each to 100,000 ordinary shares of RM1.00 each of which the Company subscribed for an additional 59,990 new ordinary shares of RM1.00. Consequently, FASTECH became a 60% owned subsidiary of the Company. The remaining 40% equity interests were acquired by a third party for a total cash consideration of RM40,000.

28.5 The fair values of assets acquired and liabilities assumed in the acquisition of the subsidiaries mentioned in Note 28.1(i) and (ii) and their cash flow effects are as follows:

	At dates of acquisitions RM
Non-current assets	
Property, plant and equipment	5,818,545
Current assets	57,597,627
Current liabilities	(50,844,426)
Deferred tax liabilities	(455,582)
Minority interests	(5,889,991)
Net identifiable assets and liabilities	6,226,173
Goodwill on acquisition	26,014,665

28. BUSINESS COMBINATIONS

28.5 The fair values of assets acquired and liabilities assumed in the acquisition of the subsidiaries mentioned in Note 28.1(i) and (ii) and their cash flow effects are as follows: (continued)

	At dates of acquisitions RM
Total purchase consideration	32,240,838
Consideration paid, satisfied by issuance of shares	(25,920,000)
Consideration paid, satisfied in cash	6,320,838
Cash and cash equivalents acquired	(9,896,934)
Net cash inflow	(3,576,096)

Pre-acquisition carrying amounts were determined based on applicable FRSs immediately before the acquisitions. The values of assets and liabilities recognised on acquisition are their estimated fair values, which approximate their pre-acquisition carrying amounts.

The goodwill recognised on the acquisitions is attributable mainly to the products and customers of the business' work force and synergies expected to be achieved from integrating the subsidiaries to the Group's existing industrial automation business.

29. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

(i) In April 2011, GT Global acquired 60% equity interest in IP Systems, Inc. from a third party in the United States of America, for a total consideration of USD2,250,000 (approximately RM6,807,000) satisfied by cash.

(ii) In April 2011, CLT acquired the entire equity interest in CLT Engineering (Thailand) Co. Ltd. from a third party in Thailand, for a total consideration of RM1,450,000 satisfied by cash.

30. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

30.1 FRS 139, FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT

The adoption of FRS 139 has resulted in several changes to accounting policies relating to recognition and measurement of financial instruments. These changes in accounting policies have been made in accordance with the transitional provisions of FRS 139. In accordance to the transitional provisions of FRS 139 for first-time adoption, adjustments arising from remeasuring the financial instruments at the beginning of the financial year were recognised as adjustments of the opening balance of retained earnings or another appropriate reserve. Comparatives are not adjusted.

There were no adjustments made to the opening balance of retained earnings or another appropriate reserve of the Group and the Company as the Group and the Company have already opted to measure fair values of derivatives with the gain or loss recognised in profit or loss and there were no other impacts arising from the adoption of FRS 139 which are material to be adjusted.

30. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (CONTINUED)

30.1 FRS 139, FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT (CONTINUED)

Significant changes in accounting policies are as follows:

Derivatives

Prior to the adoption of FRS 139, the Group and the Company have already opted to measure fair values of derivatives with the gain or loss recognised in profit or loss. Hence, apart from the change in certain terminologies, the adoption of FRS 139 does not impact the opening retained earnings of the Group and the Company. With the adoption of FRS 139, derivative contracts are now categorised as fair value through profit or loss and measured at their fair values with the gain or loss recognised in profit or loss.

Financial guarantee contracts

Prior to the adoption of FRS 139, financial guarantee contracts were not recognised in the statement of financial position unless it becomes probable that the guarantee may be called upon. With the adoption of FRS 139, financial guarantee contracts are now recognised initially at their fair values and subsequently measured at their initially measured amount less cumulative amortisation. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made.

Inter-company loans

Prior to the adoption of FRS 139, inter-company loans were recorded at cost. With the adoption of FRS 139, inter-company loans are now recognised initially at their fair values, which are estimated by discounting the expected cash flows using the current market interest rate of a loan with similar risk and tenure. Finance income and costs are recognised in profit or loss using the effective interest method.

