Genetec Technology
BERHAD
(445537-W)

2010
ANNUAL REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN AND INDEPENDENT NON-EXECUTIVE DIRECTOR
Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain

MANAGING DIRECTOR
Chin Kem Weng

EXECUTIVE DIRECTOR
Tan Kok Ang
Ong Phoe Be

NON-EXECUTIVE DIRECTOR
Chen Khai Voon (Non-Independent)
Hew Voon Foo (Independent)

AUDIT COMMITTEE
Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain (Chairman)
Hew Voon Foo
Chen Khai Voon

NOMINATION COMMITTEE
Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain (Chairman)
Hew Voon Foo
Ong Phoe Be

REMUNERATION COMMITTEE
Hew Voon Foo (Chairman)
Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain
Chen Khai Voon

COMPANY SECRETARY
Wong Chooi Fun - MAICSA 7027549

REGISTERED OFFICE
Wisma KVC, Lot 3, Jalan P10/12
Kawasan Perusahaan Bangi
43650 Bandar Baru Bangi
Selangor Darul Ehsan
Malaysia
Tel : 603-8925 2828
Fax : 603-8920 1968

REGISTRAR
Tricor Investor Services Sdn Bhd
(Formerly known as Tenaga Koperat 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
CIMB Bank Berhad
OCBC Al-Amin Bank Berhad

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

WEBSITE
www.genetec.net

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

AGM HELPDESK
Tel : 603-8924 8564/57
Fax : 603-8920 1968
Email : MLG@mlg.com.my

Genetec Technology
BERHAD

60%

FAS MANUFACTURING SDN BHD
(FKA : GENEVISION (M) SDN BHD)

60%

FAS TECHNOLOGY SOLUTION SDN BHD

49%

TGT TECHNOLOGY LIMITED
(INCORPORATED IN THAILAND)

MEJ JEN (RTD) DATO' HAJI FAUZI BIN HUSSAIN
INDEPENDENT NON-EXECUTIVE DIRECTOR
Age 70

- *Chairman of Board of Directors*
- *Chairman of Audit Committee*
- *Chairman of Nomination Committee*
- *Member of Remuneration Committee*

Y. Bhg. Mej Jen (Rtd) Dato' Haji Fauzi was appointed to the board of the Company on 3 August 2005. He is a graduate from the Command and Staff College of Indonesia and the Joint Services Staff College of Australia. He has also attended management training courses in South Korea and the United States of America. Dato' Haji Fauzi has since 1960, served in the Malaysian Army and the Royal Malaysian Air Force and held various positions in the command and staff appointments before retiring in November 1994 as Deputy Chief of Air Force. He was Joint-Chairman of the Planning and Execution Committee of air exercises with Thailand and Indonesia and was also involved in the training and operations along the border of Malaysia and Thailand. Besides the Company, Dato' Haji Fauzi currently sits on the board of MCM Technologies Berhad, RCE Capital Berhad and ATIS Corporation Berhad.

He has attended all of the five (5) board meetings held during the financial year.

HEW VOON FOO
INDEPENDENT NON-EXECUTIVE DIRECTOR
Age 49

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

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

He has attended all of the five (5) board meetings held during the financial year.

CHEN KHAI VOON
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR
Age 50

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

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

He has attended all of the five (5) board meetings held during the financial year.

CHIN KEM WENG
MANAGING DIRECTOR
Age 40

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) 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 is currently not a director of any other public company.

He has attended four (4) out of five (5) board meetings held during the financial year.

TAN KOK ANG
EXECUTIVE DIRECTOR
Age 53

Mr Tan was appointed to the board of the Company on 3 August 2005. Currently, he is the Head of Business Development Department. He obtained a Diploma in Mechanical Engineering from Bedford Institute of Technology in 1976 and has extensive hands-on experience in areas of production and engineering such as mould fabrication, tool, die and equipment maintenance to equipment and tool design. Upon graduation in 1976, he joined Micro Machining Sdn Bhd as a machinist. He left to join Advance Micro Devices Sdn Bhd four years later and was working as a Senior Technician in the Tool, Die & Equipment Maintenance Department for 12 years. In 1991, he joined Applied Magnetics Malaysia Sdn Bhd as a design engineer. Later in 1994, he moved on and joined Quantum Peripheral Indonesia ("**QPI**") as an Equipment Engineering Manager. With his strong background in factory operations and production, he was selected by the management to set up a new plant in Batam, Indonesia. He then resigned from QPI in 1998 to join the Company as Operational Director in October 1998. He left in April 2000 to join Genevision (M) Sdn Bhd (now known as FAS Manufacturing Sdn Bhd). He has rejoined the Company on 1 June 2001. Except for the Company, Mr Tan is currently not a director of any other public company.

He has attended all of the five (5) board meetings held during the financial year.

ONG PHOE BE
EXECUTIVE DIRECTOR
Age 40

- *Member of Nomination Committee*

Ms Ong was appointed to the board of the Company on 3 August 2005. On 1 November 2007, she was redesignated as an Executive Director. She started her career with Messrs KPMG, an audit firm from December 1989 to September 1994. In 1994, she completed the Malaysian Institute of Certified Public Accountants professional course and joined Arab-Malaysian Merchant Bank Berhad (now known as AmMerchant Bank Berhad) **("AMB")** in the same year. She left AMB in 1996 and moved on to Tanco Holdings Berhad **("Tanco")**. She was the head of Corporate Planning Department for Tanco for about four years. She then joined KVC Group in June 2000 as its Head of Corporate Finance. Prior to her present position, she was the Group Chief Financial Officer of ATIS Corporation Berhad, a position that she occupied till 2006. Except for the Company, Ms Ong is currently not a director of any other public company.

She has attended all of the five (5) board meetings held during the financial year.

Notes:
(1) None of the above directors has:
- any family relationship with any other director and/or major shareholder 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) All of the directors are Malaysians.

"It is my pleasure, as the Chairman of Genetec and on behalf of Board, to present the Annual Report and Audited Financial Statements of Genetec Technology Berhad for the financial year ended 31 March 2010."

FINANCIAL RESULTS

2009 began with most of the economies of the world going into recession, with volatilities in stock markets and uncertainties in both the real and the stock markets. Against the backdrop of a recession year, the Group was able to maintain its growth momentum during the year under review and closed the financial year with revenue of RM52.5 million, a 7.5% increase from the preceding year's revenue of RM48.9 million. This is a credible achievement on the back of a depressed world economy outlook. Our Group benefited from an increase in demand from our customers towards the second half of the year as demand for hard disk drives started to pick up.

REVIEW OF OPERATIONS

The Hard Disk Drive ("**HDD**") industry remained the core revenue segment, contributing 95% to Genetec's revenue. The remaining portion is generated from other industries such as automotive, pharmaceutical and electronics industries. Besides these market segments, we are continuously exploring opportunities in expanding our industry segments as well as customer base through participation in international automation exhibitions and various networking channels.

Despite the higher revenue, the Group recorded a profit before taxation of approximately RM4.8 million as compared to approximately RM5.9 million (exclusive of RM2.7 million government grant income received as reimbursement of research & development of projects in the automotive and hard disk drive industries and training activities) in the preceding financial year. This lower margin was a result of the challenging business and economic environment whereby we are faced with customers' requirements to provide cost effective automation solutions. However, our dynamic management team remained focus in enhancing our business competitiveness by doing what we do best, i.e. to provide automation solutions at cost effective pricing.

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 upgrade 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 technological-driven company.

DIVIDEND

Since the end of the previous financial year, Genetec paid an interim tax-exempt dividend of 5% per ordinary shares of RM0.10 each, amounting to RM0.6 million for the financial year ended 31 March 2010.

INVESTORS RELATIONS

During the year, Genetec continued with a series of its investor relation programs that includes participation in the CMDF–Bursa Research Scheme II program, interviews with media, briefing to analysts and press releases on the Group's quarterly performances. This is to create continuous awareness within the investing communities and the general public towards Genetec. In addition, our corporate website www.genetec.net also provides up-to-date announcements, press releases and financial reports that are easily accessible by the public.

BUSINESS OUTLOOK

Towards the end of 2009, there were signs of major economics globally pulling out of recession and registering positive growth of their GDPs. The demand for hard disk drive and the outlook for the global economic recovery have improved.

HDD Industry is forecasted to have better business prospects as HDD manufacturers expand their capital expenditure requirement to cater for market demand. 2010 is forecast to be robust year for hard disk drive industry. Genetec started the new financial year with a high order book of RM47.5 million. Going forward, Genetec will continue to maintain our core strength and market position in HDD industry whilst continuing our efforts in expanding our customer and industry segments.

A WORD OF APPRECIATION

On behalf of the Board of Directors, I would like to take this opportunity to thank the management and staff for their professionalism, utmost dedication and commitment as the Group goes through this challenging period. The collective team spirit and commitment towards the Group's turnaround and growth plans resulted in Genetec's satisfactory performance.

My appreciation also extends to our customers, suppliers, government authorities, business associates, financiers and most importantly our shareholders for their continued support and confidence in the group.

I wish to place on record my special thanks and appreciation to my fellow members of the Board for your participation and contribution all these years.

MEJ JEN (RTD) DATO' HAJI FAUZI BIN HUSSAIN
Chairman

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

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

1. DIRECTORS

(a) The Board

The Board currently consists of six (6) members comprising three (3) Executive Directors and three (3) Non-Executive Directors, of whom two (2) are independent, including the Chairman. The current Chairman was not the previous CEO of the Group. The Board structure ensures that no individual or group of individuals dominates the Board's decision making process. The Board composition complies with the Listing Requirements of Bursa Malaysia Securities Berhad (**"Bursa Securities"**) for the ACE Market (**"Listing Requirements"**) that requires a minimum of one-third of the Board to be independent directors. The Board members are from various professions with a wide range of skills, knowledge, business and financial experience that are essential to direct and manage a dynamic and expanding Group. The profile of each Director is set out on pages 4 to 5 of the Annual Report.

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

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

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

The two (2) Independent Directors, by virtue of their roles and responsibilities, in effect represent minority shareholders' interest in Genetec. The Independent Directors engage proactively with the management and with both the external as well as the Internal Auditors.

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

(b) Board Meetings

The Board meets on a quarterly basis, with additional meetings for particular matters convened as and when necessary. During the financial year ended 31 March 2010, five (5) Board meetings were held. The attendances of each individual Director at these meetings are set out on pages 4 and 5 of this Annual Report. Prior to each Board meeting, the Directors are each provided with the relevant documents and information to enable them to obtain a comprehensive understanding of the agenda to be deliberated upon to enable them to arrive at an informed decision.

