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

GENETEC TECHNOLOGY BERHAD (445537-W)

ANNUAL REPORT 2016

Genetec Technology BERHAD

(445537 - W)

2015

ANNUAL REPORT

contents

Corporate Information

BOARD OF DIRECTORS

HEW VOON FOO
Chairman & Independent Non-Executive Director

CHIN KEM WENG
Managing Director

TAN MOON TEIK
Executive Director

WONG WAI TZING
Independent Non-Executive Director

TEH KIM SENG
Independent Non-Executive Director

CHEN KHAI VOON
Non-Independent Non-Executive Director

ONG PHOE BE
Alternate Director to Chen Khai Voon

AUDIT COMMITTEE

HEW VOON FOO *(Chairman)*
WONG WAI TZING
TEH KIM SENG
CHEN KHAI VOON

COMPANY SECRETARY

LOW SOOK KUAN
(MAICSA 7047833)

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

REGISTRAR

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

AUDITORS

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

PRINCIPAL BANKERS

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

STOCK EXCHANGE LISTING

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

WEBSITE

www.genetec.net

EMAIL

genetec@genetec.net

Corporate Structure

As at 30 June 2015

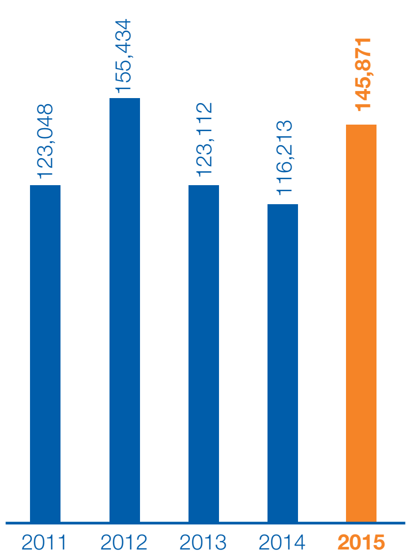
Genetec Technology BERHAD

- 100% **GENETEC GLOBAL TECHNOLOGIES, 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)

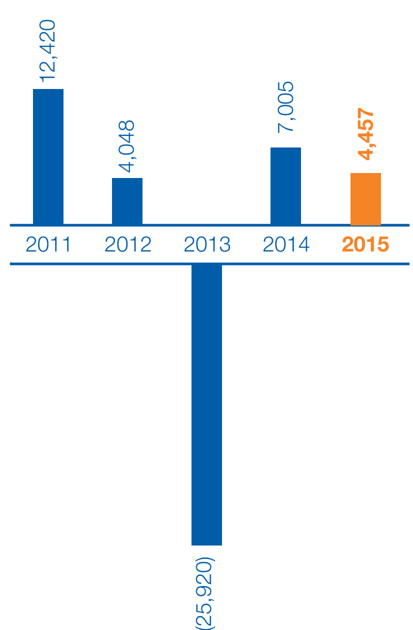
Five Years Group Financial Highlights

	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	2015 RM'000
OPERATING RESULTS					
Revenue	123,048	155,434	123,112	116,213	**145,871**
EBITDA/(LBITDA)	19,003	12,681	(2,381)	4,688	**8,960**
Profit/(Loss) Before Tax	18,309	7,187	(8,159)	(830)	**3,663**
Profit/(Loss) After Tax	15,155	8,814	(32,093)	4,912	**4,970**
Net Profit/(Loss) Attributable to Owners of the Company	12,420	4,048	(25,920)	7,005	**4,457**
KEY BALANCE SHEET DATA					
Total Assets	126,909	169,781	135,529	112,762	**161,675**
Paid-up Capital	35,174	35,174	35,174	35,174	**35,174**
Capital and Reserves	81,541	82,996	48,005	52,582	**61,213**
PROFITABILITY RATIOS					
Return on Total Assets (%)	12	5	(24)	4	**3**
Return on Capital Employed (%)	19	11	(49)	10	**9**
GEARING RATIO					
Net Debt to Capital and Reserves (Times)	0.15	0.69	0.75	0.50	**0.46**
VALUATION					
Basic Earning/(Loss) Per Ordinary Share (Sen)	3.94	1.15	(7.37)	1.99	**1.27**

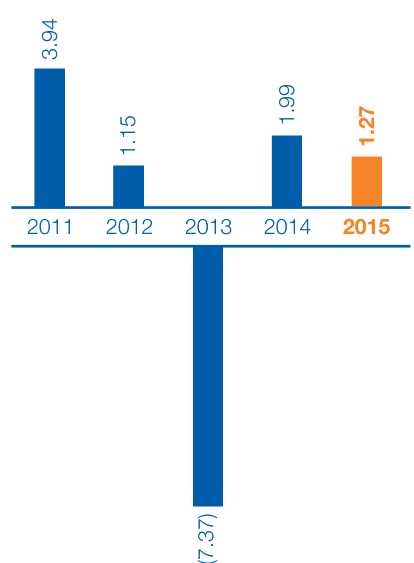
REVENUE (RM'000)



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



BASIC EARNINGS/(LOSS) PER ORDINARY SHARES (Sen)



Board of Directors

HEW VOON FOO

Independent Non-Executive Director • Malaysian, Aged 54

- *Chairman of Board of Directors* • *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 Fellow 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 EP Manufacturing Berhad.

CHIN KEM WENG

Managing Director • Malaysian, Aged 45

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 44

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.

Board of Directors

CHEN KHAI VOON
Non-Independent Non-Executive Director • Malaysian, Aged 55

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

Mr Chen was appointed to the Board of the Company on 3 November 1998. He holds a Diploma in Accounting. He is the founder of KVC Industrial Supplies Sdn Bhd Group, a leading industrial electrical distributor in Malaysia which he started in year 1989. Except for the Company, Mr Chen has no directorship in other public listed companies.

WONG WAI TZING
Independent Non-Executive Director • Malaysian, Aged 57

- *Member of Audit Committee*

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

TEH KIM SENG
Independent Non-Executive Director • Malaysian, Aged 48

- *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 Leeds University, England and received the Master of Laws from Cambridge University, England in 1989. With over 23 years of experience in the legal, mergers and acquisition, corporate finance, venture capital and financial services arenas, Mr Teh founded and 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.

Board of Directors

ONG PHOE BE
Alternate Director to Chen Khai Voon • Malaysian, Aged 45

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 Industrial Supplies Sdn Bhd Group in June 2000 as its Head of Corporate Finance and subsequently was appointed as the Group Chief Financial Officer of ATIS Corporation Berhad (now known as KVC Corporation Sdn Bhd), 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 in the Statement on Corporate Governance of this Annual Report.

Chairman's Statement

and Review of Operations

On behalf of the Board of Directors of Genetec Technology Berhad, I am pleased to present the Annual Report and Audited Financial Statements for the financial year ended 31 March 2015.

For the financial year ended 31 March 2015, the Group recorded higher revenue of RM145.9 million, an increase of 25.5% from the preceding year's revenue of RM116.2 million as we continue to anchor our vision to be the most competitive and world leader in industrial automation. In tandem with higher revenue, the Group registered pretax profit of RM3.7 million after deducting RM2.5 million stock written-off and RM1.5 million provision for doubtful debts and inventories versus a pretax loss position of RM0.8 million for the preceding year.

During the year under review, the revenue from our core industry segment, i.e. Hard Disk Drive ("**HDD**") Industry, has increased significantly, contributing about 84% (2014: 52%) of the Group's revenue. This was mainly due to strong demand for replication of prototypes developed by Genetec from its customers. Meanwhile, the revenue from Automotive Industry contributed about 9% (2014: 37%) to the Group's revenue. The remaining 7% was generated from industries such as pharmaceutical and semiconductor.

During the financial year, there were no material capital outlays attributable to R&D activities. Genetec's approach to R&D has been towards investment in human capital. Continuous programs to strengthen the experience, expertise and exposure of the R&D and engineering team has always been one of our priorities to ensure we maintain our competitive edge as a technology-driven company.

Chairman's Statement and Review of Operations

DIVIDEND

There was no dividend declared or paid for the financial year ended 31 March 2015 as we remained prudent in our efforts to preserve capital and enhance the liquidity position of the Group.

BUSINESS OUTLOOK

Genetec Group started the new financial year with a strong secured order book of RM76.1 million. This represents about 52.2% of last financial year's revenue of RM145.9 million.

Going forward, we will continue to maintain our core strength and market position in the HDD industry as the TechNavio Report Global HDD Market 2011-2015 predicted an 8.1% annual growth rate for the global HDD through 2015. Whilst HDD remains our core segment, we expect continuing strong demand for our automation products and expertise from the Automotive industry. According to Fitch Ratings' Report on 2015 Outlook for Global Automotive Manufacturers, the global demand for new vehicles should increase modestly in 2015, despite challenging conditions in some markets. It is also projected further sales growth of about 6% in China.

Given all these positive factors which bode well for the growth in Automotive market coupled with replication and yield process improvement projects from HDD segment, we are confident that Genetec will achieve better performance for the coming financial year ending 31 March 2016.

A WORD OF APPRECIATION

On behalf of the Board of Directors, I would like to take the opportunity to convey my sincere gratitude to my fellow Board members for their 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, as well as our valued customers, suppliers, bankers, business associates, government agencies and regulatory authorities for their continuous support towards our business as we look forward to a stronger financial year ahead.

HEW VOON FOO
Chairman

Statement on Corporate Governance

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 shareholders' value and the financial performance of Genetec Technology Berhad ("**Genetec**").

The Board is pleased to present the report hereunder on the manner in which the Group has applied the Principles set out in the Malaysian Code of Corporate Governance 2012 ("**MCCG 2012**") with regards to the recommendations stated under each Principle.

1. BOARD OF DIRECTORS

1.1 Roles and Responsibilities

The Board has adopted a Board Charter which outlines the Board's roles and responsibilities. The Board Charter serves as a source of reference for Board members as well as a primary induction literature for new Board members in respect of their duties and responsibilities; and the various legislation and regulations governing their conduct with the application of principles and practices of good corporate governance.

The Board assumed the following principal roles and responsibilities of the Board in enhancing Board's effectiveness in the pursuit of corporate objectives:

- reviewing and adopting the strategic plans and direction of the Group;
- overseeing and evaluating the conduct of the Group's businesses;
- identifying principal risks and ensuring that appropriate internal control and mitigation measures are implemented to manage these risks;
- succession planning including the implementation of appropriate systems for recruitment, training, determining compensation benefits and replacement of senior management staff;
- developing and implementing an investor relations programme to enable effective communications with the shareholders and stakeholders; and
- reviewing the adequacy and integrity of the internal control systems and management information systems which include sound system of reporting and in ensuring regulatory compliance with applicable laws, regulations, rules, directives and guidelines.

Apart from the aforesaid principal roles and responsibilities of the Board, the Board also delegates certain responsibilities to its Board Committees with clearly defined terms of reference to assist the Board in discharging its responsibility. While the Board Committees have their own functions and delegated roles, duties and responsibilities, they will report to the Board with their decisions and/or recommendations. Hence, the ultimate responsibilities and decision on all matters lies with the Board.

The Board Charter would be reviewed and updated periodically as and when the need arises in accordance with any new regulations affecting the discharging of their responsibility. The Board Charter is available on the Company's website at www.genetec.net.

1.2 Board Composition and Balance

The Board currently consists of six (6) members comprising:-

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

There is an Alternate Director on the Board.

Statement on Corporate Governance

1. BOARD OF DIRECTORS (continued)

1.2 Board Composition and Balance (continued)

There is a clear division of responsibilities between the Chairman and the Managing Director to ensure that there is a balance of control, power and authority. The Chairman leads and manages the Board while the Managing Director manages businesses and operations of the Company and implements the Board's decision and policies.

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. A brief write-up on each Director is set out under the Board of Directors of this Annual Report.

The Independent Directors are independent of the management and are free from any and all business or other relationship which may materially affect or interfere with the exercise of their independent judgement. 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 Board would ensure that it undertakes an assessment of its independent directors annually.

The Board is satisfied with the current size and composition which constitute an effective Board with diverse mix of skills, experience and professional background.

1.3 Board Meetings

The Board scheduled to meet on a quarterly basis, with additional meetings be convened as and when necessary.

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. 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. All matters discussed and resolutions passed at the board meetings are properly recorded in the minutes of meetings.

In the intervals between board meetings, any matters requiring urgent Board decisions and/or approvals will be via circular resolutions which are supported with all the relevant information and explanations required for an informed decisions to be made.

During the financial year ended 31 March 2015, five (5) meetings were held and the record of the Directors' attendance is as follows:

Name of Directors	Attendence	%
Chin Kem Weng	4/5	80
Tan Moon Teik	5/5	100
Chen Khai Voon	5/5	100
Hew Voon Foo	5/5	100
Wong Wai Tzing	4/5	80
Teh Kim Seng	5/5	100

Statement on Corporate Governance

1. BOARD OF DIRECTORS (continued)

1.4 Access to Information and Advice

The members of the Board whether as a full Board or in their individual capacity have full and unrestricted access to relevant and timely information in the form and quality required pertaining to the Group's business affairs to assist in discharging of their duties and responsibilities.