Impairment of trade and other receivables

Prior to the adoption of FRS 139, an allowance for doubtful debts was made when a receivable is considered irrecoverable by the management. With the adoption of FRS 139, an impairment loss is recognised for trade and other receivables and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

30.2 FRS 8, OPERATING SEGMENTS

As of 1 April 2010, the Group determines and presents operating segments based on the information that internally is provided to the Chief Operating Officer, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of FRS 8. Previously operating segments were determined and presented in accordance with FRS 114_{2004}, Segment Reporting.

As the Group is not required to present any segment information as disclosed in Note 22 to the financial statements, FRS 8 has no impact to the Group.

30.3 FRS 101, PRESENTATION OF FINANCIAL STATEMENTS (REVISED)

The Group applies FRS 101 (revised) which became effective as of 1 April 2010. As a result, the Group presents all non-owner changes in equity in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it is in conformity with the revised standard. Since the change only affects presentation aspects, there is no impact on earnings per share.

30. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (CONTINUED)

30.4 FRS 117, LEASES

The Group and the Company have adopted the amendment to FRS 117. The Group and the Company have reassessed and determined that all leasehold land of the Group and the Company are in substance finance leases and have reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment.

The reclassification does not affect the basic and diluted earnings per ordinary share for the current and prior periods.

31. COMPARATIVE FIGURES

31.1 FRS 101 (REVISED), PRESENTATION OF FINANCIAL STATEMENTS

Arising from the adoption of FRS 101 (revised), income statements for the year ended 31 March 2010 have been re-presented as statements of comprehensive income. All non-owner changes in equity that were presented in the statements of changes in equity are now included in the statements of comprehensive income as other comprehensive income. Consequently, components of comprehensive income are not presented in the statements of changes in equity.

Balance sheets as at 31 March 2010 have been re-presented as statements of financial position.

31.2 FRS 117, LEASES

Following the adoption of the amendment to FRS 117, certain comparatives have been re-presented as follows:

	31.3.2010		1.4.2009	
	As restated RM	As previously stated RM	As restated RM	As previously stated RM
Group				
Property, plant and equipment	20,347,282	17,653,313	19,514,574	16,763,669
Prepaid lease payments	-	2,693,969	-	2,750,905
Company				
Property, plant and equipment	20,299,882	17,605,913	19,514,574	16,763,669
Prepaid lease payments	-	2,693,969	-	2,750,905

32. SUPPLEMENTARY INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

The breakdown of the retained earnings of the Group and of the Company as at 31 March 2011 into realised and unrealised profits, pursuant to the directive, is as follows:

	2011	
	Group	**Company**
	RM	**RM**
Total retained earnings of the Company and its subsidiaries		
- realised	30,111,824	16,437,256
- unrealised	(258,868)	135,006
	29,852,956	16,572,262
Total share of accumulated losses from an associate		
- realised	(28,352)	-
	29,824,604	16,572,262
Less: Consolidation adjustments	(10,458,467)	-
Total retained earnings	19,366,137	16,572,262

The determination of realised and unrealised profits is based on the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

STATEMENT BY DIRECTORS
pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 36 to 90 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2011 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 32 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

CHIN KEM WENG

TAN MOON TEIK

Bandar Baru Bangi, Selangor

Date: 30 June 2011

STATUTORY DECLARATION
pursuant to Section 169(16) of the Companies Act, 1965

I, **Tan Kon Hoan**, the officer primarily responsible for the financial management of Genetec Technology Berhad, do solemnly and sincerely declare that the financial statements set out on pages 36 to 91 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 by the above named in Kajang, Selangor on 30 June 2011.

TAN KON HOAN

Before me:
No. B211
YA' ACOB MENTOL A.M.N
Commissioner for Oaths
Kajang, Selangor

INDEPENDENT AUDITORS' REPORT

to the members of Genetec Technology Berhad
(Company No. 445537-W)
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Genetec Technology Berhad, which comprise the statements of financial position as at 31 March 2011 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 36 to 90.

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 are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2011 and of their 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 subsidiaries have been properly kept in accordance with the provisions of the Act.

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

(c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 32 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

KPMG
Firm Number: AF 0758
Chartered Accountants

PETER HO KOK WAI
Approval Number: 1745/12/11(J)
Chartered Accountant

Petaling Jaya, Selangor

Date: 30 June 2011

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation of financial statements for each financial year so as to give a true and fair view of the state of affairs of the Group and the Company and of the results and cash flows of the Group and the Company for the financial year then ended.

