



(Incorporated in Malaysia)

Interim Report for the

First Quarter Ended

30 June 2012

Contents

Condensed Consolidated Statement of Comprehensive Income	1
Condensed Consolidated Statement of Financial Position	2
Condensed Consolidated Statement of Changes in Equity	3
Condensed Consolidated Statement of Cash Flows	4
Notes to the Condensed Financial Statements	5 - 11

GENETEC TECHNOLOGY BERHAD (445537-W)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2012

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30/06/2012 RM'000	Preceding Year Corresponding Quarter 30/06/2011 RM'000	Current Year To-date 30/06/2012 RM'000	Preceding Year Corresponding Period 30/06/2011 RM'000
Revenue		47,465	39,520	47,465	39,520
Cost of sales		(40,614)	(32,891)	(40,614)	(32,891)
Gross profit		6,851	6,629	6,851	6,629
Interest income		16	77	16	77
Other operating income		389	301	389	301
Distribution expenses		(1,517)	(924)	(1,517)	(924)
Administrative expenses		(3,652)	(3,276)	(3,652)	(3,276)
Other operating expenses		(77)	(211)	(77)	(211)
Depreciation and amortisation		(185)	(237)	(185)	(237)
Profit from operations		1,825	2,359	1,825	2,359
Finance costs		(802)	(544)	(802)	(544)
Net gain/(loss) on financial assets and financial liabilities at fair value		(394)	188	(394)	188
Share of profit in associate		-	-	-	-
Profit before taxation		629	2,003	629	2,003
Taxation	18	(183)	(573)	(183)	(573)
Profit for the financial period		446	1,430	446	1,430
Other comprehensive income, net of tax					
Foreign currency translation differences of foreign operations		(656)	10	(656)	10
Total comprehensive income for the financial period		(210)	1,440	(210)	1,440
Profit attributable to:					
Equity holders of the parent		531	1,617	531	1,617
Non-controlling interest		(85)	(187)	(85)	(187)
		446	1,430	446	1,430
Total comprehensive income attributable to:					
Equity holders of the parent		(125)	1,627	(125)	1,617
Non-controlling interest		(85)	(187)	(85)	(187)
		(210)	1,440	(210)	1,430
Earning per share (sen) :-	24				
(a) Basic		0.15	0.46	0.15	0.46
(b) Fully diluted		N/A	N/A	N/A	N/A

Note N/A : Not Applicable

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

GENETEC TECHNOLOGY BERHAD (445537-W)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2012

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at end of current quarter	(Audited) As at preceding financial year ended
Note	30/06/2012 RM'000	31/03/2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	44,149	42,975
Deferred tax assets	472	455
Investment in associate company	160	160
Intangible assets	38,215	38,215
	<u>82,996</u>	<u>81,805</u>
Current assets		
Inventories	23,824	20,399
Trade receivables	60,659	52,500
Derivative assets	-	266
Other receivables	4,358	10,232
Current tax asset	2,264	2,235
Cash and cash equivalents	14,924	2,344
	<u>106,029</u>	<u>87,976</u>
TOTAL ASSETS	<u><u>189,025</u></u>	<u><u>169,781</u></u>
EQUITY AND LIABILITIES		
Share capital	35,174	35,174
Reserves	37,567	37,692
Equity attributable to equity holders of the parent	<u>72,741</u>	<u>72,866</u>
Non-controlling interest	10,045	10,130
Total equity	<u>82,786</u>	<u>82,996</u>
Non-current liabilities		
Hire purchase liabilities	2,941	1,619
Borrowings	18,370	18,666
Deferred tax liability	317	317
Current liabilities		
Trade payables	23,729	20,252
Other payables	4,847	6,877
Derivative liabilities	394	-
Current tax liability	58	-
Amount due to associate company	124	28
Amount due to related companies	367	-
Borrowings	54,357	38,413
Hire purchase liabilities	735	613
	<u>84,611</u>	<u>66,183</u>
	<u><u>189,025</u></u>	<u><u>169,781</u></u>
Net assets per share (RM)*	<u><u>0.21</u></u>	<u><u>0.21</u></u>