All Directors have access to the advice and services of the company secretary and senior management staff in the Group to assist them in the furtherance of their duties and responsibilities. Where necessary, the Directors may obtain independent professional advice at the Group's expense on specific issues to enable the Board to discharge their duties with adequate knowledge on the matters being deliberated.

1.5 Appointment to the Board

All appointments to the Board and its various Board Committees are assessed and considered by the Nomination Committee. In making these recommendations, due consideration is given to the required mix of skills, expertise, knowledge, experience, professionalism and integrity that the proposed Directors shall bring to complement the Board. The Board does not practise any gender, age or ethnicity for appointment. Any new appointments to the Board shall be based on merit.

The Directors upon appointment, and from time to time during their tenure, shall notify the Chairman and company secretary of the Company before accepting any new directorships and the expected time to be spent on the new appointment.

1.6 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 during any year shall hold office until the next AGM of the Company and shall be eligible for re-election.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

1.7 Directors' Remuneration

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

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

In the case of Executive Directors, the components 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 taken.

Determination of the remuneration packages for Directors is a matter of the Board as a whole after taking into account of pay and employment condition within the industry. The Director concerned shall abstain from the deliberation and voting decisions in respect of his/her own remuneration either at the Remuneration Committee or Board level as the case may be.

Statement on Corporate Governance

1. BOARD OF DIRECTORS (continued)

1.7 Directors' Remuneration (continued)

The details of the remuneration of the Directors of the Company on Group basis in respect of the financial year ended 31 March 2015 are as follows:

	Executive Directors (RM)	Non-Executive Directors (RM)	Total (RM)
Salaries	660,120	-	660,120
Fees	-	132,000	132,000
Bonuses	142,500	-	142,500
Benefits-in-kind	83,950	-	83,950
Total	**886,570**	**132,000**	**1,018,570**

The number of Directors whose remuneration during the financial 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
RM400,001 - RM450,000	1	-
RM450,001 – RM500,000	1	-
Total	**2**	**4**

1.8 Directors' Training

All Directors have attended the Mandatory Accreditation Programme (MAP) prescribed by Bursa Securities.

The Directors are continually encouraged to attend appropriate training programs to enhance their knowledge and skills and keep abreast of new developments in regulatory requirements and changing environment in which the business operates that will aid them in the discharge of their duties.

The Board has prescribed minimum trainings to be attended by each Director in each financial year whereby all the Directors have complied with. The Directors have attended the following training programs during the financial year under review:

- Understanding Goods & Service Tax in Malaysia
- Transition from PERS to MPERS – A Practical Guide
- Risk Management & Internal Control Workshop for Audit Committee
- GST updates

From time to time, the Board also receives updates, particularly on regulatory and legal developments relevant to the Company and Directors. The External Auditors also briefed the Board on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

Statement on Corporate Governance

1. BOARD OF DIRECTORS (continued)

1.9 Code of Ethics and Conduct

The Board has adopted two sets of Code of Conduct which reflects Genetec's values of integrity, respect, trust and openness for the Directors and employees respectively. It provides clear direction on conducting business, interacting with community, government, business partners and general workplace behaviour.

Besides, the Board continues to observe high standards of ethical conduct based on the Company's Code of Ethics established by the Companies Commission of Malaysia.

1.10 Sustainability

The Board is mindful of the importance of building a sustainable business to ensure that the Group's strategies continue to promote sustainability, with attention given to environmental, social and governance aspects of the Group's business. The Board understands that balancing environment, social and governance aspects with the interests of various stakeholders is essential to enhancing investor perception and public trust. The Company's activities on corporate social responsibilities are disclosed in the Corporate Social Responsibility of this Annual Report.

1.11 Corporate Disclosure Policy

The Board is committed to timely and factual disclosure to the public regarding the business, operations and financial performance of the Company, consistent with legal and regulatory requirements, to enable orderly behaviour in the market.

The Board has established the Corporate Disclosure Policy which applies to all Directors, Officers and employees aiming at effectively handling and disseminating the corporate information timely and accurately to its shareholders, stakeholders and the public in general as required by Bursa Securities. The Corporate Disclosure Policy outlines the approach and procedures for determination and dissemination of material information to be consistently practiced throughout the Group. The Company is also guided by the Corporate Disclosure Guide issued by Bursa Securities.

2. THE BOARD COMMITTEES

The Board has formally constituted various committees which operate within defined terms of reference to assist in discharging its duties and responsibilities.

2.1 Audit Committee

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

2.2 Nomination Committee ("NC")

The present members of the NC are:-

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

Statement on Corporate Governance

2. THE BOARD COMMITTEES (continued)

2.2 Nomination Committee ("NC") (continued)

The NC is responsible for assessing and making recommendations of candidates for all directorships to the Board for consideration, who shall then collectively decide on the candidates to be appointed as well as review or evaluate the appropriate balance, size, optimum mix of skills, experience and other qualities including core-competencies which Non-Executive Directors will bring to the Board. During the selection process, specific consideration is given to the candidate's skills, knowledge, experience, competencies, other directorships and time availability. The NC recommends to the Board of Directors who are seeking re-election for the approval of the shareholders at annual general meetings.

The NC also perform annual assessment and evaluation on the effectiveness of the Board as a whole and Board Committees as well as the contributions and performance of each individual Director.

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

Notwithstanding the recommendation of the MCCG 2012, the Board is presently of the view that the current Board composition has no necessity to appoint a Senior Independent Director as Mr Hew Voon Foo has served effectively as Chairman based on his caliber, qualification, experience and personal qualities, particularly his ability to act in the best interest of the Company, to discharge his duties as Chairman of NC with unbiased judgement.

2.3 Remuneration Committee ("RC")

The present members of the RC are:-

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

The RC has developed and established with the Board the remuneration policy and framework. The RC is responsible to recommend to the Board on the appropriate remuneration packages of the current Executive Directors in all its forms, drawing from outside advice as necessary and to review each of their annual remuneration packages in order to attract and retain the Directors.

The RC aims to ensure that the remuneration package is robust and effective as to link the Executive Directors' reward to their contributions to the Company's growth and profitability and to link Non-Executive Directors' level of remuneration to their level of responsibilities undertaken and contributions to the effective functioning of the Board.

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.

2.4 Risk Management Committee ("RMC")

The present RMC is led by the Chief Operating Officer of the Company and comprises of Departmental Managers/ Heads.

The RMC re-assessed all the existing risks and discussed the potential of any additional risks that might arise due to changes in the business environment. The RMC also monitored significant risks through review of risk related performance measures. These risks were assessed with due consideration given to existing control strategies. Where current controls are deemed ineffective, appropriate control improvements and action plans will be developed by the management. The results/responses of the discussion were analysed and consolidated to achieve a shared understanding of risks and impact.

Statement on Corporate Governance

2. THE BOARD COMMITTEES (continued)

2.4 Risk Management Committee ("RMC") (continued)

The RMC ensures that a risk management structure is embedded and consistently adopted throughout the Group and is within the parameters established by Board and presume the following responsibilities:

- Establishing Strategic Context
- Establishing Risk Management Processes
- Establishing Risk Management Structure
- Embedding Risk Management Capability
- Establishing Reporting Mechanisms
- Integrating & Coordinating Assurance Activity
- Establishing Business Benefits
- Establishing Effectiveness of the Risk Management Process
- Managing the Group Wide Risk Management Program

The RMC shall meet twice a year and as and when deemed fit, necessary and expedient.

2.5 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	Sow Ewe Lee	Chief Operating Officer (holding company)
4	Tan Kon Hoan	Financial Controller
5	Lam Choon Wah	Chief Operation Officer (subsidiary)

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

The ESOS Committee shall meet whenever necessary to fulfil its functions.

3. INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION

3.1 Investor Relations

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 developments in accordance with the Listing Requirements. To ensure shareholders and investors are well informed, information are disseminated through various disclosures and announcements to Bursa Securities. Annual reports, quarterly financial results, announcements to Bursa Securities, analyst reports, media releases and circular to shareholders are some of the modes of dissemination of information.

The Company also maintains an interactive and dedicated link on its website at www.genetec.net through which shareholders as well as members of the public are invited to access for the latest information on the Group.

Statement on Corporate Governance

3. INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION (continued)

3.2 Annual General Meeting

General meetings are important avenues for shareholders to exercise their ownership rights and to access and engage in dialogue with the Board and management. The Company's AGM remains as the principal forum for dialogue with shareholders who are encouraged to attend and participate in the proceedings. The Chairman of the meeting informed the shareholders of their rights to demand a poll vote at the commencement of the general meeting and provided sufficient time to address issues raised, if any. Executive Directors and Chairman are available to respond to shareholders' questions raised during the meeting. External Auditors are also present to provide their professional and independent advice on relevant issues raised.

The Board is of view that with the current level of shareholders' attendance at AGMs, voting by way of show of hands continues to be sufficient. The Board will evaluate and consider adopting electronic voting for substantive resolution at its general meetings in future and to ensure accurate and efficient outcomes of the voting process.

4. ACCOUNTABILITY AND AUDIT

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 in Directors' Responsibility Statement of this Annual Report.

4.2 Risk Management and Internal Control

The Board acknowledges its overall responsibility for continuous maintenance of a sound system of internal control as well as implementing a suitable Risk Management Framework 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 Risk Management Committee and Internal 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 Risk Management and Internal Control is set out in this Annual Report.

4.3 Whistle Blowing Policy

The Group has in place a Whistle Blowing Policy designated to create a positive environment in which Directors, employees and stakeholders can report or disclose in good faith genuine concerns about unethical behavior, malpractice, illegal act or failure to comply with regulatory requirements without fear of recrimination and to enable prompt corrective actions and measures to be taken where appropriate, and necessary.

Statement on Corporate Governance

4. ACCOUNTABILITY AND AUDIT (continued)

4.4 Relationship with the External Auditors

The Company has always established and maintained a transparent, independent and formal relationship with the External Auditors in seeking professional advice and towards ensuring compliance in matters pertaining to approved accounting standards.

The External Auditors are invited to attend the Audit Committee Meeting where the Group's annual financial results are considered, as well as at meetings to review and discuss the Group's audit findings, internal control and accounting policies, whenever the need arises. The Audit Committee also review the proposed fees for non-audit services, as required and subsequently recommend to the Board for approval.

At least twice a year or whenever necessary, the Audit Committee carried out private sessions with the External Auditors, in the absence of the Executive Directors and management, to allow the AC and the External Auditors to exchange independent views on issues of concern which require the AC's attention.

The External Auditors have reported to the Board of their policies, ethics and systems implemented to ensure and maintain independence and objectivity throughout the conduct of the audit engagement.

This statement was made in accordance with the resolution of the Board dated 1 July 2015.

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 and team building activities.

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 gender, age, ethnicity, religion and background.

Corporate Social Responsibility

WORKPLACE (continued)

d) Health and Safety

We strive to maintain a safe and healthy working environment for all our employees. The Company has a Safety and Health Committee which overseas and ensures the health and safety policies and procedures adheres to the safety measures of the Occupational Safety and Health Act or any other applicable safety rules. Preventive actions are taken to mitigate risks such as:

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

ENVIRONMENT

a) Energy Savings

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

b) Green Environment

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

MARKETPLACE

a) Ethical Business Culture

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

Statement on Risk Management & Internal Control

1. INTRODUCTION

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

This 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 Board recognises the importance of sound internal control for good corporate governance and further affirms the overall responsibility for Genetec Group's system of internal control. It covers not only financial, but also operational controls and for reviewing the adequacy and integrity of those systems on an on-going basis.

The 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.

3. INTERNAL AUDIT

The internal audit function of the Group has been outsourced to an independent professional firm ("**Internal Auditor**") which supports the Audit Committee, and by extension, the Board, by providing independent assurance on the effectiveness of the Group's system of internal control.

In particular, the Internal Auditor appraises and contributes towards improving the Group's risk management and control systems and reports to the Audit Committee on a quarterly basis. In assessing the adequacy and effectiveness of the system of internal control and financial control procedures of the Group, the Audit Committee reports to the Board on its activities, significant audit results or findings and the necessary recommendations or actions needed to be taken by management to rectify those issues.

The internal audit work plan, which reflects the risk profile of the Group's major business operations is routinely reviewed and approved by the Audit Committee. The scope of Internal Auditor's function covered the audit and review of governance, risk assessment, compliance, operational and financial control across all business units.

The Internal Auditor refers to the Guidelines on the Internal Audit Function issued by The Institute of Internal Auditors Malaysia, the Standards for the Professional Practice of Internal Auditing (SPPIA) and the Code of Ethics issued by The Institute of Internal Auditors Inc.

4. RISK MANAGEMENT FRAMEWORK

The Board has reviewed the adequacy and effectiveness of the risk management framework and confirms that an ongoing process of identifying, evaluating and managing the Group's risks exists and has operated throughout the year covered in this Annual Report and up to the date of its approval.

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.

Statement on Risk Management & Internal Control

4. RISK MANAGEMENT FRAMEWORK (continued)

This exercise was performed by the Risk Management Committee ("**RMC**") which comprises the Chief Operating Officer and Departmental Managers / Heads. The RMC had identified and evaluated the significant risks which could potentially affect the strategic and operational objectives of the Group against a defined risk appetite and ensured that appropriate risk treatments were in place to mitigate those risks affecting the achievement of the Group's business objectives. The RMC met twice during the financial year to review and update the Group's principal risks.