In preparing the financial statements, the Directors have made judgements and estimates that are reasonable and prudent and adopted suitable accounting policies and applied them consistently.

The Directors are responsible for ensuring that proper accounting and other records are kept which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965 and applicable approved Financial Reporting Standards in Malaysia.

LIST OF PROPERTIES

held by the group as at 31 March 2011

No.	Address	Approximate tenure/Year of expiry	Description/ Existing use	Land area / Built-up area (sq. ft.)	Net book value @ 31.03.11 (RM'000)	Age of building (years)	Date of acquisition
1.	Lot 7, Jalan P10/11, Seksyen 10, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan.	99 years expiring in 2098	Leasehold / Land with 3 storey office and factory	61,450/44,405	13,171	3	31 March 08
2.	No. 59, Jalan P/21, Selaman Industrial Park, Seksyen 10, 43650 Bandar Baru Bangi, Selangor Darul Ehsan.	99 years expiring in 2098	Leasehold 1½ -storey detached factory/ Office building	22,723/13,603	2,276	6	20 March 06
3.	No. 25, Jalan BP 5, Bandar Bukit Puchong, 47100 Puchong, Selangor Darul Ehsan.	Freehold	Freehold 1½ - storey office and factory	3,000/4,200	479	12	10 May 05
4.	No. 27, Jalan BP 5, Bandar Bukit Puchong, 47100 Puchong, Selangor Darul Ehsan.	Freehold	Freehold 1½ - storey office and factory	3,000/4,200	479	12	10 May 05
5.	No. 29, Jalan BP 5, Bandar Bukit Puchong, 47100 Puchong, Selangor Darul Ehsan	Freehold	Freehold 1½ - storey office and factory	3,800/5,200	605	12	10 May 05

ADDITIONAL COMPLIANCE INFORMATION

(1) UTILISATION OF PROCEEDS FROM CORPORATE PROPOSAL

As per Genetec's prospectus dated 29 September 2005, the gross proceeds raised from the Initial Public Offering (IPO) amounted to RM11.06 million.

The proceeds was fully utilised by the third quarter of the financial year ended 31 March 2008.

(2) SHARE BUY-BACKS

During the financial year, the Company did not enter into any share buy-back transaction.

(3) OPTIONS, WARRANTS AND CONVERTIBLE SECURITIES

There were no exercise of options, warrants and convertible securities during the financial year other than that offered under the Employees' Share Scheme as disclosed in the Directors' Report and Note 13 to the Audited Financial Statements.

(4) AMERICAN DEPOSITORY RECEIPT ("ADR") / GLOBAL DEPOSITORY RECEIPT ("GDR")

During the financial year under review, the Company did not sponsor any ADR or GDR programmes.

(5) SANCTIONS AND/OR PENALTIES

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

(6) NON-AUDIT FEES

Non-audit fees paid out or payable to external auditors by the Group for the financial year 31 March 2011 was RM12,000 (2010: RM6,000).

(7) PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company did not release any profit estimate, forecast or projection for the financial year.

(8) VARIATION IN RESULTS

There is no material variance between the results for the financial year and the unaudited results previously released by the Company.

(9) PROFIT GUARANTEE

No profit guarantee had been given by the Company during the financial year.

(10) MATERIAL CONTRACTS

On 11 March 2011, CLT Engineering Sdn Bhd, a 51%-owned subsidiary of the Company, proposed to acquire 100% equity interest in CLT Engineering (Thailand) Co. Ltd for a total cash consideration of RM1.45 million. The proposed acquisition was completed in April 2011.

Other than as stated above, there were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries involving Directors' and substantial shareholders' interests, either still subsisting at the end of financial year ended 31 March 2011 or entered into since the end of the previous financial year.

(11) REVALUATION POLICY ON LANDED PROPERTIES

The Group does not have a revaluation policy for its landed properties.

