



(Incorporated in Malaysia)

Interim Report for the

Fourth Quarter Ended

31 March 2015

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GENETEC TECHNOLOGY BERHAD (445537-W)
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter		
		Current Year	Preceding Year	Current Year	Preceding Year	
		Quarter	Corresponding	To-date	Corresponding	
		31/03/2015	Quarter	Period	31/03/2015	31/03/2014
		RM'000	31/03/2014	RM'000	RM'000	RM'000
Revenue		48,457	18,777	145,872	116,213	
Cost of sales		(42,275)	(19,414)	(128,529)	(104,141)	
Gross profit		6,182	(637)	17,343	12,072	
Interest income		23	19	66	132	
Other operating income		1,360	416	4,440	1,894	
Distribution expenses		(505)	(500)	(1,953)	(2,246)	
Administrative expenses		(1,550)	(1,225)	(5,366)	(5,628)	
Other operating expenses		(342)	(345)	(917)	(1,430)	
Depreciation and amortisation		(630)	(777)	(2,924)	(3,152)	
Profit from operations		4,538	(3,049)	10,689	1,642	
Finance costs		(658)	(506)	(2,373)	(2,365)	
Net (loss)/profit on financial assets and financial liabilities at fair value		(3,189)	194	(4,652)	(180)	
Share of profit in associate		-	73	-	73	
Profit/(Loss) before taxation		691	(3,288)	3,664	(830)	
Taxation	18	1,428	(144)	1,306	(408)	
Profit/(Loss) from continuing operations		2,119	(3,432)	4,970	(1,238)	
Profit from discontinued operation, net of tax		-	5,575	-	6,149	
Profit for the financial period		2,119	2,143	4,970	4,911	
Other comprehensive income						
Foreign currency translation differences of foreign operations		(23)	201	(368)	(582)	
Total comprehensive income for the financial period		2,096	2,344	4,602	4,329	
Profit attributable to:						
Equity holders of the parent		1,895	3,094	4,457	7,004	
Non-controlling interest		224	(951)	513	(2,093)	
Profit for the financial period		2,119	2,143	4,970	4,911	
Total comprehensive income attributable to:						
Equity holders of the parent		1,248	3,460	3,465	6,589	
Non-controlling interest		848	(1,116)	1,137	(2,260)	
Total comprehensive income for the financial period		2,096	2,344	4,602	4,329	
Earning per share (sen) :-	25					
(a) Basic		0.54	0.88	1.27	1.99	
(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 2014 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 2015

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at end of current quarter 31/03/2015 RM'000	(Audited) As at preceding financial year ended 31/03/2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	42,117	45,437
Investment in associate company	-	179
Intangible assets	20,560	20,560
Deferred tax assets	829	-
	63,506	66,176
Current assets		
Inventories	26,730	14,038
Trade receivables	48,154	19,453
Other receivables	3,722	5,881
Current tax asset	359	505
Cash and cash equivalents	19,017	6,313
	97,982	46,190
Assets of disposal groups held for sale	22	-
	161,488	112,366
	161,488	112,366
EQUITY AND LIABILITIES		
Share capital	35,174	35,174
Reserves	22,493	18,404
Equity attributable to equity holders of the parent	57,667	53,578
Non-controlling interest	3,546	(995)
Total equity	61,213	52,583
Non-current liabilities		
Hire purchase liabilities	20	96
Borrowings	20	13,438
Deferred tax liability	-	558
Current liabilities		
Trade payables	32,831	9,592
Other payables	9,467	11,042
Amount due to associate company	-	170
Amount due to related companies	556	521
Derivative liabilities	21	4,652
Borrowings	20	32,541
Hire purchase liabilities	20	1,118
	81,165	47,005
Liabilities of disposal groups held for sale	22	5,766
	161,488	112,366
	161,488	112,366
Net assets per share (RM)*	0.16	0.15

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 2014 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 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non		Distributable		Total RM'000	Non-controlling interest RM'000	Total equity RM'000
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Retained Profits RM'000			
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	-	-	(415)	-	(415)	(167)	(582)
Disposal of non-controlling interests	-	-	-	-	-	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
12 months ended 31 March 2015							
Balance at 1 April 2014	35,174	18,379	(459)	484	53,578	(995)	52,583
Foreign currency translation	-	-	-	-	-	(382)	(382)
Increase in investment by non-controlling interest	-	-	-	-	-	4,410	4,410
Total comprehensive income for the period	-	-	(368)	4,457	4,089	513	4,602
Balance at 31 March 2015	35,174	18,379	(827)	4,941	57,667	3,546	61,213

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 2014 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 2015