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

5. 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 committees in discharging its responsibilities that includes the Audit Committee, Nomination Committee and Remuneration Committee.
- A defined organisational and reporting structure has been established at all levels within the Group and is 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 satisfaction as project quality and deliverables have a direct impact on the Group's bottom line.

Risk Assessment

- Management of individual subsidiaries and business divisions continuously assessed risks within their business environment and formulated required controls / mitigating strategies / corrective actions to minimise negative outcomes, i.e. reduce losses and prevent erosion of business profit margin.

Control Activities

- The ISO procedures and Group'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 Group 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 audit, internal audit and ISO audit is carried out yearly to improve operational efficiencies and consistency of quality of products and work standards.

Information and Communication

- The Group implemented enterprise resource planning system to provide informative and relevant reports, thus assisting 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.

Statement on Risk Management & Internal Control

5. INTERNAL CONTROL SYSTEM (continued)

Monitoring

- 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.
- Internal audit reports were tabled to Management and the Board for their consideration and further action. Follow-up status reports were also dealt with in similar manner.

CONCLUSION

The Board has received formal assurance from the Chief Operating Officer and Financial Controller that the Group's risk management and internal control system is operating effectively, in all material aspects, based on the risk management and internal control system of the Group.

For the year under review, the Board is of the view that the system of internal control is adequate to safeguard shareholders' interest and the Group's assets 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 1 July 2015.

Audit Committee Report

COMPOSITION

The present members of the Audit Committee are as follows:

Chairman
Hew Voon Foo – *Independent Non-Executive Director*

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

Membership

The Audit Committee shall be appointed by the Board pursuant to a Board Resolution and shall comprise of at least three (3) Members all of whom are Non-Executive Directors with a majority being Independent Directors.

The Chairman of the Audit Committee shall be an Independent Director.

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.

All Members of the Audit Committee should be financially literate.

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

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

(ii) 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

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

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

Authority

The Audit Committee is authorised by the Board to:

(i) have authority to investigate any activity within its Terms of Reference.

(ii) have full and unlimited access of any information pertaining to the Company as well as direct communication channels with the Internal Auditors, External Auditors and employees of the Group.

(iii) 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.

Audit Committee Report

TERMS OF REFERENCE (continued)

Authority (continued)

The Audit Committee is authorised by the Board to: (continued)

(iv) 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).

Functions

The function of the Audit Committee should include the following:

(i) to review the following and report the same to the Board:-

- (a) with both the Internal Auditors and External Auditors their audit plans and reports.
- (b) 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.
- (c) the assistance given by the officers and employees of the Group to the Internal Auditors and External Auditors.
- (d) 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.
- (e) the External Auditors' management letter, management's response and resignation letter.
- (f) 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.

(ii) to identify and direct any special projects or major findings of internal investigations it deems necessary and management response.

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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;

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

(viii) 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.

(ix) to do the following, in relation to the internal audit function:-

- (a) to establish an internal audit function which is independent of the activities it audits;
- (b) 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;
- (c) 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;
- (d) review any appraisal or assessment of the performance of members of the internal audit function;

Audit Committee Report

TERMS OF REFERENCE (continued)

Functions (continued)

(ix) to do the following, in relation to the internal audit function:- (continued)

(e) review of the effectiveness of the risk management, internal control and governance processes within the Group;
(f) approve any appointment or termination of senior staff members of the internal audit function which is performed internally; and
(g) 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.

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

Meetings

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.

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

Proceedings of all meetings held and resolutions passed shall be recorded by the Secretary and kept at the Company's registered office.

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.

ATTENDANCE AT AUDIT COMMITTEE MEETINGS

The Audit Committee met five (5) times during the financial year ended 31 March 2015. The details of attendance of each Audit Committee member at the Audit Committee meetings are as follows:

Audit Committee Member	Meeting Attendance
Hew Voon Foo	5/5
Wong Wai Tzing	4/5
Teh Kim Seng	5/5
Chen Khai Voon	5/5

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

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

Financial Results

(i) Reviewed the 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;

Audit Committee Report

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

Financial Results (continued)

(ii) Reviewed the Group's compliance on the following areas, where relevant:

- Listing Requirements of Bursa Securities for ACE Market;
- Provisions of the Companies Act, 1965 and other legal requirements; and
- Applicable approved accounting standards in Malaysia.

External Audit

(i) Reviewed with the External Auditors the scope and approach of their audit planning, audit findings, issues arising from audited report, areas of concern and management letter.

(ii) 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.

(iii) Reviewed External Auditors performance and independence before recommending to the Board their re-appointment and remuneration.

(iv) The Audit Committee had met twice with the External Auditors without executive board members present.

Internal Audit

(i) Reviewed Internal Auditors' audit plan to ensure that principal risk areas and key processes are adequately identified and covered in the plan.

(ii) Reviewed internal audit reports, which reported the functions audited, audit findings, the Internal Auditors' recommendations to ensure that appropriate and prompt remedial action is taken by management on major deficiencies in controls or procedures that are identified.

(iii) Reviewed Internal Auditors' follow up reports on outstanding audit issues to monitor the effectiveness of corrective actions taken by the management.

(iv) Reviewed the effectiveness of the internal control and governance processes within the Group.

(v) Appraised or assessed the performance, competency, independency and resources of the Internal Auditors.

Related Party Transactions

(i) Reviewed 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.

(ii) Reviewed the procedures relating to related party transactions/recurrent related party transactions and conflict of interest situation (if any) that with the objective of ensuring all the transactions are carried on normal commercial terms and are not to the detrimental of the Company's minority shareholders.

(iii) Reviewed the recurrent related party transactions of a revenue or trading nature of the Group for inclusion in the Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate for the Existing Recurrent Related Party Transactions of a Revenue or Trading Nature for the Board approval.

Audit Committee Report

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

Other matters

(i) Reviewed and recommended the Statement on Risk Management and Internal Control; and Audit Committee Report for Board approval.

INTERNAL AUDIT FUNCTIONS / ACTIVITIES AND COSTS

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

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

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

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

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

The costs of the internal audit function paid to CGRM Infocomm Sdn Bhd for the financial year ended 31 March 2015 was RM14,500 (2014: RM21,000).

Financial Statements

Financial Statements

Directors' Report

For the year ended 31 March 2015

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2015.

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 financial year.

RESULTS

	Group RM	Company RM
Profit for the year attributable to:		
Owners of the Company	4,456,838	3,948,962
Non-controlling interests	513,288	-
	4,970,126	3,948,962

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

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:

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

Directors' Report
For the year ended 31 March 2015

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 financial year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.10 each			
	At 1.4.2014	Bought	Sold	At 31.3.2015
Interests in the Company:				
Chin Kem Weng #				
- Direct	54,600,000	-	(25,673,300)	28,926,700
Tan Moon Teik #				
- Direct	41,602,000	-	(18,000,000)	23,602,000
Chen Khai Voon #				
- Indirect	96,500,000	-	(20,500,000)	76,000,000
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 2015 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 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.

Directors' Report

For the year ended 31 March 2015

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial 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 Proposed 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.

The new ESOS has yet to be granted to any individual to date.

OTHER STATUTORY INFORMATION

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

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

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

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

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

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

Directors' Report

For the year ended 31 March 2015

OTHER STATUTORY INFORMATION (continued)

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 unrealised derivative loss, inventories written off and write down of inventories as disclosed in Note 21 to the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 March 2015 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: 1 July 2015

Statements of Financial Position

As at 31 March 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
Assets					
Property, plant and equipment	3	42,117,117	45,436,502	17,287,138	18,292,322
Goodwill	4	20,559,876	20,559,876	-	-
Investments in subsidiaries	5	-	-	31,246,809	26,656,809
Investment in an associate	6	-	178,831	-	49,000
Deferred tax assets	7	1,016,453	-	1,016,453	-
Total non-current assets		63,693,446	66,175,209	49,550,400	44,998,131
Inventories	8	26,730,197	14,037,787	16,282,579	6,913,751
Trade and other receivables	9	48,957,920	21,026,508	25,205,435	17,286,121
Prepayments	10	2,916,498	4,307,784	1,589,732	3,379,978
Current tax assets		359,527	505,064	120,939	270,158
Cash and cash equivalents	11	19,017,393	6,709,929	16,711,546	5,297,065
Total current assets		97,981,535	46,587,072	59,910,231	33,147,073
Total assets		161,674,981	112,762,281	109,460,631	78,145,204
Equity					
Share capital		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		4,114,415	25,632	5,099,226	1,150,264
Equity attributable to owners of the Company		57,667,128	53,578,345	58,651,939	54,702,977
Non-controlling interests		3,545,462	(996,809)	-	-
Total equity	12	61,212,590	52,581,536	58,651,939	54,702,977
Liabilities					
Loans and borrowings	13	13,864,611	7,299,344	5,025,679	5,602,402
Deferred tax liabilities	7	187,133	558,481	-	371,348
Total non-current liabilities		14,051,744	7,857,825	5,025,679	5,973,750
Loans and borrowings	13	33,328,533	25,897,269	18,170,438	8,841,429
Derivative financial liabilities	14	4,651,513	179,455	4,171,763	179,455
Trade and other payables	15	48,430,601	21,325,199	23,440,812	8,447,593
Total current liabilities		86,410,647	47,401,923	45,783,013	17,468,477
Total liabilities		100,462,391	55,259,748	50,808,692	23,442,227
Liabilities classified as held for sale	16	-	4,920,997	-	-
Total equity and liabilities		161,674,981	112,762,281	109,460,631	78,145,204

The notes on pages 41 to 95 are an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
Revenue	17	145,870,955	116,212,893	90,444,426	82,335,364
Cost of sales		(130,754,362)	(106,553,525)	(78,964,768)	(71,502,096)
Gross profit		15,116,593	9,659,368	11,479,658	10,833,268
Other income		1,718,618	1,413,858	241,578	375,332
Distribution expenses		(2,174,546)	(2,468,777)	(1,709,103)	(1,897,786)
Administrative expenses		(5,842,447)	(6,147,463)	(3,520,825)	(3,455,219)
Other expenses		(2,848,195)	(1,126,254)	(2,735,046)	(4,661,024)
Results from operating activities		5,970,023	1,330,732	3,756,262	1,194,571
Finance income		66,456	132,191	53,087	114,134
Finance costs	18	(2,373,225)	(2,366,013)	(1,126,193)	(961,643)
Share of profit of equity accounted investees, net of tax		-	72,935	-	-
Profit/(Loss) before tax		3,663,254	(830,155)	2,683,156	347,062
Tax expense	19	1,306,872	(407,362)	1,265,806	(407,362)
Profit/(Loss) from continuing operations		4,970,126	(1,237,517)	3,948,962	(60,300)
Discontinued operation					
Profit from discontinued operation, net of tax	20	-	6,149,020	-	-
Profit/(Loss) for the year	21	4,970,126	4,911,503	3,948,962	(60,300)
Other comprehensive expense, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(749,072)	(583,662)	-	-
Total other comprehensive expense for the year, net of tax		(749,072)	(583,662)	-	-
Total comprehensive income/(expense) for the year		4,221,054	4,327,841	3,948,962	(60,300)

Statements of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
Profit/(Loss) attributable to:					
Owners of the Company		4,456,838	7,005,185	3,948,962	(60,300)
Non-controlling interests		513,288	(2,093,682)	-	-
Profit/(Loss) for the year		4,970,126	4,911,503	3,948,962	(60,300)
Total comprehensive income/(expense) attributable to:					
Owners of the Company		4,088,783	6,589,787	3,948,962	(60,300)
Non-controlling interests		132,271	(2,261,946)	-	-
Total comprehensive income/(expense) for the year		4,221,054	4,327,841	3,948,962	(60,300)
Basic earnings per ordinary share (sen):	23				
- from continuing operations		1.27	0.54		
- from discontinued operation		-	1.45		
		1.27	1.99		

The notes on pages 41 to 95 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2015

Group	Share capital RM	Share premium RM	Translation reserve RM	(Accumulated losses)/ *Distributable* Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
	← *Attributable to owners of the Company*				→		
	← *Non-distributable*		→				
At 1 April 2013	35,173,800	18,378,913	(44,226)	(6,519,929)	46,988,558	1,016,757	48,005,315
Foreign currency translation differences for foreign operation	-	-	(415,398)	-	(415,398)	(168,264)	(583,662)
Total other comprehensive expense for the year	-	-	(415,398)	-	(415,398)	(168,264)	(583,662)
Profit for the year	-	-	-	7,005,185	7,005,185	(2,093,682)	4,911,503
Total comprehensive (expense)/income for the year	-	-	(415,398)	7,005,185	6,589,787	(2,261,946)	4,327,841
Disposal of non-controlling interests	-	-	-	-	-	248,380	248,380
At 31 March 2014/1 April 2014	35,173,800	18,378,913	(459,624)	485,256	53,578,345	(996,809)	52,581,536
Foreign currency translation differences for foreign operation	-	-	(368,055)	-	(368,055)	(381,017)	(749,072)
Total other comprehensive expense for the year	-	-	(368,055)	-	(368,055)	(381,017)	(749,072)
Profit for the year	-	-	-	4,456,838	4,456,838	513,288	4,970,126
Total comprehensive (expense)/income for the year	-	-	(368,055)	4,456,838	4,088,783	132,271	4,221,054
Increase in investment in a subsidiary	-	-	-	-	-	4,410,000	4,410,000
At 31 March 2015	35,173,800	18,378,913	(827,679)	4,942,094	57,667,128	3,545,462	61,212,590
	Note 12	Note 12	Note 12				

The notes on pages 41 to 95 are an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 March 2015

Company	Share capital RM	Share premium RM	Retained earnings RM	Total equity RM
	← ***Attributable to owners of the Company*** →			
	← ***Non-distributable*** →		***Distributable***	
At 1 April 2013	35,173,800	18,378,913	1,210,564	54,763,277
Loss and total comprehensive expense for the year	-	-	(60,300)	(60,300)
At 31 March 2014/1 April 2014	35,173,800	18,378,913	1,150,264	54,702,977
Profit and total comprehensive income for the year	-	-	3,948,962	3,948,962
At 31 March 2015	35,173,800	18,378,913	5,099,226	58,651,939
	Note 12	Note 12		

The notes on pages 41 to 95 are an integral part of these financial statements.

