Genetec Technology BERHAD

(445537-W)

2012

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, Persiaran Bandar Utama
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

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

Seven Seas Communications 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 29 June 2012

Genetec Technology BERHAD

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

100%
GENETEC TECHNOLOGY AUTOMATION, INC.
(Incorporated in United States of America)

85%
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

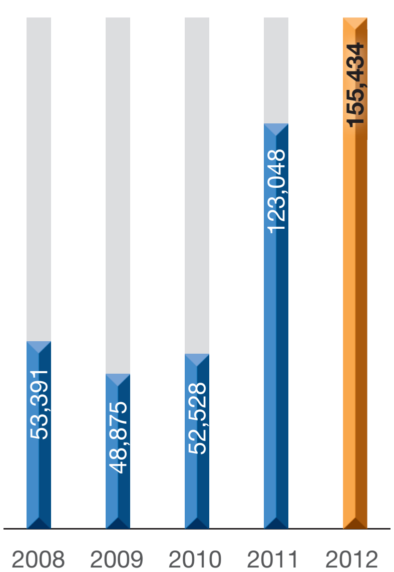
100%
CLT ENGINEERING (THAILAND) CO., LTD
(Incorporated in Thailand)

49%
TGT TECHNOLOGY LIMITED
(Incorporated in Thailand)

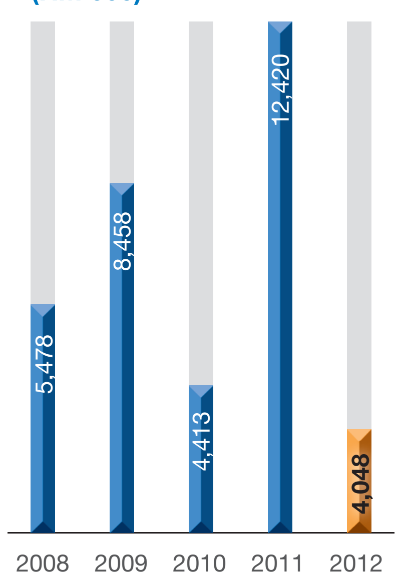
FIVE YEARS GROUP FINANCIAL HIGHLIGHS

	FINANCIAL YEAR ENDED 31 MARCH				
	2008	2009	2010	2011	**2012**
	RM'000	RM'000	RM'000	RM'000	**RM'000**
OPERATING RESULTS					
Revenue	53,391	48,875	52,528	123,048	**155,434**
EBITDA	6,860	9,960	6,675	19,003	**12,681**
Profit before tax	5,562	8,645	4,757	18,309	**7,187**
Profit after tax	5,478	8,458	4,373	15,155	**8,814**
Net Profit Attributable to Owners of the Company	5,478	8,458	4,413	12,420	**4,048**
KEY BALANCE SHEET DATA					
Total Assets	33,332	41,322	53,881	126,909	**169,781**
Paid-up Capital	12,081	12,081	12,131	35,174	**35,174**
Capital and Reserves	22,610	28,652	32,612	81,541	**82,996**
PROFITABILITY RATIOS					
Return on Total Assets (%)	16	20	8	12	**5**
Return on Capital Employed (%)	27	30	13	19	**11**
GEARING RATIO					
Net Debt to Capital and Reserves (Times)	0.02	-	0.16	0.15	**0.69**
VALUATION					
Basic Earning Per Share (Sen)	4.55	7.00	1.82	3.94	**1.15**

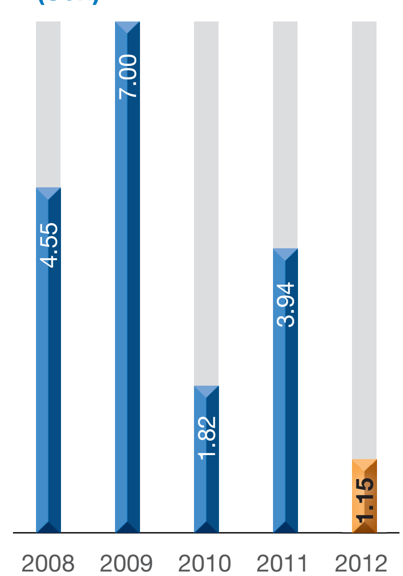
REVENUE (RM'000)



NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)



BASIC EARNINGS PER ORDINARY SHARES (Sen)



BOARD OF DIRECTORS

RONNIE J ORTSCHEID
EXECUTIVE DIRECTOR, AMERICAN, Aged 61

- *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 a BSME degree in Mechanical Engineering and minors in 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 51

- *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 54

- *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.

BOARD OF DIRECTORS

TEH KIM SENG

INDEPENDENT NON-EXECUTIVE DIRECTOR, MALAYSIAN, Aged 45

- *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 22 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 corporate finance advisory group 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 52

- *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 Nadayu Properties Berhad (formerly known as Mutiara Goodyear Development Berhad).

CHIN KEM WENG

MANAGING DIRECTOR, MALAYSIAN, Aged 42

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.

TAN MOON TEIK

EXECUTIVE DIRECTOR, MALAYSIAN, Aged 41

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, 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 41

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 Engineering Sdn Bhd 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 42

- *Member of Nomination Committee*

Ms Ong was appointed as Alternate Director to 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 above 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 11 of the Annual Report.

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

"As the Executive Chairman of Genetec and on behalf of the Board of Directors, I am honored to present my yearly review of the operations of the Genetec Group for the financial year ended 31 March 2012."

OVERALL FINANCIAL REVIEW

The past financial year ended 31 March 2012 was both an exciting and a challenging year for Genetec. The Genetec Group started the financial year with a high secured order book of RM149.3 million and finished the year with a revenue of RM155.4 million for the financial year under review as compared to RM123.1 million for the previous year. This increase in revenue was attributable to the consolidation of the results of the two newly acquired subsidiaries in the United States of America ("**USA**"), IP Systems, Inc. ("**IPS**") and Systems South, Inc. ("**SSI**"). The Hard Disk Drive ("**HDD**") segment contributed 75% to the Genetec Group's revenue as compared to more than 85% for the previous financial year as we continue to pursue our diversification into other market segments.

There were two uncertainties that affected our business during this year. Firstly, into the second half of the financial year, we were faced with temporary uncertainties affecting our main market HDD segment. In October 2011, major and expansive floods happened in Thailand whereby it affected the business operations of our major customer who have their facilities and plants located in Bangkok. As a result, there was a temporary hold back of automation orders for the HDD segment for about four to five months while our customer implemented a recovery plan. Secondly, at the USA front, growth was slower than expected.

Despite these events, I am pleased to report that the HDD market has now not only recovered but has come back strong with new orders from our customer and growth opportunites as their market share and products expand. As well in the USA operations, post-acquisition, we have put in the necessary infrastructure and human resources to facilitate growth in both of the USA operations. We are now positioned well to respond to the recent strengthening of the USA manufacturing markets, in particular the recovery of the automotive industry and subsequent strong demands to replace, retool and expand production equipment. SSI specializes in material handling, assembly process, robotics, custom conveyor solutions and other custom built machines for a diverse range of market segments including automotive. Meanwhile, IPS is involved in the fabrication and manufacture of customized containment systems specially designed for pharmaceutical, sterilization, medical and commercial nuclear and alternative energy industries. With these two operating bases, we continued to expand our business activities in the USA by setting up a new automation arm, Genetec Technology Automation, Inc. ("**GTA**") in May 2012. GTA will look into turnkey system design, build, integration and service of automated assembly and test equipment for medical, pharmaceutical, aerospace, nuclear and regulatory industries which are target as growth industries. With the slower economic recovery in the USA during the first quarters and the flood situation in Oct 2011, our third quarter of the financial year was the hardest hit quarter with loss before tax of RM4.0 million. During this quarter, we incurred one-off losses of about RM3.0 million, RM1.6 million incurred by our subsidiaries involved in the semi-conductor industry which have ceased operations during the quarter as well as write off of goodwill of about RM1.4 million.

Genetec quickly rebounded in the fourth quarter by achieving a credible turnaround pretax profit position of RM7.3 million as the economic outlook in the USA improved and the demand for HDD automation returned after the flood aftermath. For the financial year ended 31 March 2012, Genetec recorded pretax profit of RM7.2 million as compared to RM18.3 million in the previous financial year end. Our USA operations suffered a small loss of approximately USD275,000 for the financial year under review.

DIVIDEND

There was no dividend declared or paid for the financial year ended 31 March 2012 as we remained prudent in our efforts to preserve capital and enhance the liquidity position of the Group.

BUSINESS OUTLOOK

The current recovery of automotive and manufacturing segments in the USA coupled with improving demand from global HDD provide positive signals for stronger demand and growth for Genetec Group for the coming financial year. We are still cautious of the volatile global economic landscape and the challenges that this may bring to our business. We are focused in turning around our USA operations but more investments in resources are required at the GTA business unit as we began to build our customer base in the automation segment in the USA. As of the date of this statement, we are strongly boosted by a secured order book of RM149.3 million for the coming financial year, of which 48% is from non-HDD industry segments. A significant milestone was achieved with us securing about RM37.6 million orders from the automotive segment which is a continuity of our efforts in the previous financial year. This secured order book is equivalent to the last financial year's revenue and we are looking forward to more orders to be secured from various industry segments over the remaining coming financial year.

A WORD OF APPRECIATION

The challenges in the past financial year have tested our resilience and business tenacity but we have emerged stronger as a group and as a team and are excited about the opportunities in the new financial year. I commend our management team and employees for their commitment and dedication. I also like to take the opportunity to convey my sincere gratitude to our Board members for the invaluable advice, insight, counsel and participation in the affairs of the Group. As a team, we would also like to extend our thanks to all stakeholders, government authorities, bankers, customers, partners, suppliers and other business associates for their continued support towards our business as we look forward to a stronger financial year ahead.

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 5 to 7 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 and investor relations programme.

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.

1. DIRECTORS (CONTINUED)

(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.

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 2012, 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	4/5	80
Hew Voon Foo	5/5	100
Wong Wai Tzing	5/5	100
Teh Kim Seng	5/5	100
Chen Khai Voon	5/5	100
Chin Kem Weng	5/5	100
Tan Moon Teik	5/5	100
Lam Choon Wah	5/5	100
Ong Phoe Be	5/5	100

Note:
Meetings were held on 24 May 2011, 30 June 2011, 18 August 2011, 2 November 2011 and 22 February 2012.

(c) Directors' Access to Information and Advice

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 and the senior management staff in the Group and all information in relation to the Group whether as a full Board or in their individual capacity to assist them in furtherance of their duties and responsibilities.

Where necessary, the Directors may also obtain independent professional advice at the Company's expense on specialised issues to enable the Board to discharge its duties with adequate knowledge on the matters being deliberated.

(d) Directors' Remuneration

(i) Remuneration Policy

The Remuneration Committee reviews annually the performance of the 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.

1. DIRECTORS (CONTINUED)

(d) Directors' Remuneration (continued)

(i) Remuneration Policy (continued)

In the case of Executives, 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.

(ii) 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 Director does not participate in discussion and decision of his own remuneration.

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.

(iii) 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 2012 are as follows:

	Salaries RM	Fees RM	Bonuses RM	Benefits-in-kind RM	Other Emoluments RM	Total RM
Executive Directors	1,319,980	-	95,200	95,400	683,790	2,194,370
Non-Executive Directors	-	123,000	-	-	-	123,000

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	-	3
RM50,001 - RM100,000	-	1
RM300,001 - RM350,000	1	-
RM350,001 - RM400,000	1	-
RM550,001 - RM600,000	1	-
RM900,001 - RM950,000	1	-

1. DIRECTORS (CONTINUED)

(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.

(g) Directors' Training and Induction

All Directors have completed the Mandatory Accreditation Programme prescribed by Bursa Securities.