(12) RECURRENT RELATED PARTY TRANSACTIONS

The significant recurrent related party transactions conducted during the financial year ended 31 March 2011 were as follows:

	Related Parties	Relationship with Genetec Group	Nature of Transactions with Genetec Group	Amount (RM)
1.	Cotel Precision Industries Sdn Bhd ("Cotel")	Chen Khai Voon is a Director and indirect Major Shareholder of Genetec (via his shareholding in ATIS). He is also an indirect Major Shareholder of Cotel (via his shareholding in ATIS) ATIS is a common Major Shareholder of both Genetec and Cotel	Purchase of precision measuring instruments	14,871
2.	KVC Industrial Supplies Sdn Bhd ("KVC")	Chen Khai Voon is a Director and an indirect Major Shareholder of Genetec (via his shareholdings in ATIS). He is also a Director and indirect Major Shareholder of KVC (via his shareholding in ATIS) ATIS is a common Major Shareholder of both Genetec and KVC	Purchase of electrical and electronic products	1,632,885
3.	TSA Industries Sdn Bhd ("TSA")	Chen Khai Voon is a Director and an indirect Major Shareholder of Genetec (via his shareholdings in ATIS). He is also a Director and indirect Major Shareholder of TSA (via his shareholdings in ATIS) ATIS is a common Major Shareholder of both Genetec and TSA	Purchase of industrial hardware	126,474
4.	TGT Technology Limited ("TGT")	Chen Khai Voon is a Director and an indirect major shareholder of Genetec (via his shareholdings in ATIS). He is also an indirect major shareholder of TGT (via his direct shareholding in ATIS and indirect shareholding in Genetec) Chin Kem Weng is a Director and major shareholder of Genetec. He is also a Director and an indirect major shareholder of TGT (via his shareholdings in Genetec) ATIS is a common Major Shareholder of both Genetec and TGT	Servicing fees for designing machines Purchase of fabrication parts	682,345 351,548

ANALYSIS OF SHAREHOLDINGS
as at 30 June 2011

Class of shares : Ordinary Shares of RM0.10 each
Voting rights : One vote per Ordinary Share

ANALYSIS OF SHAREHOLDINGS

Category	No. of holders	No. of shares	Percentage (%)
1 – 99	1	50	0.00
100 – 1,000	28	14,350	0.00
1,001 – 10,000	187	1,396,000	0.40
10,001 – 100,000	392	16,507,400	4.69
100,001 – 17,586,899	130	96,118,200	27.33
17,586,900 and above (5% of issued securities)	4	237,702,000	67.58
Total	**742**	**351,738,000**	**100.00**

DIRECTORS' SHAREHOLDINGS (as per register of directors' shareholdings)

	Direct		Indirect	
Name	**No. of shares held**	**% of Issued capital**	**No. of shares held**	**% of Issued capital**
Ronnie J Ortscheid	-	-	-	-
Hew Voon Foo	-	-	40,000#	0.01
Wong Wai Tzing	-	-	-	-
Teh Kim Seng	-	-	-	-
Chen Khai Voon	-	-	96,500,000*	27.44
Chin Kem Weng	54,600,000	15.52	-	-
Tan Moon Teik	86,602,000^	24.62	-	-
Lam Choon Wah	-	-	-	-
Ong Phoe Be	2,400,000	0.68	-	-

Note: # Deemed interested through his spouse
* Deemed interested through ATIS Corporation Berhad
^ 40,000,000 shares – held in a trust account under the name of Genetec Technology Berhad in accordance with the terms and conditions of the Share Sale Agreement

Other than as stated above, there has been no changes in the deemed interest of directors in related companies as disclosed in page 31 of this annual report since the close of the financial year ended 31 March 2011.

The options granted to the directors pursuant to the Company's Employees' Share Option Scheme **("ESOS")** are set out in page 31 of this annual report. There has been no changes in the options held since the ESOS expired on 20 September 2010.

SUBSTANTIAL SHAREHOLDERS (as per register of substantial shareholders)

	Direct		Indirect	
Name	**No. of shares held**	**% of Issued capital**	**No. of shares held**	**% of Issued capital**
ATIS Corporation Berhad	96,500,000	27.44	-	-
Tan Moon Teik	86,602,000^	24.62	-	-
Chin Kem Weng	54,600,000	15.52	-	-
Chen Khai Voon	-	-	96,500,000*	27.44

Note: ^ 40,000,000 shares – held in a trust account under the name of Genetec Technology Berhad in accordance with the terms and conditions of the Share Sale Agreement
* Deemed interested through ATIS Corporation Berhad