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

1. DIRECTORS (continued)

(c) Supply of Information

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

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

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

(d) Directors' Remuneration

(i) Remuneration Procedure

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

(ii) Remuneration Package

The details of the remuneration (including benefit-in-kind) of the Directors of the Company and Group in respect of the financial year ended 31 March 2010 are as follows:

	Salaries RM	Fees RM	Bonuses RM	Benefits-in-kind RM	Total RM
GROUP					
Executive Directors	404,284	51,000	25,688	34,800	515,772
Non-Executive Directors	67,200	18,000	–	–	85,200
COMPANY					
Executive Directors	404,284	-	25,000	34,800	464,084
Non-Executive Directors	67,200	18,000	–	–	85,200

The number of Directors whose remuneration fall within the following bands are as follows:

	Group		Company	
Range of Remuneration	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Below RM50,000	-	2	-	2
RM50,001 - RM100,000	2	1	1	1
RM100,001 – RM150,000	-	-	-	-
RM150,001 – RM200,000	2	-	2	-

1. DIRECTORS (continued)

(e) Code of Conduct

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

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

(f) Re-election of Directors

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

(g) Directors' Training and Induction

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

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

For the financial year ended 31 March 2010, programs attended are seminars and workshop organised by relevant regulatory authorities, trainers and/or professional bodies on topics covering the areas such as the personal/ management developments, corporate governance, Financial Reporting Standard, strategic cost management and tax management. From time to time, the Board also receives updates, particularly on regulatory and legal developments relevant to the Company and Directors.

2. THE BOARD COMMITTEES

(a) Audit Committee

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

(b) Nomination Committee

The Board has on 23 March 2006 established a Nomination Committee **("NC")** and now comprising two (2) Non-Executive Directors and one (1) Executive Director, majority of whom are independent.

The NC is chaired by Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain and its members are Mr Hew Voon Foo and Ms Ong Phoe Be. The NC is responsible for identifying and making recommendations of new nominees to the Board for consideration, who shall then collectively decide on the candidates to be appointed. The NC also reviews on an annual basis, it is satisfied that the size of the Board is optimum and there is appropriate mix of skills and experience and other qualities, including core competencies in the composition of the Board.

2. THE BOARD COMMITTEES (continued)

(b) Nomination Committee (continued)

Terms of Reference

1. Objectives

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

1.2 To consider, in making its recommendations for candidate(s) who are nominated for appointment or re-election onto the Board :-
- skills, knowledge, expertise and experience;
- professionalism;
- integrity; and

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

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

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

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

2. Membership

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

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

3. Meetings and Decisions

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

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

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

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

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

2. THE BOARD COMMITTEES (continued)

(b) Nomination Committee (continued)

Terms of Reference (continued)

3. Meetings and Decisions (continued)

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

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

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

4. Compliance

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

Attendance at NC Meetings

The NC met one (1) time during the financial year ended 31 March 2010. The details of attendance of each NC members at the NC meeting are as follows:

Nomination Committee Member	Total No. of Meetings Attended	% of Attendance
Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain	1/1	100
Ong Phoe Be	1/1	100
Hew Voon Foo	1/1	100

Note:
Meeting was held on 28 May 2009

(c) Remuneration Committee

The Board has on 30 June 2009 established a Remuneration Committee (**"RC"**) and now comprising three (3) Non-Executive Directors and majority of whom are independent.

The RC is chaired by Mr Hew Voon Foo and its members are Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain and Mr Chen Khai Voon. The RC's primary function is to set the policy framework and recommend to the Board on the remuneration packages of the Executive Directors in all its forms. Executive Directors shall play no part in decisions on their own remuneration. The determination of the remuneration package for Non-Executive Directors shall be a matter for the Board as a whole. The Director concerned shall abstain from deliberations and voting on decisions in respect of his individual remuneration package.

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

2. THE BOARD COMMITTEES (continued)

(c) Remuneration Committee (continued)

Remuneration objective

The RC's objectivity is a cornerstone of its effectiveness, particularly when determining the appropriate compensation and benefits packages and on any issues where judgments and decisions are significant.

Remuneration Policy

The remuneration policy is for all directors (executive and non-executive) to receive competitive remuneration in line with remuneration paid in the market by companies of similar size and nature.

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

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

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

Remuneration Package for Non-Executive Directors.

Non-Executive Directors will be paid on annual fee that are approved by shareholders.

Terms of Reference

1. Objectives

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

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

2. Membership

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

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

3. Secretary

3.1 The Secretary of RC shall be the Company Secretary.

4. Meeting and Decisions

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

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

2. THE BOARD COMMITTEES (continued)

(c) Remuneration Committee (continued)

Terms of Reference (continued)

4. Meeting and Decisions (continued)

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

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

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

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

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

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

5. Authority

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

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

6. Compliance

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

Attendance at RC Meetings

The RC met one (1) time during the financial year ended 31 March 2010. The details of attendance of each RC members at the RC meeting are as follows:

Remuneration Committee Member	Total No. of Meetings Attended	% of Attendance
Hew Voon Foo	1/1	100
Mej Jen (Rtd) Dato’ Haji Fauzi Bin Hussain	1/1	100
Chen Khai Voon	1/1	100

Note:
Meeting was held on 12 November 2009

2. THE BOARD COMMITTEES (continued)

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

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

No.	Name	Designation
1	Chin Kem Weng (Chairman)	Managing Director
2	Tan Kok Ang	Executive Director
3	Ong Phoe Be	Executive Director
4	Tan Kon Hoan	Financial Controller

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

3. RELATIONSHIP WITH SHAREHOLDERS

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

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

	Date of Issue/ Released	Number of Days after end of Year/Quarter	Bursa Securities Deadline
Annual Report 2010	14 July 2010	105	30 September 2010
Annual Report 2009	27 July 2009	118	30 September 2009
2010 Quarterly Results			
1st Quarter	18 August 2009	49	31 August 2009
2nd Quarter	12 November 2009	43	30 November 2009
3rd Quarter	25 February 2010	56	28 February 2010
4th Quarter	20 May 2010	50	31 May 2010

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

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

iv) Other Channels of Communications

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

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

4. ACCOUNTABILITY AND AUDIT

The Board has established an Audit Committee to oversee the financial reporting and effectiveness of the internal control of the Group. The Audit Committee comprises three (3) Directors, the majority of whom are independent non-executive directors. The Board shall ensure the term of office and performance of the Audit Committee and each of its members are being reviewed at least once in every three (3) years to determine whether the members have carried out their duties in accordance with the Audit Committee's terms of reference. The terms of reference, responsibilities and activities of the Audit Committee are set out in the Audit Committee Report on pages 21 to 26 of this Annual Report.

4.1 Financial Reporting

The Board is mindful of its responsibility to present a balanced and fair assessment of the Group's position and prospects through the annual financial statements and quarterly announcements of results to the Bursa Securities. The Audit Committee assists in reviewing the information disclosed to ensure accuracy and adequacy. The Directors are responsible to ensure the annual financial statements are prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia. A statement by the Directors on their responsibilities in preparing the financial statements is set out on page 71 of this Annual Report.

4.2 Internal Control

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

Ong Phoe Be (Executive Director) is responsible for legal and regulatory compliance of the Group.

The Statement on Internal Control by the Directors is set out on page 19 and 20 of the Annual Report.

4.3 Relationship with the External Auditor

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

COMPLIANCE STATEMENT

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

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 1 July 2010.

MEJ JEN (RTD) DATO' HAJI FAUZI BIN HUSSAIN
Chairman

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

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

Sport and competitive activities were held throughout the year to engage our employees. This included bowling tournament to strengthen team spirit.

(c) Human Rights

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

(d) Health and Safety

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

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

ENVIRONMENT

(a) Energy Savings

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

(b) Green Environment

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

MARKETPLACE

(a) Ethical Business Culture

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

1. INTRODUCTION

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

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

2. BOARD RESPONSIBILITY

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

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

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

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

(a) Risk Management Framework

In previous years, the Group established and implemented a risk management framework whereby risk areas that could have a potentially significant impact on the Group's mid to long term business objectives are identified, evaluated and assessed.

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

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

b) Internal Control System

The Group's key internal control processes are based on the principles of COSO[1] Internal Controls – Integrated Framework as follows:

Control Environment

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

[1] Committee of sponsoring organisations of the Treadway Commission

2. BOARD RESPONSIBILITY (continued)

(b) Internal Control System (continued)

Risk Assessment

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

Control Activities

- The ISO procedures and Company's standard operating policies and procedures reflect current practices of the business processes and key functions. Internal control measures and practices have been incorporated into these procedures to enhance controls and monitoring of day-to-day operations.
- The Company has cascaded down these documented procedures to its employees for implementation. Compliance in their day-to-day operations is monitored by the respective departmental managers to ensure the highest quality of work and products.
- The enterprise resource planning system incorporated several in-built system controls to assist management to achieve its internal control objectives.
- External audits, internal audits and ISO audits are carried out yearly, half yearly and three times a year respectively as a basis to improve operational efficiencies and consistency of quality of products and work standards.

Information and Communication

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

Monitoring

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

CONCLUSION

The external auditors have reviewed this Statement on Internal Control for the inclusion in the annual report for the year ended 31 March 2010 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

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

This statement was made in accordance with a resolution of the Board dated 1 July 2010.

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

COMPOSITION OF THE AUDIT COMMITTEE

The present members of the Audit Committee of the Company are:
(i) Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain (Independent Non-Executive Director) - Chairman
(ii) Chen Khai Voon - (Non-Independent Non-Executive Director) - Member
(iii) Hew Voon Foo (Independent Non-Executive Director) – Member (MIA Member)

TERMS OF REFERENCE

1. Objectives

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

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

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

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

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

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

2. Membership

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

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

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

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

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

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

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

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

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

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

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

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

3. Authority

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

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

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

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

4. Functions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5. Meetings

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

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

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

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

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

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

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

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

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

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

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

6 Compliance

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

ATTENDANCE AT AUDIT COMMITTEE MEETINGS

The Audit Committee met six (6) times during the financial year ended 31 March 2010. The details of attendance of each Audit Committee member at the Audit Committee meetings are as follows:

Audit Committee Member	Total No. of Meetings Attended	% of Attendance
Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain	6/6	100
Chen Khai Voon	6/6	100
Hew Voon Foo	6/6	100

Note:
Meetings were held on 28 April 2009, 28 May 2009, 30 June 2009, 18 August 2009, 12 November 2009 and 25 February 2010.

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

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

Financial Results

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

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

External Audit

(i) Review of external auditors' scope of work, their terms of engagement, proposed audit remuneration and audit plan for the financial year ended 31 March 2010;

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

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

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

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

(vi) The Audit Committee had met twice with the External Auditors without executive board members present during financial year ended 31 March 2010.