Although Continuing Education Programme 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 industry and regulatory requirements and attend seminars and 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 2012, programs attended are seminars and workshop organised by relevant regulatory authorities, trainers and/or professional bodies on topics covering the areas such as Strategic and Leadership Excellence, FRS Impact on Company Tax and Goods & Services Tax. 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.

The NC shall meet at least once a year and as and when deemed fit, necessary and expedient.

2. THE BOARD COMMITTEES (CONTINUED)

(b) Nomination Committee ("NC") (continued)

Attendance at NC Meetings

The NC met one (1) time during the financial year ended 31 March 2012. 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
Teh Kim Seng	1/1	100
Ong Phoe Be	1/1	100

Note:
Meeting was held on 24 May 2011.

(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.

The RC shall meet at least once a year and as and when deemed fit, necessary and expedient.

Attendance at RC Meetings

The RC met one (1) time during the financial year ended 31 March 2012. 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
Teh Kim Seng	1/1	100
Chen Khai Voon	1/1	100

Note:
Meeting was held on 30 June 2011

Both the NC and RC will put in place relevant measures and controls in the determination of the appointments and remunerations as and when necessary relevant.

2. THE BOARD COMMITTEES (CONTINUED)

(d) Employees' 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 Scheme 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 2012	23 July 2012	114	30 September 2012
Annual Report 2011	25 July 2011	116	30 September 2011
2012 Quarterly Results			
1st Quarter	18 August 2011	49	31 August 2011
2nd Quarter	2 November 2011	33	30 November 2011
3rd Quarter	22 February 2012	53	28 February 2012
4th Quarter	23 May 2012	53	31 May 2012

(ii) AGM

The 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, investor may direct their queries to Investor Relations, Seven Seas Communications 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 21 to 26 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 94 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 19 and 20 of the Annual Report.

4.3 Relationship with the External Auditor

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 4 July 2012.

RONNIE J ORTSCHEID
Executive 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 organized 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.

MARKET PLACE

(a) Ethical Business Culture

The creation and proactive management of a culture of integrity, ethical behaviour and honesty that is pervasive throughout the organization 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.

INTERNAL CONTROL STATEMENT

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 Internal Control Statement 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.

In accordance with *Principal DII in Part 1 and Best Practice AAI in Part 2 of the Malaysian Code on Corporate Governance*, the Board has reviewed the effectiveness of the system of internal control and confirms that an ongoing process of identifying, evaluating and managing the Group's risks has operated throughout the year covered in this Annual Report and up to the date of its approval.

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 potentially have 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 Audit Committee ("**AC"**), 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 established a clear vision, mission, corporate philosophy and strategic direction that serves as the road map to the Group's direction and communicated to employees at all levels. The Board is supported by various established committees in discharging its responsibilities that includes the Audit Committee, Nomination Committee, Remuneration Committee and Employees' Share Option Scheme Committee.
- A defined organizational and reporting structure has been established at all levels within the Group and are aligned to business and operational requirements. There was adequate upper level managerial support wherein, the management team was cohesive and complements each other in terms of skills and experience.
- The Group values ethical conduct, quality, timely delivery and customer satisfactions as project quality and deliverables have a direct impact on the Group's bottom line.

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.
- Progress of RMC activities and Risk Register are updated to the AC and Board by Management, for information and deliberation.

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. Where relevant, they are periodically reviewed and revised to reflect current practices and relevancy.
- 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 quality of work and products.
- External audits and internal audits are carried out yearly while ISO audits are carried out twice a year respectively as a basis to improve operational efficiencies and consistency of quality of products and work standards.

Information and Communication

- The Company implemented enterprise resource planning system to provides informative and relevant reports and assist in the decision making process.
- Submission of regular, timely and comprehensive flow of information and reports to the Board and Management on all aspects of the Group's operations facilitate the monitoring of performance against strategic plans.
- Management meetings are convened at Group and subsidiaries levels to share information, discuss financial and business development, progress and performance monitoring as well as to decide upon operational matters. The proceedings of these meetings are documented in the minutes for further action and reference.

Monitoring

- Internal audits are conducted throughout the financial year and the results and findings of these audits are communicated to the Board 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

For the year under review, the Board is of the view that the system of internal control is adequate to safeguard shareholder interest and the Group's asset and there were no material losses caused by the breakdown in internal controls. Management will continue to take measures and maintain an ongoing commitment to strengthen the Group's control environment and processes.

This statement was made in accordance with a resolution of the Board dated 4 July 2012.

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 - *Independent Non-Executive Director (MIA Member)*

Members
Wong Wai Tzing - *Independent Non-Executive Director*
Teh Kim Seng - *Independent Non-Executive Director*
Chen Khai Voon - *Non-Independent Non-Executive Director*

TERMS OF REFERENCE

1. Membership

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

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

1.3 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.

1.4 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.

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

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

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

1.6.2 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

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

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

TERMS OF REFERENCE (CONTINUED)

2. Authority

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

2.2 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.

2.3 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.

2.4 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).

3. Functions

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

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

3.1.2 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.

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

3.1.4 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.

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

3.1.6 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.

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

3.3 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.

3.4 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.

3.5 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.

3.6 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;

TERMS OF REFERENCE (CONTINUED)

3. Functions (continued)

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

3.8 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.

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

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

3.9.2 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;

3.9.3 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;

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

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

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

3.9.7 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.

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

4. Meetings

4.1 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.

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

4.3 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.

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

TERMS OF REFERENCE (CONTINUED)

4. Meetings (continued)

4.5 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.

4.6 Proceedings of all meetings held and resolutions passed as referred to in Clause 4.5 above shall be recorded by the Secretary and kept at the Company’s registered office.

4.7 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.

4.8 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.

4.9 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.

4.10 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.

4.11 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.

5. Compliance

5.1 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 five (5) times during the financial year ended 31 March 2012. 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	5/5	100
Chen Khai Voon	5/5	100
Wong Wai Tzing	5/5	100
Teh Kim Seng	5/5	100

Note:
Meetings were held on 24 May 2011, 30 June 2011, 18 August 2011, 2 November 2011 and 22 February 2012.

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

The Audit Committee conducted its activities in line with the terms of reference, as follows:

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 2012;

(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 2012.

Internal Audit

(i) Review of Internal Auditors' audit plan for the financial year ended 31 March 2012 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.

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

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.

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, organization 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 2012 was RM14,702 (2011: RM13,202).

FINANCIAL STATEMENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2012

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 2012.

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. 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	4,048,028	4,900,019
Non-controlling interests	4,766,154	-
	8,814,182	4,900,019

RESERVES AND PROVISIONS

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

DIVIDENDS

Since the end of previous financial year, the Company paid a first and final tax-exempt dividend of 10% per ordinary share of 10 sen each amounting to RM3,517,380 in respect of the year ended 31 March 2011 on 23 September 2011.

The Directors do not recommend any dividend to be paid in respect of the financial year under review.

DIRECTORS OF THE COMPANY

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

Ronnie J Ortscheid
Chin Kem Weng
Tan Moon Teik
Lam Choon Wah
Hew Voon Foo
Wong Wai Tzing
Teh Kim Seng
Chen Khai Voon
Ong Phoe Be (Alternate Director to Chen Khai Voon)

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the ordinary 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 1.4.2011	Bought	Sold	At 31.3.2012
Shareholdings in which Directors have interests				
In the Company				
Chin Kem Weng #				
- Direct	54,600,000	-	-	54,600,000
Tan Moon Teik #				
- Direct	86,602,000	-	-	86,602,000
Chen Khai Voon #				
- Indirect	96,500,000	-	-	96,500,000
Hew Voon Foo				
- Indirect	40,000	-	-	40,000
Ong Phoe Be #				
- Direct	2,400,000	-	-	2,400,000

\# By virtue of their interests in the shares of the Company, Chin Kem Weng, Tan Moon Teik, Chen Khai Voon and Ong Phoe Be are also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest pursuant to Section 6A(4) of the Companies Act, 1965.

None of the other Directors holding office at 31 March 2012 had any interest in the ordinary 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.

ISSUE OF SHARES AND DEBENTURES

There were no 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.

At an extraordinary general meeting held on 5 August 2010, the Company's shareholders approved the establishment of an Employees' Share Option Scheme ("ESOS") of not more than 15% 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 implementation of the Porposed New ESOS. 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.

However, the new ESOS has yet to be granted to any individual to date.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are as disclosed in Note 26 to the financial statements.

SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

The significant events after the financial year are as disclosed in Note 27 to the financial statements.

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.

OTHER STATUTORY INFORMATION (CONTINUED)

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 impairment loss on godwill and waiver of amount due to a director as diclosed in Note 15 to the financial statement, the financial performance of the Group and of the Company for the financial year ended 31 March 2012 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: 4 July 2012

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2012

	Note	Group 2012 RM	Group 2011 RM Restated	Company 2012 RM	Company 2011 RM Restated
Assets					
Property, plant and equipment	3	42,974,604	28,351,844	19,480,925	19,784,043
Goodwill	4	38,215,484	26,014,665	-	-
Investments in subsidiaries	5	-	-	26,656,809	26,656,809
Investment in an associate	6	159,648	20,648	49,000	49,000
Deferred tax assets	7	455,305	-	-	-
Total non-current assets		81,805,041	54,387,157	46,186,734	46,489,852
Inventories	8	20,399,360	16,163,160	11,642,203	3,799,618
Derivative financial assets	9	265,900	798,061	252,400	721,694
Trade and other receivables	10	62,731,764	40,555,485	36,962,593	29,553,265
Tax recoverable		2,234,984	-	98,151	-
Cash and cash equivalents	11	2,344,334	15,004,724	905,653	8,545,472
Total current assets		87,976,342	72,521,430	49,861,000	42,620,049
Total assets		169,781,383	126,908,587	96,047,734	89,109,901

	Note	Group 2012 RM	Group 2011 RM Restated	Company 2012 RM	Company 2011 RM Restated
Equity					
Share capital	12	35,173,800	35,173,800	35,173,800	35,173,800
Share premium		18,378,913	18,378,913	18,378,913	18,378,913
Reserves		19,312,723	19,362,967	17,954,901	16,572,262
Total equity attributable to owners of the Company		72,865,436	72,915,680	71,507,614	70,124,975
Non-controlling interests		10,130,111	8,625,592	-	-
Total equity		82,995,547	81,541,272	71,507,614	70,124,975
Liabilities					
Loans and borrowings	13	20,285,497	8,719,256	6,533,502	6,762,874
Deferred tax liabilities	7	317,133	585,582	130,000	130,000
Total non-current liabilities		20,602,630	9,304,838	6,663,502	6,892,874
Loans and borrowings	13	39,025,678	18,652,690	7,940,470	4,462,187
Trade and other payables	14	27,157,528	15,881,904	9,936,148	7,511,985
Current tax liabilities		-	1,527,883	-	117,880
Total current liabilities		66,183,206	36,062,477	17,876,618	12,092,052
Total liabilities		86,785,836	45,367,315	24,540,120	18,984,926
Total equity and liabilities		169,781,383	126,908,587	96,047,734	89,109,901

The notes on pages 42 to 89 are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2012

		Group		Company	
	Note	2012 RM	2011 RM	2012 RM	2011 RM
Revenue		155,433,512	123,048,491	52,755,841	75,198,757
Cost of sales		(127,481,076)	(97,099,990)	(44,451,451)	(60,036,261)
Gross profit		27,952,436	25,948,501	8,304,390	15,162,496
Other income		995,460	2,408,660	3,573,362	2,151,968
Distribution expenses		(3,962,663)	(2,106,726)	(1,541,416)	(1,478,308)
Administrative expenses		(14,578,156)	(6,357,696)	(4,039,637)	(3,714,785)
Other expenses		(647,063)	(674,073)	(445,351)	(2,186,864)
Results from operating activities		9,760,014	19,218,666	5,851,348	9,934,507
Finance income		111,553	150,015	91,663	138,783
Finance costs		(2,823,168)	(1,074,754)	(938,131)	(682,326)
Operating profit		7,048,399	18,293,927	5,004,880	9,390,964
Share of profit of equity accounted investees, net of tax		139,000	14,876	-	-
Profit before tax		7,187,399	18,308,803	5,004,880	9,390,964
Income tax expense	17	1,626,783	(3,153,410)	(104,861)	(286,240)
Profit for the year	15	8,814,182	15,155,393	4,900,019	9,104,724
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		(84,008)	(3,170)	-	-
Other comprehensive income for the year, net of tax		(84,008)	(3,170)	-	-
Total comprehensive income for the year		8,730,174	15,152,223	4,900,019	9,104,724

