



(Incorporated in Malaysia)

Interim Report for the

Fourth Quarter Ended

31 March 2013

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The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31/03/2013 RM'000	31/03/2012 RM'000	31/03/2013 RM'000	31/03/2012 RM'000
Revenue	14,488	30,475	123,112	123,038
Cost of sales	(15,039)	(25,925)	(103,992)	(100,576)
Gross (loss)/profit	(551)	4,550	19,120	22,462
Interest income	31	23	131	101
Other operating income	792	678	3,055	1,455
Distribution expenses	(470)	(569)	(2,711)	(1,980)
Administrative expenses	(3,006)	(1,696)	(8,997)	(7,848)
Other operating expenses	(13,456)	124	(13,633)	(1,547)
Depreciation and amortisation	(775)	(601)	(2,714)	(2,417)
(Loss)/Profit from operations	(17,435)	2,509	(5,749)	10,226
Finance costs	(607)	(686)	(2,448)	(2,283)
Net (loss)/gain on financial assets and financial liabilities at fair value	(1,080)	235	92	266
Share of profit in associate	-	74	-	139
(Loss)/Profit before taxation	(19,122)	2,132	(8,105)	8,348
Taxation	216	1,793	289	1,204
(Loss)/Profit after tax on continuing operation	(18,906)	3,925	(7,816)	9,552
(Loss)/Profit on discontinued operation, net of tax	(15,367)	5,619	(24,223)	(738)
(Loss)/Profit for the financial period	(34,273)	9,544	(32,039)	8,814
Other comprehensive income, net of tax				
Foreign currency translation differences of foreign operations	(81)	68	43	(87)
Total comprehensive income for the financial period	(34,354)	9,612	(31,996)	8,727
(Loss)/Profit attributable to:				
Equity holders of the parent	(29,769)	5,556	(25,866)	4,048
Non-controlling interest	(4,504)	3,988	(6,173)	4,766
	(34,273)	9,544	(32,039)	8,814
Total comprehensive income attributable to:				
Equity holders of the parent	(29,850)	5,624	(25,823)	3,961
Non-controlling interest	(4,504)	3,988	(6,173)	4,766
	(34,354)	9,612	(31,996)	8,727
(Loss)/Earning per share (sen) :-				
(a) Basic	(8.46)	1.58	(7.35)	1.15
(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.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		(Unaudited) As at end of current quarter 31/03/2013 RM'000	(Audited) As at preceding financial year ended 31/03/2012 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		48,714	42,975
Deferred tax assets		-	455
Investment in associate company		160	160
Intangible assets		20,560	38,215
		69,434	81,805
<b>Current assets</b>			
Inventories		30,099	20,399
Trade receivables		17,871	52,500
Derivative assets	21	92	266
Other receivables		2,782	10,232
Current tax asset		883	2,235
Cash and cash equivalents		10,097	2,344
		61,824	87,976
<b>Assets of disposal groups classified as held for sale</b>	22	3,719	-
<b>TOTAL ASSETS</b>		134,977	169,781
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		35,174	35,174
Reserves		10,950	37,692
<b>Equity attributable to equity holders of the parent</b>		46,124	72,866
Non-controlling interest		1,936	10,130
<b>Total equity</b>		48,060	82,996
<b>Non-current liabilities</b>			
Hire purchase liabilities	20	3,398	1,619
Borrowings	20	18,012	18,666
Deferred tax liability		317	317
<b>Current liabilities</b>			
Trade payables		11,091	20,252
Other payables		10,901	6,877
Amount due to associate company		142	28
Amount due to related companies		454	-
Borrowings	20	23,205	38,413
Hire purchase liabilities	20	1,537	613
		47,330	66,183
<b>Liabilities of disposal groups classified as held for sale</b>	22	17,860	-
		134,977	169,781
<b>Net assets per share (RM)*</b>		0.13	0.21

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.