Statements of Cash Flows

For the year ended 31 March 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
Cash flows from operating activities					
Profit/(Loss) before tax from:					
- continuing operations		3,663,254	(830,155)	2,683,156	347,062
- discontinued operation	20	-	6,149,020	-	-
		3,663,254	5,318,865	2,683,156	347,062
Adjustments for:					
Depreciation of property, plant and equipment		2,924,008	3,152,527	1,258,213	1,254,085
Finance costs	18	2,373,225	2,669,718	1,126,193	961,643
Finance income		(66,456)	(132,191)	(53,087)	(114,134)
Loss on disposal of property, plant and equipment		21,670	19,831	39,000	-
Property, plant and equipment written off		254,976	1,626	254,976	1,626
Amount due from subsidiaries written off		-	-	-	3,573,603
Impairment loss on amounts due from subsidiaries		-	-	35,554	206,432
Inventories written off		2,478,524	876,896	2,478,524	876,896
Loss on disposal of an associate		129,831	-	-	-
Impairment loss on trade receivables		227,199	-	205,813	-
Write down of inventories		1,317,410	-	519,473	-
Share of profit of equity accounted investees		-	(72,935)	-	-
Unrealised derivative loss		4,651,513	179,455	4,171,763	179,455
Unrealised foreign exchange (gain)/loss		(839,013)	92,990	(464,700)	81,386
Operating profit before working capital changes		17,136,141	12,106,782	12,254,878	7,368,054
Changes in working capital:					
Inventories		(16,488,344)	15,187,711	(12,366,825)	14,305,839
Trade and other receivables and prepayments		(26,107,767)	(3,786,754)	(6,085,190)	(14,666,461)
Trade and other payables		21,529,265	(8,333,390)	14,993,219	(7,413,226)
Cash (used in)/generated from operations		(3,930,705)	15,174,349	8,796,082	(405,794)
Income tax refunded		576,976	855,730	298,162	355,730
Income tax paid		(512,368)	(647,430)	(270,938)	(318,751)
Net cash (used in)/from operating activities		(3,866,097)	15,382,649	8,823,306	(368,815)

Statements of Cash Flows

For the year ended 31 March 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
Cash flows from investing activities					
Acquisition of property, plant and equipment		(2,208,773)	(467,421)	(562,005)	(268,587)
Proceeds from disposal of investment in an associate		49,000	-	49,000	-
Disposal of non-controlling interest	20	-	248,380	-	-
Interest received from deposits		66,456	132,191	53,087	114,134
Increase in investment in a subsidiary		-	-	(4,590,000)	-
Subscription of shares in a subsidiary by non-controlling interests		4,410,000	-	-	-
Proceeds from disposal of property, plant and equipment		2,327,504	1,466,399	15,000	-
Net cash from/(used in) investing activities		4,644,187	1,379,549	(5,034,918)	(154,453)
Cash flows from financing activities					
Net drawdown/(repayment) of trade finance facilities		19,295,350	(13,865,266)	11,038,883	1,231,000
Repayment of term loans		(3,344,764)	(4,090,863)	(2,004,048)	(3,583,324)
Interest paid on loans and borrowings		(2,373,225)	(2,669,718)	(1,126,193)	(961,643)
Repayment of finance lease liabilities		(2,164,909)	(1,597,747)	(282,549)	(310,074)
Net cash from/(used in) financing activities		11,412,452	(22,223,594)	7,626,093	(3,624,041)
Net increase/(decrease) in cash and cash equivalents		12,190,542	(5,461,396)	11,414,481	(4,147,309)
Effect of exchange rate fluctuations on cash held		(93,932)	(154,807)	-	-
Cash and cash equivalents at 1 April	(i)	6,313,304	11,929,507	5,297,065	9,444,374
Cash and cash equivalents at 31 March	(i)	18,409,914	6,313,304	16,711,546	5,297,065

(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	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
Cash and bank balances	11	18,926,110	6,620,946	16,620,263	5,208,082
Deposits placed with licensed banks	11	91,283	88,983	91,283	88,983
Bank overdraft	13	(607,479)	(396,625)	-	-
		18,409,914	6,313,304	16,711,546	5,297,065

The notes on pages 41 to 95 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 financial year ended 31 March 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 31 March 2015 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.

These financial statements were authorised for issue by the Board of Directors on 1 July 2015.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)**

Notes to the Financial Statements

1. BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 10, *Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations***
- MFRS 14, *Regulatory Deferral Accounts***
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment and MFRS 138, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment and MFRS 141, Agriculture – Agriculture: Bearer Plants***
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- MFRS 15, *Revenue from Contracts with Customers*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (2014)*

Notes to the Financial Statements

1. BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

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

- from the annual period beginning on 1 April 2015 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2014, except for those marked with "*" which is not applicable to the Group and the Company.
- from the annual period beginning on 1 April 2016 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016, except for those marked with "**" which are not applicable to the Group and the Company.
- from the annual period beginning on 1 April 2017 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2017.
- from the annual period beginning on 1 April 2018 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2018.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company except as mentioned below:

(i) MFRS 9, *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

(ii) MFRS 15, *Revenue from Contracts with Customers*

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

Notes to the Financial Statements

1. BASIS OF PREPARATION (continued)

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Although these estimates and judgments are based on the Directors' best knowledge of current events and actions, 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 estimates are 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 the following:

(i) Impairment of goodwill

The Group determines whether goodwill is impaired on an annual basis. This requires an estimation of the value in use of the cash-generating unit (or group of cash-generating units) to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit (or group of cash-generating units) and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The Group's goodwill as at 31 March 2015 is RM20,599,876 (31 March 2014: RM20,599,876).

(ii) Inventories write-down

Inventories write-down is made based on their net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business, less cost to completion and selling expenses. The amount written down during the financial year is shown in Note 21.

(iii) Impairment of receivables

Impairment is made for receivables that the management considers the recoverability to be doubtful. On a regular basis, the management reviews the receivables ageing report and repayment history for any objective evidence of impairment.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

(i) Subsidiaries (continued)

The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) 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.

For new acquisitions, the Group measures the cost of 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.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, 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.

(iii) Acquisition of non-controlling interests

The Group accounts for 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

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former 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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

(v) Associates

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

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, 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 associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses. The cost of the investment includes transaction costs.

(vi) 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 profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

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.

(vii) 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 investees. 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 dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of 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 hedge of currency risk, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur 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 foreign currency translation reserve (“FCTR”) in equity.

(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 April 2011 (the date when the Group first adopted MFRS) which are treated as assets and liabilities of the Company. 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 or significant influence is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, 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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is 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.

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.

(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.

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

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

Financial liabilities

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

Fair value through profit or loss category comprises financial liabilities that are 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 equity instruments that do not have a quoted price in an active market for identical instruments whose fair values otherwise cannot be reliably measured are measured at cost.

Other 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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

(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.

Fair value arising from financial guarantee contracts are classified as deferred income and is 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) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(v) 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 control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. 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, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Land is measured at cost less any accumulated impairment losses. Other items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

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

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

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

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

(ii) Subsequent costs

The cost of replacing a component 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 component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component 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 based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. 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.

The estimated useful lives for the current and comparative periods are as follows:

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

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

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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. Upon initial recognition, 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.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. 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.

(f) Intangible assets

Goodwill

Goodwill arising on business combinations is measured at cost less any accumulated impairment losses. In respect of equity accounted associates, 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 associates.

Goodwill with indefinite useful life is not amortised but is tested for impairment annually and whenever there is an indication that they 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 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 costs of completion and the estimated costs necessary to make the sale.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Non-current assets held for sale or distribution to owners

Non-current assets, or disposal group comprising assets and liabilities that are expected to be recovered primarily through sale or distribution to owners rather than through continuing use, are classified as held for sale or distribution.

Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs of disposal.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity accounted associates ceases once classified as held for sale or distribution.

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(j) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss and investments in subsidiaries) 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 investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

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.

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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Impairment (continued)

(ii) Other assets

The carrying amounts of other assets (except for inventories, deferred tax assets and non-current assets (or disposal groups) classified as held for sale) 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 goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

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 cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of 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 of disposal. 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 related cash-generating unit exceeds its estimated 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 cash generating unit (group of cash-generating units) and then to reduce the carrying amounts 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 financial year in which the reversals are recognised.

(k) Equity instruments

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

Ordinary shares

Ordinary shares are classified as equity.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Employee benefits

(i) Short-term employee benefits

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

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group 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 statutory pension funds are charged to profit or loss in the financial year to which they relate.

(iii) Share-based payment transactions

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

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.

(m) 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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) 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, 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) 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.

(iii) Rental income

Rental income from sub-leased property is recognised as other income.

(o) 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 costs 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 for capitalisation.

(p) Affiliate

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

(q) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are 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 period, and any adjustment to tax payable in respect of previous financial years.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Income tax (continued)

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, 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.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

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.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(r) Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

(s) 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, which comprise share options granted to employees.

(t) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments' 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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Contingencies

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 not recognised in the statements of financial position and 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.

(v) Fair value measurement

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT

Group	Land	Buildings	Electrical equipment, renovation, furniture and fittings	Plant and machineries	Motor vehicles	Total
	RM	RM	RM	RM	RM	RM
Cost						
At 1 April 2013	3,680,990	31,467,653	6,243,736	16,051,803	1,658,734	59,102,916
Additions	-	-	464,271	-	3,150	467,421
Disposals	-	-	(982)	(700,800)	-	(701,782)
Written-off	-	-	(5,738)	-	-	(5,738)
At 31 March 2014/1 April 2014	3,680,990	31,467,653	6,701,287	15,351,003	1,661,884	58,862,817
Additions	-	-	736,832	1,471,941	-	2,208,773
Disposals	-	-	(20,957)	(5,792,382)	(64,415)	(5,877,754)
Written-off	-	(288,878)	(34,245)	-	-	(323,123)
At 31 March 2015	3,680,990	31,178,775	7,382,917	11,030,562	1,597,469	54,870,713
Depreciation						
At 1 April 2013	323,417	1,150,377	2,279,577	6,126,381	509,116	10,388,868
Depreciation for the year	56,932	633,511	611,800	1,527,975	322,309	3,152,527
Disposals	-	-	-	(110,968)	-	(110,968)
Written-off	-	-	(4,112)	-	-	(4,112)
At 31 March 2014/1 April 2014	380,349	1,783,888	2,887,265	7,543,388	831,425	13,426,315
Depreciation for the year	56,932	659,766	650,641	1,273,740	282,929	2,924,008
Disposals	-	-	(13,023)	(3,473,996)	(41,561)	(3,528,580)
Written-off	-	(51,998)	(16,149)	-	-	(68,147)
At 31 March 2015	437,281	2,391,656	3,508,734	5,343,132	1,072,793	12,753,596
Carrying amounts						
At 1 April 2013	3,357,573	30,317,276	3,964,159	9,925,422	1,149,618	48,714,048
At 31 March 2014/1 April 2014	3,300,641	29,683,765	3,814,022	7,807,615	830,459	45,436,502
At 31 March 2015	3,243,709	28,787,119	3,874,183	5,687,430	524,676	42,117,117