Internal Audit

(i) Review of internal auditors' audit plan for the financial year ended 31 March 2010 to ensure that principal risk areas and key processes are adequately identified and covered in the plan.

Related Party Transactions

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

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

Others

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

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

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

INTERNAL AUDIT FUNCTIONS / ACTIVITIES AND COSTS

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

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

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

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

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

The fees paid to the external professional consultant in respect of internal audit function for the financial year ended 31 March 2010 was RM31,000 (2009: RM15,000).

Financial Statements

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 March 2010.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities, 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 6 to the financial statements. There has been no significant change in the nature of these activities during the year.

RESULTS

	Group RM	Company RM
Profit for the year attributable to:		
Owners of the Company	4,413,410	4,687,747
Minority interests	(40,000)	-
	4,373,410	4,687,747

RESERVES AND PROVISIONS

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

DIVIDENDS

Since the end of the previous financial year, the Company paid an interim tax exempt dividend of 5% per ordinary share of RM0.10 each totalling RM604,440 in respect of the year ended 31 March 2010 on 29 March 2010.

The Directors do not recommend any final dividend to be paid for the year under review.

DIRECTORS OF THE COMPANY

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

Mej Jen (Rtd) Dato' Haji Fauzi bin Hussain
Chin Kem Weng
Tan Kok Ang
Ong Phoe Be
Chen Khai Voon
Hew Voon Foo

DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares of RM0.10 each			
	At 1.4.2009	Bought	Sold	At 31.3.2010
Shareholdings in which Directors have interests				
In the Company				
Chin Kem Weng				
- Direct interest	26,100,000	-	-	26,100,000
Chen Khai Voon				
- Indirect interest	48,250,000	-	-	48,250,000

The options granted to the Directors of the Company to take up unissued ordinary shares of RM0.10 each in the Company pursuant to the Company's Employees' Share Option Scheme are set out below:

	Number of options over ordinary shares of RM0.10 each			
	At 1.4.2009	Granted	Exercised	At 31.3.2010
Share options in the Company				
Chin Kem Weng	1,200,000	-	-	1,200,000
Tan Kok Ang	1,200,000	-	-	1,200,000
Ong Phoe Be	1,200,000	-	-	1,200,000
Mej Jen (Rtd) Dato' Haji Fauzi bin Hussain	400,000	-	-	400,000

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

The other Director holding office at 31 March 2010 does not have interest in the ordinary shares and options over shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements of the Company or its related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 504,000 new ordinary shares of RM0.10 each at RM0.30 per share for cash arising from the exercise of employees' share options.

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

There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

At an extraordinary general meeting held on 16 September 2005, the Company's shareholders approved the establishment of an ESOS for the eligible Directors and employees of the Group to subscribe for new ordinary shares up to a maximum of 10% of the total issued and paid-up share capital of the Company at any point in time during the tenure of the ESOS.

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

		Number of options over ordinary shares of RM0.10 each			
Date of offer	**Exercise price RM**	**At 1.4.2009**	**Lapsed**	**Exercised**	**At 31.3.2010**
19 October 2005	0.30	7,905,000	(823,000)	(504,000)	6,578,000

The salient features of the scheme are as follows:

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

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

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

iv) The ESOS shall be in force for a period of five (5) years from the date of commencement on 21 September 2005. However, an extension to the scheme may be affected 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 options to be granted pursuant to the ESOS would only be capable of exercise after one (1) year has lapsed from the listing of the ordinary shares of the Company on the ACE market of Bursa Malaysia Securities Berhad.

OPTIONS GRANTED OVER UNISSUED SHARES (CONTINUED)

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of option holders who have been granted options of less than 450,000 shares. The names of option holders and the number of options granted which are 450,000 and above are set out below:

	Number of options over ordinary shares of RM0.10 each			
Name of option holders	**At 1.4.2009**	**Granted**	**Exercised**	**At 31.3.2010**
Chin Kem Weng	1,200,000	-	-	1,200,000
Tan Kok Ang	1,200,000	-	-	1,200,000
Ong Phoe Be	1,200,000	-	-	1,200,000
Sow Ewe Lee	650,000	-	(100,000)	550,000
Yeo Teik Hock	450,000	-	-	450,000
Goh Yik Yong	450,000	-	(70,000)	380,000

The exercise price is RM0.30 each and the options expire on 20 September 2010.

OTHER STATUTORY INFORMATION

Before the balance sheets and income 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) all current assets have been stated at the lower of cost and net realisable value.

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

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

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

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

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

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

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

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

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

OTHER STATUTORY INFORMATION (CONTINUED)

In the opinion of the Directors, except for the unrealised gain on foreign exchange as disclosed in Note 17 to the financial statements, the results of the operations of the Group and of the Company for the financial year ended 31 March 2010 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.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On June 2009, FAS Technology Solution Sdn. Bhd. ("FASTECH"), a subsidiary, increased its issued and paid-up capital from 10 ordinary shares of RM1.00 each to 100,000 ordinary shares of RM1.00 each of which the Company subscribed for an additional 59,990 new ordinary shares of RM1.00. Consequently, FASTECH became a 60% owned subsidiary of the Company.

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 Kok Ang

Bandar Baru Bangi, Selangor

Date: 1 July 2010

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Assets					
Property, plant and equipment	3	17,653,313	16,763,669	17,605,913	16,763,669
Goodwill	4	-	-	-	-
Prepaid lease payments	5	2,693,969	2,750,905	2,693,969	2,750,905
Investment in subsidiaries	6	-	-	59,997	7
Investment in an associate	7	5,772	-	49,000	49,000
Deferred tax assets	8	-	50,000	-	50,000
Total non-current assets		20,353,054	19,564,574	20,408,879	19,613,581
Inventories	9	13,915,640	3,162,888	12,512,056	3,162,888
Receivables, deposits and prepayments	10	16,325,523	5,593,120	16,277,064	5,593,120
Amounts due from subsidiaries	11	-	-	1,511,938	221,683
Current tax assets		27,360	22,161	27,360	22,161
Cash and cash equivalents	12	3,259,340	12,978,830	3,255,389	12,947,996
Total current assets		33,527,863	21,756,999	33,583,807	21,947,848
Total assets		53,880,917	41,321,573	53,992,686	41,561,429
Equity					
Share capital	13.1	12,131,200	12,080,800	12,131,200	12,080,800
Share premium		4,690,039	4,498,419	4,690,039	4,498,419
Share option reserve	13.2	1,185,484	1,424,610	1,185,484	1,424,610
Retained earnings	13.3	14,605,235	10,647,959	15,126,428	10,894,815
Total equity attributable to owners of the Company		32,611,958	28,651,788	33,133,151	28,898,644
Minority interests		-	-	-	-
Total equity		32,611,958	28,651,788	33,133,151	28,898,644
Liabilities					
Loans and borrowings	15	7,196,080	7,690,666	7,196,080	7,690,666
Deferred tax liabilities	8	189,000	-	189,000	-
Total non-current liabilities		7,385,080	7,690,666	7,385,080	7,690,666
Payables and accruals	16	12,564,755	4,116,425	12,155,331	4,109,425
Loans and borrowings	15	1,319,124	862,694	1,319,124	862,694
Total current liabilities		13,883,879	4,979,119	13,474,455	4,972,119
Total liabilities		21,268,959	12,669,785	20,859,535	12,662,785
Total equity and liabilities		53,880,917	41,321,573	53,992,686	41,561,429

The notes set out on pages 39 to 68 are an integral part of these financial statements.

INCOME STATEMENTS
for the year ended 31 March 2010

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Revenue		52,527,690	48,875,145	53,156,064	48,875,145
Cost of sales		(44,092,031)	(39,007,948)	(44,628,477)	(38,931,051)
Gross profit		8,435,659	9,867,197	8,527,587	9,944,094
Other income		1,185,054	3,747,611	1,185,054	3,746,603
Distribution expenses		(1,848,108)	(1,592,376)	(1,737,851)	(1,521,939)
Administrative expenses		(2,417,387)	(2,765,367)	(2,314,641)	(2,727,559)
Other expenses		(112,371)	(436,391)	(97,571)	(432,241)
Results from operating activities		5,242,847	8,820,674	5,562,578	9,008,958
Interest income		71,523	89,168	71,523	89,168
Finance costs		(562,789)	(264,361)	(562,411)	(264,232)
Operating profit		4,751,581	8,645,481	5,071,690	8,833,894
Share of profits of equity accounted associate, net of tax		5,772	-	-	-
Profit before tax	17	4,757,353	8,645,481	5,071,690	8,833,894
Income tax expense	19	(383,943)	(187,301)	(383,943)	(187,301)
Profit for the year		4,373,410	8,458,180	4,687,747	8,646,593
Attributable to:					
Owners of the Company		4,413,410	8,458,180	4,687,747	8,646,593
Minority interests		(40,000)	-	-	-
Profit for the year		4,373,410	8,458,180	4,687,747	8,646,593
Basic earnings per ordinary share (sen)	20.1	3.65	7.00		
Diluted earnings per ordinary share (sen)	20.2	3.46	N/A		

The notes set out on pages 39 to 68 are an integral part of these financial statements.

		<----Attributable to owners of the Company---->						
		<-------- Non-distributable -------->						
Group	**Note**	**Share capital**	**Share premium**	**Share option reserve**	**Distributable Retained earnings**	**Total**	**Minority interests**	**Total equity**
		RM	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
At 1 April 2008		12,080,800	4,498,419	1,458,488	4,572,061	22,609,768	-	22,609,768
Profit for the year		-	-	-	8,458,180	8,458,180	-	8,458,180
Transfer to retained earnings for ESOS lapsed		-	-	(33,878)	33,878	-	-	-
Dividends to owners of the Company	21	-	-	-	(2,416,160)	(2,416,160)	-	(2,416,160)
At 31 March 2009/ 1 April 2009		12,080,800	4,498,419	1,424,610	10,647,959	28,651,788	-	28,651,788
Profit for the year		-	-	-	4,413,410	4,413,410	(40,000)	4,373,410
Share options exercised		50,400	100,800	-	-	151,200	-	151,200
Transfer to share premium for ESOS exercised		-	90,820	(90,820)	-	-	-	-
Transfer to retained earnings for ESOS lapsed		-	-	(148,306)	148,306	-	-	-
Dilution of interests in a subsidiary	27	-	-	-	-	-	40,000	40,000
Dividends to owners of the Company	21	-	-	-	(604,440)	(604,440)	-	(604,440)
At 31 March 2010		12,131,200	4,690,039	1,185,484	14,605,235	32,611,958	-	32,611,958
		Note13.1		Note13.2				

The notes set out on pages 39 to 68 are an integral part of these financial statements.