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2012

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Profit attributable to:					
Owners of the Company		4,048,028	12,419,792	4,900,019	9,104,724
Non-controlling interests		4,766,154	2,735,601	-	-
Profit for the year		8,814,182	15,155,393	4,900,019	9,104,724
Total comprehensive income attributable to:					
Owners of the Company		3,964,020	12,416,622	4,900,019	9,104,724
Non-controlling interests		4,766,154	2,735,601	-	-
Total comprehensive income for the year		8,730,174	15,152,223	4,900,019	9,104,724
Basic earnings per ordinary share (sen)	18	1.15	3.94		

The notes on pages 42 to 89 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2012

		Attributable to owners of the Company							
		Non-distributable				Distributable			
Group	Note	Share capital RM	Share premium RM	Translation reserve RM	Share option reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 April 2010		12,131,200	4,690,039	-	1,185,484	14,605,235	32,611,958	-	32,611,958
Foreign currency translation differences for foreign operations		-	-	(3,170)	-	-	(3,170)	-	(3,170)
Total other comprehensive income for the year		-	-	(3,170)	-	-	(3,170)	-	(3,170)
Profit for the year		-	-	-	-	12,419,792	12,419,792	2,735,601	15,155,393
Total comprehensive income for the year		-	-	(3,170)	-	12,419,792	12,416,622	2,735,601	15,152,223
Issue of ordinary shares	12	9,600,000	16,320,000	-	-	-	25,920,000	-	25,920,000
Bonus issue	12	12,161,200	(4,498,419)	-	-	(7,662,781)	-	-	-
Share options exercised	12	1,281,400	685,700	-	-	-	1,967,100	-	1,967,100
Total contribution from/distribution to owners		23,042,600	12,507,281	-	-	(7,662,781)	27,887,100	-	27,887,100
Acquisition of subsidiaries	26.2	-	-	-	-	-	-	5,889,991	5,889,991
Changes in ownership interests in subsidiaries		-	-	-	-	-	-	5,889,991	5,889,991
Total transactions with owners		23,042,600	12,507,281	-	-	(7,662,781)	27,887,100	5,889,991	33,777,091
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	(3,170)	-	19,366,137	72,915,680	8,625,592	81,541,272
		Note 12	Note 12	Note 12	Note 12	Note 12			

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2012

		Attributable to owners of the Company						
		Non-distributable			/Distributable			
Group	Note	Share capital RM	Share premium RM	Translation reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 April 2011		35,173,800	18,378,913	(3,170)	19,366,137	72,915,680	8,625,592	81,541,272
Foreign currency translation differences for foreign operations		-	-	(84,008)	-	(84,008)	-	(84,008)
Total other comprehensive income for the year		-	-	(84,008)	-	(84,008)	-	(84,008)
Profit for the year		-	-	-	4,048,028	4,048,028	4,766,154	8,814,182
Total comprehensive income for the year		-	-	(84,008)	4,048,028	3,964,020	4,766,154	8,730,174
Dividends to owners of the Company		-	-	-	(3,517,380)	(3,517,380)	-	(3,517,380)
Total distribution to owners		-	-	-	(3,517,380)	(3,517,380)	-	(3,517,380)
Acquisition of subsidiaries	26.1(iv)	-	-	-	-	-	(480,914)	(480,914)
Acquisition of non-controlling interests	26.1(iii)	-	-	-	(496,884)	(496,884)	159,279	(337,605)
Changes in ownership interests in subsidiaries		-	-	-	(496,884)	(496,884)	(321,635)	(818,519)
Total transactions with owners		-	-	-	(4,014,264)	(4,014,264)	(321,635)	(4,335,899)
Dividends to non-controlling interests		-	-	-	-	-	(2,940,000)	(2,940,000)
At 31 March 2012		35,173,800	18,378,913	(87,178)	19,399,901	72,865,436	10,130,111	82,995,547
		Note 12	Note 12	Note 12	Note 12			

The notes on pages 42 to 89 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2012

		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 equity RM**
At 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	12	9,600,000	16,320,000	-	-	25,920,000
Bonus issue	12	12,161,200	(4,498,419)	-	(7,662,781)	-
Share options exercised	12	1,281,400	685,700	-	-	1,967,100
Total contribution from/ distribution to owners		23,042,600	12,507,281	-	(7,662,781)	27,887,100
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 2011/1 April 2011		35,173,800	18,378,913	-	16,572,262	70,124,975
Total comprehensive income for the year		-	-	-	4,900,019	4,900,019
Dividends paid to owners		-	-	-	(3,517,380)	(3,517,380)
Total distribution to owners		-	-	-	(3,517,380)	(3,517,380)
At 31 March 2012		35,173,800	18,378,913	-	17,954,901	71,507,614
		Note 12	Note 12	Note 12	Note 12	

The notes on pages 42 to 89 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2012

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Cash flows from operating activities					
Profit before tax		7,187,399	18,308,803	5,004,880	9,390,964
Adjustments for:					
Depreciation of property, plant and equipment		2,670,821	1,805,499	1,228,239	1,284,257
Finance costs		2,354,356	803,549	797,842	556,851
Finance income		(111,553)	(150,015)	(91,663)	(138,783)
(Gain)/Loss on disposal of property, plant and equipment, net		(7,909)	(8,580)	2,436	(8,580)
Gain on partial disposal of investment in a subsidiary		-	-	-	(100,000)
Gain on partial disposal of a subsidiary		-	(100,000)	-	-
Property, plant and equipment written off		276,073	-	-	-
Dividend income		-	-	(3,060,000)	-
Impairment loss on amounts due from subsidiaries		-	-	354,208	1,500,000
Impairment loss on goodwill		1,214,670	-	-	-
Impairment loss on investments in subsidiaries		-	-	-	59,997
Inventories written off		-	39,606	-	39,606
Reversal of impairment loss for trade receivables		-	(43,965)	-	(43,965)
Share of profits of equity accounted investees		(139,000)	(14,876)	-	-
Unrealised derivative gain		(265,900)	(798,061)	(252,400)	(721,694)
Unrealised foreign exchange (gain)/loss		(128,266)	471,347	(157,252)	456,688
Waiver of amount owing to director		(991,763)	-	-	-
Operating profit before working capital changes		12,058,928	20,313,307	3,826,290	12,275,341
Changes in working capital:					
Inventories		(4,236,200)	17,676,689	(7,842,585)	8,672,832
Trade and other receivables		(20,452,315)	3,116,056	(6,915,153)	(13,643,499)
Trade and other payables		9,719,579	(31,000,000)	2,454,726	(4,676,833)
Cash (used in)/generated from operations		(2,910,008)	10,106,052	(8,476,722)	2,627,841
Dividend received		-	-	3,060,000	-
Income tax refund		183,969	-	183,969	-
Income tax paid		(3,096,284)	(2,854,923)	(504,861)	(200,000)
Net cash (used in)/generated from operating activities		(5,822,323)	7,251,129	(5,737,614)	2,427,841

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2012

	Note	Group		Company	
		2012	2011	2012	2011
		RM	RM	RM	RM
Cash flows from investing activities					
Acquisition of property, plant and equipment	(ii)	(15,750,302)	(1,702,443)	(643,605)	(779,345)
Acquisition of subsidiaries, net of cash acquired	26.1(iv)	(7,775,576)	3,576,096	-	-
Acquisition of non-controlling interest	26.1(iii)	(337,605)	-	-	-
Increase of investments in subsidiaries		-	-	-	(636,809)
Interest received from deposits		111,553	150,015	91,663	138,783
Proceeds from disposal of property, plant and equipment		321,889	19,507	3,832	19,507
Proceeds from partial disposal of interest in a subsidiary		-	100,000	-	-
Net cash (used in)/generated from investing activities		(23,430,041)	2,143,175	(548,110)	(1,257,864)
Cash flows from financing activities					
Dividends paid to non-controlling interest		(2,940,000)	-	-	-
Dividends paid to owners of the Company		(3,517,380)	-	(3,517,380)	-
Drawdown of trade finance facilities		19,559,426	1,657,861	3,464,702	3,207,000
Drawdown/(Repayment) of term loans		6,710,280	(359,959)	(373,640)	(359,959)
Interest paid on loans and borrowings		(2,354,356)	(803,549)	(797,842)	(556,851)
Proceeds from issue of shares from exercise of ESOS		-	1,967,100	-	1,967,100
Repayment of finance lease liabilities		(774,485)	(110,373)	(129,935)	(137,184)
Net cash generated from/(used in) financing activities		16,683,485	2,351,080	(1,354,095)	4,120,106
Net (decrease)/increase in cash and cash equivalents		(12,568,879)	11,745,384	(7,639,819)	5,290,083
Effect of exchange rate fluctuation on cash held		(91,511)	-	-	-
Cash and cash equivalents at 1 April	(i)	15,004,724	3,259,340	8,545,472	3,255,389
Cash and cash equivalents at 31 March	(i)	2,344,334	15,004,724	905,653	8,545,472

(i) 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	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Cash and bank balances	2,338,993	14,999,516	900,312	8,540,264
Deposits placed with licensed banks	5,341	5,208	5,341	5,208
	2,344,334	15,004,724	905,653	8,545,472

(ii) Acquisition of property, plant and equipment

During the year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM16,038,086 (2011: RM4,002,443) and RM931,389 (2011: RM779,345) respectively, of which RM287,784 (2011: RM2,300,000) and RM287,784 (2011: Nil) respectively were acquired by means of finance lease.

The notes on pages 42 to 89 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 2012 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 2012 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 4 July 2012.

1. BASIS OF PREPARATION

(A) STATEMENT OF COMPLIANCE

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

The following are accounting standards, amendments and interpretations of the FRS framework that have been issued by the Malaysian Accounting Standards Board (MASB) but have not been adopted by the Group and Company:

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)
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Transfers of Financial Assets*
- Amendments to FRS 112, *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012
- Amendments to FRS 101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

1. BASIS OF PREPARATION (CONTINUED)

(A) STATEMENT OF COMPLIANCE (CONTINUED)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- FRS 10, *Consolidated Financial Statements*
- FRS 11, *Joint Arrangements*
- FRS 12, *Disclosure of Interests in Other Entities*
- FRS 13, *Fair Value Measurement*
- FRS 119, *Employee Benefits (2011)*
- FRS 127, *Separate Financial Statements (2011)*
- FRS 128, *Investments in Associates and Joint Ventures (2011)*
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Government Loans*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to FRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- FRS 9, *Financial Instruments (2009)*
- FRS 9, *Financial Instruments (2010)*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Mandatory Date of FRS 9 and Transition Disclosures*

The Group and Company's financial statements for annual period beginning on 1 January 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRSs) issued by the MASB and International Financial Reporting Standards (IFRSs). As a result, the Group and Company will not be adopting the above FRSs, Interpretations and amendments.

(B) BASIS OF MEASUREMENT

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

(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.

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 26 - business combinations

2. SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF CONSOLIDATION

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, unless otherwise stated.

(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.

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. The cost of investment includes transaction costs.

(ii) Accounting for business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group has changed its accounting policy with respect to accounting for business combinations.

From 1 April 2011 the Group has applied FRS 3, *Business Combinations* (revised) in accounting for business combinations. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share.