Note:

* Net assets per share attributable to shareholders of the Company : Equity attributable to equity holders of the parent /Number of issued and paid-up ordinary shares

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

GENETEC TECHNOLOGY BERHAD (445537-W)
 INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2012

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non Distributable				Distributable		Non-controlling interest RM'000	Total equity RM'000
	Share Capital RM'000	Share Premium RM'000	Share Option Reserve RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000		
<u>3 months ended 30 June 2011</u>								
Balance at 1 April 2011	35,174	18,379	-	(3)	19,367	72,917	8,626	81,543
Total comprehensive income for the period	-	-	-	10	1,617	1,627	(187)	1,440
Acquisition of a subsidiary	-	-	-	-	-	-	(1,113)	(1,113)
Balance at 30 June 2011	35,174	18,379	-	7	20,984	74,544	7,326	81,870
<u>3 months ended 30 June 2012</u>								
Balance at 1 April 2012	35,174	18,379	-	(87)	19,400	72,866	10,130	82,996
Total comprehensive income for the period	-	-	-	(656)	531	(125)	(85)	(210)
Balance at 30 June 2012	35,174	18,379	-	(743)	19,931	72,741	10,045	82,786

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

GENETEC TECHNOLOGY BERHAD (445537-W)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2012

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) 3 months ended 30/06/2012 RM'000	(Unaudited) 3 months ended 30/06/2011 RM'000
Operating Activities		
Net profit before tax	629	2,003
Adjustment for :-		
Depreciation and amortisation	697	739
Loss on disposal of property, plant and equipment	-	6
Interest costs	802	447
Interest income	(16)	(77)
Unrealised derivative loss/(gain)	394	(188)
Unrealised foreign exchange (gain)/loss	(399)	73
	<hr/>	<hr/>
Operating profit before changes in working capital	2,107	3,003
Changes in working capital		
Inventories	(3,425)	(1,193)
Trade and other receivables	(6,099)	(11,150)
Trade and other payables	6,791	4,290
	<hr/>	<hr/>
Net cash used in operating activities	(626)	(5,050)
Income tax paid	(146)	(786)
	<hr/>	<hr/>
Net cash used in operating activities	(772)	(5,836)
Investing Activities		
Acquisition of subsidiaries, net of cash acquired	-	(7,999)
Interest received	16	77
Proceeds from disposal of property, plant and equipment	-	38
Purchase of property, plant and equipment	(1,833)	(1,605)
	<hr/>	<hr/>
Net cash used in investing activities	(1,817)	(9,489)
Financing Activities		
Net drawdown of bank borrowings	15,729	8,657
Net (repayment)/drawdown of term loan	(274)	8,693
Net drawdown/(repayment) of hire purchase liabilities	1,172	(136)
Interest paid	(802)	(447)
	<hr/>	<hr/>
Net cash generated from financing activities	15,825	16,767
Net change in cash and cash equivalents	13,236	1,442
Effect of exchange rate fluctuation on cash held	(656)	10
Cash and cash equivalents at beginning of year	2,344	15,005
	<hr/>	<hr/>
Cash and cash equivalents at end of period/year	14,924	16,457
	<hr/> <hr/>	<hr/> <hr/>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT

The figures have not been audited

1. BASIS OF PREPARATION

The interim financial report has been prepared in accordance with the requirements of the Malaysia Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market.

The interim financial report should be read in conjunction with the audited financial statements of Genetec Technology Berhad ("Genetec" or the "Company") for the financial year ended 31 March 2012. These explanatory notes attached to the interim financial report provides an explanation of the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2012.

