



(Incorporated in Malaysia)

Interim Report for the

Fourth Quarter Ended

31 March 2014

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GENETEC TECHNOLOGY BERHAD (445537-W)
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 March 2014

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31/03/2014 RM'000	Preceding Year Corresponding Quarter 31/03/2013 RM'000	Current Year To-date 31/03/2014 RM'000	Preceding Year Corresponding Period 31/03/2013 RM'000
Revenue		18,777	14,488	116,213	123,112
Cost of sales		(19,414)	(15,039)	(104,141)	(103,992)
Gross (loss)/profit		(637)	(551)	12,072	19,120
Interest income		19	31	132	131
Other operating income		416	792	1,894	3,055
Distribution expenses		(500)	(470)	(2,246)	(2,711)
Administrative expenses		(1,225)	(3,006)	(5,628)	(8,997)
Other operating expenses		(345)	(13,456)	(1,430)	(13,633)
Depreciation and amortisation		(777)	(775)	(3,152)	(2,714)
(Loss)/Profit from operations		(3,049)	(17,435)	1,642	(5,749)
Finance costs		(506)	(607)	(2,365)	(2,448)
Net gain/(loss) on financial assets and financial liabilities at fair value		194	(1,080)	(180)	92
Share of profit in associate		73	(54)	73	(54)
Loss before taxation		(3,288)	(19,176)	(830)	(8,159)
Taxation	18	(144)	216	(408)	289
Loss from continuing operations		(3,432)	(18,960)	(1,238)	(7,870)
Profit/(Loss) from discontinued operation, net of tax		5,575	(15,367)	6,149	(24,223)
Profit/(Loss) for the financial period		2,143	(34,327)	4,911	(32,093)
Other comprehensive income					
Foreign currency translation differences of foreign operations		367	(81)	(415)	(87)
Total comprehensive income for the financial period		2,510	(34,408)	4,496	(32,180)
Profit attributable to:					
Equity holders of the parent		3,094	(29,823)	7,004	(25,920)
Non-controlling interest		(951)	(4,504)	(2,093)	(6,173)
Profit/(Loss) for the financial period		2,143	(34,327)	4,911	(32,093)
Total comprehensive income attributable to:					
Equity holders of the parent		3,171	(29,904)	6,299	(26,007)
Non-controlling interest		(661)	(4,504)	(1,803)	(6,173)
Total comprehensive income for the financial period		2,510	(34,408)	4,496	(32,180)
Earning per share (sen) :-	25				
(a) Basic		0.88	(8.48)	1.99	(7.37)
(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 2013 and the accompanying explanatory notes attached to the interim financial statements.

GENETEC TECHNOLOGY BERHAD (445537-W)
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 March 2014

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		(Unaudited) As at end of current quarter 31/03/2014 RM'000	(Audited) As at preceding financial year ended 31/03/2013 RM'000
	<u>Note</u>		
ASSETS			
Non-current assets			
Property, plant and equipment		45,437	48,714
Investment in associate company		179	106
Intangible assets		20,560	20,560
		<u>66,176</u>	<u>69,380</u>
Current assets			
Inventories		14,038	30,099
Trade receivables		19,453	17,871
Derivative assets	21	-	92
Other receivables		5,881	2,782
Current tax asset		505	883
Cash and cash equivalents		6,313	10,097
		<u>46,190</u>	<u>61,824</u>
Assets of disposal groups held for sale	22	-	3,719
TOTAL ASSETS		<u>112,366</u>	<u>134,923</u>
EQUITY AND LIABILITIES			
Share capital		35,174	35,174
Reserves		18,404	11,815
Equity attributable to equity holders of the parent		<u>53,578</u>	<u>46,989</u>
Non-controlling interest		(995)	1,017
Total equity		<u>52,583</u>	<u>48,006</u>
Non-current liabilities			
Hire purchase liabilities	20	1,800	3,398
Borrowings	20	5,499	18,012
Deferred tax liability		558	317
Current liabilities			
Trade payables		9,592	11,091
Other payables		11,042	10,901
Amount due to associate company		170	142
Amount due to related companies		521	454
Derivative liabilities	21	180	-
Borrowings	20	23,921	23,205
Hire purchase liabilities	20	1,579	1,537
		<u>47,005</u>	<u>47,330</u>
Liabilities of disposal groups held for sale	22	4,921	17,860
		<u>112,366</u>	<u>134,923</u>
Net assets per share (RM)*		<u>0.15</u>	<u>0.13</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 2013 and the accompanying explanatory notes attached to the interim financial statements.