Acquisitions on or after 1 April 2011
For acquisitions on or after 1 April 2011, the Group measures goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(A) BASIS OF CONSOLIDATION (CONTINUED)

(ii) Accounting for business combinations (continued)

Acquisitions between 1 April 2006 and 1 April 2011

For acquisitions between 1 April 2006 and 1 April 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 April 2006

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

(iii) Accounting for acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest 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 Group reserves.

(iv) Loss of control

The Group applied FRS 127, *Consolidated and Separate Financial Statements* (revised) since the beginning of the reporting period in accordance with the transitional provisions provided by the standard and does not have impact on earnings per ordinary share. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

In the previous financial years, if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be regarded as cost on initial measurement of the investment.

(v) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(A) BASIS OF CONSOLIDATION (CONTINUED)

(v) Associates (continued)

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. The cost of investments include transaction costs.

(vi) Changes in Group composition

The Group treats all changes in group composition as equity transactions between the Group and its non-controlling 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.

(vii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, 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. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Since the beginning of the reporting period, the Group has applied FRS 127, *Consolidated and Separate Financial Statements* (revised) where losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. The change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per ordinary share.

In the previous years, where losses applicable to the non-controlling interests exceed the non-controlling's interest in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interests were charged against the Group's interest except to the extent that the non-controlling interest had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

(viii) 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 associates are eliminated against the investment to the extent of the Group's interest in the associates. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a cash flow hedge of currency risk, which are recognised in other comprehensive income.

(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, except for goodwill and fair value adjustments arising from business combinations before 1 January 2006 which are reported using the exchange rates at the dates of the acquisitions. 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") in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the consolidated financial statements, 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 in the FCTR in equity.

(C) FINANCIAL INSTRUMENTS

(i) Initial recognition and measurement

A financial asset and a financial liability are recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(C) FINANCIAL INSTRUMENTS (CONTINUED)

(i) Initial recognition and measurement (continued)

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.

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(i)(i)).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(C) FINANCIAL INSTRUMENTS (CONTINUED)

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

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 financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

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.

Financial liabilities 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.

(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.

(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 expired. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(D) PROPERTY, PLANT AND EQUIPMENT

(i) Recognition and measurement

Freehold land and assets under construction are stated as cost. Other 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 assets under construction 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.

The 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.

(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:

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(D) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(iii) Depreciation (continued)

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. Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

(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 the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

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. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred. Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

(F) GOODWILL

(i) Goodwill

Goodwill arising on business combinations is measured at cost less any accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investee.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(F) GOODWILL (CONTINUED)

(ii) Amortisation

Goodwill with indefinite useful life 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.

(H) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, balances and deposits with banks. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(I) 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. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

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.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) IMPAIRMENT (CONTINUED)

(i) Financial assets (continued)

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

The carrying amounts of other 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 or cash generating unit.

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 cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

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.

(J) EQUITY INSTRUMENTS

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(K) 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 has 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.

(ii) State plans

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

(iii) 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.

(iv) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a detailed formal plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to voluntary redundancy. Termination benefits for voluntary redundancies are recognised as expenses if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(L) PROVISIONS

A provision is recognised if, as a result of a past event, the Group has 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. The unwinding of the discount is recognised as finance cost.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(L) PROVISIONS (CONTINUED)

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.

(M) REVENUE AND OTHER INCOME

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, 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, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(iii) Interest income

Interest income is recognised as it accrues, using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(N) BORROWING COSTS

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible capitalisation.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(O) 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.

(P) INCOME TAX

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

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

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 be applied 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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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.

(Q) 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, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for own shares held for the effects of all dilutive potential ordinary shares.

(R) OPERATING SEGMENTS

An operating segment is a single reporting segment 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 (“COO”) of the Group, to make decisions about resources to be allocated to the segment and to 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	Assets under construction RM	Total RM
Cost							
At 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/ 1 April 2011	3,406,590	14,434,420	4,547,156	11,104,160	1,746,487	-	35,238,813
Acquisition through business combinations	834,400	615,599	152,446	235,600	-	-	1,838,045
Additions	-	-	1,796,644	2,014,639	69,359	12,157,444	16,038,086
Disposals	-	-	(231,113)	-	(355,004)	-	(586,117)
Written-off	-	-	(307,503)	-	-	-	(307,503)
Effect of exchange rates changes	-	-	4,809	3,054	69	-	7,932
At 31 March 2012	4,240,990	15,050,019	5,962,439	13,357,453	1,460,911	12,157,444	52,229,256
Depreciation							
At 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/ 1 April 2011	209,553	620,755	1,608,565	3,795,071	653,025	-	6,886,969
Depreciation for the year	56,932	305,152	677,774	1,299,103	331,860	-	2,670,821
Disposals	-	-	(61,509)	-	(210,628)	-	(272,137)
Written-off	-	-	(31,430)	-	-	-	(31,430)
Effect of exchange rates changes	-	-	385	-	44	-	429
At 31 March 2012	266,485	925,907	2,193,785	5,094,174	774,301	-	9,254,652
Carrying amounts							
At 1 April 2010	2,693,969	12,814,421	1,452,707	2,777,403	608,782	-	20,347,282
At 31 March 2011/ 1 April 2011	3,197,037	13,813,665	2,938,591	7,309,089	1,093,462	-	28,351,844
At 31 March 2012	3,974,505	14,124,112	3,768,654	8,263,279	686,610	12,157,444	42,974,604

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	Total RM
Cost						
At 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/ 1 April 2011	2,846,590	13,417,527	2,800,378	5,902,550	1,180,588	26,147,633
Additions	-	-	631,145	295,300	4,944	931,389
Disposals	-	-	(11,183)	-	-	(11,183)
At 31 March 2012	2,846,590	13,417,527	3,420,340	6,197,850	1,185,532	27,067,839
Depreciation						
At 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/ 1 April 2011	209,553	607,606	1,479,388	3,516,449	550,594	6,363,590
Depreciation for the year	56,932	268,351	271,331	420,511	211,114	1,228,239
Disposals	-	-	(4,915)	-	-	(4,915)
At 31 March 2012	266,485	875,957	1,745,804	3,936,960	761,708	7,586,914
Carrying amounts						
At 1 April 2010	2,693,969	12,814,421	1,405,307	2,777,403	608,782	20,299,882
At 31 March 2011/ 1 April 2011	2,637,037	12,809,921	1,320,990	2,386,101	629,994	19,784,043
At 31 March 2012	2,580,105	12,541,570	1,674,536	2,260,890	423,824	19,480,925

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.1 SECURITY

At 31 March 2012, properties of the Group and of the Company with carrying amounts of RM26,594,853 (2011: RM14,734,763) and RM12,896,206 (2011: RM13,171,019) respectively are charged to a bank as securities for term loans granted to the Group and the Company (see Note 13).

3.2 LEASED ASSETS

At 31 March 2012, the net carrying amounts of property, plant and equipment acquired under hire purchase agreements are as follows:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Plant and machineries	2,452,743	2,447,933	273,885	-
Motor vehicles	228,283	750,229	182,340	303,900
	2,681,026	3,198,162	456,225	303,900

3.3 LAND

Included in the carrying amounts of land are:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Freehold land	1,394,400	560,000	-	-
Leasehold land	2,580,105	2,637,037	2,580,105	2,637,037
	3,974,505	3,197,037	2,580,105	2,637,037

4. GOODWILL

	Group RM
Cost	
1 April 2010	251,545
Acquisition through business combinations	26,014,665
At 31 March 2011/ 1 April 2011	26,266,210
Acquisition through business combinations	13,415,489
At 31 March 2012	39,681,699
Impairment loss	
At 1 April 2010/31 March 2011/1 April 2011	251,545
Impairment loss during the year	1,214,670
At 31 March 2012	1,466,215
Carrying amounts	
At 1 April 2010	-
At 31 March 2011/1 April 2011	26,014,665
At 31 March 2012	38,215,484

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's business units acquired, which represents the lowest level within the Group, at which the goodwill is monitored for internal management purposes.

The recoverable amounts of the business units were based on value in use calculations. These calculations were determined based on post-tax cash flow projections based on financial budget 2013 approved by management and the cash flows beyond 2013 are projected for a four-year period and extrapolated to terminal value using estimated growth rates stated below. The growth rate does not exceed the average historical growth rate over the long term for the industry.

Value in use was determined by discounting the future cash flows expected to be generated from the continuing use of the units and was based on the following key assumptions:

- There will be no material change in structure and principal activities of cash - generating units.
- Sales are expected to grow at 10% - 20% per annum.
- Gross profit margin is expected to be constant.
- General and administration expenses are expected to increase at 5% per annum taking into account inflationary pressure on prices.
- A pre-tax discount rate of 5-10% 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.
- Terminal growth rate are expected to be 5% per annum.

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 2012 RM	Company 2011 RM
Unquoted shares, at cost	26,866,804	26,866,804
Less: Accumulated impairment losses	(209,995)	(209,995)
	26,656,809	26,656,809

Details of the subsidiaries are as follows:

Company	Group's effective interest 2012	Group's effective interest 2011	Country of incorporation	Principal activities
CLT Engineering Sdn. Bhd.	51%	51%	Malaysia	Fabrication of machine parts and toolings for equipment and replications of systems and equipment.
FAS Manufacturing Sdn. Bhd.	60%	60%	Malaysia	Fabrication of machine parts and tooling for equipments. The company has temporarily ceased operation during the year.
FAS Technology Solution Sdn. Bhd.	60%	60%	Malaysia	Design and development of standard automated industrial equipment. The company has temporarily ceased operation during the year.
Genetec Global Technologies, Inc. #	100%	100%	United States of America	Investment holding.
Subsidiary of CLT Engineering Sdn. Bhd.				
CLT Engineering (Thailand) Co., Ltd.^,#,@	51%	-	Thailand	Provision of fabrication system integration and engineering services and products.
Subsidiaries of Genetec Global Technologies, Inc.				
Systems South, Inc. @	85%	80%	United States of America	Design and manufacturing of custom equipment solutions.
IP Systems, Inc. ^, @	60%	-	United States of America	Manufacture of custom nuclear gloveboxes and hot cells, pharmaceutical isolators, and sterilization systems.

^ Acquired during the year
@ Audited by firms of auditors other than KPMG.
\# Subsidiary was consolidated based on unaudited financial statements. The results of the subsidiary is not significant to the Group.

6. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Unquoted shares outside Malaysia, at cost	49,000	49,000	49,000	49,000
Share of post-acquisition profit/(losses)	110,648	(28,352)	-	-
	159,648	20,648	49,000	49,000

The details of the associate are as follows:

Name of associate	Principal activities	Country of incorporation	Effective ownership interest 2012	Effective ownership interest 2011	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
2012				
TGT Technology Limited*	1,259,053	285,109	360,595	113,278
2011				
TGT Technology Limited^	1,252,743	30,359	190,278	238,781

* Results of this associate are based on audited financial statements as at 31 December 2011 and management financial statements from 1 January 2012 to 31 March 2012. Results of this associate are not material to the Group.

^ Results of this associate were 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 were not material to the Group.

7. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax (assets)/liabilities

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

	Assets		Liabilities		Net	
	2012 RM	2011 RM	2012 RM	2011 RM	2012 RM	2011 RM
Group						
Property, plant and equipment	-	-	847,260	1,111,582	847,260	1,111,582
Unutilised tax losses	(996,164)	-	-	-	(996,164)	-
Others	-	(526,000)	10,732	-	10,732	(526,000)
Tax (assets)/liabilities	(996,164)	(526,000)	857,992	1,111,582	(138,172)	585,582
Set off of tax	540,859	526,000	(540,859)	(526,000)	-	-
Net tax (assets)/ liabilities	(455,305)	-	317,133	585,582	(138,172)	585,582
Company						
Property, plant and equipment	-	-	196,000	196,000	196,000	196,000
Others	(66,000)	(66,000)	-	-	(66,000)	(66,000)
Net tax (assets)/ liabilities	(66,000)	(66,000)	196,000	196,000	130,000	130,000
Set off of tax	66,000	66,000	(66,000)	(66,000)	-	-
Net tax (assets)/ liabilities	-	-	130,000	130,000	130,000	130,000

Unrecognised deferred tax assets

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

	Group	
	2012 RM	2011 RM
Unabsorbed capital allowances	(172,500)	(190,000)
Unutilised tax losses	(3,623,500)	(2,373,000)
Deductible temporary differences	-	119,000
	(3,796,000)	(2,444,000)
At 25%	(949,000)	(611,000)

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 therefrom.

7. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

Group	At 1.4.2010 RM	Recognised in profit or loss RM	Arising from business combinations RM	At 31.3.2011/ 1.4.2011 RM	Recognised in profit or loss RM	Arising on business combination RM	At 31.3.2012 RM
Property, plant and equipment	255,000	401,000	455,582	1,111,582	(349,739)	85,417	847,260
Unutilised tax losses	-	-	-	-	(324,285)	(671,879)	(996,164)
Other temporary differences	(66,000)	(460,000)	-	(526,000)	(102,207)	638,939	10,732
	189,000	(59,000)	455,582	585,582	(776,231)	52,477	(138,172)
		Note 17			Note 17	Note 26.1(iv)	

Company	At 1.4.2010 RM	Recognised in profit or loss RM	At 31.3.2011/ 1.4.2011 RM	Recognised in profit or loss RM	At 31.3.2012 RM
Property, plant and equipment	255,000	(59,000)	196,000	-	196,000
Other temporary differences	(66,000)	-	(66,000)	-	(66,000)
	189,000	(59,000)	130,000	-	130,000
		Note 17		Note 17	

8. INVENTORIES

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
At cost:				
Raw materials	520,648	630,877	278,472	235,102
Consumables	4,083,006	4,909,408	1,284,533	1,929,837
Work-in-progress	15,141,451	10,192,808	9,878,012	1,568,474
Finished goods	654,255	430,067	201,186	66,205
	20,399,360	16,163,160	11,642,203	3,799,618
Recognised in profit or loss:				
Inventories recognised as cost of sales	75,591,046	78,150,570	33,402,465	49,954,528
Inventories written off	-	39,606	-	39,606

9. DERIVATIVE FINANCIAL ASSETS

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Financial assets at fair value through profit or loss and represented at fair value:				
- Forward contracts	265,900	798,061	252,400	721,694

10. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2012 RM	2011 RM restated	2012 RM	2011 RM restated
Trade					
Trade receivables		52,499,974	34,644,745	20,473,132	18,402,921
Subsidiaries	10.1	-	-	3,825	872,127
		52,499,974	34,644,745	20,476,957	19,275,048
Non-trade					
Other receivables	10.2	4,334,990	2,393,935	107,311	115,128
Subsidiaries	10.1	-	-	16,770,449	11,821,439
Deposits	10.3	359,220	2,028,505	125,765	67,745
Prepayments	10.4	5,537,580	1,488,300	2,626,780	1,064,366
		10,231,790	5,910,740	19,630,305	13,068,678
Less: Impairment loss		-	-	(3,144,669)	(2,790,461)
		10,231,790	5,910,740	16,485,636	10,278,217
		62,731,764	40,555,485	36,962,593	29,553,265

10.1 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.

10.2 Included in other receivables of the Group at 31 March 2011 was an amount of RM2,234,268 due from companies which were acquired subsequent to the financial year end 31 March 2011.

10.3 Included in deposits of the Group at 31 March 2011 was an amount of RM1,679,996 being advances paid for the acquisition of a piece of leasehold land together with a building on the land. The remaining balance has been paid during the financial year.

10.4 Included in prepayments of the Group and of the Company is an amount of RM4,923,269 (2011: RM1,318,901) and RM2,489,069 (2011: RM1,048,730) respectively, being advances paid to suppliers for goods acquired.

11. CASH AND CASH EQUIVALENTS

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Cash and bank balances	2,338,993	14,999,516	900,312	8,540,264
Deposits placed with licensed banks	5,341	5,208	5,341	5,208
	2,344,334	15,004,724	905,653	8,545,472

12. CAPITAL AND RESERVES

Share capital

	Group and Company			
	Amount 2012 RM	Number of shares 2012	Amount 2011 RM	Number of shares 2011
Ordinary shares of RM0.10 each:				
Authorised				
At 1 April 2011/2010	50,000,000	500,000,000	25,000,000	250,000,000
Created during the year	-	-	25,000,000	250,000,000
At 31 March	50,000,000	500,000,000	50,000,000	500,000,000
Issued and fully paid				
At 1 April 2011/2010	35,173,800	351,738,000	12,131,200	121,312,000
Issued during the year	-	-	9,600,000	96,000,000
Bonus issue	-	-	12,161,200	121,612,000
Issue of shares under ESOS	-	-	1,281,400	12,814,000
At 31 March	35,173,800	351,738,000	35,173,800	351,738,000

Share premium

The reserve comprise premium paid on subscription of shares in the Company over and above par value of the shares.

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.

12. 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 2012 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 2012 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.

13. LOANS AND BORROWINGS

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Non-current				
Finance lease liabilities	1,729,861	1,956,382	149,463	-
Term loans (secured)	18,555,636	6,762,874	6,384,039	6,762,874
	20,285,497	8,719,256	6,533,502	6,762,874
Current				
Finance lease liabilities	740,870	651,785	92,668	84,282
Bankers' acceptances (secured)	21,027,639	13,623,000	-	-
Bankers' acceptances (unsecured)	3,014,000	-	3,014,000	-
Foreign currency loan	450,702	-	450,702	-
Line of credit (secured)	8,690,085	-	-	-
Revolving credits (secured)	4,000,000	4,000,000	4,000,000	4,000,000
Term loans (secured)	1,102,382	377,905	383,100	377,905
	39,025,678	18,652,690	7,940,470	4,462,187
	59,311,175	27,371,946	14,473,972	11,225,061

Security

The term 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. The line of credit of the subsidiaries are secured by all equipment and account receivable of the subsidiaries and backed by a guarantee by the subsidiaries' related parties in United States of America.

Significant covenants

The secured term 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) Minimum Tangible Net worth at RM12,000,000.
(iii) 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.

13. LOANS AND BORROWINGS (CONTINUED)

Finance lease liabilities

Finance lease liabilities are payable as follows:

	2012			2011		
	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	871,535	(130,665)	740,870	784,482	(132,697)	651,785
Between one and five years	1,869,264	(139,403)	1,729,861	2,170,059	(213,677)	1,956,382
	2,740,799	(270,068)	2,470,731	2,954,541	(346,374)	2,608,167
Company						
Less than one year	104,568	(11,900)	92,668	86,078	(1,796)	84,282
Between one and five years	156,852	(7,389)	149,463	-	-	-
	261,420	(19,289)	242,131	86,078	(1,796)	84,282

14. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2012 RM	2011 RM	2012 RM	2011 RM
Trade					
Trade payables		20,252,367	11,369,113	7,996,720	5,407,338
Subsidiaries	14.1	-	-	14,512	-
Associate	14.1	7,459	-	7,459	-
		20,259,826	11,369,113	8,018,691	5,407,338
Non-trade					
Other payables		1,520,785	654,554	293,497	400,383
Accruals		5,356,170	3,858,237	1,603,213	1,704,264
Associate	14.1	20,747	-	20,747	-
		6,897,702	4,512,791	1,917,457	2,104,647
		27,157,528	15,881,904	9,936,148	7,511,985

14.1 Amount due to subsidiaries and an associate

The trade balances due to subsidiaries and an associate are subject to normal trade terms.

The non-trade balances due to an associate are unsecured, interest free and are repayable on demand.

15. PROFIT FOR THE YEAR

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Profit for the year is arrived at after charging:				
Audit fees:				
- KPMG Malaysia	117,000	105,000	55,000	43,000
- Other auditors	201,783	-	-	-
Non audit fees:				
- KPMG Malaysia	12,000	12,000	12,000	12,000
Depreciation of property, plant and equipment	2,670,821	1,805,499	1,228,239	1,284,257
Derivative realised loss	87,616	-	87,616	-
Finance costs:				
- finance lease liabilities	180,798	29,514	8,407	10,391
- bankers' acceptances	741,700	317,699	143,736	90,124
- line of credit	15,123	-	-	-
- bank loans	1,295,809	456,336	641,751	456,336
- overdraft	120,926	-	3,948	-
- bank charges and commitment fees	468,812	271,205	140,289	125,475
Impairment loss on:				
- amounts due from subsidiaries	-	-	354,208	1,500,000
- investments in subsidiaries	-	-	-	59,997
- goodwill	1,214,670	-	-	-
Inventories written off	-	39,606	-	39,606
Loss on disposal of property, plant and equipment, net	-	-	2,436	-
Loss on foreign exchange:				
- realised	66,172	130,696	25,699	93,144
- unrealised	13,790	471,347	-	456,688
Personnel expenses (including key management personnel):				
- Contributions to Employees Provident Fund	1,755,882	1,265,088	837,151	754,170
- Wages, salaries and others	34,374,402	14,547,790	8,758,802	7,589,161
Property, plant and equipment written off	276,073	-	-	-
Rental expense on properties	1,153,961	327,560	-	34,400
Rental of motor vehicles	43,843	-	-	-

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
and after crediting:				
Derivative gain				
- realised	26,606	1,364,901	-	1,241,901
- unrealised	265,900	798,061	252,400	721,694
Dividend received	-	-	3,060,000	-
Finance income from deposits	111,553	150,015	91,663	138,783
Gain on disposal of property, plant and equipment, net	7,909	8,580	-	8,580
Gain on foreign exchange				
- realised	5,700	586	-	-
- unrealised	142,056	-	157,252	-
Gain on partial disposal of investment in a subsidiary	-	-	-	100,000
Gain on partial disposal of a subsidiary	-	100,000	-	-
Rental income	126,400	-	-	-
Reversal of impairment loss for trade receivables	-	43,965	-	43,965
Waiver of amount due to director	991,763	-	-	-

16. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Directors:				
- Remuneration	1,915,480	941,956	365,370	577,436
- Fees	187,000	154,000	123,000	82,000
- Other short term employee benefits	95,400	75,800	17,400	34,800
	2,197,880	1,171,756	505,770	694,236

During the year, in addition to the 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 RM183,790 (2011: RM328,500).

17. INCOME TAX EXPENSE

Recognised in profit or loss

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Current tax expense				
Malaysian				
- current year	589,082	3,374,254	150,000	500,000
- prior year	(1,439,634)	(161,844)	(45,139)	(154,760)
	(850,552)	3,212,410	104,861	345,240
Deferred tax expense				
- origination and reversal of temporary differences	(407,578)	(59,000)	-	(59,000)
- over provision in prior year	(368,653)	-	-	-
	(776,231)	(59,000)	-	(59,000)
Total income tax expense	(1,626,783)	3,153,410	104,861	286,240

17. INCOME TAX EXPENSE (CONTINUED)

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Reconciliation of tax expense				
Profit before tax	7,187,399	18,308,803	5,004,880	9,390,964
Income tax using Malaysian tax rate of 25%	1,796,850	4,577,201	1,251,220	2,347,741
Non-deductible expenses	1,414,924	512,767	262,710	93,223
Non-taxable income	(684,703)	-	(684,703)	-
Tax incentive (Pioneer status)*	(2,763,956)	(1,999,964)	(679,227)	(1,999,964)
Effect of deferred tax assets not recognised	338,000	225,250	-	-
Effect of different tax rates in foreign jurisdictions	80,389	-	-	-
	181,504	3,315,254	150,000	441,000
Over provision in prior year				
- current tax	(1,439,634)	(161,844)	(45,139)	(154,760)
- deferred tax	(368,653)	-	-	-
	(1,626,783)	3,153,410	104,861	286,240

* The Company was granted the pioneer status tax incentive by the Malaysian Industrial Development Authority ("MIDA") in respect of its "Automated Machine and Equipment, and Related Modules" activities for a period of 5 years commencing 1 January 2005 and subject to additional 5 years extension period upon expiry. The incentives, which have expired, were successfully extended for a period of 5 years. During the year, the Group's subsidiary, CLT Engineering Sdn. Bhd. was also granted the pioneer status incentives by MIDA in respect of its "Automated Assembly and Testing Machine, and Related Module" activities for a period of 5 years commencing 18 October 2010 and subject to additional 5 years extension period.