		<-----------Attributable to owners of the Company ---------->				
		<-------------- Non-distributable ------------->				
Company	Note	Share capital	Share premium	Share option reserve	Distributable Retained earnings	Total
		RM	RM	RM	RM	RM
At 1 April 2008		12,080,800	4,498,419	1,458,488	4,630,504	22,668,211
Profit for the year		-	-	-	8,646,593	8,646,593
Transfer to retained earnings for ESOS lapsed		-	-	(33,878)	33,878	-
Dividends to owners of the Company	21	-	-	-	(2,416,160)	(2,416,160)
At 31 March 2009/ 1 April 2009		12,080,800	4,498,419	1,424,610	10,894,815	28,898,644
Profit for the year		-	-	-	4,687,747	4,687,747
Share options exercised		50,400	100,800	-	-	151,200
Transfer to share premium for ESOS exercised		-	90,820	(90,820)	-	-
Transfer to retained earnings for ESOS lapsed		-	-	(148,306)	148,306	-
Dividends to owners of the Company	21	-	-	-	(604,440)	(604,440)
At 31 March 2010		12,131,200	4,690,039	1,185,484	15,126,428	33,133,151
		Note13.1		Note13.2	Note13.3	

The notes set out on pages 39 to 68 are an integral part of these financial statements.

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Cash flows from operating activities				
Profit before tax	4,757,353	8,645,481	5,071,690	8,833,894
Adjustments for:				
Allowance for doubtful debts				
- third parties	-	74,522	-	74,522
Amortisation of prepaid lease payments	56,936	56,936	56,936	56,936
Depreciation of property, plant and equipment	1,298,068	1,050,407	1,295,931	1,050,407
Finance costs	481,061	230,731	481,061	230,731
Interest income	(71,523)	(89,168)	(71,523)	(89,168)
Inventories written off	103,834	828,505	103,834	558,329
Gain on disposal of property, plant and equipment	(38,322)	(29,061)	(38,322)	(29,061)
Property, plant and equipment written off	4,951	270,851	4,951	270,851
Reversal of allowance for doubtful debts from:				
- associate	-	(267,450)	-	(267,450)
- third parties	(30,557)	-	(30,557)	-
Share of profits of equity accounted associate	(5,772)	-	-	-
Unrealised foreign exchange (gain)/loss	(968,438)	368,840	(968,796)	368,840
Operating profit before working capital changes	5,587,591	11,140,594	5,905,205	11,058,831
Changes in working capital:				
Inventories	(10,856,586)	3,468,474	(9,453,002)	3,468,474
Trade and other receivables	(9,783,096)	5,052,736	(9,734,637)	5,051,834
Trade and other payables	8,498,019	(3,264,251)	8,095,953	(3,265,418)
Subsidiaries	-	-	(1,290,255)	62,938
Associate	-	545,863	-	545,863
Cash (used in)/from operations	(6,554,072)	16,943,416	(6,476,736)	16,922,522
Income tax paid	(150,143)	(76,301)	(150,143)	(76,301)
Net cash (used in)/from operating activities	(6,704,215)	16,867,115	(6,626,879)	16,846,221

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Cash flows from investing activities					
Increase in investment in a subsidiary		-	-	(59,990)	-
Interest received		71,523	89,168	71,523	89,168
Acquisition of property, plant and equipment		(2,378,259)	(2,607,454)	(2,328,722)	(2,607,454)
Proceeds from dilution of shares in subsidiary	27	40,000	-	-	-
Proceeds from disposal of property, plant and equipment		223,918	99,400	223,918	99,400
Net cash used in investing activities		(2,042,818)	(2,418,886)	(2,093,271)	(2,418,886)
Cash flows from financing activities					
Dividends paid to owners of the Company		(604,440)	(2,416,160)	(604,440)	(2,416,160)
Net drawdown of bank borrowings		386,976	(1,051,959)	386,976	(1,051,959)
Interest paid		(481,061)	(230,731)	(481,061)	(230,731)
Proceeds from exercise of ESOS		151,200	-	151,200	-
Repayments of finance lease liabilities		(425,132)	(617,513)	(425,132)	(617,513)
Net cash used in financing activities		(972,457)	(4,316,363)	(972,457)	(4,316,363)
Net (decrease)/increase in cash and cash equivalents		(9,719,490)	10,131,866	(9,692,607)	10,110,972
Cash and cash equivalents at beginning of year		12,978,830	2,846,964	12,947,996	2,837,024
Cash and cash equivalents at end of year	(i)	3,259,340	12,978,830	3,255,389	12,947,996

Notes to cash flow statements

(i) Cash and cash equivalents

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

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Cash and bank balances	3,254,272	12,978,830	3,250,321	12,947,996
Deposits placed with licensed banks	5,068	-	5,068	-
	3,259,340	12,978,830	3,255,389	12,947,996

The notes set out on pages 39 to 68 are an integral part of these 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 addresses of its registered office and principal place of business are as follows:

Registered office
Wisma KVC
Lot 3, Jalan P10/12
Kawasan Perusahaan Bangi
43650 Bandar Baru Bangi
Selangor Darul Ehsan

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

The consolidated financial statements of the Company as at and for the year ended 31 March 2010 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in an associate. The financial statements of the Company as at and for the year ended 31 March 2010 do not include other entities.

The Company is principally engaged in investment holding activities, 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 6 to the financial statements.

The financial statements were authorised for issue by the Board of Directors on 1 July 2010.

1. BASIS OF PREPARATION

(a) Statement of compliance

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

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

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2009
- FRS 8, *Operating Segments*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010
- FRS 4, *Insurance Contracts*
- FRS 7, *Financial Instruments: Disclosures*
- FRS 101, *Presentation of Financial Statements* (revised)
- FRS 123, *Borrowing Costs* (revised)
- FRS 139, *Financial Instruments: Recognition and Measurement*
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
- Amendments to FRS 2, *Share-based Payment: Vesting Conditions and Cancellations*
- Amendments to FRS 7, *Financial Instruments: Disclosures*
- Amendments to FRS 101, *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
- Amendments to FRS 127, *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

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

- Amendments to FRS 132, *Financial Instruments: Presentation*
  - *Puttable Financial Instruments and Obligations Arising on Liquidation*
  - *Separation of Compound Instruments*
- Amendments to FRS 139, *Financial Instruments: Recognition and Measurement*
  - *Reclassification of Financial Assets*
  - *Collective Assessment of Impairment for Banking Institutions*
- Improvements to FRSs (2009)
- IC Interpretation 9, *Reassessment of Embedded Derivatives*
- IC Interpretation 10, *Interim Financial Reporting and Impairment*
- IC Interpretation 11, FRS 2 – *Group and Treasury Share Transactions*
- IC Interpretation 13, *Customer Loyalty Programmes*
- IC Interpretation 14, FRS 119 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction*

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

- Amendments to FRS 132, *Financial Instruments: Presentation –Classification of Rights Issues*

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

- FRS 1, *First-time Adoption of Financial Reporting Standards* (revised)
- FRS 3, *Business Combinations* (revised)
- FRS 127, *Consolidated and Separate Financial Statements* (revised)
- Amendments to FRS 2, *Share-based Payment*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, *Intangible Assets*
- IC Interpretation 12, *Service Concession Agreements*
- IC Interpretation 15, *Agreements for the Construction of Real Estate*
- IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, *Distribution of Non-cash Assets to Owners*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

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

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments*

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

- from the annual period beginning 1 April 2010 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2009, 1 January 2010 and 1 March 2010, except for FRS 4, IC Interpretation 11, IC Interpretation 13 and IC Interpretation 14 which are not applicable to the Group and the Company; and

- from the annual period beginning 1 April 2011 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, except for IC Interpretation 12, IC Interpretation 15 and IC Interpretation 16 which are not applicable to the Group and the Company.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively, is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption.

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

The impacts and disclosures as required by FRS 108.30(b), *Accounting Policies, Changes in Accounting Estimates and Errors*, in respect of applying FRS 7 and FRS 139 are not disclosed by virtue of the exemptions given in these respective FRSs.

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

(i) FRS 8, Operating Segments

FRS 8 replaces FRS 114_{2004}, *Segment Reporting* and requires the identification and reporting of operating segments based on internal reports that are regularly reviewed by the chief operating decision maker of the Group in order to allocate resources to the segment and to assess its performance. Currently, the Group presents segment information in respect of its business and geographical segments (see note 22).

(ii) Improvements to FRSs (2009)

Improvements to FRSs (2009) contain various amendments that result in accounting changes for presentation, recognition or measurement and disclosure purposes. Amendments that have material impact are:

FRS 117, Leases

The amendments clarify the classification of lease of land and require entities with existing leases of land and buildings to reassess the classification of land as finance or operating lease. Leasehold land which in substance is a finance lease will be reclassified to property, plant and equipment. The adoption of these amendments will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions.

This change in accounting policy will result in reclassification of the entire lease of land as at 31 March 2011 from prepaid lease payments to property, plant and equipment.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

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.

(a) Basis of consolidation

(i) Subsidiaries

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

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

Investments in subsidiaries are stated in the Company's balance sheet at cost less any impairment losses.

(ii) Associates

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

Investment in associates are accounted for in the consolidated financial statements using the equity method. The consolidated financial statements include the Group's share of the profit or loss of the equity accounted associates, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

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

Investment in an associate is stated in the Company's balance sheet at cost less any impairment losses.

(iii) Minority interests

Minority interests at the balance sheet date, being the portion of the net identifiable assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Minority interests in the results of the Group is presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the owners of the Company.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(iv) Transactions eliminated on consolidation

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

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

(b) Foreign currency

Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the dates of the transactions except for those that are measured at fair value, which 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 the income statements.

(c) Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency exposure.

Forward foreign exchange contracts are measured at their fair values with the gain or loss recognised in the income statements.

(d) Property, plant and equipment

(i) Recognition and measurement

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

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

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the balance sheet date.

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition, 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leased assets (continued)

(ii) Operating lease

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

Payments made under operating leases are recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(f) Goodwill

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

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

For business acquisitions beginning from 1 January 2006, goodwill represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

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

Amortisation

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

(g) Inventories

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

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

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

(h) Receivables

Receivables are initially recognised at their costs when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Cash and cash equivalents

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

(j) Impairment

The carrying amounts of assets except for financial assets, inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment.

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

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

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

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

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 balance sheet date 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 the income statements in the year in which the reversals are recognised.

(k) Share capital

Share capital is stated at cost on initial recognition and is not remeasured subsequently.

Share issue expenses

Incremental costs directly attributable to issue of shares and share options classified as equity are recognised as a deduction from equity.