GENETEC TECHNOLOGY BERHAD (445537-W)
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 March 2014

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non Distributable		Distributable				
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
12 months ended 31 March 2013							
Balance at 1 April 2012	35,174	18,379	(87)	19,400	72,866	10,130	82,996
Total comprehensive income for the period	-	-	43	(25,920)	(25,877)	(6,173)	(32,050)
Dividend to owners of the Company	-	-	-	-	-	(2,940)	(2,940)
Balance at 31 March 2013	35,174	18,379	(44)	(6,520)	46,989	1,017	48,006
12 months ended 31 March 2014							
Balance at 1 April 2013	35,174	18,379	(44)	(6,520)	46,989	1,017	48,006
Foreign currency translation reserve	-	-	(415)	-	(415)	(167)	(582)
Disposal of subsidiaries	-	-	-	-	-	248	248
Total comprehensive income for the period	-	-	-	7,004	7,004	(2,093)	4,911
Balance at 31 March 2014	35,174	18,379	(459)	484	53,578	(995)	52,583

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 2013 and the accompanying explanatory notes attached to the interim financial statements.

GENETEC TECHNOLOGY BERHAD (445537-W)
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 March 2014

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) 12 months ended 31/03/2014 RM'000	(Audited) 12 months ended 31/03/2013 RM'000
Operating Activities		
Net profit/(loss) before tax		
- continued operations	(830)	(8,159)
- discontinued operations	6,149	(23,768)
	5,319	(31,927)
Adjustment for :-		
Depreciation and amortisation	3,259	3,090
Bad debts written off	-	3,328
Goodwill written-off	-	17,656
Gain on disposal of property, plant and equipment	-	(3,096)
Inventories written off	877	556
Interest costs	2,670	3,138
Interest income	(132)	(132)
Written off of property, plant and equipment	2	323
Share of results of associates	(73)	54
Unrealised derivative loss/(gain)	180	(92)
Unrealised foreign exchange (gain)/loss	93	(335)
Waiver of amount owing to creditors	(726)	-
Operating profit before changes in working capital	11,469	(7,437)
Changes in working capital		
Inventories	15,188	(10,259)
Trade and other receivables	(3,699)	38,674
Trade and other payables	(7,699)	3,663
Net cash generated from operating activities	15,259	24,641
Income tax paid	(644)	(889)
Tax refund	856	2,533
Net cash generated from operating activities	15,471	26,285
Investing Activities		
Disposal of subsidiaries, net of cash disposed off	-	-
Disposal of non-controlling interest	248	-
Interest received	132	132
Proceeds from disposal of property, plant and equipment	1,416	5,186
Purchase of property, plant and equipment	(467)	(8,268)
Net cash generated from/(used in) investing activities	1,329	(2,950)
Financing Activities		
Dividend paid to non-controlling interest	-	(2,940)
Net drawdown of bank borrowings	(13,385)	(12,710)
Net repayment of term loan	(4,584)	6,201
Net repayment of hire purchase liabilities	(1,598)	(1,316)
Interest paid	(2,670)	(3,138)
Net cash used in financing activities	(22,237)	(13,903)
Net change in cash and cash equivalents	(5,437)	9,432
Effect of exchange rate fluctuation on cash held	(180)	154
Cash and cash equivalents at beginning of year	11,930	2,344
Cash and cash equivalents at end of period/year	6,313	11,930
Cash and cash equivalent comprise of:-		
Continuing operation		
Deposit with licensed bank	89	1,086
Cash and bank balances	6,621	9,011
Bank overdraft	(397)	-
	6,313	10,097
Discontinued operation		
Cash and bank balances	-	1,833
	6,313	11,930

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2013 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

The figures have not been audited

Note 1

On 31 March 2014, Genetec Global Technologies, Inc ("**GGT**" or "**Seller**"), a wholly-owned subsidiary of Genetec which was incorporated in the United States of America ("**USA**"), had entered into a formal Stock Purchase Agreement ("**SPA**") with Calgary Global Group Limited ("**CGG**" or "**Purchaser**") for the disposal of:-

- (i) one hundred (100) shares in the common stock of Genetec Technology Automation ("**GTA Shares**"), representing 100% of the equity interest in GTA for a cash consideration of USD1.00 or approximately RM3.30 (based on exchange rate of RM3.30 for every USD1.00); and
- (ii) eighty five (85) shares in the common stock of Systems South, Inc. ("**SSI Shares**"), representing 85% of the equity interest in SSI for a cash consideration of USD1.00 or approximately RM3.30 (based on exchange rate of RM3.30 for every USD1.00).