By virtue of the pioneer status, the statutory income derived from the pioneer services during the pioneer period will be fully exempted from income tax.

18. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the year ended 31 March 2012 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2012 RM	2011 RM
Profit attributable to ordinary shareholders	4,048,028	12,419,792

18. EARNINGS PER ORDINARY SHARE (CONTINUED)

Basic earnings per ordinary share (continued)

	Group	
	2012	**2011**
Weighted average number of ordinary shares		
Issued ordinary shares at 1 April	351,738,000	121,312,000
Effect of exercise of ESOS	-	8,790,427
Bonus issue	-	121,612,000
Effect of ordinary shares issued in August 2010	-	63,123,288
Weighted average number of ordinary shares at 31 March	351,738,000	314,837,715

	2012 Sen	2011 Sen
Basic earnings per ordinary share	1.15	3.94

Diluted earnings per ordinary share

No diluted earnings per share is disclosed in these financial statements as there are no dilutive potential ordinary shares.

19. DIVIDENDS

Dividends recognised by the Company:

	Sen per share (tax exempt)	Total amount RM	Date of payment
2011			
First and final 2011 ordinary	10	3,517,380	23 September 2011

20. OPERATING SEGMENT

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.

Geographical segments

The industrial automation segment is managed on a worldwide basis, but operates manufacturing facilities and sales offices mainly in Malaysia and the United States of America.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments (including investments in associates) and deferred tax assets.

Geographical information	Revenue RM	Non-current assets RM
2012		
Malaysia	123,020,738	46,686,932
United States of America	32,395,942	31,441,193
Other countries	16,832	3,061,963
	155,433,512	81,190,088

Operating segments by geographical location for the previous financial year is not presented as the Group's reportable segments operated predominantly in Malaysia during the year ended 31 March 2011. Other geographical segment which is the United States of America does not qualify as a reportable segment in the last financial year.

21. FINANCIAL INSTRUMENTS

21.1 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
- Designated upon initial recognition ("FVTPL-DUIR"); and
(c) Other financial liabilities measured at amortised cost ("OL").

	Carrying amount RM	L&R RM	FVTPL -DUIR RM
2012			
Group			
Financial assets			
Derivatives	265,900	-	265,900
Trade and other receivables	56,834,964	56,834,964	-
Cash and cash equivalents	2,344,334	2,344,334	-
	59,445,198	59,179,298	265,900

21. FINANCIAL INSTRUMENTS (CONTINUED)

21.1 CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

	Carrying amount RM	OL RM
2012		
Group		
Financial liabilities		
Loans and borrowings	59,311,175	59,311,175
Trade and other payables	27,157,528	27,157,528
	86,468,703	86,468,703

	Carrying amount RM	L&R RM	FVTPL -DUIR RM
2012			
Company			
Financial assets			
Derivatives	252,400	-	252,400
Trade and other receivables	34,210,048	34,210,048	-
Cash and cash equivalents	905,653	905,653	-
	35,368,101	35,115,701	252,400

	Carrying amount RM	OL RM
Financial liabilities		
Loans and borrowings	14,473,972	14,473,972
Trade and other payables	9,936,148	9,936,148
	24,410,120	24,410,120

	Carrying amount RM	L&R RM	FVTPL -DUIR RM
2011			
Group			
Financial assets			
Derivatives	798,061	-	798,061
Trade and other receivables	37,038,680	37,038,680	-
Cash and cash equivalents	15,004,724	15,004,724	-
	52,841,465	52,043,404	798,061

21. FINANCIAL INSTRUMENTS (CONTINUED)

21.1 CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

	Carrying amount RM	OL RM
2011		
Group		
Financial liabilities		
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

	Carrying amount RM	L&R RM	FVTPL -DUIR RM
2011			
Company			
Financial assets			
Derivatives	721,694	-	721,694
Trade and other receivables	28,421,154	28,421,154	-
Cash and cash equivalents	8,545,472	8,545,472	-
	37,688,320	36,966,626	721,694

	Carrying amount RM	OL RM
Financial liabilities		
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

21.2 NET GAINS AND LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Net gains/(losses) arising on: Fair value through profit or loss - Designated upon initial recognition	204,890	2,162,962	164,784	1,963,595
Loans and receivables	135,802	(365,688)	(174,457)	(1,826,767)
Financial liabilities measured at amortised cost	(2,567,923)	(1,083,056)	(894,585)	(722,643)
	(2,227,231)	714,218	(904,258)	(585,815)

21. FINANCIAL INSTRUMENTS (CONTINUED)

21.3 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

21.4 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.

21.4.1 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 Group has concentration of credit risk through the Group's major customers which represents 85% (2011: 98%) of total trade receivable. The Directors are closely monitoring the Group's credit risk exposure to these major customers and are confident in recovering the amount.

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 (excluding amount due from subsidiaries) as at the end of the reporting period by geographic region was:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Domestic	39,604,277	15,399,075	13,640,750	3,468,659
Asia	8,023,431	17,086,528	6,711,591	14,537,655
North America	4,782,371	2,143,764	120,791	396,607
Others	89,895	15,378	-	-
	52,499,974	34,644,745	20,473,132	18,402,921

21. FINANCIAL INSTRUMENTS (CONTINUED)

21.4 CREDIT RISK (CONTINUED)

21.4.1 Receivables (continued)

Impairment losses

The ageing of trade receivables (excluding amount due from subsidiaries) as at the end of the reporting period was:

Group	Gross RM	Individual impairment RM	Net RM
2012			
Not past due	36,338,126	-	36,338,126
Past due 0 - 30 days	7,112,112	-	7,112,112
Past due more than 30 days	9,049,736	-	9,049,736
	52,499,974	-	52,499,974
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
Company			
2012			
Not past due	10,692,788	-	10,692,788
Past due 0 - 30 days	4,115,733	-	4,115,733
Past due more than 30 days	5,664,611	-	5,664,611
	20,473,132	-	20,473,132
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.

21. FINANCIAL INSTRUMENTS (CONTINUED)

21.4 CREDIT RISK (CONTINUED)

21.4.2 Bank balances and deposits placed with licensed banks

Risk management objectives, policies and processes for managing the risk

Bank balances and deposits placed with licensed banks of the Group and the Company arise as part of the requirements for working capital funding purposes. The management does not have formal policies and procedures for managing the credit risks arising from bank balances and deposits placed with licensed banks as the management does not expect the licensed banks to fail to meet their obligations.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the Group has only placed bank balances and deposits with licensed banks domestically. The maximum exposure to credit risk is represented by the carrying amount in the statement of financial position.

Impairment losses

As at the end of the reporting period, there was no indication of impairment of bank balances and deposits placed with licensed banks.

21.4.3 Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the performance 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 amount in the Company's 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 RM354,207 (2011: RM1,500,000), resulting in a total impairment of RM3,144,669 (2011: RM2,790,461). For the remaining net balances not provided for, the Directors are confident that no further allowances are required and the balances are recoverable.

21. FINANCIAL INSTRUMENTS (CONTINUED)

21.4 CREDIT RISK (CONTINUED)

21.4.4 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 subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM54,154,800 (2011: RM13,623,000) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

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

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

21.5 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.

21. FINANCIAL INSTRUMENTS (CONTINUED)

21.5 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:

	Carrying amount RM	Contractual interest rate	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
Group							
2012							
Non-derivative financial liabilities							
Finance lease liabilities	2,470,731	2.98 - 6.46	2,740,799	871,535	1,313,124	556,140	-
Secured term loans	19,658,018	*	27,152,735	2,264,651	2,267,101	6,816,199	15,804,784
Revolving credits	4,000,000	**	4,200,400	4,200,400	-	-	-
Bankers' acceptances	24,041,639	3.09 - 4.89	24,931,863	24,931,863	-	-	-
Foreign currency loan	450,702	1.95	459,491	459,491	-	-	-
Line of credit	8,690,085	2.00 - 3.00	8,923,975	8,923,975	-	-	-
Trade and other payables	27,157,528	-	27,157,528	27,157,528	-	-	-
2011							
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 term 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							
2012							
Non-derivative financial liabilities							
Finance lease liabilities	242,131	3.00 - 3.56	261,420	104,568	156,852	-	-
Secured bank loans	6,767,139	*	9,008,275	827,783	830,233	2,505,594	4,844,665
Revolving credits	4,000,000	**	4,200,400	4,200,400	-	-	-
Bankers' acceptances	3,014,000	4.16 - 4.89	3,150,384	3,150,384	-	-	-
Foreign currency loan	450,702	1.95	459,491	459,491	-	-	-
Trade and other payables	9,936,148	-	9,936,148	9,936,148	-	-	-
2011							
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%.

21. FINANCIAL INSTRUMENTS (CONTINUED)

21.6 MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's and the Company's financial position or cash flows.

21.6.1 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 currencies giving rise to this risk are primarily the U.S. Dollar ("USD"), Singapore Dollar ("SGD") and Euro ("EUR").

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 was:

	Denominated in		
	USD RM	SGD RM	EUR RM
Group			
2012			
Trade receivables	16,612,824	-	12,320
Cash and cash equivalents	511,039	-	-
Forward contracts	265,900	-	-
Trade payables	(3,885,927)	(195,942)	-
Loans and borrowings	(13,280,613)	-	-
	223,223	(195,942)	12,320
2011			
Trade receivables	18,698,886	-	-
Cash and cash equivalents	2,662,656	-	-
Forward contracts	798,061	-	-
Trade payables	(418,116)	-	-
	21,741,487	-	-
Company			
2012			
Trade and other receivables	10,257,154	-	12,320
Amount due from subsidiaries	13,629,606	-	-
Cash and cash equivalents	217,979	-	-
Forward contracts	252,400	-	-
Trade and other payables	(76,274)	(152,498)	-
Foreign currency loan	(450,702)	-	-
	23,830,163	(152,498)	12,320

21. FINANCIAL INSTRUMENTS (CONTINUED)

21.6 MARKET RISK (CONTINUED)

21.6.1 Currency risk (continued)

	Denominated in		
	USD	SGD	EUR
	RM	RM	RM
2011			
Trade and other receivables	15,200,146	-	-
Amount due from subsidiaries	7,081,525	-	-
Cash and cash equivalents	1,015,057	-	-
Forward contracts	721,694	-	-
Trade and other payables	(384,961)	-	-
	23,633,461	-	-

Currency risk sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

A 10% strengthening of the RM against the following currencies at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Profit or loss	
	2012	2011
	RM	RM
Group		
USD	(16,742)	(1,630,612)
SGD	14,696	-
EUR	(924)	-
Company		
USD	(1,787,262)	(1,772,509)
SGD	11,437	-
EUR	(924)	-

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

21. FINANCIAL INSTRUMENTS (CONTINUED)

21.6 MARKET RISK (CONTINUED)

21.6.2 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:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Fixed rate instruments				
Financial assets	5,341	5,208	5,341	5,208
Financial liabilities	(2,921,433)	(2,608,167)	(692,833)	(84,282)
	(2,916,092)	(2,602,959)	(687,492)	(79,074)
Floating rate instruments				
Financial liabilities	(56,389,742)	(24,763,779)	(13,781,138)	(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.