30 LARGEST SHAREHOLDERS

	Name	No. of shares held	Percentage (%)
1	ATIS CORPORATION BERHAD	96,500,000	27.44
2	CHIN KEM WENG	54,600,000	15.52
3	TAN MOON TEIK	46,602,000	13.25
4	EQUITY TRUST (MALAYSIA) BERHAD GENETEC TECHNOLOGY BERHAD	40,000,000	11.37
5	TAN KOK ANG	10,923,000	3.11
6	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN LEE HEONG	7,200,000	2.05
7	CHIA HEE CHONG	4,564,900	1.30
8	WANNEE BOONYASIRIWAT	4,296,000	1.22
9	CHIN LEE HEONG	4,209,600	1.20
10	LEONG KAH KONG	2,940,100	0.84
11	HENG LIANG KEA	2,875,700	0.82
12	PUA FUN SEANG	2,836,000	0.81
13	ALLEN LIK-HOOK TING	2,520,000	0.72
14	PUBLIC INVEST NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD	2,500,000	0.71
15	ONG PHOE BE	2,400,000	0.68
16	SOW EWE LEE	2,392,000	0.68
17	YEO TEIK HOCK	2,346,000	0.67
18	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NGU LIONG TING	2,106,400	0.60
19	LIM GHEE TATT	1,818,000	0.52
20	OOI ENG SUN	1,674,000	0.48
21	SONG KOK FULL	1,480,000	0.42
22	CHIN KIT SEN	1,410,000	0.40
23	GOH YIK YONG	1,340,000	0.38
24	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAI SING	1,310,000	0.37
25	NAZRIN BINTI MOHD YUSOFF	960,500	0.27
26	WONG HAH	904,000	0.26
27	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG CHOY YOKE	854,000	0.24
28	ENG CHEE KEONG	820,000	0.23
29	FAUZI BIN HUSSAIN	800,000	0.23
30	MAYBAN NOMINEES (TEMPATAN) SDN BHD FONG WEE KANG	800,000	0.23
	Total	**305,982,200**	**87.02**

CORPORATE DIRECTORY

GENETEC TECHNOLOGY BERHAD (445537-W)
Lot 7, Jalan P10/11, Seksyen 10
Kawasan Perusahaan Bangi
43650 Bandar Baru Bangi
Selangor Darul Ehsan
Malaysia
Tel : +603 8926 6388
Fax : +603 8926 9689

CLT ENGINEERING SDN BHD (621210-H)
No. 25, 27 & 29, Jalan BP 5
Bandar Bukit Puchong
47100 Puchong
Selangor Darul Ehsan
Malaysia
Tel : +603 8062 3825
Fax : +603 8062 6825

FAS TECHNOLOGY SOLUTION SDN BHD (670298-U)
Plot 242 Jalan Perindustrian Bukit Minyak 3
Kawasan Perindustrian Bukit Minyak
14100 Simpang Empat
Penang, Malaysia
Tel : +604 508 6603/7/9
Fax : +604 508 6602

FAS MANUFACTURING SDN BHD (481528-M)
Plot 242 Jalan Perindustrian Bukit Minyak 3
Kawasan Perindustrian Bukit Minyak
14100 Simpang Empat
Penang, Malaysia
Tel : +604 508 6603/7/9
Fax : +604 508 6602

GENETEC GLOBAL TECHNOLOGIES, INC.
422 Highway 418 West
Fountain Inn, SC 29644
United States of America
Tel : +1 864 862 9777
Fax : +1 864 862 9090

SYSTEM'S SOUTH, INC.
422 Highway 418 West
Fountain Inn, SC 29644
United States of America
Tel : +1 864 862 9777
Fax : +1 864 862 9090

IP SYSTEMS, INC.
2685 Industrial Lane
Broomfield
Colorado 80020
United States of America
Tel : +1 303 438 1570
Fax : +1 303 438 1598

CLT ENGINEERING (THAILAND) CO., LTD.
75/113, Moo 11 Klong Nueng
Klong Luang Pathumthani
12120 Bangkok
Thailand
Tel : +66 2 5205 223
Fax : +66 2 5205 224

TGT TECHNOLOGY LIMITED
49/175-176, Village No. 7, KlongSong
Klong Luang Pathumthani
12120 Bangkok
Thailand
Tel : +66 2 9022 203
Fax : +66 2 9022 206

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirteenth Annual General Meeting of Genetec Technology Berhad (the "**Company**") will be held at Multi-Purpose Halls, 2nd Floor, Lot 5, Jalan P10/12, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan, on Thursday, 18 August 2011 at 10.00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS:

Agenda 1 To receive the audited financial statements for the financial year ended 31 March 2011 together with the reports of the directors and auditors thereon.