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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		
<b>12 months ended 31 March 2012</b>								
Balance at 1 April 2011	35,174	18,379	-	(3)	19,367	72,917	8,626	81,543
Reclassify from retained earnings to non-controlling interest	-	-	-	-	(919)	(919)	919	-
Total comprehensive income for the period	-	-	-	(84)	4,048	3,964	4,766	8,730
Acquisition of a subsidiary	-	-	-	-	(498)	(498)	(322)	(820)
Dividends to owners of the Company	-	-	-	-	(3,517)	(3,517)	(2,940)	(6,457)
<b>Balance at 31 March 2012</b>	<b>35,174</b>	<b>18,379</b>	<b>-</b>	<b>(87)</b>	<b>18,481</b>	<b>71,947</b>	<b>11,049</b>	<b>82,996</b>
<b>12 months ended 31 March 2013</b>								
Balance at 1 April 2012	35,174	18,379	-	(87)	18,481	71,947	11,049	82,996
Total comprehensive income for the period	-	-	-	43	(25,866)	(25,823)	(6,173)	(31,996)
Dividends to owners of the Company	-	-	-	-	-	-	(2,940)	(2,940)
<b>Balance at 31 March 2013</b>	<b>35,174</b>	<b>18,379</b>	<b>-</b>	<b>(44)</b>	<b>(7,385)</b>	<b>46,124</b>	<b>1,936</b>	<b>48,060</b>

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.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) 12 months ended 31/03/2013 RM'000	(Audited) 12 months ended 31/03/2012 RM'000
<b>Operating Activities</b>		
Net (loss)/profit before tax		8,348
- continuing operations	(8,105)	
- discontinued operations	(24,223)	(1,161)
Net (loss)/profit before tax, total	(32,328)	7,187
<b>Adjustment for :-</b>		
Depreciation and amortisation	3,090	2,671
Goodwill written-off	17,656	1,214
Gain on disposal of property, plant and equipment	(3,096)	(8)
Written off of property, plant and equipment	323	-
Interest costs	3,138	2,354
Interest income	(132)	(112)
Share of results of associates	-	(139)
Unrealised derivative gain	(92)	(268)
Unrealised foreign exchange gain	(454)	(141)
<b>Operating profit before changes in working capital</b>	(11,895)	12,758
<b>Changes in working capital</b>		
Inventories	(9,703)	(4,236)
Trade and other receivables	42,689	(20,379)
Trade and other payables	3,663	8,055
<b>Net cash generated from/(used in) operating activities</b>	24,754	(3,802)
Income tax paid	(889)	(2,912)
Tax refund	2,533	-
<b>Net cash generated from/( used in) operating activities</b>	26,398	(6,714)
<b>Investing Activities</b>		
Acquisition of subsidiaries, net of cash acquired	-	(8,114)
Interest received	132	112
Proceeds from disposal of property, plant and equipment	5,186	322
Purchase of property, plant and equipment	(12,695)	(15,750)
Dividend paid to the owners of the Company	-	(3,517)
<b>Net cash used in investing activities</b>	(7,377)	(26,947)
<b>Financing Activities</b>		
Net (repayment)/drawdown of bank borrowings	(7,994)	18,380
Net drawdown of term loan	1,485	8,106
Net drawdown/(repayment) of hire purchase liabilities	2,543	(108)
Interest paid	(3,138)	(2,354)
Dividend paid to non-controlling interest	(2,940)	(2,940)
<b>Net cash (used in)/generated from financing activities</b>	(10,044)	21,084
Net change in cash and cash equivalents	8,977	(12,577)
Effect of exchange rate fluctuation on cash held	609	(84)
Cash and cash equivalents at beginning of year	2,344	15,005
Cash and cash equivalents at end of period/year	11,930	2,344
<b>Cash and cash equivalent comprise of:-</b>		
<b>Continuing operation</b>		
Deposit with licensed bank	1,086	9,774
Cash and bank balances	9,011	5
	10,097	9,779
<b>Discontinued operation</b>		
Cash and bank balances	1,833	(248)
	11,930	9,531

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, all the assets and liabilities of USA Subsidiaries were classified as held for sale, while the loss for the financial year of the USA subsidiaries were classified as loss on discontinued operations. This consequentially affected assets, liabilities, equity, net income or cash flows of the Group.