This condensed interim report is the Group's first MFRS condensed interim report for part of the period covered by the Group's first MFRS annual financial statements for year ending 31 March 2013. MFRS 1 *First Time Adoption of Malaysian Financial Reporting Standards* ("MFRS 1") has been applied. The transition to MFRS framework does not have material impact to the financial statements of the Group.

The accounting policies and methods of computation adopted by Genetec and its subsidiary companies ("Genetec Group" or the "Group") in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 March 2012.

2. AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

There were no audit qualifications on the annual financial statements of the Company and its subsidiaries for the financial year ended 31 March 2012.

3. SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

The business of the Group is not affected by any significant seasonal or cyclical factors for the current quarter under review.

4. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

During the current quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows that are unusual by reasons of their nature, size or incidence.

5. MATERIAL CHANGE IN ESTIMATES

There were no material changes in the nature and amount of estimates reported that have had a material effect on the results for the current quarter under review.

6. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

There were no cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter.

7. DIVIDEND PAID

There was no dividend paid during the current quarter under review.

8. SEGMENT INFORMATION

Business segment information is not presented as the Group is primarily engaged in one business segment which is designing and building of customised factory automation equipment and integrated vision inspection systems from conceptual design, development of prototype to mass replication of equipment.

The Group's operations are operated in Malaysia and USA. Therefore, geographical segmental information is presented as follows:-

	Malaysia RM'000	USA RM'000	Consolidated RM'000
Results For 3 Months Period Ended 30 June 2012			
Revenue from external customers	37,286	10,179	47,465
Segment result	3,855	(2,030)	1,825
Results from operating activities			1,825
Finance costs			(802)
Net gain on financial assets and financial liabilities at fair value			(394)
Share of profit of associate company			-
Profit before taxation			629
Tax expenses			(183)
Profit for the financial period			446

GENETEC TECHNOLOGY BERHAD
 Company No. 445537-W
 Interim report for the first quarter ended 30 June 2012

	Malaysia RM'000	USA RM'000	Consolidated RM'000
Results For 3 Months Period Ended 30 June 2011			
Revenue from external customers	32,672	6,848	39,520
Segment result	3,188	(829)	2,359
Results from operating activities			2,359
Finance costs			(544)
Net loss on financial assets and financial liabilities at fair value			188
Share of profit of associate company			-
Profit before taxation			2,003
Tax expenses			(573)
Profit for the financial period			1,430

9. PROPERTY, PLANT AND EQUIPMENT

There was no revaluation on any of the Group's property, plant and equipment during the current quarter under review.

10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM REPORTING PERIOD

There is no material event affecting the Group subsequent to the current quarter under review.

11. CHANGES IN THE COMPOSITION OF THE GROUP

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

12. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at 30 June 2012 and up to the date of this report.

13. CAPITAL COMMITMENTS

There was no capital commitment for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 June 2012.

14. REVIEW OF PERFORMANCE

For the current quarter ended 30 June 2012, the Group recorded revenue of RM47.5 million, an increase of 20.1% over the corresponding quarter ended 30 June 2011 of RM39.5 million. There is increase in revenue in all major industry segments that the Group has presence in. However, the pretax profit has decreased from RM2.0 million for the quarter ended 30 June 2011 to RM0.6 million for the current quarter under review. This was mainly due to higher operating cost resulting from the setting up of new business division i.e. an automation unit in the United States of America ("USA") and losses incurred by one of our business unit in the USA.

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group's revenue for the current quarter under review was RM47.5 million, an increase of 6% as compared to RM44.8 million recorded in the immediate preceding quarter ended 31 March 2012. The pretax profit position of the Group has decreased significantly to RM0.6 million from RM7.3 million in the immediate preceding quarter due to reasons stated above.

16. PROSPECTS

Despite our current strong Group's secured book order, the operating environment at our USA operations remains challenging. With the initiatives taken by the Group to right size our current operations and to develop new markets for our USA operations, we believe we will be able to turnaround our USA operations within the next two to three quarters.