Notes to the Financial Statements

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 2013	2,846,590	13,417,527	3,772,788	6,201,700	1,298,835	27,537,440
Additions	-	-	268,587	-	-	268,587
Written-off	-	-	(5,738)	-	-	(5,738)
At 31 March 2014/1 April 2014	2,846,590	13,417,527	4,035,637	6,201,700	1,298,835	27,800,289
Additions	-	-	512,562	49,443	-	562,005
Disposals	-	-	-	(108,000)	-	(108,000)
Written-off	-	(288,878)	(34,245)	-	-	(323,123)
At 31 March 2015	2,846,590	13,128,649	4,513,954	6,143,143	1,298,835	27,931,171
Depreciation						
At 1 April 2013	323,417	1,144,307	2,032,293	4,325,522	432,455	8,257,994
Depreciation for the year	56,932	268,350	297,134	409,710	221,959	1,254,085
Written-off	-	-	(4,112)	-	-	(4,112)
At 31 March 2014/1 April 2014	380,349	1,412,657	2,325,315	4,735,232	654,414	9,507,967
Depreciation for the year	56,932	268,350	313,389	399,883	219,659	1,258,213
Disposals	-	-	-	(54,000)	-	(54,000)
Written-off	-	(51,998)	(16,149)	-	-	(68,147)
At 31 March 2015	437,281	1,629,009	2,622,555	5,081,115	874,073	10,644,033
Carrying amounts						
At 1 April 2013	2,523,173	12,273,220	1,740,495	1,876,178	866,380	19,279,446
At 31 March 2014/1 April 2014	2,466,241	12,004,870	1,710,322	1,466,468	644,421	18,292,322
At 31 March 2015	2,409,309	11,499,640	1,891,399	1,062,028	424,762	17,287,138

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (continued)

3.1 Security

At 31 March 2015, land and buildings of the Group and of the Company with carrying amounts of RM31,196,428 (2014: RM32,150,006) and RM13,908,949 (2014: RM14,471,111) 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

The net carrying amount of property, plant and equipment acquired under hire purchase agreements are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Plant and machineries	2,632,133	3,227,008	-	216,225
Motor vehicles	481,559	689,013	399,075	573,535
	3,113,692	3,916,021	399,075	789,760

3.3 Land

Included in the carrying amounts of land are:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Freehold land	834,400	834,400	-	-
Leasehold land with unexpired lease period of more than 50 years	2,409,309	2,466,241	2,409,309	2,466,241
	3,243,709	3,300,641	2,409,309	2,466,241

4. GOODWILL

	Group	
	2015	2014
	RM	RM
Cost	20,559,876	20,559,876

Notes to the Financial Statements

4. GOODWILL (continued)

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 are based on value in use calculations. These calculations were determined based on pre-tax cash flow projections based on financial budget 2016 approved by the Board of Directors. The cash flows beyond 2016 are projected for a five-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 5% 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 7.6% was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the pre-tax weighted average cost of capital of the Group.
- Terminal growth rate is expected to be 3% 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	
	2015	2014
	RM	RM
Unquoted shares, at cost	31,456,804	26,866,804
Less: Accumulated impairment losses	(209,995)	(209,995)
	31,246,809	26,656,809

Notes to the Financial Statements

5. INVESTMENTS IN SUBSIDIARIES (continued)

Details of the subsidiaries are as follows:

Name of entity	Effective ownership interest and voting interest		Principal place of business/ Country of incorporation	Principal activities
	2015	2014		
	%	%		
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 operations.
FAS Technology Solution Sdn. Bhd. @	60	60	Malaysia	Design and development of standard automated industrial equipment. The company has temporarily ceased operations.
Genetec Global Technologies, Inc. #	100	100	United States of America	The company has discontinued its operation and is dormant.
Subsidiary of CLT Engineering Sdn. Bhd.				
CLT Engineering (Thailand) Co., Ltd.@	51	51	Thailand	Provision of fabrication system integration and engineering services and products.
Subsidiary of Genetec Global Technologies, Inc.				
IP Systems, Inc. #	60	60	United States of America	The company has discontinued its operation and is dormant.

\# *Subsidiaries consolidated based on unaudited financial statements.*
@ *Audited by firm of auditors other than KPMG.*

6. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Unquoted shares outside Malaysia, at cost	-	49,000	-	49,000
Share of post-acquisition profit	-	129,831	-	-
	-	178,831	-	49,000

Notes to the Financial Statements

6. INVESTMENT IN AN ASSOCIATE (continued)

The details of the associate are as follows:

Name of associate	Principal activities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest		Financial year end
			2015	2014	
			%	%	
TGT Technology Limited	Provision of engineering and technical services including designing of machine, machinery equipment and accessories of industrial products.	Thailand	-	49	31 December

During the year, the Group disposed of its investment in the associate in view of its minimal contribution to the Group and also to streamline the business activities of the Group.

7. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

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

	Assets		Liabilities		Net	
	2015	2014	2015	2014	2015	2014
	RM	RM	RM	RM	RM	RM
Group						
Property, plant and equipment	-	-	(1,335,858)	(847,260)	(1,335,858)	(847,260)
Unutilised tax losses	-	540,859	-	-	-	540,859
Others	2,165,178	-	-	(252,080)	2,165,178	(252,080)
Tax assets/(liabilities)	2,165,178	540,859	(1,335,858)	(1,099,340)	829,320	(558,481)
Set off of tax	(1,148,725)	(540,859)	1,148,725	540,859	-	-
Net tax assets/(liabilities)	1,016,453	-	(187,133)	(558,481)	829,320	(558,481)
Company						
Property, plant and equipment	-	-	(1,148,725)	(196,000)	(1,148,725)	(196,000)
Others	2,165,178	66,000	-	(241,348)	2,165,178	(175,348)
Tax assets/(liabilities)	2,165,178	66,000	(1,148,725)	(437,348)	1,016,453	(371,348)
Set off of tax	(1,148,725)	(66,000)	1,148,725	66,000	-	-
Net tax assets/(liabilities)	1,016,453	-	-	(371,348)	1,016,453	(371,348)

Notes to the Financial Statements

7. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2015	2014
	RM	RM
Unabsorbed capital allowances	2,122,000	4,552,000
Unutilised tax losses	9,330,000	9,338,000
Other temporary differences	(3,638,000)	(3,565,000)
	7,814,000	10,325,000

The unutilised tax losses and unabsorbed capital allowances 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.

Movement in temporary differences during the year

	At 1.4.2013	Recognised in profit or loss (Note 19)	At 31.3.2014/ 1.4.2014	Recognised in profit or loss (Note 19)	At 31.3.2015
	RM	RM	RM	RM	RM
Group					
Property, plant and equipment	(847,260)	-	(847,260)	(488,598)	(1,335,858)
Unutilised tax losses	540,859	-	540,859	(540,859)	-
Other temporary differences	(10,732)	(241,348)	(252,080)	2,417,258	2,165,178
	(317,133)	(241,348)	(558,481)	1,387,801	829,320
Company					
Property, plant and equipment	(196,000)	-	(196,000)	(952,725)	(1,148,725)
Other temporary differences	66,000	(241,348)	(175,348)	2,340,526	2,165,178
	(130,000)	(241,348)	(371,348)	1,387,801	1,016,453

Notes to the Financial Statements

8. INVENTORIES

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Raw materials	289,586	340,304	171,005	217,884
Consumables	988,090	2,516,773	217,313	805,873
Work-in-progress	25,388,760	11,044,723	15,830,500	5,754,882
Finished goods	63,761	135,987	63,761	135,112
	26,730,197	14,037,787	16,282,579	6,913,751
Recognised in profit or loss:				
Inventories recognised as cost of sales	101,899,242	83,684,114	61,580,205	56,532,061
Write down to net realisable value	1,317,410	-	519,473	-
Inventories written off	2,478,524	876,896	2,478,524	876,896

9. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2015	2014	2015	2014
		RM	RM	RM	RM
Trade					
Trade receivables		48,154,266	19,453,093	24,704,532	11,983,980
Amount due from subsidiaries	9.1	-	-	-	1,674
		48,154,266	19,453,093	24,704,532	11,985,654
Non-trade					
Other receivables		491,711	1,197,476	350,866	552,798
Amount due from subsidiaries	9.1	-	-	4,228,863	8,783,309
Deposits		311,943	375,939	150,037	157,669
		803,654	1,573,415	4,729,766	9,493,776
Impairment loss on amounts due from subsidiaries		-	-	(4,228,863)	(4,193,309)
		803,654	1,573,415	500,903	5,300,467
		48,957,920	21,026,508	25,205,435	17,286,121

9.1 Amount due from subsidiaries

The trade amount due from subsidiaries is subject to normal trade terms.

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

Notes to the Financial Statements

10. PREPAYMENTS

Included in prepayments of the Group and of the Company is an amount of RM2,871,783 (2014: RM3,253,816) and RM1,548,577 (2014: RM3,253,816) respectively, being advances paid to suppliers for goods acquired.

11. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cash and bank balances	18,926,110	6,620,946	16,620,263	5,208,082
Deposits placed with licensed banks	91,283	88,983	91,283	88,983
	19,017,393	6,709,929	16,711,546	5,297,065

12. CAPITAL AND RESERVES

Share capital

	Group and Company			
	Amount	Number of shares	Amount	Number of shares
	2015	2015	2014	2014
	RM		RM	
Ordinary shares of RM0.10 each				
Authorised				
At 1 April/31 March	50,000,000	500,000,000	50,000,000	500,000,000
Issued and fully paid				
At 1 April/31 March	35,173,800	351,738,000	35,173,800	351,738,000

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Share premium

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares.

Translation reserve

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

Notes to the Financial Statements

13. LOANS AND BORROWINGS

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Non-current				
Finance lease liabilities	95,611	1,800,276	-	103,334
Term loans (secured)	13,769,000	5,499,068	5,025,679	5,499,068
	13,864,611	7,299,344	5,025,679	5,602,402
Current				
Finance lease liabilities	1,118,885	1,579,129	102,904	282,119
Revolving loans (secured)	6,000,000	-	6,000,000	-
Bankers' acceptances (secured)	24,220,350	10,925,000	11,592,883	6,554,000
Term loans (secured)	1,381,819	12,996,515	474,651	2,005,310
Bank overdraft (secured)	607,479	396,625	-	-
	33,328,533	25,897,269	18,170,438	8,841,429
	47,193,144	33,196,613	23,196,117	14,443,831

Security

The term loans, bank overdrafts, revolving loans and bankers' acceptances 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 term loans, bankers' acceptances and bank overdrafts of a subsidiary are secured over the properties of the subsidiary and a corporate guarantee by the Company.

Loan 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 in Genetec Technology Berhad and CLT Engineering Sdn. Bhd..

ii) Minimum tangible net worth at RM12,000,000 in CLT Engineering Sdn. Bhd..

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 building at not less than RM 10 million in Genetec Technology Berhad.

Notes to the Financial Statements

13. LOANS AND BORROWINGS (continued)

Finance lease liabilities

Finance lease liabilities are payable as follows:

	Future minimum lease payments 2015 RM	Interest 2015 RM	Present value of minimum lease payments 2015 RM	Future minimum lease payments 2014 RM	Interest 2014 RM	Present value of minimum lease payments 2014 RM
Group						
Less than one year	1,164,883	(45,998)	1,118,885	1,711,178	(132,049)	1,579,129
Between one and five years	98,336	(2,725)	95,611	1,856,830	(56,554)	1,800,276
	1,263,219	(48,723)	1,214,496	3,568,008	(188,603)	3,379,405
Company						
Less than one year	104,113	(1,209)	102,904	293,138	(11,019)	282,119
Between one and five years	-	-	-	104,543	(1,209)	103,334
	104,113	(1,209)	102,904	397,681	(12,228)	385,453

14. DERIVATIVE FINANCIAL LIABILITIES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Derivatives held at fair value through profit or loss and represented at fair value:				
- Forward exchange contracts	(4,651,513)	(179,455)	(4,171,763)	(179,455)

Forward exchange contracts are used to manage the foreign currency exposures arising from the Group's and the Company's receivables and payables denominated in currencies other than the functional currencies of Group entities. All forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

Notes to the Financial Statements

15. TRADE AND OTHER PAYABLES

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Trade					
Trade payables		33,387,186	10,112,771	17,277,949	5,828,464
Amount due to subsidiaries	15.1	-	-	175	120,423
Amount due to an associate	15.1	-	169,822	-	169,822
		33,387,186	10,282,593	17,278,124	6,118,709
Non-trade					
Other payables		11,531,751	8,262,206	5,256,494	1,667,021
Accruals		3,511,664	2,780,400	906,194	661,863
		15,043,415	11,042,606	6,162,688	2,328,884
		48,430,601	21,325,199	23,440,812	8,447,593

15.1 Amounts due to subsidiaries and an associate

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

16. DISPOSAL GROUP HELD FOR SALE

The Group's United States of America ("U.S.A.") subsidiaries, namely IP Systems, Inc., and its holding company Genetec Global Technologies, Inc. ("GGT") were presented as a disposal group held for sale following the commitment of the Group's management on February 2013 to cease and scale down its U.S.A. operations. At 31 March 2015, the liabilities of the disposal group are as follows:

	Group 2015 RM	Group 2014 RM
Liabilities classified as held for sale		
Trade and other payables	-	4,920,997

The Group's management has deliberated and is of the view that the disposal is unlikely to be completed within twelve months from 31 March 2015. As a result, the management had reclassified the "liabilities classified as held for sale" to "other payables" as at 31 March 2015.

Cumulative expense recognised in other comprehensive income

The cumulative expense recognised in other comprehensive income relating to the disposal group is RM749,072 (2014: RM583,662) which relates to foreign currency translation differences.