### **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 in Malaysia and USA. The Board of Directors had on February 2013 decided to cease and scale down its USA operation. Consequently, all assets and liabilities of the USA Subsidiaries were classified as held for sale. As at 31 March 2013, geographical segmental information is presented as follows:-

	<b>Malaysia RM'000</b>	<b>USA RM'000</b>	<b>Consolidated RM'000</b>
<b>Results For 12 Months Period Ended 31 March 2013</b>			
Revenue from external customers	123,112	-	123,112
Segment result	7,590*	-	7,590
<b>Results from operating activities</b>			7,590
Finance costs			(2,448)
Net gain on financial assets and financial liabilities at fair value			92
Goodwill written-off			(13,339)
<b>Loss before taxation</b>			(8,105)
Tax expenses			289
<b>Profit after taxation</b>			(7,816)
<b>Loss on discontinued operation, net of tax</b>			(24,223)^
<b>Loss for the financial period</b>			(32,039)

\* Inclusive of RM1.1 million cost related to legal and professional fees and compensation costs incurred in relation to the cessation of the business of our USA subsidiaries, namely Systems South, Inc ("SSI") and Genetec Technology Automation, Inc. ("GTA"). Segment results for Malaysia before inclusion of this RM1.1 million cost is RM8.69 million.

^Inclusive of RM4.3 million goodwill written-off arising from the acquisition of business by one of our USA subsidiary. Please refer to note 22 for USA segment result.

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	Malaysia RM'000	USA RM'000	Consolidated RM'000
<b>Results For 12 Months Period Ended 31 March 2012</b>			
Revenue from external customers	123,038	-	123,038
Segment result	10,226	-	10,226
<b>Results from operating activities</b>			10,226
Finance costs			(2,283)
Net loss on financial assets and financial liabilities at fair value			266
Share of profit of associate company			139
<b>Profit before taxation</b>			8,348
Tax expenses			1,204
<b>Profit after taxation</b>			9,552
<b>Loss on discontinued operation, net of tax</b>			(738)
<b>Loss for the financial period</b>			8,814

**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 31 March 2013 and up to the date of this report, except the following:-

	Group 31.3.2013 RM'000	Company 31.3.2013 RM'000
<b>Unsecured</b>		
Corporate guarantee given to Wells Fargo Bank for facilities granted to USA subsidiaries	-	5,741



**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 31 March 2013.

**14. REVIEW OF PERFORMANCE**

For the current quarter ended 31 March 2013, the Group recorded revenue of RM14.5 million from continuing operation which comprises our core Malaysia business. This represents a 52.6% decline as compared to the corresponding quarter ended 31 March 2012 of RM30.4 million. As for the financial year ended 31 March 2013, the Group achieved revenue of RM123.1 million against RM123.0 million in the corresponding period. These results exclude the USA business which is a discontinued operation unit as stated in note 22.

For the three 3-months period ended 31 March 2013, the Group recorded loss before taxation from continuing operation of RM19.1 million for the current quarter as compared to profit before taxation of RM2.1 million in the preceding year corresponding quarter. The losses in this quarter was mainly attributable to one-off goodwill written-off of RM13.3 million for our investment in all of our USA subsidiaries and RM1.1 million legal & professional fees and compensation costs incurred in relation to cessation of our USA operation. The loss on discontinued USA operation (net of tax) is RM15.3 million for the current quarter under review. Hence, total loss after taxation is RM34.3 million for the current quarter as compared to total profit after taxation of RM9.5 million in preceding year corresponding quarter.

For the twelve 12-months period, the Group registered a pretax loss position of RM8.1 million from continuing operation as compared with a pretax profit position of RM8.3 million in the preceding year corresponding period. The Malaysia operation unit remained strong and profitable with RM6.6 million for this financial year. However, with the one-off goodwill written-off of RM13.3 million for our investment in all our USA subsidiaries and RM1.1 million legal & professional fees and compensation costs incurred in relation to cessation of our USA operation, the loss after tax on continued operation is RM7.8 million. The loss on discontinued USA operation (net of tax) is RM24.2 million for this financial year. Hence, total loss after taxation is RM32.0 million for this financial year as compared to total profit after taxation of RM8.8 million in preceding year corresponding period.

**15. COMPARISON WITH PRECEDING QUARTER'S RESULTS**

For the current quarter, the Group's recorded revenue of RM14.5 million, 59.8% decline as compared to the immediate preceding quarter of RM36.0 million. The Group registered a pretax loss position of RM19.1 million as compared with a pretax profit position of RM3.8 million in the immediate preceding quarter. This was mainly due to the reasons as stated above. These results exclude the discontinued USA operation unit.

**16. PROSPECTS**

With the cessation of our USA operation, Genetec Group will focus on building up its business for the Asia and Europe markets. As at the date of this report, Genetec Group has a healthy book order of RM69.0 million for the coming financial year and the Board is cautiously positive that the Group will turnaround into profitability.