21. FINANCIAL INSTRUMENTS (CONTINUED)

21.6 MARKET RISK (CONTINUED)

21.6.2 Interest rate risk (continued)

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 2012 RM	30 bp decrease 2012 RM	30 bp increase 2011 RM	30 bp decrease 2011 RM
Group				
Floating rate instruments	(126,877)	126,877	(55,718)	55,718
Company				
Floating rate instruments	(31,008)	31,008	(25,067)	25,067

21.7 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:

	2012		2011	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group				
Forward exchange contracts: Assets	265,900	265,900	798,061	798,061
Secured term loans	19,658,081	19,658,081	7,140,779	7,140,779
Finance lease liabilities	2,470,731	2,386,709	2,608,167	2,473,508
Company				
Forward exchange contracts: Assets	252,400	252,400	721,694	721,694
Secured term loans	6,767,139	6,767,139	7,140,779	7,140,779
Finance lease liabilities	242,131	236,884	84,282	84,282

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

21. FINANCIAL INSTRUMENTS (CONTINUED)

21.7 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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 they are floating rate loan. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

Interest rates used to determine fair value

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

	Group		Company	
	2012	**2011**	**2012**	**2011**
Secured term loans	6.38%	6.45%	6.75%	6.45%
Finance lease liabilities	2.70%	2.95%	2.70%	2.95%

Fair value hierarchy

Comparative figures have not been presented for 31 March 2012 by virtue of paragraph 44G of FRS 7.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels has been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liability.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total RM**
Financial assets				
Derivative financial assets	-	265,900	-	265,900

Company	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total RM**
Financial assets				
Derivative financial assets	-	252,400	-	252,400

22. 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 2012 and at 31 March 2011 were as follows:

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Total borrowings (Note 13)	59,311,175	27,371,946	14,473,972	11,225,061
Less: Cash and cash equivalents (Note 11)	(2,344,334)	(15,004,724)	(905,653)	(8,545,472)
	56,966,841	12,367,222	13,568,319	2,679,589
Total equity	82,995,547	81,541,272	71,507,614	70,124,975
Debt-to-equity ratio	0.69	0.15	0.19	0.04

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 13 and the Group and the Company have complied with the covenants.

23. CAPITAL COMMITMENTS

	Group	
	2012 RM	**2011 RM**
Capital expenditure commitments		
Property, plant and equipment		
Contracted but not provided for and payable within one year	2,296,900	10,350,000

24. 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	
	2012 RM	**2011 RM**
Guarantees given to financial institutions for facilities granted to the subsidiaries	54,154,800	13,623,000

25. RELATED PARTIES

IDENTITY OF RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company 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 or the Company 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.

The significant related party transactions of the Group and the Company, other than key management personnel compensation, are as follows:

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Subsidiaries				
Purchases	-	-	593,215	57,454
Sales	-	-	(72,160)	(879,225)
Dividend income	-	-	(3,060,000)	-
Subsidiaries of an affiliate company				
Purchases	3,500,162	1,774,230	1,141,716	1,355,999
Associate				
Servicing fee	879,103	682,345	879,103	682,345
Purchases	435,429	351,548	435,429	351,548

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 are disclosed in Note 10 and 14. As at 31 March 2012, the balances outstanding to subsidiaries of an affiliate company, KVC Industrial Supplies Sdn. Bhd. and TSA Industries Sdn. Bhd., are RM 725,499 (2011: RM224,776) and RM38,431 (2011: RM65,933), respectively while there are no balances owing to Cotel Precision Industries Sdn. Bhd. The balance outstanding to an associate, TGT Technology Limited is amount to RM28,206 (2011: Nil).

26. BUSINESS COMBINATIONS

26.1 ACQUISITION OF SUBSIDIARIES

The Group acquired the following subsidiaries during the year ended 31 March 2012:

(i) In April 2011, Genetec Global Technologies, Inc. (“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 RM6,823,193) satisfied by cash.

26. BUSINESS COMBINATIONS (CONTINUED)

26.1 ACQUISITION OF SUBSIDIARIES (CONTINUED)

(ii) In April 2011, CLT Engineering Sdn. Bhd., a 51% owned subsidiary of the Company, 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.

(iii) In December 2011, GT Global acquired an additional 5% equity interest in Systems South, Inc. from a third party in the United States of America, for a total consideration of USD105,500 (approximately RM337,605) satisfied by cash.

(iv) The fair values of assets acquired and liabilities assumed in the acquisition of the subsidiaries mentioned in Note 26.1(i) and (ii) and their cash flow effects are as follows:

	At dates of acquisitions RM	Fair value adjustment RM	Total RM
Property, plant and equipment	1,496,377	341,668	1,838,045
Goodwill	4,317,103	-	4,317,103
Deferred tax asset / (liabilities)	32,940	(85,417)	(52,477)
Current assets	1,325,818	-	1,325,818
Current liabilities	(2,578,371)	-	(2,578,371)
Borrowings	(6,156,224)	-	(6,156,224)
Net identifiable assets and liabilities	(1,562,357)	256,251	(1,306,106)
Non-controlling interest			480,914
Goodwill on consolidation			9,098,386
Consideration paid, satisfied in cash			8,273,194
Cash and cash equivalents acquired			(497,618)
Net cash outflow			7,775,576

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.

26.2 PRIOR YEAR INCORPORATION AND ACQUISITION OF SUBSIDIARIES

The Group incorporated the following subsidiaries during the year ended 31 March 2011:

(i) In August 2010, the Company acquired 51% equity interest in CLT Engineering Sdn. Bhd. 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, 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 Systems South, Inc.

(iii) In January 2011, GT Global acquired 80% equity interest in Systems South, Inc. 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.

27. SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

In May 2012, Genetec Global Technologies, Inc. incorporated a new wholly-owned subsidiary in the United States of America, Genetec Technology Automation, Inc. with total issued and paid up capital of USD100 comprising 100 shares.

28. COMPARATIVE FIGURES

Certain comparatives have been restated to conform with current year's presentation. The changes in comparative figures are as stated below:

Company	31.3.2011 As restated RM	 As previously stated RM
Statement of financial position		
Trade and other receivables	29,553,265	19,650,160
Amount due from subsidiaries	-	9,903,105

29. 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 2012 into realised and unrealised profits, pursuant to the directive, is as follows:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Total retained earnings of the Company and its subsidiaries				
- realised	25,096,223	30,111,824	17,675,382	16,437,256
- unrealised	532,347	(258,868)	279,519	135,006
	25,628,570	29,852,956	17,954,901	16,572,262
Total share of accumulated losses from an associate				
- realised	110,648	(28,352)	-	-
	25,739,218	29,824,604	17,954,901	16,572,262
Less: Consolidation adjustments	(6,339,317)	(10,458,467)	-	-
Total retained earnings	19,399,901	19,366,137	17,954,901	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 32 to 89 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 2012 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 29 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: 4 July 2012

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 32 to 89 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 Kuala Lumpur in the Federal Territory on 4 July 2012.

TAN KON HOAN

Before me:

No. W378
K NERMALA
Commissioners for Oaths
Kuala Lumpur, Federal Territory

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 2012 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 32 to 89.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of these 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 2012 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 of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.

(c) 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 for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports of 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 29 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: 1745/12/13(J)
Chartered Accountant

Petaling Jaya, Selangor

Date: 4 July 2012

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 2012

No.	Address	Approximate tenure/ Year of expiry	Description/ Existing use	Land area / Built-up area (sq. ft.)	Net book value @ 31.03.12 (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	12,896	4	31 Mar 2008
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	2,275	7	20 Mar 2006
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	472	13	10 May 2005
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	472	13	10 May 2005
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	597	13	10 May 2005
6.	Lot 11734, Persiaran Subang Indah, Sungai Penaga Industrial Estate, 47610 Subang Jaya, Selangor Darul Ehsan.	99 years expiring in 2090	Leasehold 1½ -storey office and factory	81,911/ 49,217	12,157	22	15 June 2011

ADDITIONAL COMPLIANCE INFORMATION

1. SHARE BUY-BACKS

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

2. 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 12 to the Audited Financial Statements.

3. AMERICAN DEPOSITORY RECEIPT ("ADR") / GLOBAL DEPOSITORY RECEIPT ("GDR")

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

4. 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.

5. NON-AUDIT FEES

Non-audit fees paid out or payable to external auditors by the Group for the financial year 31 March 2012 was RM12,000 (2011: RM12,000).

6. PROFIT ESTIMATE, FORECAST OR PROJECTION

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

7. VARIATION IN RESULTS

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

8. PROFIT GUARANTEE

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

9. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and substantial shareholders interests except for the following:

(i) On 17 February 2011, Genetec Global Technologies, Inc. ("**GT Global**") proposed to acquire 60% equity interest in IP Systems Inc., a company incorporated in the United States of America, for a total cash consideration of USD2,250,000 (approximately RM6,975,000). The proposed acquisition was completed in April 2011.

(ii) On 11 March 2011, CLT Engineering Sdn. Bhd. proposed to acquire 100% equity interest in CLT Engineering (Thailand) Co. Ltd for a total cash consideration of RM1,450,000. The proposed acquisition was completed in April 2011.

(iii) On 20 December 2011, GT Global had further acquired another five (5) shares on common stock of Systems South, Inc. ("**System South**") for a cash consideration of USD105,000. Following the further acquisition 5% equity interest, Systems South becamse a 85%-owned subsidiary of GT Global.

(iv) On 17 May 2012, GT Global incorporated a new wholly-owned subsidiary in the United States of America, Genetec Technology Automation Inc., with total issued and paid-up capital of USD100.

10. RECURRENT RELATED PARTY TRANSACTIONS

The significant recurrent related party transactions conducted during the financial year ended 31 March 2012 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 shareholdings in ATIS). He is also an indirect Major Shareholder of Cotel (via his shareholdings in ATIS) ATIS is a Major Shareholder of Genetec and also and indirect Major Shareholder of Cotel (via its shareholdings in KVC)	Purchase of precision measuring instruments	12,107
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 shareholdings in ATIS) ATIS is a common Major Shareholder of both Genetec and KVC and also an indirect Major Shareholder of CLT (via its shareholdings in Genetec)	Purchase of electrical and electronic products	3,249,551
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 and also indirect Major Shareholder of CLT (via its shareholdings in Genetec)	Purchase of industrial hardware	238,504
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 shareholdings 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 Major Shareholder of Genetec and also an indirect Major Shareholder of TGT (via its shareholdings in Genetec)	Servicing fees for designing machines Purchase of fabrication parts	879,103 435,429
5	CLT Engineering Sdn Bhd ("CLT")	Tan Moon Teik is a Director and Major Shareholder of Genetec. He is also a Director and Major Shareholder of CLT Chin Kem Weng is a Director and Major Shareholder of Genetec. He is also a Director and Indirect Major Shareholder of CLT (via his shareholding in Genetec)	Sale of machines and components Purchase of fabrication parts	51,615 559,290

ANALYSIS OF SHAREHOLDINGS
AS AT 29 JUNE 2012

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	36	19,250	0.01
1,001 – 10,000	184	1,354,900	0.38
10,001 – 100,000	368	16,088,900	4.57
100,001 – 17,586,899	133	101,572,900	28.88
17,586,900 and above (5% of issued securities)	3	232,702,000	66.16
Total	**725**	**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	81,602,000	23.20	-	-
Lam Choon Wah	-	-	-	-
Ong Phoe Be	2,400,000	0.68	-	-

Note: # Deemed interested through his spouse
* Deemed interested through ATIS Corporation Berhad

Other than as stated above, there has been no changes in the deemed interest of directors in related companies as disclosed in page 29 of this annual report since the close of the financial year ended 31 March 2012.