(l) Loans and borrowings

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statements over the period of the loans and borrowings using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) 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.

The Group's contributions to the Employees Provident Fund are charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(ii) Share-based payment transactions

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

The fair value of employee share options is measured using the Black Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on changes expected due to publicly available information) and life of the instruments. Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(n) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

(o) Revenue and other income

(i) Goods sold

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

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method in the income statements.

(p) Borrowing costs

All borrowing costs are recognised in the income statements using the effective interest method in the period in which they are incurred.

(q) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statements except to the extent that it relates to items recognised directly in equity.

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

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the balance sheet 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 apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

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

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed.

(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.

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

(t) Operating segments

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

3. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold buildings	Electrical equipment, renovation, furniture and fittings	Plant and machineries	Motor vehicles	Building-in-progress	Total
	RM	RM	RM	RM	RM	RM
Cost						
At 1 April 2008	1,673,457	2,438,593	5,334,980	1,076,607	-	10,523,637
Reclassification	-	-	-	-	1,842,882	1,842,882
Additions	-	415,241	10,550	607,800	8,451,713	9,485,304
Disposals	-	(7,479)	-	(240,900)	-	(248,379)
Written off	-	(523,303)	-	-	-	(523,303)
At 31 March 2009/ 1 April 2009	1,673,457	2,323,052	5,345,530	1,443,507	10,294,595	21,080,141
Reclassification	9,712,901	255,044	326,650	-	(10,294,595)	-
Additions	1,774,017	228,443	201,600	174,199	-	2,378,259
Disposals	-	(165,019)	(45,100)	(646,670)	-	(856,789)
Written off	(4,951)	-	-	-	-	(4,951)
At 31 March 2010	13,155,424	2,641,520	5,828,680	971,036	-	22,596,660
Depreciation						
At 1 April 2008	60,697	937,674	1,989,794	708,392	-	3,696,557
Depreciation for the year	33,461	290,920	534,053	191,973	-	1,050,407
Disposals	-	(1,380)	-	(176,660)	-	(178,040)
Written off	-	(252,452)	-	-	-	(252,452)
At 31 March 2009/ 1 April 2009	94,158	974,762	2,523,847	723,705	-	4,316,472
Depreciation for the year	246,845	283,249	565,246	202,728	-	1,298,068
Disposals	-	(69,198)	(37,816)	(564,179)	-	(671,193)
Written off	-	-	-	-	-	-
At 31 March 2010	341,003	1,188,813	3,051,277	362,254	-	4,943,347
Carrying amounts						
At 1 April 2008	1,612,760	1,500,919	3,345,186	368,215	-	6,827,080
At 31 March 2009/ 1 April 2009	1,579,299	1,348,290	2,821,683	719,802	10,294,595	16,763,669
At 31 March 2010	12,814,421	1,452,707	2,777,403	608,782	-	17,653,313

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Leasehold buildings RM	Electrical equipment, renovation, furniture and fittings RM	Plant and machineries RM	Motor vehicles RM	Building-in-progress RM	Total RM
Cost						
At 1 April 2008	1,673,457	2,438,593	5,334,980	1,076,607	-	10,523,637
Reclassification	-	-	-	-	1,842,882	1,842,882
Additions	-	415,241	10,550	607,800	8,451,713	9,485,304
Disposals	-	(7,479)	-	(240,900)	-	(248,379)
Written off	-	(523,303)	-	-	-	(523,303)
At 31 March 2009/ 1 April 2009	1,673,457	2,323,052	5,345,530	1,443,507	10,294,595	21,080,141
Reclassification	9,712,901	255,044	326,650	-	(10,294,595)	-
Additions	1,774,017	178,906	201,600	174,199	-	2,328,722
Disposals	-	(165,019)	(45,100)	(646,670)	-	(856,789)
Written off	(4,951)	-	-	-	-	(4,951)
At 31 March 2010	13,155,424	2,591,983	5,828,680	971,036	-	22,547,123
Depreciation						
At 1 April 2008	60,697	937,674	1,989,794	708,392	-	3,696,557
Depreciation for the year	33,461	290,920	534,053	191,973	-	1,050,407
Disposals	-	(1,380)	-	(176,660)	-	(178,040)
Written off	-	(252,452)	-	-	-	(252,452)
At 31 March 2009/ 1 April 2009	94,158	974,762	2,523,847	723,705	-	4,316,472
Depreciation for the year	246,845	281,112	565,246	202,728	-	1,295,931
Disposals	-	(69,198)	(37,816)	(564,179)	-	(671,193)
Written off	-	-	-	-	-	-
At 31 March 2010	341,003	1,186,676	3,051,277	362,254	-	4,941,210
Carrying amounts						
At 1 April 2008	1,612,760	1,500,919	3,345,186	368,215	-	6,827,080
At 31 March 2009/ 1 April 2009	1,579,299	1,348,290	2,821,683	719,802	10,294,595	16,763,669
At 31 March 2010	12,814,421	1,405,307	2,777,403	608,782	-	17,605,913

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.1 Security

A leasehold building of the Group and of the Company with a carrying amount of RM11,268,583 (2009 - RM10,294,595) is charged to a bank as security for borrowings granted to the Group and the Company (see Note 15.1). In 2009, this leasehold building was classified under building-in-progress.

3.2 Leased assets

Included in property, plant and equipment of the Group and of the Company are assets acquired under finance lease agreements as follows:

	Group and Company	
	2010	**2009**
	RM	**RM**
Carrying amounts		
Plant and machineries	-	962,229
Motor vehicles	425,460	645,500
Electrical equipment, renovation, furniture and fittings	-	86,974

4. GOODWILL

	Group	
	2010	**2009**
	RM	**RM**
Cost		
At 1 April/31 March	386,993	386,993
Amortisation and impairment losses		
At 1 April/31 March		
Accumulated amortisation	135,448	135,448
Accumulated impairment losses	251,545	251,545
	386,993	386,993
Carrying amount		
At 31 March	-	-

5. PREPAID LEASE PAYMENTS

Group and Company	Unexpired lease period of more than 50 years 2010 RM	2009 RM
Leasehold land		
Cost		
At 1 April/31 March	2,846,590	2,846,590
Amortisation		
At 1 April	95,685	38,749
Amortisation for the year	56,936	56,936
At 31 March	152,621	95,685
Carrying amounts		
At 31 March	2,693,969	2,750,905

Security

A leasehold land of the Group and of the Company with a carrying amount of RM1,913,399 (2009 - RM1,953,331) is charged to a bank as security for borrowings granted to the Group and the Company (see Note 15.1).

6. INVESTMENT IN SUBSIDIARIES

	Company 2010 RM	2009 RM
Unquoted shares in Malaysia, at cost	309,995	250,005
Less: Impairment losses	(249,998)	(249,998)
	59,997	7

Details of the subsidiaries, which all are incorporated in Malaysia, are as follows:

Name of companies	Principal activities	Effective ownership interest 2010	2009
FAS Manufacturing Sdn. Bhd. (FKA: Genevision (M) Sdn. Bhd.)	Design and development of vision inspection system. The Company has not commenced its business operation since the date of incorporation	100%	100%
FAS Technology Solution Sdn. Bhd.	Design and development of automated industrial equipment	60%*	100%

* On June 2009, FAS Technology Solution Sdn. Bhd. ("FASTECH"), a subsidiary, increased its issued and paid-up capital from 10 ordinary shares of RM1.00 each to 100,000 ordinary shares of RM1.00 each of which the Company subscribed for an additional 59,990 new ordinary shares of RM1.00. Consequently, FASTECH became a 60% owned subsidiary of the Company.

7. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Unquoted shares outside Malaysia, at cost	49,000	49,000	49,000	49,000
Share of post-acquisition losses	(43,228)	(49,000)	-	-
	5,772	-	49,000	49,000
Represented by:				
Group's share of net assets other than goodwill	5,772	-		

The details of the associate are as follows:

Name of company	Principal activities	Country of incorporation	Effective ownership interest		Financial year end
			2010	2009	
TGT Technology Limited	Provision of engineering and technical services including designing of machine, machinery equipment and accessories of industrial products	Thailand	49%	49%	31 December

Summary financial information on associate is as follows:-

	Revenue (100%)	Profit (100%)	Total assets (100%)	Total liabilities (100%)
2010	RM	RM	RM	RM
TGT Technology Limited*	881,954	32,188	252,528	318,647
2009				
TGT Technology Limited^	1,337,936	418,170	274,661	371,832

During the year, TGT Technology Limited recorded a profit of RM32,188 of which RM15,772 represents the Group's share of the current year's profit. As the cumulative losses not recognised in the income statements of the Group previously was RM10,000, the profit recognised during the year was limited to RM5,772.

* Results of this associate are based on audited financial statements as at 31 December 2009 and management financial statements from 1 January 2010 to 31 March 2010. Results of this associate are immaterial to the Group.

^ Results of this associate were based on audited financial statements as at 31 December 2008 and management financial statements from 1 January 2009 to 31 March 2009. Results of this associate are immaterial to the Group.

8. DEFERRED TAX (ASSETS)/LIABILITIES

Recognised deferred tax (assets)/liabilities

Deferred tax assets and liabilities are attributable to the following:

Group and Company	Property, plant and equipment RM	Unutilised tax losses RM	Other temporary differences RM	Total RM
Deferred tax (assets)/liabilities				
At 1 April 2008	81,000	(42,000)	(21,000)	18,000
Recognised in the income statements (Note 19)	(7,000)	(7,000)	(54,000)	(68,000)
At 31 March 2009/1 April 2009	74,000	(49,000)	(75,000)	(50,000)
Recognised in the income statements (Note 19)	181,000	49,000	9,000	239,000
At 31 March 2010	255,000	-	(66,000)	189,000

Unrecognised deferred tax assets

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

	Group 2010 RM	Group 2009 RM
Unabsorbed capital allowances	(46,000)	-
Unutilised tax losses	(1,510,000)	(966,000)
Other temporary differences	13,000	(270,000)
	(1,543,000)	(1,236,000)
At 25%	(385,750)	(309,000)

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

9. INVENTORIES

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
At cost:				
Raw materials	228,128	143,363	228,128	143,363
Consumables	2,027,723	1,681,738	2,027,723	1,681,738
Work-in-progress	11,581,566	1,257,048	10,177,982	1,257,048
Finished goods	78,223	80,739	78,223	80,739
	13,915,640	3,162,888	12,512,056	3,162,888

10. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Trade					
Trade receivables		14,290,973	5,176,855	14,290,973	5,176,855
Less: Allowance for doubtful debts	10.2	(43,965)	(74,522)	(43,965)	(74,522)
		14,247,008	5,102,333	14,247,008	5,102,333
Non-trade					
Other receivables		79,033	184,189	34,854	184,189
Deposits		64,600	198,245	60,720	198,245
Prepayments	10.3	1,934,882	108,353	1,934,482	108,353
		16,325,523	5,593,120	16,277,064	5,593,120

10.1 Analysis of foreign currency exposure for significant receivables

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

	Group and Company 2010 RM	Group and Company 2009 RM
Foreign currency		
USD	12,017,306	2,617,614

10.2 In 2009, bad debts of the Group amounting to RM37,480 were written off against allowance for doubtful debts.

10.3 During the year, included in prepayments of the Group and of the Company is an amount of RM1,923,939 being advances paid to suppliers for goods acquired.