17. VARIANCE ON PROFIT FORECAST/PROFIT GUARANTEE

Not applicable as Genetec has not issued any profit forecast or profit guarantee in a public document.

18. TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Period Quarter 30.06.2012 RM'000	Preceding Year Corresponding Quarter 30.06.2011 RM'000	Current Period To-Date 30.06.2012 RM'000	Preceding Year Corresponding Period 30.06.2011 RM'000
In respect of current year:				
- income tax	(183)	(573)	(183)	(573)

The effective tax rate of the Group for the financial period ended 30 June 2012 was lower than the statutory tax rate due to availability of pioneer status tax incentive.

19. STATUS OF CORPORATE PROPOSAL

There are no outstanding corporate proposals at the date of this report.

20. BORROWINGS

Details of the Group's borrowings as at 30 June 2012 are as follows:

Current	RM'000
Unsecured: Hire purchase	735
Secured: Term loan	1,157
Trade bills	53,200
Total current loans and borrowings	<u>55,092</u>
Non-current	RM'000
Unsecured: Hire purchase	2,941
Secured: Term loan	18,570
Total non-current loans and borrowings	<u>21,511</u>

21. FINANCIAL INSTRUMENTS

Derivatives

As at 30 June 2012, the foreign currency forward contracts which have been entered into by the Group to hedge against foreign trade receivable are as follows:-

Forward Foreign Currency Contracts	Contract Value (RM'000)	Fair Value (RM'000)	Difference (RM'000)
US Dollar - Less than 1 year	43,142	43,536	(394)

All derivative financial instruments held by the Group will be recognized as assets or liabilities in the balance sheets, and will be classified as financial assets or financial liabilities at fair value through profit and loss. When derivative financial instruments are recognised initially, they are measured at fair value. Subsequent to initial recognition, derivative financial instruments are measured at fair value. Any gains or losses from changes in fair value of the derivatives financial instruments will be recognized in profit and loss.

22. MATERIAL LITIGATIONS

As at the date of this report, neither the Company nor its subsidiaries is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiaries and the Board of Directors does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiaries.

23. DISCLOSURE OF REALISED AND UNREALISED PROFITS

On 25 March 2010, Bursa Securities issued a directive to all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses at end of the reporting period, into realised and unrealised profits and losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required.

The breakdown of the retained profits of the Group as at 31 March 2012 and 30 June 2012, into realised and unrealised profits, pursuant to the directive is as follows:

	As at 30.06.2012 RM'000	As at 31.03.2012 RM'000
Total retained profits of the Group:		
- Realised	25,835	25,096
- Unrealised	(117)	532
	<hr/> 25,718	<hr/> 25,628
Total share of retained profits from an associate		
- Realised	-	111
- Unrealised	-	-
	<hr/> 25,718	<hr/> 25,739
Less: Consolidation adjustments	<hr/> (5,787)	<hr/> (6,339)
Total retained profits as per statement of financial position	<hr/> 19,931	<hr/> 19,400

GENETEC TECHNOLOGY BERHAD
 Company No. 445537-W
 Interim report for the first quarter ended 30 June 2012

24. EARNINGS PER SHARE

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.12 RM' 000	Preceding Year Corresponding Quarter 30.06.11 RM' 000	Current Year To-date 30.06.12 RM' 000	Preceding Year Corresponding Period 30.06.11 RM' 000
Basic earnings per share EPS				
Net profit attributable to equity holders of the parent	531	1,617	531	1,617
Weighted average number of ordinary shares in issue	351,738	351,738	351,738	351,738
Basic EPS (sen)	0.15	0.46	0.15	0.46
Diluted earnings per share EPS				
Net profit attributable to equity holders of the parent	531	1,617	531	1,617
Weighted average number of ordinary shares in issue	N/A	N/A	N/A	N/A
Diluted EPS (sen)	N/A	N/A	N/A	N/A