Notes to the Financial Statements

17. REVENUE

	Continuing operations RM	Discontinued operation (Note 20) RM	Total RM
Group			
2015			
Automation products	145,870,955	-	145,870,955
2014			
Automation products	116,212,893	3,226,723	119,439,616
Company			
2015			
Automation products	90,444,426	-	90,444,426
2014			
Automation products	82,335,364	-	82,335,364

18. FINANCE COSTS

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Continuing operations:				
Interest expense				
- Term loans	968,394	1,179,848	415,659	602,267
- Finance lease liabilities	132,049	218,002	11,019	26,252
- Bankers' acceptances	844,182	679,905	356,970	221,039
- Revolving loans	157,253	43,298	157,253	43,298
- Other finance costs	271,347	244,960	185,292	68,787
	2,373,225	2,366,013	1,126,193	961,643
Discontinued operation:				
Finance costs	-	303,705	-	-
	2,373,225	2,669,718	1,126,193	961,643

Notes to the Financial Statements

19. TAX EXPENSE

Recognised in profit or loss

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Current tax expense				
- Current year	153,342	146,744	150,000	146,744
- (Over)/Under provision in prior years	(72,413)	19,270	(28,005)	19,270
	80,929	166,014	121,995	166,014
Deferred tax (benefit)/expense				
- Origination and reversal of temporary differences	(1,203,904)	34,009	(1,203,904)	34,009
- (Over)/Under provision in prior years	(183,897)	207,339	(183,897)	207,339
	(1,387,801)	241,348	(1,387,801)	241,348
Total tax expense	(1,306,872)	407,362	(1,265,806)	407,362
Reconciliation of tax expense				
Profit/(Loss) for the year				
- Continuing operations	4,970,126	(1,237,517)	3,948,962	(60,300)
- Discontinued operation	-	6,149,020	-	-
	4,970,126	4,911,503	3,948,962	(60,300)
Total tax expense				
- Continuing operations	(1,306,872)	407,362	(1,265,806)	407,362
Profit/(Loss) excluding tax	3,663,254	5,318,865	2,683,156	347,062
Income tax calculated using Malaysian tax rate of 25% (2014: 25%)	915,814	1,329,716	670,789	86,766
Effect of deferred tax assets not recognised	141,876	1,156,950	-	-
Utilisation of previously unrecognised deferred tax assets	(627,750)	-	-	-
Non-deductible expenses	399,608	408,206	155,417	1,252,748
Non-taxable income	-	(1,569,670)	-	(9,157)
Tax incentive (Pioneer status)*	(1,880,110)	(1,149,604)	(1,880,110)	(1,149,604)
Effect of different tax rates in foreign jurisdictions	-	5,155	-	-
	(1,050,562)	180,753	(1,053,904)	180,753
(Over)/Under provision in prior years				
- Current tax	(72,413)	19,270	(28,005)	19,270
- Deferred tax	(183,897)	207,339	(183,897)	207,339
	(1,306,872)	407,362	(1,265,806)	407,362

Notes to the Financial Statements

19. TAX EXPENSE (continued)

* *The Company was granted pioneer status tax incentive by the Malaysian Industrial Development Authority ("MIDA") in respect of its "Automated Assembly and Testing Production Line & Modules for Automotive Industry" and "Automated Machines and Equipment for 1" Hard Disk Drive and Parts Thereof" activities for a period of 5 years commencing 15 September 2005 and 26 January 2007 respectively and subject to additional 5 years extension period upon expiry. The incentives were successfully extended for a further period of 5 years up to 14 September 2015 and 25 January 2017 respectively.*

The Group's subsidiary, CLT Engineering Sdn. Bhd. was also granted pioneer status incentives by MIDA in respect of its "Automated Assembly and Testing Machines, & Related Modules" activities for a period of 5 years commencing 18 October 2010 and subject to additional 5 years extension period upon expiry.

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.

20. DISCONTINUED OPERATION/DISPOSAL OF SUBSIDIARIES

In February 2013, the Group decided to cease and scale down its business operations in the United States of America ("U.S.A.") following continuing losses incurred by the U.S.A. subsidiaries, Systems South, Inc., IP Systems, Inc., Genetec Technology Automation, Inc. and its holding company Genetec Global Technologies, Inc.. These entities were classified as discontinued operation as at 31 March 2014.

On 31 March 2014, Genetec Global Technologies, Inc. ("GGT"), a wholly-owned subsidiary which was incorporated in the U.S.A., had completed the disposal of:-

(i) one hundred (100) shares in the common stock of Genetec Technology Automation, Inc. ("GTA Shares"), representing 100% of the equity interest in GTA for a cash consideration of USD1.00 or approximately RM3.30 (based on exchange rate of RM3.30 for every USD1.00); and

(ii) eighty five (85) shares in the common stock of Systems South, Inc. ("SSI Shares"), representing 85% of the equity interest in SSI for a cash consideration of USD1.00 or approximately RM3.30 (based on exchange rate of RM3.30 for every USD1.00).

Profit attributable to the discontinued operation was as follows:

	Note	Group 2014 RM
Results of discontinued operation		
Revenue	17	3,226,723
Expenses		(1,423,374)
Results from operating activities		1,803,349
Tax expense	19	-
Results from operating activities, net of tax		1,803,349
Gain on disposal of subsidiaries		4,345,671
Profit for the year		6,149,020
Included in the results from operating activities are:		
Depreciation of property, plant and equipment		106,320

The profit from discontinued operation of RM6,149,020 for the financial year ended 31 March 2014 was attributable entirely to the owners of the Company.

Notes to the Financial Statements

20. DISCONTINUED OPERATION/DISPOSAL OF SUBSIDIARIES (continued)

	Group 2014 RM
Cash flows used in discontinued operation/disposal of subsidiaries	
Net cash used in operating activities	(25,939)
Net cash from investing activities	895,416
Net cash used in financing activities	(5,773,310)
Effect on cash flows	(4,903,833)

Effect of disposal on the financial position of the Group

	2014 RM
Trade receivables	(85,983)
Other receivables	(31,928)
Trade payables	4,398,347
Other payables	313,615
Net liabilities	4,594,051
Less: Non-controlling interest	(248,380)
Gain on sale of partial subsidiaries	4,345,671

Notes to the Financial Statements

21. PROFIT/(LOSS) FOR THE YEAR

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Profit/(Loss) for the year is arrived at after charging:				
Audit fees:				
- KPMG Malaysia				
Current year	138,000	152,000	98,000	98,000
Under/(Over) provision in prior year	-	6,000	-	(2,000)
- Other auditors	9,000	4,000	-	-
Non audit fees:				
- KPMG Malaysia	20,000	20,000	20,000	20,000
Depreciation of property, plant and equipment	2,924,008	3,152,527	1,258,213	1,254,085
Net derivative loss				
- realised	630,420	1,057,050	630,420	1,057,050
- unrealised	4,651,513	179,455	4,171,763	179,455
Amount due from subsidiaries written off	-	-	-	3,573,603
Impairment loss on:				
- amounts due from subsidiaries	-	-	33,554	206,432
- trade receivables	227,199	-	205,813	-
Inventories written off	2,478,524	876,896	2,478,524	876,896
Loss on disposal of property, plant and equipment, net	21,670	19,831	39,000	-
Net loss on foreign exchange:				
- realised	-	918,477	-	918,477
- unrealised	-	1,546,520	-	1,534,916
Personnel expenses (including key management personnel):				
- Contributions to Employees Provident Fund	1,714,227	1,830,675	1,188,620	1,168,620
- Wages, salaries and others	18,915,587	21,216,365	11,146,365	10,860,348
Property, plant and equipment written off	254,976	1,626	254,976	1,626
Write down of inventories	1,317,410	-	519,473	-
Rental expense on properties	108,000	282,050	-	-
Rental of motor vehicles	9,312	18,640	-	-
and after crediting:				
Finance income from deposits	66,456	132,191	53,087	114,134
Net gain on foreign exchange				
- realised	2,281,088	1,530,627	2,072,169	1,479,705
- unrealised	839,013	1,453,530	464,700	1,453,530
Rental income	1,288,898	929,247	-	-

Notes to the Financial Statements

22. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Directors:				
- Remuneration	1,082,000	938,310	452,000	388,500
- Fees	132,000	132,000	132,000	132,000
- Other short term employee benefits	103,190	102,997	24,570	24,377
	1,317,190	1,173,307	608,570	544,877

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 Nil (2014: RM31,000).

23. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2015 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2015	**2014**
	RM	**RM**
Profit attributable to ordinary shareholders:		
- Continuing operations	4,456,838	1,897,014
- Discontinued operation	-	5,108,171
	4,456,838	7,005,185
Weighted average number of ordinary shares at 31 March	351,738,000	351,738,000

	2015	**2014**
	sen	**sen**
From continuing operations	1.27	0.54
From discontinued operation	-	1.45
Basic earnings per ordinary share	1.27	1.99

Notes to the Financial Statements

23. EARNINGS PER ORDINARY SHARE (continued)

Diluted earnings per ordinary share

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

24. 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 reports at least on a quarterly basis. No segment reporting is presented as the Group operates solely in the industrial automation segment.

Geographical segments

The industrial automation segment operates manufacturing facilities and sales offices mainly in Malaysia. Accordingly, segmental information based on geographical segments is not presented.

25. FINANCIAL INSTRUMENTS

25.1 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) Financial liabilities measured at amortised cost ("FL").

	Carrying amount RM	L&R RM	FVTPL -DUIR RM
Group			
Financial assets			
2015			
Trade and other receivables	48,957,920	48,957,920	-
Cash and cash equivalents	19,017,393	19,017,393	-
	67,975,313	67,975,313	-
2014			
Trade and other receivables	21,026,508	21,026,508	-
Cash and cash equivalents	6,709,929	6,709,929	-
	27,736,437	27,736,437	-

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (continued)

25.1 Categories of financial instruments (continued)

	Carrying amount RM	FL RM	FVTPL -DUIR RM
Group			
Financial liabilities			
2015			
Derivatives	4,651,513	-	4,651,513
Loan and borrowings	47,193,144	47,193,144	-
Trade and other payables	48,430,601	48,430,601	-
	100,275,258	95,623,745	4,651,513
2014			
Derivatives	179,455	-	179,455
Loan and borrowings	33,196,613	33,196,613	-
Trade and other payables	21,325,199	21,325,199	-
	54,701,267	54,521,812	179,455

	Carrying amount RM	L&R RM	FVTPL -DUIR RM
Company			
Financial assets			
2015			
Trade and other receivables	25,205,435	25,205,435	-
Cash and cash equivalents	16,711,546	16,711,546	-
	41,916,981	41,916,981	-
2014			
Trade and other receivables	17,286,121	17,286,121	-
Cash and cash equivalents	5,297,065	5,297,065	-
	22,583,186	22,583,186	-

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (continued)

25.1 Categories of financial instruments (continued)

	Carrying amount RM	FL RM	FVTPL -DUIR RM
Company			
Financial liabilities			
2015			
Derivatives	4,171,763	-	4,171,763
Loan and borrowings	23,196,117	23,196,117	-
Trade and other payables	23,440,812	23,440,812	-
	50,808,692	46,636,929	4,171,763
2014			
Derivatives	179,455	-	179,455
Loan and borrowings	14,443,831	14,443,831	-
Trade and other payables	8,447,593	8,447,593	-
	23,070,879	22,891,424	179,455

25.2 Net gains and losses arising from financial instruments

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Net (losses)/gains arising on:				
Fair value through profit or loss				
- Designated upon initial recognition	(5,281,933)	(1,236,505)	(4,802,183)	(1,236,505)
Loans and receivables	2,959,358	651,352	2,348,589	3,186,060
Financial liabilities measured at amortised cost	(2,373,225)	(2,282,983)	(1,126,193)	(961,643)
	(4,695,800)	(2,868,136)	(3,579,787)	987,912

25.3 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

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (continued)

25.4 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 subsidiaries.

25.4.1 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 two major customers which represents 91% (2014: 81%) of total trade receivables. 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 stated 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	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Domestic	43,489,593	6,087,748	21,012,719	686,824
Asia	4,228,136	12,576,503	3,691,813	11,297,156
North America	436,537	788,842	-	-
	48,154,266	19,453,093	24,704,532	11,983,980

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (continued)

25.4 Credit risk (continued)

25.4.1 Receivables (continued)

Impairment losses

The Group and Company maintain an ageing analysis in respect of trade receivables only. The ageing of trade receivables (excluding amount due from subsidiaries) as at the end of the reporting period was:

	Gross RM	Individual impairment RM	Net RM
Group			
2015			
Not past due	43,884,097	-	43,884,097
Past due 0 - 30 days	2,462,955	-	2,462,955
Past due more than 30 days	2,034,413	(227,199)	1,807,214
	48,381,465	(227,199)	48,154,266
2014			
Not past due	15,480,042	-	15,480,042
Past due 0 - 30 days	943,323	-	943,323
Past due more than 30 days	3,029,728	-	3,029,728
	19,453,093	-	19,453,093

	Gross RM	Individual impairment RM	Net RM
Company			
2015			
Not past due	22,797,521	-	22,797,521
Past due 0 - 30 days	581,490	-	581,490
Past due more than 30 days	1,531,334	(205,813)	1,325,521
	24,910,345	(205,813)	24,704,532
2014			
Not past due	9,688,664	-	9,688,664
Past due 0 - 30 days	353,976	-	353,976
Past due more than 30 days	1,941,340	-	1,941,340
	11,983,980	-	11,983,980

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (continued)

25.4 Credit risk (continued)

25.4.1 Receivables (continued)

Impairment losses (continued)

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

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
At 1 April	-	-	-	-
Impairment loss recognised	227,199	-	205,813	-
At 31 March	227,199	-	205,813	-

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

25.4.2 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 and the Company have 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.