11. AMOUNTS DUE FROM SUBSIDIARIES

	Company 2010 RM	Company 2009 RM
Trade		
Amount due from subsidiaries	541,105	-
Non-trade		
Amount due from subsidiaries	2,261,294	1,512,144
Less: Allowance for doubtful debts	(1,290,461)	(1,290,461)
	970,833	221,683
	1,511,938	221,683

The amounts due from subsidiaries are unsecured, interest free and are repayable on demand.

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Cash and bank balances	3,254,272	12,978,830	3,250,321	12,947,996
Deposits placed with licensed banks	5,068	-	5,068	-
	3,259,340	12,978,830	3,255,389	12,947,996

13. SHARE CAPITAL AND RESERVES

13.1 Share capital

	Group and Company			
	Number of shares		Amount	
	2010	2009	2010	2009
			RM	RM
Ordinary shares of RM0.10 each :				
Authorised	250,000,000	250,000,000	25,000,000	25,000,000
Issued and fully paid				
At 1 April	120,808,000	120,808,000	12,080,800	12,080,800
Issue of shares under ESOS (Note 14)	504,000	-	50,400	-
At 31 March	121,312,000	120,808,000	12,131,200	12,080,800

13.2 Share option reserve

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

13.3 Section 108 tax credit

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all of its retained earnings at 31 March 2010 if paid out as dividends.

The Finance Act, 2007 introduced a single tier company income tax system with effect from 1 January 2007. As such, the Section 108 tax credit as at 31 March 2010 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

14. EMPLOYEE BENEFITS

Share-based payments

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

14. EMPLOYEE BENEFITS (CONTINUED)

Share-based payments (continued)

The terms and conditions of the grants are as follows:

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

The number of share options is as follows:

	Group and Company	
	2010 '000	2009 '000
Outstanding at 1 April	7,905	8,093
Lapsed due to resignation	(823)	(188)
Exercised during the year (Note 13)	(504)	-
Outstanding at 31 March	6,578	7,905
Exercisable at 31 March	6,578	7,905

The options outstanding at 31 March 2010 expire on 20 September 2010.

During the current financial year, 504,000 share options were exercised.

The weighted average share price for the year was RM0.36 (2009 - RM0.29).

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

Fair value of share options and assumptions

	Group and Company	
	2010	2009
Weighted average share price	RM0.36	RM0.29
Exercise price	RM0.30	RM0.30
Expected volatility (weighted average volatility)	47%	47%
Option life (expected weighted average life)	6 months	1.5 years

Employee expenses

There were no expenses recognised as share-based payments in 2009 and 2010.

15. LOANS AND BORROWINGS

	Group and Company	
	2010	2009
	RM	RM
Non-current		
Finance lease liabilities	84,282	224,355
Secured bank loans	7,111,798	7,466,311
	7,196,080	7,690,666
Current		
Bankers' acceptances	793,000	-
Finance lease liabilities	137,184	422,243
Secured bank loans	388,940	440,451
	1,319,124	862,694

During the year, the bankers' acceptances of the Group and of the Company carry interest at base lending rate minus 1.00% to 3.65%.

The secured bank loans of the Group and of the Company carry interest at base lending rate minus 1.00% to 3.35% (2009 - base lending rate minus 1.00% to 3.35%) per annum.

15.1 Security

The bank loans of the Group and of the Company are secured over a leasehold building with a carrying amount of RM11,268,583 (2009 - RM10,294,595) (see Note 3.1) and a prepaid lease payment with a carrying amount of RM1,913,399 (2009 - RM1,953,331) (see Note 5) and letter of negative pledge obtained from the Company.

15.2 Significant covenants

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

i) Maximum gearing of 2.0 times.

ii) Valuation report (less than 3 months old) issued by a valuation firm which is acceptable to the banker's panel of valuers upon completion of the property to be financed, evidencing the Open Market Value of the land and the completed building at not less than RM10 million.

15. LOANS AND BORROWINGS (CONTINUED)

15.3 Terms and debt repayment schedule

Group and Company	Year of maturity	Carrying amount RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	Over 5 years RM
2010						
Secured bank loan	2023	1,392,728	74,645	78,595	264,999	974,489
Secured bank loan	2024	6,108,010	314,295	310,516	1,042,143	4,441,056
		7,500,738	388,940	389,111	1,307,142	5,415,545
2009						
Secured bank loan	2023	1,469,482	76,984	75,891	252,976	1,063,631
Secured bank loan	2024	6,437,280	363,467	318,205	992,535	4,763,073
		7,906,762	440,451	394,096	1,245,511	5,826,704

15.4 Finance lease liabilities

Finance lease liabilities are payable as follows:

	2010			2009		
Group and Company	**Minimum lease payments RM**	**Interest RM**	**Principal RM**	**Minimum lease payments RM**	**Interest RM**	**Principal RM**
Less than one year	147,576	(10,392)	137,184	447,324	(25,081)	422,243
Between one and five years	86,078	(1,796)	84,282	236,610	(12,255)	224,355
	233,654	(12,188)	221,466	683,934	(37,336)	646,598

The finance lease liabilities are subject to a fixed interest rate of 3.56% (2009 - 2.60% to 3.56%) per annum.

16. PAYABLES AND ACCRUALS

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Trade				
Trade payables	11,379,173	3,877,846	11,039,174	3,877,846
Non-trade				
Other payables	215,691	102,050	163,218	102,050
Accruals	969,891	136,520	952,939	129,529
	12,564,755	4,116,425	12,155,331	4,109,425

16. PAYABLES AND ACCRUALS (CONTINUED)

16.1 Analysis of foreign currency exposure for significant payables

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

	Group and Company	
	2010	2009
	RM	RM
Foreign currency		
USD	1,262,911	110,373

17. PROFIT BEFORE TAX

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Profit before tax is arrived at after charging:				
Allowance for doubtful debts				
- third parties	-	74,522	-	74,522
Amortisation of prepaid lease payments	56,936	56,936	56,936	56,936
Auditors' remuneration				
- statutory audit	42,000	37,000	36,000	33,000
- other services	6,000	5,000	6,000	5,000
Depreciation of property, plant and equipment	1,298,068	1,050,407	1,295,931	1,050,407
Finance costs				
- finance lease liabilities	25,148	46,522	25,148	46,522
- bankers' acceptances	85,733	-	85,733	-
- bank loans	370,180	184,209	370,180	184,209
Inventories written off	103,834	828,505	103,834	558,329
Loss on foreign exchange				
- realised	420	-	-	-
- unrealised	-	368,840	-	368,840
Personnel expenses (including key management personnel):				
- Contributions to Employees Provident Fund	628,404	621,144	611,472	601,015
- Wages, salaries and others	7,064,473	6,428,829	6,694,949	6,255,088
Property, plant and equipment written off	4,951	270,851	4,951	270,851
Rental of premises	324,085	512,112	311,205	512,112

17. PROFIT BEFORE TAX (CONTINUED)

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
and after crediting:				
Gain on disposal of property, plant and equipment	38,322	29,061	38,322	29,061
Gain on foreign exchange				
- realised	35,333	421,367	35,333	420,290
- unrealised	968,438	-	968,796	-
Government grants	-	2,700,000	-	2,700,000
Interest income from deposits	71,523	89,168	71,523	89,168
Reversal of allowance for doubtful debts				
- associate	-	267,450	-	267,450
- third party	30,557	-	30,557	-

18. KEY MANAGEMENT PERSONNEL COMPENSATION

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Directors:				
- Remuneration	497,172	482,514	496,484	482,514
- Fees	69,000	18,000	18,000	18,000
- Other employee benefits (including estimated monetary value of benefits-in-kind)	34,800	7,400	34,800	7,400
Total short-term employee benefits	600,972	507,914	549,284	507,914

19. INCOME TAX EXPENSE

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Current tax expense				
- current year	172,640	200,000	172,640	200,000
- prior year	(27,697)	55,301	(27,697)	55,301
	144,943	255,301	144,943	255,301
Deferred tax expense *(Note 8)*				
- origination and reversal of temporary differences	239,000	(68,000)	239,000	(68,000)
Total income tax expense	383,943	187,301	383,943	187,301
Reconciliation of effective tax expense				
Profit before tax	4,757,353	8,645,481	5,071,690	8,833,894
Income tax using Malaysian tax rates of 25%	1,189,338	2,161,370	1,267,923	2,208,473
Non-deductible expenses	260,153	143,653	258,318	142,800
Tax incentive (Pioneer status)	(548,693)	(2,376,601)	(548,693)	(2,376,601)
Reduction in deferred tax as a result of changes in proportion of non-pioneer business	(565,908)	157,328	(565,908)	157,328
Effect of deferred tax assets not recognised	76,750	46,250	-	-
	411,640	132,000	411,640	132,000
(Over)/Under provided in prior years	(27,697)	55,301	(27,697)	55,301
	383,943	187,301	383,943	187,301

20. EARNINGS PER ORDINARY SHARE

20.1 Basic earnings per ordinary share

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

	Group	
	2010	2009
	RM	RM
Profit for the year attributable to ordinary shareholders	4,413,410	8,458,180

20. EARNINGS PER ORDINARY SHARE (CONTINUED)

20.1 Basic earnings per ordinary share (continued)

Weighted average number of ordinary shares

	2010	2009
Issued ordinary shares at 1 April	120,808,000	120,808,000
Effect of exercise of ESOS	20,821	-
Weighted average number of ordinary shares at 31 March	120,828,821	120,808,000

	2010	2009
	Sen	Sen
Basic earnings per ordinary share	3.65	7.00

20.2 Diluted earnings per ordinary share

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

	Group	
	2010	2009
	RM	RM
Profit for the year attributable to ordinary shareholders	4,413,410	8,458,180

Weighted average number of ordinary shares diluted

	2010	2009
Weighted average number of ordinary shares at 31 March	120,828,821	120,808,000
Effect of dilution on share options under ESOS	6,578,000	- *
Weighted average number of ordinary shares (diluted) at 31 March	127,406,821	120,808,000

	2010	2009
	Sen	Sen
Diluted earnings per ordinary share	3.46	N/A*

* In 2009, as the conversion of the options issued would be antidilutive, the calculation for diluted earnings per ordinary share was not presented.