The disposal of the subsidiary had the following effect on the Group's net assets as at the date of deconsolidation:-

	RM'000
Trade receivables	(86)
Other receivables	(32)
Trade payables	4,398
Other payables	314
Net liabilities disposed	4,594
Goodwill on consolidation	-
	4,594
Less: Non-controlling interest	(248)
	4,346
Proceeds from disposal of subsidiaries	-
Gain on disposal of subsidiaries	4,346
	-
Proceeds from disposal of subsidiaries	-
Cash and cash equivalent of subsidiaries deconsolidated	-
Note 1	-

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 2013. 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 2013.

The significant 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 2013 except for the adoption of the following accounting standards, amendments, and interpretations that have been issued by the MASB but are not yet effective and have not been applied by the Group:-

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

- Amendments to MFRS 10, Consolidated Financial Statements: Investment Entities
- Amendments to MFRS 12, Disclosure of Interests in Other Entities: Investment Entities
- Amendments to MFRS 127, Separate Financial Statements (2011): Investment Entities
- Amendments to MFRS 132, Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

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

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

The initial application of the above standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior periods financial statements upon their first adoption.

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 2013.

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 except for the impact on disposal of GTA and SSI as disclosed in note 11.

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. In February 2013, the management of the Group had committed to a plan to cease and scale down its USA operations. The decision is consistent with the Group's strategy to focus on profitable businesses and to divest subsidiaries which have been consistently underperforming over the years. The assets and liabilities relating to USA Subsidiaries have been presented separately as a disposal group held for sale in the Group's statement of financial position under "assets classified as held for sale" and "liabilities classified as held for sale".

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

On 31 March 2014, Genetec Global Technologies, Inc (“GGT” or “Seller”), a wholly-owned subsidiary of Genetec which was incorporated in the United States of America (“USA”), had entered into a formal Stock Purchase Agreement (“SPA”) with Calgary Global Group Limited (“CGG” or “Purchaser”) for the disposal of:-

- (i) one hundred (100) shares in the common stock of Genetec Technology Automation (“GTA Shares”), representing 100% of the equity interest in GTA for a cash consideration of USD1.00 or approximately RM3.30 (based on exchange rate of RM3.30 for every USD1.00); and
- (ii) eighty five (85) shares in the common stock of Systems South, Inc. (“SSI Shares”), representing 85% of the equity interest in SSI for a cash consideration of USD1.00 or approximately RM3.30 (based on exchange rate of RM3.30 for every USD1.00).

Following the disposal, GTA and SSI ceased to be the subsidiaries companies of the Group.

12. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at 31 March 2014 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 31 March 2014.

14. REVIEW OF PERFORMANCE

For the current quarter ended 31 March 2014, the Group recorded revenue of RM18.8 million from continuing operations, an increase of 29.6% over the corresponding quarter ended 31 March 2013 of RM14.5 million. Meanwhile, the Group recorded a profit after taxation for the financial period of RM2.1 million versus a loss after taxation of RM34.3 million for the preceding year's corresponding quarter. The Group achieved improved position at both continuing and discontinuing operations.

At continuing operations level, the Group incurred a lower loss before taxation position of RM3.3 million as compared to loss before taxation of RM19.1 million in the preceding year corresponding quarter. The substantial improvement of RM15.8 million in the loss before taxation position in this quarter was mainly attributable to the one-off goodwill written-off of RM13.3 million for our investment in all of our USA subsidiaries and RM1.1 million legal and professional fees and compensation costs incurred in relation to cessation of our USA operation that was incurred in the preceding year's corresponding quarter. At the discontinued operations (net of tax) level, there is a profit of RM5.6 million for the current quarter under review as compared to loss position (net of tax) of RM15.3 million. The profit in this quarter was mainly attributable to the gain on disposal of subsidiaries of RM4.3 million and RM1.0 million bad debts recovery.

As for the financial year ended 31 March 2014, the Group's revenue has decreased by RM6.9 million (5.6%) as compared to preceding year corresponding period. These results exclude USA business segment, which is a discontinued operation unit as stated in note 22.