25.4.3 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.

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (continued)

25.4 Credit risk (continued)

25.4.3 Inter-company balances (continued)

Impairment losses

A further allowance for impairment losses on amounts due from subsidiaries amounting to RM35,554 (2014: RM206,432) was made, resulting in a total year end impairment of RM4,228,863 (2014: RM4,193,309). During the year, no amount due from subsidiaries was written off (2014: RM3,573,603).

25.4.4 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 its subsidiaries. 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 RM45,300,000 (2014: RM42,484,210). Included in the amount for 2014 were financial guarantees provided to U.S.A. subsidiaries amounting to RM984,210, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

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

25.5 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.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (continued)

25.5 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							
2015							
Non-derivative financial liabilities							
Finance lease liabilities	1,214,496	2.37 - 2.98	1,263,397	1,165,061	98,336	-	-
Secured term loans	15,150,819	5.00 - 7.35	20,911,346	2,244,811	2,244,811	5,105,216	11,316,508
Bankers' acceptances	24,220,350	3.66 - 5.27	24,254,383	24,254,383	-	-	-
Revolving loans	6,000,000	5.50 - 5.53	6,115,392	6,115,392	-	-	-
Bank overdraft	607,479	^	607,479	607,479	-	-	-
Trade and other payables	48,430,601	-	48,430,601	48,430,601	-	-	-
	95,623,745		101,582,598	82,817,727	2,343,147	5,105,216	11,316,508
Derivative financial liabilities							
Forward exchange contracts (gross settled):							
Outflow	4,651,513	-	63,688,113	63,688,113	-	-	-
Inflow	-	-	(59,036,600)	(59,036,600)	-	-	-
	100,275,258		106,234,111	87,469,240	2,343,147	5,105,216	11,316,508

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (continued)

25.5 Liquidity risk (continued)

Maturity analysis (continued)

	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							
2014							
Non-derivative financial liabilities							
Finance lease liabilities	3,379,405	2.37 - 3.00	3,568,008	1,711,178	1,711,178	145,652	-
Secured term loans	18,495,583	4.75 - 7.10	24,423,809	3,796,679	2,211,814	5,725,772	12,689,544
Bankers' acceptances	10,925,000	3.19 - 5.03	11,397,058	11,397,058	-	-	-
Bank overdraft	396,625	^	396,625	396,625	-	-	-
Trade and other payables	21,325,199	-	21,325,199	21,325,199	-	-	-
	54,521,812		61,110,699	38,626,739	3,922,992	5,871,424	12,689,544
Derivative financial liabilities							
Forward exchange contracts (gross settled):							
Outflow	179,455	-	14,142,305	14,142,305	-	-	-
Inflow	-	-	(13,962,850)	(13,962,850)	-	-	-
	54,701,267		61,290,154	38,806,194	3,922,992	5,871,424	12,689,544

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (continued)

25.5 Liquidity risk (continued)

Maturity analysis (continued)

	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
Company							
2015							
Non-derivative financial liabilities							
Finance lease liabilities	102,904	2.37 - 2.98	104,113	104,113	-	-	-
Secured term loans	5,500,330	7.00	7,369,110	844,711	844,711	2,534,132	3,145,556
Bankers' acceptances	11,592,883	3.66 - 4.58	11,626,916	11,626,916	-	-	-
Revolving loans	6,000,000	5.50 - 5.53	6,115,392	6,115,392	-	-	-
Trade and other payables	23,440,812	-	23,440,812	23,440,812	-	-	-
	46,636,929		48,656,343	42,131,944	844,711	2,534,132	3,145,556
Derivative financial liabilities							
Forward exchange contracts (gross settled):							
Outflow	4,171,763	-	54,327,863	54,327,863	-	-	-
Inflow	-	-	(50,156,100)	(50,156,100)	-	-	-
	50,808,692		52,828,106	46,303,707	844,711	2,534,132	3,145,556

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (continued)

25.5 Liquidity risk (continued)

Maturity analysis (continued)

	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
Company							
2014							
Non-derivative financial liabilities							
Finance lease liabilities	385,453	2.37 - 3.00	397,681	293,138	104,543	-	-
Secured term loans	7,504,378	6.75	9,715,995	2,421,088	836,223	2,508,667	3,950,017
Bankers' acceptances	6,554,000	4.91 - 5.03	6,867,609	6,867,609	-	-	-
Trade and other payables	8,447,593	-	8,447,593	8,447,593	-	-	-
	22,891,424		25,428,878	18,029,428	940,766	2,508,667	3,950,017
Derivative financial liabilities							
Forward exchange contracts (gross settled):							
Outflow	179,455	-	14,142,305	14,142,305	-	-	-
Inflow	-	-	(13,962,850)	(13,962,850)	-	-	-
	23,070,879		25,608,333	18,208,883	940,766	2,508,667	3,950,017

^ Represents base lending rate ("BLR") plus a fixed rate of 1.25% - 1.50%

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (continued)

25.6 Market risk

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

25.6.1 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") and Singapore Dollar ("SGD").

Risk management objectives, policies and processes for managing the risk

The Group and the Company enter into foreign currency forward exchange 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 Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in	
	USD	**SGD**
	RM	**RM**
Group		
2015		
Trade receivables	22,912,691	1,492,446
Cash and cash equivalents	16,787,886	4,342
Forward exchange contracts	(4,651,513)	-
Trade payables	(7,540,628)	(911,207)
	27,508,436	585,581
2014		
Trade receivables	11,695,264	1,560,969
Cash and cash equivalents	4,222,324	177,526
Forward exchange contracts	(179,455)	-
Trade payables	(580,235)	(251,306)
	15,157,898	1,487,189

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (continued)

25.6 Market risk (continued)

25.6.1 Currency risk (continued)

Exposure to foreign currency risk (continued)

	Denominated in	
	USD	**SGD**
	RM	**RM**
Company		
2015		
Trade and other receivables	20,227,042	1,453,005
Cash and cash equivalents	15,798,049	4,342
Forward exchange contracts	(4,171,763)	-
Trade and other payables	(6,220,622)	(284,388)
	25,632,706	1,172,959
2014		
Trade and other receivables	10,105,183	1,278,956
Cash and cash equivalents	3,808,765	4,342
Forward exchange contracts	(179,455)	-
Trade and other payables	(396,398)	(125,803)
	13,338,095	1,157,495

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% (2014: 10%) strengthening of the RM against the following currencies at the end of the reporting period would have decreased equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Group		Company	
	Equity and Profit or loss		Equity and Profit or loss	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
USD	(2,063,133)	(1,136,842)	(1,922,453)	(1,000,357)
SGD	(43,919)	(111,539)	(87,972)	(86,812)

A 10% (2014: 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.

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (continued)

25.6 Market risk (continued)

25.6.2 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	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Fixed rate instruments				
Financial assets	91,283	88,983	91,283	88,983
Financial liabilities	(25,434,846)	(14,304,405)	(11,695,787)	(6,939,453)
	(25,343,563)	(14,215,422)	(11,604,504)	(6,850,470)
Floating rate instruments				
Financial liabilities	(21,758,297)	(18,892,208)	(11,500,330)	(7,504,378)

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.

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (continued)

25.6 Market risk (continued)

25.6.2 Interest rate risk (continued)

Interest rate risk sensitivity analysis (continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 10 basis points ("bp") in interest rates 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 foreign currency rates, remained constant.

	Equity and Profit or loss			
	10 bp increase	**10 bp decrease**	**10 bp increase**	**10 bp decrease**
	2015	**2015**	**2014**	**2014**
	RM	**RM**	**RM**	**RM**
Group				
Floating rate instruments	(16,319)	16,319	(14,169)	14,169
Company				
Floating rate instruments	(8,625)	8,625	(5,628)	5,628

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (continued)

25.7 Fair value information

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

It was not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Total fair value	Carrying amount
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
2015										
Group										
Financial liabilities										
Forward exchange contracts	-	(4,651,513)	-	(4,651,513)	-	-	-	-	(4,651,513)	(4,651,513)
Term loan - secured	-	-	-	-	-	-	(15,150,819)	(15,150,819)	(15,150,819)	(15,150,819)
Finance lease liabilities	-	-	-	-	-	-	(1,260,914)	(1,260,914)	(1,260,914)	(1,214,496)
	-	(4,651,513)	-	(4,651,513)	-	-	(16,411,733)	(16,411,733)	(21,063,246)	(21,016,828)
Company										
Financial liabilities										
Forward exchange contracts	-	(4,171,763)	-	(4,171,763)	-	-	-	-	(4,171,763)	(4,171,763)
Term loan - secured	-	-	-	-	-	-	(5,500,330)	(5,500,330)	(5,500,330)	(5,500,330)
Finance lease liabilities	-	-	-	-	-	-	(102,904)	(102,904)	(102,904)	(102,904)
	-	(4,171,763)	-	(4,171,763)	-	-	(5,603,234)	(5,603,234)	(9,774,997)	(9,774,997)

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (continued)

25.7 Fair value information (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Total fair value	Carrying amount
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
2014										
Group										
Financial liabilities										
Forward exchange contracts	-	(179,455)	-	(179,455)	-	-	-	-	(179,455)	(179,455)
Term loan - secured	-	-	-	-	-	-	(18,495,583)	(18,495,583)	(18,495,583)	(18,495,583)
Finance lease liabilities	-	-	-	-	-	-	(3,241,873)	(3,241,873)	(3,241,873)	(3,379,405)
	-	(179,455)	-	(179,455)	-	-	(21,737,456)	(21,737,456)	(21,916,911)	(22,054,443)
Company										
Financial liabilities										
Forward exchange contracts	-	(179,455)	-	(179,455)	-	-	-	-	(179,455)	(179,455)
Term loan - secured	-	-	-	-	-	-	(7,504,378)	(7,504,378)	(7,504,378)	(7,504,378)
Finance lease liabilities	-	-	-	-	-	-	(373,180)	(373,180)	(373,180)	(385,453)
	-	(179,455)	-	(179,455)	-	-	(7,877,558)	(7,877,558)	(8,057,013)	(8,069,286)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event of change in circumstances that caused the transfer.

Level 2 fair value

Derivatives

The fair value of forward exchange contracts 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 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. For borrowings, the market rate interest is determined by reference to similar borrowings arrangements.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2014: no transfer in either directions).

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (continued)

25.7 Fair value information (continued)

Level 3 fair value

Fair value of financial instruments not carried at fair value

The method and assumption used to estimate the fair value of the financial instruments not carried at fair value is as follows:

- Term loan - The fair value of term loan is estimated to approximate its carrying amount as this is a variable rate borrowing.
- Finance lease liabilities - The fair value of finance lease liabilities are estimated based on discounted cash flow using prevailing market rates of similar lease agreements.

26. CAPITAL MANAGEMENT

The Group'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 2015 and 31 March 2014 were as follows:

		Group	
	Note	**2015**	**2014**
		RM	**RM**
Total borrowings	13	47,193,144	33,196,613
Less: Cash and cash equivalents	11	(19,017,393)	(6,709,929)
		28,175,751	26,486,684
Total equity		61,212,590	52,581,536
Debt-to-equity ratio		0.46	0.50

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 Guidance Note No. 3/2006, the Group is required to maintain a consolidated shareholders' equity equal to or not less than 25 percent of the issued and paid-up capital. The Group has complied with this requirement.

The significant loan covenants of the Group and the Company are disclosed in Note 13. There is no breach of covenants during the financial year.

Notes to the Financial Statements

27. 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	
	2015	**2014**
	RM	**RM**
Guarantees given to financial institutions for facilities granted to the subsidiaries	45,300,000	42,484,210

28. 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.

Related parties also include key management personnel 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 Group has related party relationships with its subsidiaries, associate and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company, other than key management personnel compensation which is disclosed in Note 22 are shown below. The balances related to the below transactions are shown in Notes 9 and 15.

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Subsidiaries				
Purchases	-	-	7,799	2,943,628
Sales	-	-	(78,601)	(12,576)
Subsidiaries of an affiliate company				
Purchases	1,634,219	1,279,995	962,807	956,561
Associate				
Servicing fee	901,425	996,479	901,425	996,479
Purchases	4,778	9,416	4,778	9,416

As at 31 March 2015, the balances outstanding to subsidiaries of an affiliate company, KVC Industrial Supplies Sdn. Bhd., TSA Industries Sdn. Bhd. and Cotel Precision Industries Sdn. Bhd. are RM544,273 (2014: RM764,008), RM7,945 (2014: RM37,442) and RM400 (2014: RM804), respectively. The balance outstanding to an associate, TGT Technology Limited in 2014 amounted to RM168,586.