Ordinary Resolution

1 To approve the payment of a first and final tax-exempt dividend of 10% per ordinary share of RM0.10 each in respect of the financial year ended 31 March 2011.

2 To re-elect Chin Kem Weng retiring pursuant to Article 92 of the Company's Articles of Association.

To re-elect the following Directors retiring pursuant to Article 99 of the Company's Articles of Association:-

3 Tan Moon Teik

4 Ronnie J Ortscheid

5 Lam Choon Wah

6 Wong Wai Tzing

7 Teh Kim Seng

8 To re-appoint Messrs KPMG as auditors of the Company to hold office until the next annual general meeting and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS:

To consider, and if thought fit, to pass the following resolutions, with or without modifications thereto:-

9 "THAT pursuant to section 132D of the Companies Act, 1965, the directors be authorised to issue shares in the Company at any time until the conclusion of the next annual general meeting and upon such terms and conditions and for such purposes as the directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued share capital of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue."

10 "THAT subject to the provisions of the ACE Market listing requirements of Bursa Malaysia Securities Berhad, approval be given for the Company and its subsidiaries, to enter into recurrent related party transactions of a revenue or trading nature with the related parties as specified in section 2 of the circular to shareholders dated 25 July 2011 which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiaries, on arm length basis, on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such authority shall continue to be in force until:-

(a) the conclusion of the next annual general meeting of the Company at which time the mandate will lapse, unless by a resolution passed at the next annual general meeting, the mandate is renewed; or

(b) the expiration of the period within which the next annual general meeting of the Company is required to be held pursuant to section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to section 143(2) of the Companies Act, 1965); or

(c) revoked or varied by ordinary resolution passed by the shareholders in general meeting;

whichever is the earlier.

AND THAT authority be given to the directors of the Company or any one of them to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions in such manner as they/he may deem expedient or necessary in connection with the above resolution."

NOTICE OF BOOKS CLOSURE

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders at the Thirteenth Annual General Meeting, the first and final tax-exempt dividend of 10% per ordinary share of RM0.10 each in respect of the financial year ended 31 March 2011 will be paid on 23 September 2011 to Depositors registered in the Record of Depositors at the close of business on 8 September 2011.

A Depositor shall qualify for entitlement only in respect of:

a) Shares transferred into the Depositor's Securities account before 4.00 p.m. on 8 September 2011 in respect of ordinary transfers;

b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

LOW SOOK KUAN
MAICSA 7047833
Company Secretary

Selangor Darul Ehsan
25 July 2011

EXPLANATORY NOTES ON SPECIAL BUSINESS

Agenda 1 This agenda is meant for discussion only, as the provision of section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders. Hence this agenda is not put forward for voting.

Ordinary Resolution

9 If passed, will empower the directors to allot and issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as the directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next annual general meeting.

The Company had been granted a general mandate by its shareholders at the last annual general meeting of the Company ("Previous Mandate"). The Previous Mandate was not utilised and hence no proceed was raised.

The rationale for this resolution is to eliminate the need to convene separate general meeting(s) from time to time to seek shareholders' approval as and when the Company issues new shares and thereby reducing administrative time and costs associated with the convening of such meeting(s).

The board has not determined the actual utilisation of proceeds and pending decision thereof, the Company may utilise the proceeds from the general mandate sought for general working capital purposes, if any.

10 Please refer to the circular to shareholders dated 25 July 2011 which is despatched together with the 2011 Annual Report for detailed information of the proposal.

Notes:

(i) A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and section 149 (1)(b) of the Companies Act, 1965 shall not apply. However, his attendance at the general meeting shall automatically revoke the proxy form and proxy's authority.