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	81,602,000	23.20	-	-
Chin Kem Weng	54,600,000	15.52	-	-
Chen Khai Voon	-	-	96,500,000*	27.44

Note: * 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	TAN MOON TEIK	81,602,000	23.20
3	CHIN KEM WENG	54,600,000	15.52
4	TAN KOK ANG	9,234,900	2.62
5	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN LEE HEONG	7,200,000	2.05
6	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEANG CHEE LEONG	5,000,000	1.42
7	CHIA HEE CHONG	4,517,900	1.28
8	LEONG KAH KONG	4,491,700	1.28
9	WANNEE BOONYASIRIWAT	4,296,000	1.22
10	CHIN LEE HEONG	4,259,600	1.21
11	HENG LIANG KEA	2,875,700	0.82
12	PUA FUN SEANG	2,836,000	0.81
13	PUBLIC INVEST NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD	2,620,000	0.74
14	ALLEN LIK-HOOK TING	2,520,000	0.72
15	ONG PHOE BE	2,400,000	0.68
16	YEO TEIK HOCK	2,346,000	0.67
17	SOW EWE LEE	2,329,000	0.66
18	ALLIANCE GROUP 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	1,534,000	0.44
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	1,336,000	0.38
25	NAZRIN BINTI MOHD YUSOFF	960,500	0.27
26	WONG HAH	904,000	0.26
27	ENG CHEE ONN	880,000	0.25
28	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG CHOY YOKE	854,000	0.24
29	ENG CHEE KEONG	820,000	0.23
30	FAUZI BIN HUSSAIN	800,000	0.23
	Total	**305,871,700**	**86.96**

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)
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

FAS MANUFACTURING SDN BHD
(481528-M)
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

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

GENETEC TECHNOLOGY AUTOMATION, INC.
844 S.E. Main Street
Simpsonville, SC 29681
United States of America
Tel : +1 864.228.3888
Fax : +1 864.228.3890

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

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourteenth 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 Wednesday, 15 August 2012 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 2012 together with the reports of the Directors and Auditors thereon.

Ordinary Resolution

To re-elect the following Directors retiring pursuant to Article 92 of the Company's Articles of Association and being eligible, offer themselves for re-election:-

1 Chen Khai Voon

2 Hew Voon Foo

3 Tan Moon Teik

4 To re-appoint Messrs KPMG as Auditors of the Company for the ensuing year 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:-

5 **Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965**

"THAT, subject to the Companies Act, 1965, Articles of Association of the Company and approvals from the relevant governmental and/or regulatory authorities, full authority be given to the Directors of the Company pursuant to Section 132D of the Companies Act, 1965 to issue and allot shares in the capital of the Company at any time 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 and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

6 **Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions and New Shareholders' Mandate for Additional Recurrent Related Party Transactions ("Proposed Shareholders' Mandate")**

"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 23 July 2012 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 to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution."

Special Resolution 1 **Proposed Amendments to the Articles of Association of the Company**

"THAT the Proposed Amendments to the Articles of Association of the Company as contained in Appendix I annexed to the Annual Report be approved."

BY ORDER OF THE BOARD

LOW SOOK KUAN
MAICSA 7047833
Company Secretary

Selangor Darul Ehsan
23 July 2012

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

5 The proposed Ordinary Resolution, if passed, is a renewal of the shareholders' mandate obtained from the last Annual General Meeting ("**AGM**") and will empower the Directors of Company from the date of the forthcoming AGM until the next AGM to issue and allot shares in the Company up to an aggregate amount not exceeding 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 best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company, unless revoked or varied at a general meeting.

The mandate obtained from the shareholders at the last AGM had not been utilised and no new shares of the Company had been issued and allotted from the date of the last AGM to the date of this notice. Should the mandate be renewed by the shareholders at the forthcoming AGM and should any new shares be issued in pursuance therefrom, any proceeds raised from the issuance of the said new shares would be utilised for working capital purposes and/or business expansion or strategic merger and acquisition.

As such, any additional cost to be incurred or delay arising from the need to convene a general meeting to approve such issuance of shares could be eliminated.

6 Please refer to the circular to shareholders dated 23 July 2012 which is despatched together with the 2012 Annual Report for detailed information of the Proposed Shareholders' Mandate.

Special Resolution

1 The Proposed Amendments to the Articles of Association of the Company are intended to streamline the Company's Articles of Association to be in line with the recent amendments to the ACE Market Listing Requirements of Bursa Securities.

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. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

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

4. 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.

5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney of the corporation duly authorised.

6. The instrument appointing a proxy 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.

7. For the purpose of determining a member who shall be entitled to attend and vote at the forthcoming Fourteenth Annual General Meeting, the Company shall be requesting the Record of Depositors as at 9 August 2012. Only a depositor whose name appears on the Record of Depositors as at 9 August 2012 shall be entitled to attend and vote at the said meeting as well as for appointment of proxy(ies) to attend and vote on his/her stead.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING ("AGM")

1. RE-ELECTION OF DIRECTORS

The following are the Directors standing for re-election at the AGM pursuant to Article 92 of the Articles of Association of the Company:-

- Chen Khai Voon
- Hew Voon Foo
- Tan Moon Teik

Further details and profiles of the above directors are set out in pages 5 to 7 and their securities holding (in the Company and its subsidiaries) on page 29 of this Annual Report.

2. DETAILS OF ATTENDANCE OF DIRECTORS AT THE BOARD OF DIRECTORS' MEETINGS

There were five (5) Board Meetings held during the financial year ended 31 March 2012. Details of attendance of the Directors are set out on page 11 of the Annual Report.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

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

ARTICLE NO.	EXISTING ARTICLES	PROPOSED ARTICLES
2	Definition New definition	**WORD** / **MEANINGS** Share Issuance Scheme — means a scheme involving a new issuance of shares to employees
7	Allotment of shares Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of these Articles, the Act, the Central Depositories Act and to the provisions of any resolution of the Company, shares in the Company may be issued by the Directors who may allot or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights and subject to such restrictions whether with regard to dividend, voting, return of capital or otherwise, and at such times as the Directors may determine but the Directors in making any issue of shares shall comply with the following conditions:- (a) no shares shall be issued at a discount except in compliance with the provisions of Section 59 of the Act; (b) in the case of shares offered to the public for subscription, the amount payable on application on each share shall not be less than five per centum (5%) of the nominal value of the share; (c) in the case of shares of any class other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles and in the resolution creating the same; (d) no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the Members of the Company in a general meeting; (e) every issue of shares or options to employees and/or the Directors of the Company shall be approved by the Members in a general meeting and no Director (including Non-Executive Directors) shall participate in such issue of shares or options unless the Members in a general meeting have approved the specific allotment to be made to such Director (including Non-Executive Director).	Allotment of shares Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of these Articles, the Act, the Central Depositories Act and to the provisions of any resolution of the Company, shares in the Company may be issued by the Directors who may allot or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights and subject to such restrictions whether with regard to dividend, voting, return of capital or otherwise, and at such times as the Directors may determine but the Directors in making any issue of shares shall comply with the following conditions:- (a) hares shall be issued at a discount except in compliance with the provisions of Section 59 of the Act; (b) in the case of shares offered to the public for subscription, the amount payable on application on each share shall not be less than five per centum (5%) of the nominal value of the share; (c) in the case of shares of any class other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles and in the resolution creating the same; (d) no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the Members of the Company in a general meeting; (e) ~~every issue of shares or options to employees and/or the Directors~~ Share Issuance Scheme of the Company shall be approved by the Members in a general meeting and no Director (including Non-Executive Directors) shall participate in ~~such issue of shares or options~~ a Share Issuance Scheme unless the Members in a general meeting have approved the specific allotment to be made to such Director (including Non-Executive Director).

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

ARTICLE NO.	EXISTING ARTICLES	PROPOSED ARTICLES
67	Notice of general meeting (a) The notice for convening general meetings shall specify the place, the date and the hour of the meeting and shall be given to all Members at least fourteen (14) clear days before the meeting or at least twenty-one (21) clear days before the meeting where any Special Resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) clear days' notice or twenty-one (21) clear days' notice in the case where any Special Resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least 1 nationally circulated Bahasa Malaysia or English daily newspaper and in writing to the Bursa Securities. (b) The Company shall request in writing the Bursa Depository in accordance with the Rules to issue a Record of Depositors to whom notices of general meetings shall be given by the Company. (c) The Company shall also in writing request in writing, the Bursa Depository in accordance with the Rules to issue a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than three (3) Market Days before the general meeting ("the General Meeting Record of Depositors"). The General Meeting Record of Depositors shall be the final record of all depositors who shall be deemed to be the registered holders of ordinary shares of the Company eligible to be present and vote at such meetings. (d) Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable) and notwithstanding any provisions in the Act, a Depositor shall not be regarded as a Member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.	Notice of general meeting (a) The notice for convening general meetings shall specify the place, the date and the hour of the meeting. The notices shall also include the date of the Record of Depositors, as at the latest date which is reasonably practical and in any event shall not be less than three (3) market days before the meeting for the purpose of determining whether a depositor shall be regarded as a Member entitled to attend, speak and vote at the meeting. The notices ~~and~~ shall be given to all Members at least fourteen (14) clear days before the meeting or at least twenty-one (21) clear days before the meeting where any Special Resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) clear days' notice or twenty-one (21) clear days' notice in the case where any Special Resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least 1 nationally circulated Bahasa Malaysia or English daily newspaper and in writing to the Bursa Securities. (b) The Company shall request in writing the Bursa Depository in accordance with the Rules to issue a Record of Depositors to whom notices of general meetings shall be given by the Company. (c) The Company shall also in writing request in writing, the Bursa Depository in accordance with the Rules to issue a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than three (3) Market Days before the general meeting ("the General Meeting Record of Depositors"). The General Meeting Record of Depositors shall be the final record of all depositors who shall be deemed to be the registered holders of ordinary shares of the Company eligible to be present and vote at such meetings. (d) Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable) and notwithstanding any provisions in the Act, a Depositor shall not be regarded as a Member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

ARTICLE NO.	EXISTING ARTICLES	PROPOSED ARTICLES
69(A)	New Provision	Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of Central Depositories Act.
69(B)	New Provision	Where a Member (other than a Member who is an exempt authorised nominee) appoints two (2) proxies, or where a Member who is an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
83	Instrument appointing proxy to be in writing The instrument appointing a proxy shall be in writing under the hand of the appointor or of 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. The Directors may but shall not bound to require evidence of the authority of any such attorney or officer. A proxy may but need not be a Member of the Company and Section 149(1)(b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.	Instrument appointing proxy to be in writing The instrument appointing a proxy shall be in writing under the hand of the appointor or of 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. The Directors may but shall not bound to require evidence of the authority of any such attorney or officer. A proxy may but need not be a Member of the Company and Section 149(1)(b) of the Act shall not apply to the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at a meeting. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
84	Appointment of proxies by Authorised Nominee Where a Member is an Authorised Nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each Securities Account it holds with shares in the Company standing to the credit of the said Securities Accounts.	Appointment of proxies by Authorised Nominee Where a Member is an Authorised Nominee as defined under the Central Depositories Act, it may appoint at least one proxy but not more than two (2) proxies in respect of each Securities Account it holds with shares in the Company standing to the credit of the said Securities Accounts.

This page has been left blank intentionally

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 Fourteenth 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 Wednesday, 15 August 2012 at 10.00 a.m. and at any adjournment thereof.

ORDINARY RESOLUTION		FOR	AGAINST	ABSTAIN
1	Re-election of director – Chen Khai Voon			
2	Re-election of director – Hew Voon Foo			
3	Re-election of director – Tan Moon Teik			
4	Re-appointment of Auditors and their remuneration – KPMG			
5	Authority to allot shares			
6	Shareholders' mandate			
SPECIAL RESOLUTION		FOR	AGAINST	ABSTAIN
1	Proposed Amendments to Articles of Association			

(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 2012

....
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. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. 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.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney of the corporation duly authorised.
6. The instrument appointing a proxy 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.
7. For the purpose of determining a member who shall be entitled to attend and vote at the forthcoming Fourteenth Annual General Meeting, the Company shall be requesting the Record of Depositors as at 9 August 2012. Only a depositor whose name appears on the Record of Depositors as at 9 August 2012 shall be entitled to attend and vote at the said meeting as well as for appointment of proxy(ies) to attend and vote on his/her stead.

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

This page has been left blank intentionally

This page has been left blank intentionally

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