**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 31.03.2013 RM'000	Preceding Year Corresponding Quarter 31.03.2012 RM'000	Current Period To- Date 31.03.2013 RM'000	Preceding Year Corresponding Period 31.03.2012 RM'000
In respect of current year:				
- income tax	(216)	(1,204)	(289)	(851)
- deferred tax	-	(589)	-	(353)
	<u>(216)</u>	<u>(1,793)</u>	<u>(289)</u>	<u>(1,204)</u>

The effective tax rate of the Group for the financial period ended 31 March 2013 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 31 March 2013 are as follows:

<b>Current</b>	<b>RM'000</b>
Unsecured: Hire purchase	1,537
Secured: Term loan	4,377
Trade bills	18,828
Total current loans and borrowings	<u>24,742</u>
<b>Non-current</b>	<b>RM'000</b>
Unsecured: Hire purchase	3,398
Secured: Term loan	18,012
Total non-current loans and borrowings	<u>21,410</u>

**21. FINANCIAL INSTRUMENTS**

Derivatives

As at 31 March 2013, the foreign currency forward contracts which have been entered into by the Group to hedge against foreign trade receivable are as follows:-

<b>Forward Foreign Currency Contracts</b>	<b>Contract Value (RM'000)</b>	<b>Fair Value (RM'000)</b>	<b>Difference (RM'000)</b>
US Dollar - Less than 1 year	38,982	39,074	92

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. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE**

As at 31 March 2013, the assets and liabilities related to USA Subsidiaries have been presented in the statement of financial position as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale", and its results are presented separately on the statement of comprehensive income as "Loss from discontinued operation, net of tax".

Statement of financial position disclosure

The major classes of assets and liabilities of USA Subsidiaries classified as held for sale as at 31 March 2013 are as follows:

	<b>Group RM'000</b>
Assets	
Plant and equipments	895
Inventories	3
Trade and other receivables	988
Cash and balances	<u>1,833</u>
Assets of disposal group classified as held for sale	3,719
Liabilities:	
Long term borrowings	(3,070)
Short term borrowings	(6,248)
Trade and other payables	<u>(8,542)</u>
Liabilities of disposal group classified as held for sale	<u>(17,860)</u>
Net liabilities of disposal group classified as held for sale	<u>(14,141)</u>

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Statement of comprehensive income disclosure

The result of USA Subsidiaries for the period ended 31 March 2013 as follows:

	<b>Group RM'000</b>
Revenue	36,193
Cost of sales	(40,465)
Gross loss	<u>(4,272)</u>
Other operating income	61
Selling and distribution expenses	(4,052)
Administrative expenses	(6,931)
Other operating expenses	(8,260)
Finance costs	<u>(769)</u>
Loss before tax from discontinued operation	(24,223)
Taxation	-
Loss for the period, net of tax	<u><u>(24,223)</u></u>

Statement of cash flow disclosure

The cash flows attributable to USA Subsidiaries as follows:

	<b>Group RM'000</b>
Operating	6,814
Investing	(486)
Finance	(4,405)
Net cash outflow	<u><u>1,923</u></u>

**23. 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, save for the followings:-

- (i) On 23 April 2013, the Board of Directors of Genetec ("the Board") announced that Systems South, Inc ("SSI") and Genetec Global Technologies, Inc. ("GGT") (collectively as "Defendants"), both subsidiaries of Genetec based in United States of America, have been named as defendants in a civil suit filed by Electro Mechanical Handling, Inc ("EMH") ("the plaintiff") in the United States District Court for the Western District of Virginia, bearing Civil Action No. 13-cv-00027-NKM.

EMH is claiming the alleged remainder due under a contract entered into between EMH and SSI, amounting to USD136,724.90, together with interest of 1.5% per month starting from 21 January 2013 until full settlement, and such other and further relief as the nature of this case shall require and to the court shall seem just and proper.

The maximum expected losses from the Summon/Judgment, if any, is USD136,724.90 (equivalent to RM423,847.19) plus interest rate of 1.5% per month to

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be calculated from 21 January 2013 until full settlement, and such other and further relief as the nature of this case shall require and to the court shall award to EMH.

Based on the above, the Board of Directors are of the view that the claim has no reasonably foreseeable material financial and operational impact on the Genetec Group, as the businesses and operations of the Defendants are managed independently from the Malaysian businesses and operations, and neither Defendant is a major subsidiary of Genetec.