Notes to the Financial Statements

29. SUPPLEMENTARY FINANCIAL INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained earnings of the Group and of the Company as at 31 March, into realised and unrealised profits, pursuant to Paragraphs 2.07 and 2.23 of Bursa Malaysia ACE Market Listing Requirements are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Total retained earnings of the Company and its subsidiaries				
- realised	(12,010,787)	(18,861,864)	3,618,074	1,602,999
- unrealised	1,753,750	(566,054)	1,481,152	(452,735)
	(10,257,037)	(19,427,918)	5,099,226	1,150,264
Total share of retained earnings of an associate				
- realised	-	129,831	-	-
	(10,257,037)	(19,298,087)	5,099,226	1,150,264
Less: Consolidation adjustments	15,199,131	19,783,343	-	-
Total retained earnings	4,942,094	485,256	5,099,226	1,150,264

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 34 to 94 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2015 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 on page 95 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: 1 July 2015

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 34 to 95 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 1 July 2015.

Tan Kon Hoan

Before me:
NO. W656
MANOHARAN A/L SELLAMUTHU
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 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 34 to 94.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 give a true and fair view of the financial position of the Group and of the Company as of 31 March 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

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

(a) In our opinion, the accounting and other records and the registers required by the 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 5 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 on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Independent Auditors' Report

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

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 on page 95 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 Malaysian Financial Reporting Standards or International 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

Siew Chin Kiang @ Seow Chin Kiang
Approval Number: 2012/11/16(J)
Chartered Accountant

Petaling Jaya, Selangor

Date: 1 July 2015

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 Malaysian Financial Reporting Standards.

List of Properties held by the Group

As at 30 June 2015

No.	Address	Approximate tenure/Year of expiry	Description/ Existing use	Land area/ Built-up area (sq. ft.)	Net book value @ 31.03.15 (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	10,121	7	31 March 08
2.	No. 59, Jalan P/21, Selaman Industrial Park, Seksyen 10, 43650 Bandar Baru Bangi, Selangor Darul Ehsan.	99 years expiring in 2098	Leasehold 1½ - storey detached factory/Office building	22,723/ 13,603	1,378	10	20 March 06
3.	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	16,755	25	15 June 2011
4.	No. 75/113 Village, No. 11, Khrongkarn MMC Factory Alley, Phaholyothin Road (Highway 1), Khong Nueng Sub-district, Khong Luang District, Pathumthani Province, Bangkok, Thailand	Freehold	Land with 2 - storey factory-cum-office	570/910	834	5	11 March 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 2015 was RM20,000 (2014: RM20,000).

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.

10. RECURRENT RELATED PARTY TRANSACTIONS

The significant recurrent related party transactions conducted during the financial year ended 31 March 2015 were as follows:

Additional Compliance Information

10. RECURRENT RELATED PARTY TRANSACTIONS (continued)

	Related Parties	Relationship with Genetec Group	Nature of Transactions with Genetec Group	Amount (RM)
1.	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	78,601 7,799
2.	Cotel Precision Industries Sdn Bhd ("**COTEL**")	Chen Khai Voon is a Director and indirect Major Shareholder of Genetec (via his shareholdings in KVC Corporation Sdn Bhd ("**KVC CORP**"). He is also an indirect Major Shareholder of Cotel (via his shareholdings in KVC Corp and KVC KVC Corp is a Major Shareholder of Genetec and also and indirect Major Shareholder of Cotel (via its shareholdings in KVC)	Purchase of precision measuring instruments	2,818
3.	KVC Industrial Supplies Sdn Bhd ("**KVC**")	Chen Khai Voon is a Director and an indirect Major Shareholder of Genetec (via his shareholdings in KVC Corp). He is also a Director and indirect Major Shareholder of KVC (via his shareholdings in KVC Corp) KVC Corp 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	1,558,996
4.	TSA Industries Sdn Bhd ("**TSA**")	Chen Khai Voon is a Director and an indirect Major Shareholder of Genetec (via his shareholdings in KVC Corp). He is also a Director and indirect Major Shareholder of TSA (via his shareholdings in KVC Corp) KVC Corp 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	72,405

Additional Compliance Information

10. RECURRENT RELATED PARTY TRANSACTIONS (continued)

	Related Parties	Relationship with Genetec Group	Nature of Transactions with Genetec Group	Amount (RM)
5.	TGT Technology Limited ("**TGT**")	Chen Khai Voon is a Director and an indirect Major Shareholder of Genetec (via his shareholdings in KVC Corp). He is also an indirect Major Shareholder of TGT (via his direct shareholdings in KVC Corp 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) KVC Corp is a Major Shareholder of Genetec and also an indirect Major Shareholder of TGT (via its shareholdings in Genetec) TGT has ceased as an associate of Genetec since March 2015	Servicing fees for designing machines Purchase of fabrication parts	901,425 4,778

Analysis of Shareholdings

As at 30 June 2015

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	2	100	0.00
100 – 1,000	70	40,400	0.01
1,001 – 10,000	598	4,530,800	1.29
10,001 – 100,000	1,717	74,906,600	21.30
100,001 – 17,586,899	387	143,731,400	40.86
17,586,900 and above (5% of issued securities)	3	128,528,700	36.54
Total	2,777	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
Chin Kem Weng	28,926,700	8.22	985,600#	0.28
Tan Moon Teik	23,602,000	6.71	-	-
Chen Khai Voon	-	-	76,000,000*	21.61
Hew Voon Foo	-	-	-	-
Wong Wai Tzing	-	-	-	-
Teh Kim Seng	-	-	-	-
Ong Phoe Be	2,400,000	0.68	-	-

Note: # *Deemed interested through his spouse*
* *Deemed interested through KVC Corporation Sdn Bhd*

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
KVC Corporation Sdn Bhd	76,000,000	21.61	-	-
Chin Kem Weng	28,926,700	8.22	985,600#	0.28
Tan Moon Teik	23,602,000	6.71	-	-
Chen Khai Voon	-	-	76,000,000*	21.61

Note: # *Deemed interested through his spouse*
* *Deemed interested through KVC Corporation Sdn Bhd*

Analysis of Shareholdings

As at 30 June 2015

30 LARGEST SHAREHOLDERS

	Name	No. of shares held	Percentage (%)
1	KVC CORPORATION SDN BHD	76,000,000	21.61
2	CHIN KEM WENG	28,926,700	8.22
3	TAN MOON TEIK	23,602,000	6.71
4	CHIN LEE HEONG	7,200,000	2.05
5	OW PUNG HOCK	3,319,000	0.94
6	ALLEN LIK-HOOK TING	2,520,000	0.72
7	ONG PHOE BE	2,400,000	0.68
8	ROGER CHIN BOON TAT	2,400,000	0.68
9	NGO CHUNG YUEN	2,100,000	0.60
10	AMBANK (M) BERHAD *PLEDGED SECURITIES ACCOUNT FOR WONG AH YONG*	2,000,000	0.57
11	WONG AH YONG	2,000,000	0.57
12	PUBLIC INVEST NOMINEES (ASING) SDN BHD *EXEMPT AN FOR PHILLIP SECURITIES PTE LTD*	1,700,000	0.48
13	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YAP CHI KEONG*	1,636,400	0.47
14	SOW EWE LEE	1,441,000	0.41
15	TEOH CHIU ENG	1,420,000	0.40
16	CHEW PAIK WAN	1,402,500	0.40
17	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR JOO SIEW CHEN*	1,384,500	0.39
18	TEE BOCK CHUAN	1,380,000	0.39
19	CHUA KIM BOON	1,300,000	0.37
20	CIMSEC NOMINEES (TEMPATAN) SDN BHD *CIMB BANK FOR TEOH CHIU ENG*	1,200,000	0.34
21	CHIN KIT SEN	1,193,400	0.34
22	HLIB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR BEK THIAM HONG*	1,159,000	0.33
23	TAN KOK ANG	1,033,500	0.29
24	HLIB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR KONG HWEE CHIN*	1,000,000	0.28
25	LIM BOON SENG	1,000,000	0.28
26	LIOW SIN CHOW	1,000,000	0.28
27	LOO SWEE WENG	1,000,000	0.28
28	NG SEH HAN @ NG TEK LAI	1,000,000	0.28
29	TAN CHUI ENG	1,000,000	0.28
30	TEOH WAH ING	1,000,000	0.28
	Total	175,718,000	49.92

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting of Genetec Technology Berhad (the "COMPANY") will be held at Multi-Purpose Hall, 2nd Floor, Lot 5, Jalan P10/12, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan, on Wednesday, 19 August 2015 at 10.00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS:

Please refer to Note A To receive the Audited Financial Statements for the financial year ended 31 March 2015 together with the reports of the Directors and Auditors thereon.

Ordinary Resolution

1 To approve the aggregate Directors' fees payable to the Directors of the Company of an amount not exceeding RM300,000.00 per annum.

To re-elect the following Directors who are retiring in accordance with Article 92 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-

2 Chen Khai Voon

3 Hew Voon Foo

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 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, authority be given to the Directors of the Company pursuant to Section 132D of the Companies Act, 1965 to issue and allot shares from the unissued share 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 pursuant to this resolution does not exceed ten per centum (10%) of the issued share capital of the Company for the time being and the Directors of the Company be also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad.

AND THAT such authority shall commence immediately upon passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

Notice of Annual General Meeting

6 Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions ("Proposed Renewal of 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/or 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 2015 which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and/or 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 the Proposed Renewal of Shareholders' Mandate is subject to annual renewal and disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year 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;

(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."

BY ORDER OF THE BOARD

LOW SOOK KUAN (MAICSA 7047833)
Company Secretary

Selangor Darul Ehsan
23 July 2015

Notes:

1. A member of the Company entitled to attend and vote at the meeting 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 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 (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

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. Where a member or the authorised nominee appoints two (2) proxies, or where 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.

Notice of Annual General Meeting

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 Seventeenth Annual General Meeting, the Company shall be requesting the Record of Depositors as at 13 August 2015. Only a depositor whose name appears on the Record of Depositors as at 13 August 2015 shall be entitled to attend and vote at the said meeting as well as for appointment of proxy(ies) or authorised representative to attend and vote on his/her stead.

Note A

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 for the Audited Financial Statements and hence this agenda is not put forward for voting.

Explanatory Notes on Special Business

1. Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965

The proposed Ordinary Resolution 5 is intended to renew the authority granted to the Directors of the Company at the Sixteenth Annual General Meeting ("**AGM**") of the Company held on 20 August 2014 to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of shares issued does not exceed 10% of the issued share capital of the Company for the time being (hereinafter referred to as the "**General Mandate**"). The Ordinary Resolution 5, if passed, this authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The Company has not issued any new shares pursuant to the General Mandate granted by the shareholders at the Sixteenth AGM of the Company and hence no proceed was raised therefrom.

The new General Mandate will provide flexibility to the Company for any fund raising activities for future investment project(s), business expansion and/or working capital purpose as the Directors may in their absolute discretion deem fit and to avoid any delay and cost in convening general meetings to approve such issue of shares.

2. Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions ("Proposed Renewal of Shareholders' Mandate")

For the proposed Ordinary Resolution 6, please refer to the Circular to Shareholders dated 23 July 2015 which is despatched together with this Annual Report for detailed information of the Proposed Renewal of Shareholders' Mandate.

Statement Accompanying Notice of Annual General Meeting

1. RE-ELECTION OF DIRECTORS

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

- Chen Khai Voon
- Hew Voon Foo

Further details and profiles of these Directors are set out in Board of Directors and Analysis of Shareholdings sections 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 2015. Details of attendance of the Directors are set out in the Statement on Corporate Governance of this Annual Report.

3. DATE, TIME AND PLACE OF THE ANNUAL GENERAL MEETING

Date	:	Wednesday, 19 August 2015
Time	:	10.00 a.m.
Place	:	Multi-Purpose Hall, 2nd Floor, Lot 5, Jalan P10/12, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan

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Genetec Technology
BERHAD

(445537-W)
(Incorporated in Malaysia)

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 Seventeenth Annual General Meeting of the Company to be held at Multi-Purpose Hall, 2nd Floor, Lot 5, Jalan P10/12, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan, on Wednesday, 19 August 2015 at 10.00 a.m. and at any adjournment thereof as indicated below:

Ordinary Resolution		**For**	**Against**
1	To approve the Directors' Fees		
2	Re-election of Director – Chen Khai Voon		
3	Re-election of Director – Hew Voon Foo		
4	Re-appointment of Auditors and their remuneration – KPMG		
5	Authority to issue and allot shares		
6	Renewal of Shareholders' Mandate for Recurrent Related Party Transactions		

* *If you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "Chairman of the Meeting" and inserted the name(s) of the person(s) desired.*

*(Please indicate with an "**X**" in the spaces provided whether you wish your vote to be cast for or against the resolution. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.)*

Dated this: ________ day of ______________________ 2015

____
Signature/Common Seal of Shareholder(s)

NOTES:

1. *A member of the Company entitled to attend and vote at the meeting 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 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 (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
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. *Where a member or the authorised nominee appoints two (2) proxies, or where 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.*
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 Seventeenth Annual General Meeting, the Company shall be requesting the Record of Depositors as at 13 August 2015. Only a depositor whose name appears on the Record of Depositors as at 13 August 2015 shall be entitled to attend and vote at the said meeting as well as for appointment of proxy(ies) or authorised representative to attend and vote on his/her stead.*

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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