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Interim report for the fourth quarter ended 31 March 2014

For the twelve 12-months period, the Group achieved profit after taxation of RM4.9 million as compared to loss after taxation of RM32.0 million in the preceding year corresponding period. At the continuing operations level, there was a pretax loss position of RM0.8 million as compared to RM8.2 million in the preceding year corresponding period. Meanwhile, at the discontinued operation (net of tax) level, the Group achieved profit of RM6.1 million for this financial year as compared to the loss position (net of tax) of RM24.2 million in the preceding financial year due to the reasons explained above.

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group's revenue for the current quarter under review was approximately RM18.8 million, a decrease of 21.8% as compared to approximately RM24.0 million recorded in the immediate preceding quarter ended 31 December 2013 which was mainly due to lower revenue generated by the Group for this current quarter resulting from the timing of delivery of equipment requested by customers. However, the Group recorded profit after taxation for the financial period of RM2.1 million versus a loss after taxation of RM0.3 million for the immediate preceding quarter. At continuing operations level, the Group incurred a loss before taxation position of RM3.3 million as compared to loss before taxation of RM0.7 million in the immediate preceding quarter ended 31 December 2013. At the discontinued operations (net of tax) level, there is a profit of RM5.6 million for the current quarter under review as compared to profit position (net of tax) of RM0.5 million in the immediate preceding quarter due to the reason explained above.

16. PROSPECTS

The Directors of the Group (barring unforeseen circumstances) anticipate improving performance for the coming financial year as supported by the current strong secured book order of RM47.3 million.

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 31.03.2014 RM'000	Preceding Year Corresponding Quarter 31.03.2013 RM'000	Current Period To- Date 31.03.2014 RM'000	Preceding Year Corresponding Period 31.03.2013 RM'000
Malaysia income tax:				
- current taxation	97	216	(167)	289
- deferred tax	(241)	-	(241)	-
	<u>(144)</u>	<u>216</u>	<u>(408)</u>	<u>289</u>

The effective tax rate of the Group for the financial period ended 31 March 2014 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 2014 are as follows:

Current	RM'000
Unsecured: Hire purchase	1,579
Secured: Term loan	12,506
Trade bills	11,415
	<u>25,500</u>
 Non-current	 RM'000
Unsecured: Hire purchase	1,800
Secured: Term loan	5,499
	<u>7,299</u>

21. FINANCIAL INSTRUMENTS

Derivatives

As at 31 March 2014, 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	13,962	14,142	(180)

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 2014, 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 profit or loss and other comprehensive income as "profit from discontinued operation, net of tax".

GENETEC TECHNOLOGY BERHAD
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Interim report for the fourth quarter ended 31 March 2014

Statement of financial position disclosure

The major classes of assets and liabilities of USA Subsidiaries classified as held for sale as at 31 March 2014 are as follows:

	Group RM'000
Assets:	
Assets of disposal group classified as held for sale	-
Liabilities:	
Long term borrowings	(3,013)
Short term borrowings	(533)
Trade and other payables	<u>(1,375)</u>
Liabilities of disposal group classified as held for sale	<u>(4,921)</u>
Net liabilities of disposal group classified as held for sale	<u><u>(4,921)</u></u>

Statement of comprehensive income disclosure

The result of USA Subsidiaries for the period ended 31 March 2014 as follows:

	Group RM'000
Revenue	3,226
Cost of sales	<u>(2,459)</u>
Gross profit	767
Other operating income	2,581
Selling and distribution expenses	(48)
Administrative expenses	(353)
Depreciation and amortisation	(106)
Other operating expenses	(734)
Finance costs	<u>(304)</u>
Profit before tax from discontinued operation	1,803
Taxation	<u>-</u>
Profit for the period, net of tax	1,803
Gain on disposal of subsidiaries	4,346
Profit for the year	<u><u>6,149</u></u>

Statement of cash flow disclosure

The cash flows attributable to USA Subsidiaries as at 31 March 2014 as follows:

	Group RM'000
Operating	3,471
Investing	-
Finance	<u>(5,304)</u>
Net cash outflow	<u><u>(1,833)</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 following:

- (i) On 23 April 2013, the Board of Directors of Genetec 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 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.

GGT had reached a full and final settlement with EMH of USD35,000. By virtue of the settlement, EMH had on 18 March 2014 executed the Release document and the Stipulation of Voluntary Dismissal with Prejudice paper will be filed with United States District Court for the District of Virginia in due course to dismiss the case.