On 31 May 2013, the Board announced that the solicitors of SSI and GGT have filed Answer to the Plaintiff's Complaint on 30 May 2013 in the United States District Court for the Western District of Virginia.

- (ii) On 20 May 2013, the Board of Directors of Genetec ("the Board") announced that Systems South, Inc ("SSI" or "the Defendant"), a subsidiary of Genetec based in United States of America, has been named as defendant in a civil suit filed by McNaughton-Mckay Southeast, Inc. ("McNaughton" or "the Plaintiff") in the Court of Common Pleas, 13<sup>th</sup> Judicial Circuit, County of Greenville, State of South Carolina, United States of America, bearing case number: 2013-CP-23-02519.

Genetec had on 17 May 2013 late evening received a Summons and a Complaint for the Defendant dated 29 April 2013 ("the Summons & Complaint") from an employee of SSI in United States of America via email, which in turn was received by the said employee on 16 May 2013 from the Plaintiff's solicitors, Craig H. Allen, Esq. of Messrs Craig H Allen, P.A.

McNaughton is claiming the alleged indebtedness of USD72,378.02, and such other and further relief as the nature of this case shall require and to the court shall seem just and proper.

The maximum expected losses from the Summons/Judgment, if any, is USD72,378.02 (equivalent to RM224,371.86) and such other and further relief as the nature of this case shall require and to the court shall award to McNaughton.

The claim has no reasonably foreseeable material financial and operational impact on the Genetec Group, as the businesses and operations of the Defendant is managed independently from the Malaysian businesses and operations, and the Defendant is not a major subsidiary of Genetec.

- (iii) On 23 May 2013, the Board of Directors of Genetec ("the Board") announced that Systems South, Inc. ("SSI") and Genetec Technology Automation, Inc. ("GTA") (collectively as "Defendants"), both subsidiaries of Genetec based in United States of America, have been named as defendants in a civil suit filed by TRS Staffing Solutions, Inc ("TRS") ("the Plaintiff") in the Court of Common Pleas, County of Greenville, State of South Carolina, United States of America, bearing Civil Action Coversheet : 2013-CP-23-02592.

TRS is claiming the alleged remainder due under the contracts entered into between TRS and the Defendants, amounting to USD101,011.49, together with attorney's fees, costs, certain contractually-allowed interest and pre-judgment interest against Defendants, and such other and further relief as the court deems appropriate.

The maximum expected losses from the Summons/Judgment, if any, is USD101,011.49 (equivalent to RM313,135.62) plus attorney's fees, costs, certain contractually-allowed interest, and pre-judgment interest against Defendants, and such other and further relief as the court deems appropriate. The claim has no

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reasonably foreseeable material financial and operational impact on the Genetec Group, as the businesses and operations of the Defendants are managed independently from the Malaysian businesses and operations, and neither Defendants is a major subsidiary of Genetec.

**24. 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 December 2012 and 31 March 2013, into realised and unrealised profits, pursuant to the directive is as follows:

	<b>As at 31.03.2013 RM'000</b>	<b>As at 31.12.2012 RM'000</b>
Total retained profits of the Group:		
- Realised	(16,829)	24,039
- Unrealised	547	1,155
	<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
	(16,282)	25,194
Total share of retained profits from an associate		
- Realised	-	-
- Unrealised	-	-
	<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
	(16,282)	25,194
Less: Consolidation adjustments	8,897	(1,892)
	<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
Total retained profits as per statement of financial position	(7,385)	23,303
	<hr style="width: 100%; border: 1.5px solid black;"/>	<hr style="width: 100%; border: 1.5px solid black;"/>

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25. (LOSS)/EARNINGS PER SHARE

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.13 RM' 000	Preceding Year Corresponding Quarter 31.03.12 RM' 000	Current Year To-date 31.03.13 RM' 000	Preceding Year Corresponding Period 31.03.12 RM' 000
<b>Basic (loss)/earnings per share (LPS)/EPS</b>				
Net (loss)/profit attributable to equity holders of the parent	(29,769)	5,556	(25,866)	4,048
Weighted average number of ordinary shares in issue	351,738	351,738	351,738	351,738
Basic (LPS)/EPS (sen)	(8.46)	1.58	(7.35)	1.15
<b>Diluted (loss)/earnings per share (LPS)/EPS</b>				
Net (loss)/profit attributable to equity holders of the parent	(29,769)	5,556	(25,866)	4,048
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