The average market value of the Company's shares for purpose of calculating the dilutive effect of share options was based on quoted market price for the year that the options were outstanding.

21. DIVIDENDS

Dividend recognised in the current year by the Company is:

2010	Sen per share (tax exempt)	Total amount RM	Date of payment
First interim 2010 ordinary	0.5	604,440	29 March 2010
2009			
First interim 2009 ordinary	1.0	1,208,080	18 August 2008
Second interim 2009 ordinary	1.0	1,208,080	16 December 2008
		2,416,160	

The Directors do not recommend any final dividend to be paid for the year under review.

22. SEGMENT REPORTING

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

Segmental information is not provided as the Group is principally engaged in the industrial automation segment and its operations are carried out solely in Malaysia.

23. OPERATING LEASE

Lease as lessee

Non-cancellable operating lease rental are payable as follows:

	Group and Company	
	2010	2009
	RM	RM
Less than one year	-	103,155
Between one and five years	-	-
	-	103,155

The Group and the Company lease a property under operating lease. The lease runs for an initial period of 3 years with an option to renew the lease thereafter. The Group and the Company have ceased the operating lease commencing July 2009. The lease does not include contingent rentals.

24. CAPITAL COMMITMENTS

	Group and Company	
	2010	2009
	RM	RM
Property, plant and equipment		
Contracted but not provided for in the financial statements and payable within one year	-	705,000

25. RELATED PARTIES

Identity of related parties

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

There were no transactions with the Directors and key management personnel other than remuneration paid or payable to them in accordance with the terms and conditions of their appointment as disclosed in Note 18.

Significant transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
Subsidiary				
FAS Technology Solution Sdn. Bhd.				
Purchases	-	-	73,150	310,200
Sales	-	-	(630,069)	-
Subsidiaries of an affiliate company				
KVC Industrial Supplies Sdn. Bhd.				
Purchases	837,812	268,886	837,812	268,886
Management fees paid	-	18,000	-	18,000
TSA Industries Sdn. Bhd.				
Purchases	100,501	84,988	100,501	84,988
Associate				
TGT Technology Limited				
Servicing fee	703,137	1,395,717	703,137	1,395,717
Purchases	141,494	23,045	141,494	23,045

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

Information regarding outstanding balances arising from subsidiaries disclosed in Note 11. Amount outstanding to subsidiaries of an affiliate company, KVC Industrial Supplies Sdn Bhd and TSA Industries Sdn.Bhd. is RM260,753 (2009-RM17,391) and RM25,337 (2009-RM25,611), respectively. There are no balances owing to an associate TGT Technology Limited as at 31 March 2010 and 31 March 2009.

26. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The main risks arising from the Group's and the Company's financial instruments are liquidity risk, credit risk, foreign currency risk and interest rate risk. The Group's and the Company's normal practices for managing each of these risks are summarised below:

Liquidity risk

In the management of liquidity risk, the Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group's and the Company's operations and mitigate the effects of fluctuations in cash flows.

Credit risk

The exposure to credit risk is monitored on an ongoing basis. The maximum exposure to credit risk is represented by the carrying amount of each financial assets presented in the balance sheet.

At balance sheet date, a significant concentration of credit risk arises in respect of debts owing from 2 (2009 - 2) major customers amounting to RM12.0 million (2009 - RM4.3 million) of the total trade receivables of the Group and the Company. The Directors are closely monitoring the Group's and the Company's credit risk exposure to these major customers and are confident in recovering these amounts.

Foreign currency risk

The Group and the Company incur foreign currency risk on sales and purchases that are denominated in a currency other than Ringgit Malaysia. In the management of foreign currency risk, the Group and the Company enter into foreign currency forward contracts in the normal course of business, where appropriate, to manage its exposure against foreign currency fluctuations on sales and purchases transactions denominated in foreign currencies.

Interest rate 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.

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their average effective interest rates at the balance sheet date and the periods in which they mature, or if earlier, reprice.

26. FINANCIAL INSTRUMENTS (CONTINUED)

2010 Group and Company	Average effective interest rate per annum %	Total RM	Less than 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	More than 5 years RM
Fixed rate instruments								
Deposit placed with licensed banks	2.00-2.25	5,068	5,068	-	-	-	-	-
Finance lease liabilities	3.56	221,466	137,184	84,282	-	-	-	-
Floating rate instruments								
Secured bank loans	2.20-5.95	7,500,738	7,500,738	-	-	-	-	-
Bankers' acceptances	3.31-4.22	793,000	793,000	-	-	-	-	-
2009								
Fixed rate instruments								
Finance lease liabilities	4.92-7.01	646,598	422,243	140,073	84,282	-	-	-
Floating rate instruments								
Secured bank loans	2.20-5.70	7,906,762	7,906,762	-	-	-	-	-

Fair values of recognised financial instruments

The fair value of the bank loans secured by the Group and the Company approximates its carrying amount as it is a floating rate loan.

In the opinion of the Directors, there is no significant difference between the fair values and the carrying amounts of other financial assets and financial liabilities due to the relatively short term nature of these financial instruments.

At 31 March 2010, the notional amount and net fair value receivable for forward foreign exchange contract of the Group and Company are as follows:

	2010		2009	
Group and Company	**Nominal amount** **RM**	**Fair value gain** **RM**	**Nominal amount** **RM**	**Fair value loss** **RM**
Financial liability				
Forward exchange contracts	35,277,570	1,395,868	6,003,800	(457,200)

Forward exchange contracts are marked to market using market forward rates as at balance sheet date and the gain or loss is recognised in the income statements.

27. BUSINESS COMBINATION

Dilution of interest in a subsidiary

On June 2009, FAS Technology Solution Sdn. Bhd. ("FASTECH"), a subsidiary, increased its issued and paid-up capital from 10 ordinary shares of RM1.00 each to 100,000 ordinary shares of RM1.00 each of which the Company subscribed for an additional 59,990 new ordinary shares of RM1.00. Consequently, FASTECH became a 60% owned subsidiary of the Company. The remaining 40% equity interests were acquired by a third party for a total cash consideration of RM40,000.

28. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

28.1 On May 2010, the Company disposed 40% of its equity interests in FAS Manufacturing Sdn Bhd (formerly known as Genevision (M) Sdn. Bhd.) to a third party for a total cash consideration of RM100,000. Consequently, FAS Manufacturing became a 60% owned subsidiary of the Company.

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

On May 2010, the options price was adjusted from the present RM0.30 to RM0.15 per ordinary share and the number of the unexercised share options will be adjusted on the basis of 1 new ordinary share for every 1 existing unexercised share option.

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 33 to 68 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2010 and of their financial performance and cash flows for the financial year then ended.

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

Chin Kem Weng

Tan Kok Ang

Bandar Baru Bangi, Selangor

Date: 1 July 2010

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 33 to 68 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 Petaling Jaya, Selangor on 1 July 2010.

Tan Kon Hoan

Before me:

No. B357
Pn Koh Twee Yong@Koh Twee Siew
Commissioner for Oaths
Petaling Jaya, Selangor

Report on the Financial Statements

We have audited the financial statements of Genetec Technology Berhad, which comprise the balance sheets as at 31 March 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 33 to 68.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, 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 Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2010 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

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

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

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

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

Other Matters

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

KPMG
Firm Number: AF 0758
Chartered Accountants

Peter Ho Kok Wai
Approval Number: 1745/12/11(J)
Chartered Accountant

Petaling Jaya, Selangor

Date: 1 July 2010

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

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

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

LIST OF PROPERTIES
as at 31 March 2010

No.	Address	Approximate Tenure/Year of Expiry	Description/ Existing Use	Land Area / Built-Up Area (sq. ft.)	Net Book Value @ 31.03.10 (RM'000)	Age of Building (years)	Date of Acquisition
1.	Lot 7, Jalan P10/11, Seksyen 10, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan.	99 years expiring in 2098	Leasehold / Land with 3 storey office and factory	61,450 / 44,405	12,248	2	31 March 08
2.	No. 59, Jalan P/21, Selaman Industrial Park, Seksyen 10, 43650 Bandar Baru Bangi, Selangor Datul Ehsan.	99 years expiring in 2098	Leasehold 1½ -storey detached factory/ Office building	22,723 / 13,603	2,377	5	20 March 06

ADDITIONAL COMPLIANCE INFORMATION

1) **Utilisation of proceeds from corporate proposal**

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

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

2) **Share buy-backs**

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

3) **Options, warrants and convertible securities**

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

4) **American Depository Receipt ("ADR") / Global Depository Receipt ("GDR")**

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

5) **Sanctions and/or penalties**

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

6) **Non-audit fees**

Non-audit fees paid out or payable to external auditors by the Group for the financial year 31 March 2010 was RM6,000 (2009: RM5,000).

7) **Profit estimate, forecast or projection**

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

8) **Variation in results**

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

9) **Profit guarantee**

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

10) **Material contracts**

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries involving Directors' and substantial shareholders' interests, either still subsisting at the end of financial year ended 31 March 2010 or entered into since the end of the previous financial year.

11) **Revaluation policy on landed properties**

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

12) Recurrent Related Party Transactions

The significant recurrent related party transactions conducted during the financial year ended 31 March 2010 were as follows:

	Related Parties	Relationship with Genetec Group	Nature of Transactions with Genetec Group	Amount (RM)
1.	KVC Industrial Supplies Sdn Bhd ("KVC")	Chen Khai Voon is a Director and an indirect major shareholder of Genetec. He is also an indirect major shareholder of KVC	Purchase of electrical and electronic products	837,812
2.	TSA Industries Sdn Bhd ("TSA")	Chen Khai Voon is a Director and an indirect major shareholder of Genetec. He is also an indirect major shareholder of TSA	Purchase of industrial hardware	100,501
3.	TGT Technology Limited ("TGT")	Chen Khai Voon is a Director and an indirect major shareholder of Genetec. He is also a Director and an indirect major shareholder of TGT Chin Kem Weng is a Director and also a major shareholder of Genetec. He is also a Director and an indirect major shareholder of TGT	Servicing fees for designing machines Purchase of fabrication parts	703,137 141,494

Class of shares:
Ordinary Shares of RM0.10 each

Voting rights:
One vote per Ordinary Share

ANALYSIS OF SHAREHOLDINGS

Category	No. of holders	No. of shares	Percentage (%)
1 – 99	1	50	0.00
100 – 1,000	26	12,850	0.01
1,001 – 10,000	163	1,159,200	0.47
10,001 – 100,000	310	12,298,400	5.05
100,001 – 12,180,699	94	81,443,500	33.43
12,180,700 and above (5% of issued securities)	2	148,700,000	61.04
Total	**596**	**243,614,000**	**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
Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain	-	-	-	-
Hew Voon Foo	-	-	40,000#	0.02
Chen Khai Voon	-	-	96,500,000*	39.61
Chin Kem Weng	52,200,000	21.43	-	-
Tan Kok Ang	-	-	-	-
Ong Phoe Be	-	-	-	-

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

Other than as stated above, there has been no changes in the deemed interest of directors in related companies as disclosed in page 29 of this annual report since the close of the financial year ended 31 March 2010.