- (ii) On 20 May 2013, the Board of Directors of Genetec ("the Board") announced that System's 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, 13th 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 System's 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 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 15 July 2013, the Plaintiff moves the Court for an Order adjudging the Defendants to be in fault for failing to file a responsive pleading or otherwise plead or appear within the time required by law of South Carolina and for entry of Default Judgment against the Defendants, based on Verified Complaint by the Plaintiff, which pleads its right to the sum of USD101,011.49.

The Plaintiff will be entitled to the relief sought if no objection is filed by the Defendants within 10 days from the date of service of the Motion Notice.

- (iv) On 23 August 2013, the Board of Directors of Genetec ("the Board") announced that Genetec Global Technologies, Inc. ("GGT" or "the Defendant"), a wholly-owned subsidiary of Genetec based in United States of America, has been named as defendant in a civil suit filed by Aerotek, Inc. ("Aerotek" or "the Plaintiff") in the Court of Common Pleas, County of Greenville, State of South Carolina, United States of America, bearing case number: 2013-CP-23-04391.

Aerotek is claiming the alleged indebtedness of USD49,438.69 with interest and/or late charges at 1% per month from 3 May 2013 and attorney's fees.

The maximum expected losses from the Summons/Judgment, if any, is USD49,438.69 (equivalent to RM153,259.94) with interest and/or late charges at 1% per month from 3 May 2013 and attorney's fees.

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.

GGT had reached a full and final settlement with EMH of USD15,000. By virtue of the settlement, both GGT and Aerotek had executed the Mutual Release document and Aerotek had on 20 March 2014 filed the Stipulation of Voluntary Dismissal with Prejudice paper to the court to dismiss the case.

- (v) On 17 September 2013, the Board of Directors of Genetec ("the Board") announced that Genetec Technology Automation, Inc. ("GTA" 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, County of Greenville, State of South Carolina, United States of America, bearing case number: 2013-CP-23-02520.

McNaughton is claiming the alleged indebtedness of USD9,411.62, 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 USD9,411.62 (equivalent to RM30,117.18) 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.

- (vi) On 17 October 2013, the Board of Directors of Genetec ("the Board") wishes to announce that System's 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 Ryerson, Inc. ("Ryerson" or "the Plaintiff") in the Court of Common Pleas, County of Greenville, State of South Carolina, United States of America, bearing case number:13-CP-23-05336. Ryerson is claiming the alleged indebtedness of USD11,377.42, plus costs and prejudgment interest, 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 USD11,377.42 (equivalent to RM36,407.74) plus costs and prejudgment interest, and such other and further relief as the nature of this case shall require and to the court shall award to Ryerson. The prejudgment interest was not indicated in the Summons and Complaint.

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.

Genetec had on 27 January 2014 received an Order for Default Judgment against Defendant and currently Genetec is seeking legal advice as regards to the application to set aside the Order for Default Judgment.

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 2013 and 31 March 2014, into realised and unrealised profits, pursuant to the directive is as follows:

	As at 31.03.2014 RM'000	As at 31.12.2013 RM'000
Total retained profits of the Group:		
- Realised	(18,822)	(21,425)
- Unrealised	(566)	156
	<hr/> (19,388)	<hr/> (21,269)
Total share of retained profits from an associate		
- Realised	90	-
- Unrealised	-	-
	<hr/> (19,298)	<hr/> (21,269)
Consolidation adjustments	19,782	18,661
	<hr/>	<hr/>
Total retained profits as per statement of financial position	484	(2,608)
	<hr/>	<hr/>

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25. EARNINGS PER SHARE

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.14 RM' 000	Preceding Year Corresponding Quarter 31.03.13 RM' 000	Current Year To-date 31.03.14 RM' 000	Preceding Year Corresponding Period 31.03.13 RM' 000
Basic earnings/(loss) per share EPS/(LPS)				
Net profit/(loss) attributable to shareholders	3,094	(29,823)	7,004	(25,920)
Weighted average number of ordinary shares in issue	351,738	351,738	351,738	351,738
Basic EPS/(LPS) (sen)	0.88	(8.48)	1.99	(7.37)
Diluted earnings/(loss) per share EPS				
Net profit/(loss) attributable to shareholders	3,094	(29,823)	7,004	(25,920)
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