(ii) A member shall be entitled to appoint more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting, such appointment shall be invalid unless he specifies the proportion (expressed as a percentage of the whole) of his shareholding to be represented by each proxy.

(iii) The proxy form must be deposited at the registered office of the Company at Lot 7, Jalan P10/11, Seksyen 10, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. The following are the directors standing for re-election:-

   Pursuant to Article 92 of the Articles of Association of the Company:-

   - Chin Kem Weng

   Pursuant to Article 99 of the Articles of Association of the Company:-

   - Tan Moon Teik
   - Ronnie J Ortscheid
   - Lam Choon Wah
   - Wong Wai Tzing
   - Teh Kim Seng

   Further details and profiles of the above directors are set out in pages 4 to 6 and their securities holding (in the Company and its subsidiaries) on page 31 of this Annual Report.

2. Details of Attendance of Directors at Board Meetings.

   There were five (5) Board Meetings held during the financial year ended 31 March 2011. Details of attendance of the Directors are set out on page 10 of the Annual Report.

Genetec Technology BERHAD
(445537-W)

PROXY FORM

No. of shares held	

I/We ______________________________ NRIC/Co. No. ____________________

(FULL NAME OF MEMBER(S) IN CAPITAL LETTERS AS PER NRIC/PASSPORT/CERTIFICATE OF INCORPORATION)

of ____

(FULL ADDRESS)

being a member/members of GENETEC TECHNOLOGY BERHAD (the "Company") hereby appoint:

Proxy	(a)	and/or * failing (a), (b)
Name	*(FULL NAME OF PROXY IN CAPITAL LETTER AS PER NRIC/PASSPORT)*	
NRIC/ passport no.		
Address	*(FULL ADDRESS)*	
Proportion of shareholdings (%)		

* Please delete as appropriate

or failing him/her, the Chairman of the meeting as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Thirteenth Annual General Meeting of the Company to be held at Multi-Purpose Halls, 2nd Floor, Lot 5, Jalan P10/12, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan, on Thursday, 18 August 2011 at 10.00 a.m. and at any adjournment thereof.

Ordinary Resolution		For	Against	Abstain
1	First and final tax-exempt dividend			
2	Re-election of director – Chin Kem Weng			
3	Re-election of director – Tan Moon Teik			
4	Re-election of director – Ronnie J Ortscheid			
5	Re-election of director – Lam Choon Wah			
6	Re-election of director – Wong Wai Tzing			
7	Re-election of director – Teh Kim Seng			
8	Re-appointment of auditors and their remuneration – KPMG			
9	Authority to allot shares			
10	Shareholders' mandate			

Please indicate with an "**X**" in the spaces provided whether you wish your votes to be cast for or against the resolution. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Dated this .... day of 2011

....
Signature/ Common Seal of shareholder(s)

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and section 149 (1)(b) of the Companies Act, 1965 shall not apply. However, his attendance at the general meeting shall automatically revoke the proxy form and proxy's authority.
2. A member shall be entitled to appoint more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting, such appointment shall be invalid unless he specifies the proportion (expressed as a percentage of the whole) of his shareholding to be represented by each proxy.
3. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
4. The proxy form shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
5. Any alteration made to the proxy form should be initialled by the person who signs it.
6. A corporation which is a member may authorise by a resolution of its directors or other governing body or by a certificate under seal of the corporation appoint such person as it thinks fit to act as its representative at the meeting in accordance with section 147(3) to (5) of the Companies Act, 1965.
7. The proxy form must be deposited at the registered office of the Company at Lot 7, Jalan P10/11, Seksyen 10, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan, Malaysia (Attention: The company secretary) not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

fold here

AFFIX
STAMP

The company secretary
GENETEC TECHNOLOGY BERHAD
Lot 7, Jalan P10/11, Seksyen 10
Kawasan Perusahaan Bangi
43650 Bandar Baru Bangi
Selangor Darul Ehsan
Malaysia

fold here

GENETEC TECHNOLOGY BERHAD (445537-W)
Incorporated in Malaysia under the Companies Act, 1965

Lot 7, Jalan P10/11, Seksyen 10
Kawasan Perusahaan Bangi
43650 Bandar Baru Bangi
Selangor Darul Ehsan, Malaysia
Tel: 603 8926 6388 Fax: 603 8926 9689
www.genetec.net