The options granted to the directors pursuant to the Company's Employees' Share Option Scheme are set out in page 29 of this annual report. There has been no changes in the options held since the close of the financial year ended 31 March 2010.

SUBSTANTIAL SHAREHOLDERS (as per Register of Substantial Shareholders)

	Direct		Indirect	
Name	No. of shares held	% of issued capital	No. of shares held	% of issued capital
ATIS Corporation Berhad	96,500,000	39.61	-	-
Chin Kem Weng	52,200,000	21.43	-	-
Chen Khai Voon	-	-	96,500,000*	39.61

Note: * Deemed interested through ATIS Corporation Berhad

30 LARGEST SHAREHOLDERS

	Name	No. of shares held	Percentage (%)
1	ATIS CORPORATION BERHAD	96,500,000	39.61
2	CHIN KEM WENG	52,200,000	21.43
3	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN LEE HEONG	11,200,000	4.60
4	LEE KOK LEONG	6,600,000	2.71
5	WANNEE BOONYASIRIWAT	4,300,000	1.77
6	YAP SIN FATT	4,284,200	1.76
7	SHAARI BIN HARON	3,900,800	1.60
8	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NGU LIONG TING	3,638,400	1.49
9	SOW EWE LEE	3,168,000	1.30
10	OOI ENG SUN	2,589,000	1.06
11	ALLEN LIK-HOOK TING	2,520,000	1.03
12	CHIA HEE CHONG	2,194,000	0.90
13	YEO TEIK HOCK	2,150,000	0.88
14	LIM GHEE TATT	2,048,000	0.84
15	GOH YIK YONG	1,662,000	0.68
16	SONG KOK FULL	1,578,000	0.65
17	LONG PONG HAN	1,486,600	0.61
18	TAN MOON TEIK	1,402,000	0.58
19	CHIN KIT SEN	1,400,000	0.57
20	YAP WAN LOONG	1,101,000	0.45
21	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAI SING	1,000,000	0.41
22	YAP KIEN LEONG	991,400	0.41
23	NGU LIONG TING	893,800	0.37
24	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG CHOY YOKE	854,000	0.35
25	LEONG KAH KONG	843,000	0.35
26	GOH LAI WAN	760,000	0.31
27	CHONG LEE CHEW	740,000	0.30
28	TING LEE KWANG @ TING LEK KWANG	720,000	0.30
29	TAN KIM CHIN	650,000	0.27
30	ROSFAIZAL BIN ROSLI	602,200	0.25
	Total	**213,976,400**	**87.83**

GENETEC TECHNOLOGY BERHAD
(Co. No. 445537-W)
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Kawasan Perusahaan Bangi
43650 Bandar Baru Bangi
Selangor Darul Ehsan
Tel 603 8926 6388
Fax 603 8926 9689

FAS TECHNOLOGY SOLUTION SDN BHD
(Co. No. 670298-U)
Plot 87A, Lintang Bayan Lepas 9
Bayan Lepas Industrial Park
Phase IV, 11900 Penang
Tel 604 644 9913
Fax 604 644 9913

FAS MANUFACTURING SDN BHD
(FKA: Genevision (M) Sdn Bhd)
(Co. No. 481528-M)
Plot 87A, Lintang Bayan Lepas 9
Bayan Lepas Industrial Park
Phase IV, 11900 Penang
Tel 604 644 9913
Fax 604 644 9913

TGT TECHNOLOGY LIMITED
(Co. No. 0105545092357)
49/175-176, Village No 7
Klong Song, Klong Luang
Pathumthani 12120, Thailand
Tel 66 2 153 4723
Fax 66 2 153 4726

NOTICE IS HEREBY GIVEN THAT the Twelfth Annual General Meeting of Genetec Technology Berhad (the "**Company**") will be held at Multi-Purpose Halls, 2nd Floor, Lot 5, Jalan P10/12, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan, on Thursday, 5 August 2010 at 10.00 a.m. for the following purposes:-

AS ORDINARY BUSINESS:

Agenda 1 To receive the audited financial statements for the financial year ended 31 March 2010 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 RM200,000 per annum.

To re-elect the following directors who are retiring by rotation pursuant to the Company's articles of association:-

2 Chen Khai Voon

3 Tan Kok Ang

4 To re-appoint Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain who is retiring pursuant to section 129(6) of the Companies Act, 1965 to hold office until the next annual general meeting.

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

AS SPECIAL BUSINESS:

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

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

7 "THAT subject to the provisions of the ACE Market listing requirements of Bursa Malaysia Securities Berhad, approval be given for the Company and its subsidiaries, to enter into recurrent related party transactions of a revenue or trading nature with the related parties as specified in section 2 of the circular to shareholders dated 14 July 2010 which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiaries, on arm length basis, on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such authority shall continue to be in force until:-

(a) the conclusion of the next annual general meeting of the Company at which time the mandate will lapse, unless by a resolution passed at the next annual general meeting, the mandate is renewed; or
(b) the expiration of the period within which the next annual general meeting of the Company is required to be held pursuant to section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to section 143(2) of the Companies Act, 1965); or
(c) revoked or varied by ordinary resolution passed by the shareholders in general meeting;

whichever is the earlier.

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

8 “THAT the proposed amendments to the Company’s articles of association as set out in the Appendix A of the 2010 annual report be approved and adopted.”

BY ORDER OF THE BOARD
WONG CHOOI FUN (MAICSA 7027549)
Company Secretary

Selangor Darul Ehsan
Date: 14 July 2010

EXPLANATORY NOTES ON SPECIAL BUSINESS

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

Ordinary Resolution

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

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

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

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

7 Please refer to the circular to shareholders dated 14 July 2010 which is despatched together with the 2010 annual report for detailed information of the proposals.

8 If passed, will render the Company’s articles of association in line with the amendments made to the ACE Market listing requirements of Bursa Malaysia Securities Berhad in relation to electronic dividend payment (eDividend) and enhance the administration of the internal affairs of the Company as well as to add clarity to the Company’s articles of association.

Notes:

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

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

(iii) The proxy form must be deposited at the registered office of the Company at Wisma KVC, Lot 3, Jalan P10/12, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

   Pursuant to article 92 of the articles of association of the Company:-

   - Chen Khai Voon
   - Tan Kok Ang

   Pursuant to section 129(6) of the Companies Act, 1965:-

   - Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain

2. Further details and profiles of the above directors are set out in pages 4 & 5 and their securities holding (in the Company and its subsidiaries) on page 29 of this Annual Report.

PROPOSED AMENDMENT TO ARTICLES OF ASSOCIATION

"THAT the following articles of association of the Company be amended as follows:-

ARTICLE NO.	EXISTING	AMENDED
2. Definations	**WORDS** / **MEANINGS** Bursa Depository: Bursa Malaysia Depository Sdn Bhd (165570-W) including any further change to its name.	**WORDS** / **MEANINGS** ~~**Bursa**~~ Depository: Bursa Malaysia Depository Sdn Bhd (165570-W) including any further change to its name.
157. Payment ~~**by cheque**~~ mode	Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or by direct electronic transfer to the bank account of the holder who is named on the register of Members or Record of Depositors or to such person and to such address as the holder may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and the payment of any such cheque or warrant or direct electronic transfer shall operate as a good discharge to the Company in respect of the dividend represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged or there is discrepancy given by the Member in the details of bank account(s). Every such cheque or warrant shall be sent or by direct electronic transfer at the risk of the person entitled to the money thereby represented.	Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or by direct ~~**electronic transfer**~~ **crediting the dividend entitlements** to the bank account of the holder **(as provided to the Depository from time to time) ("eDividend")** who is named on the register of Members or Record of Depositors or to such person and to such address as the holder may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and the payment of any such cheque or warrant or direct ~~**electronic transfer**~~ **crediting to the holder's bank account** shall operate as a good discharge to the Company in respect of the dividend represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged or there is discrepancy given by the Member in the details of bank account(s). Every such cheque or warrant shall be sent or ~~**by**~~ direct ~~**electronic transfer**~~ **credited** at the risk of the person entitled to the money thereby represented. **Where the holders have provided to the Depository the relevant contact details for the purposes of electronic notifications in connection with eDividend, the Company shall notify them electronically once the Company has paid the cash dividends out of its accounts.**

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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 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 **Twelfth Annual General Meeting of the Company to be held at Multi-Purpose Halls, 2nd Floor, Lot 5, Jalan P10/12, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan, on Thursday, 5 August 2010 at 10.00 a.m.** and at any adjournment thereof.

Ordinary Resolution		**For**	**Against**	**Abstain**
1	Directors' Fees			
2	Re-election of director - Chen Khai Voon			
3	Re-election of director - Tan Kok Ang			
4	Re-appointment of director - Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain			
5	Re-appointment of auditors and their remuneration - KPMG			
6	Authority to allot shares			
7	Shareholders' mandate			

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

Dated this .... day of 2010

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

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and section 149 (1)(b) of the Companies Act, 1965 shall not apply. However, his attendance at the general meeting shall automatically revoke the proxy form and proxy's authority.
2. A member shall be entitled to appoint more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting, such appointment shall be invalid unless he specifies the proportion (expressed as a percentage of the whole) of his shareholding to be represented by each proxy.
3. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
4. The proxy form shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
5. Any alteration made to the proxy form should be initialled by the person who signs it.
6. A corporation which is a member may authorise by a resolution of its directors or other governing body or by a certificate under seal of the corporation appoint such person as it thinks fit to act as its representative at the meeting in accordance with section 147(3) to (5) of the Companies Act, 1965.
7. The proxy form must be deposited at the registered office of the Company at Wisma KVC, Lot 3, Jalan P10/12, 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.

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AFFIX
STAMP

The company secretary
GENETEC TECHNOLOGY BERHAD
Wisma KVC, Lot 3
Jalan P10/12
Kawasan Perusahaan Bangi
43650 Bandar Baru Bangi
Selangor Darul Ehsan
Malaysia

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

Lot 7, Jalan P10/11, Seksyen 10
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