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) 12 months ended 31/03/2015 RM'000	(Audited) 12 months ended 31/03/2014 RM'000
Operating Activities		
Net profit/(loss) before tax		
- continued operations	3,664	(830)
- discontinued operations	-	6,149
	3,664	5,319
Adjustment for :-		
Depreciation and amortisation	2,924	3,153
Loss on disposal of associate	130	-
Loss on disposal of property, plant and equipment	-	19
Inventories written off	2,479	877
Interest costs	2,373	2,670
Interest income	(66)	(132)
Provision for doubtful debts	227	-
Provision for obsolete stock	1,318	-
Written off of property, plant and equipment	255	2
Share of results of associates	-	(73)
Unrealised derivative loss	4,652	180
Unrealised foreign exchange gain	(839)	93
	17,117	12,108
Operating profit before changes in working capital		
Changes in working capital		
Inventories	(16,488)	15,188
Trade and other receivables	(25,929)	(3,788)
Trade and other payables	21,709	(8,333)
	(3,591)	15,175
Net cash (used in)/generated from operating activities		
Income tax paid	(512)	(647)
Tax refund	577	856
	(3,526)	15,384
Net cash (used in)/ generated from operating activities		
Investing Activities		
Increase investment in subsidiary by non-controlling interest	4,410	-
Disposal of non-controlling interests	-	248
Interest received	66	132
Proceeds from disposal of property, plant and equipment	905	1,466
Purchase of property, plant and equipment	(786)	(467)
	4,595	1,379
Net cash generated from investing activities		
Financing Activities		
Net drawdown of bank borrowings	18,805	(13,865)
Net repayment of term loan	(2,855)	(4,091)
Net repayment of hire purchase liabilities	(2,165)	(1,598)
Interest paid	(2,373)	(2,670)
	11,412	(22,224)
Net cash generated from/(used in) financing activities		
Net change in cash and cash equivalents	12,481	(5,461)
Effect of exchange rate fluctuation on cash held	(384)	(156)
Cash and cash equivalents at beginning of year	6,313	11,930
	18,410	6,313
Cash and cash equivalents at end of period/year		
Cash and cash equivalent comprise of:-		
Continuing operation		
Deposit with licensed bank	91	89
Cash and bank balances	18,926	6,621
Bank overdraft	(607)	(397)
	18,410	6,313
Discontinued operation		
Cash and bank balances	-	-
	18,410	6,313

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2014 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 2014. 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 2014.

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 2014.

The following MFRSs issued by the MASB have been adopted by the Group during the current period:-

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
- Amendments to MFRS 136, Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Asset
- Amendments to MFRS 139, Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting

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

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvement 2011-2013 Cycle)
- Amendments to MFRS 2, Share-based Payments (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 3, Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
- Amendments to MFRS 8, Operating Segments (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 13, Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
- Amendments to MFRS 116, Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 119, Employee Benefits – Defined Benefit Plans: Employee Contributions

- Amendments to MFRS 124, Related Party Disclosures (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 138, Intangible Assets (Annual Improvements 2010-2012 Cycle)

2. AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

There was no audit qualification on the annual financial statements of the Company and its subsidiaries for the financial year ended 31 March 2014.

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, 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 may have 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.

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

There was no change in the composition of the Group for the current quarter under review.

12. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at 31 March 2015 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 2015.

14. REVIEW OF PERFORMANCE

For the current quarter ended 31 March 2015, the Group recorded revenue of RM48.5 million, an increase of 158.1% over the corresponding quarter ended 31 March 2014 of RM18.8 million. The Group registered a pretax profit of RM0.7 million after provision of doubtful debts and inventories of RM1.5 million for the current quarter under review as compared to pretax loss position of RM3.3 million in the preceding year corresponding quarter.

As for the financial year ended 31 March 2015, the Group recorded revenue of RM145.9 million, an increase of 25.5% over the corresponding period of RM116.2 million. For the current year to-date, the Group registered a profit before taxation of RM3.7 million after deducting RM2.5 million stock written-off and RM1.5 million provision for doubtful debts and inventories versus a loss before taxation of RM0.8 million for the preceding year.

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group achieved revenue of RM48.5 million for the current quarter under review, an increase of 23.3% as compared to RM39.3 million recorded in the immediate preceding quarter ended 31 December 2014. For the current quarter ended 31 March 2015, the Group registered a profit before taxation of RM0.7 million after provision for doubtful debts and inventories of RM1.5 million as compared to profit before taxation of RM1.7 million for the immediate preceding quarter ended 31 December 2014.

16. PROSPECTS

With the secured projects in hand, the Directors of the Group anticipate that the Group will achieve satisfactory performance for the coming financial year.

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 31.03.2015 RM'000	Preceding Year Corresponding Quarter 31.03.2014 RM'000	Current Period To- Date 31.03.2015 RM'000	Preceding Year Corresponding Period 31.03.2014 RM'000
Malaysia income tax:				
- current taxation	1,428	(144)	1,306	(408)

The effective tax rate of the Group for the financial period ended 31 March 2015 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 2015 are as follows:

Current	RM'000
Unsecured: Hire purchase	1,118
Secured: Term loan	2,321
Trade bills	30,220
	<u>33,659</u>
Non-current	RM'000
Unsecured: Hire purchase	96
Secured: Term loan	13,438
	<u>13,534</u>

21. FINANCIAL INSTRUMENTS

Derivatives

As at 31 March 2015, 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	59,036	63,688	4,652

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 2015, 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".

Statement of financial position disclosure

The major classes of assets and liabilities of USA Subsidiaries classified as held for sale as at 31 March 2015 are as follows:

Assets:	Group RM'000
Assets of disposal group classified as held for sale	-
Liabilities:	
Long term borrowings	(3,417)
Short term borrowings	(604)
Trade and other payables	<u>(1,555)</u>
Liabilities of disposal group classified as held for sale	<u>(5,576)</u>
Net liabilities of disposal group classified as held for sale	<u>(5,576)</u>

Statement of comprehensive income disclosure

The result of USA Subsidiaries for the period ended 31 March 2015 as follows:

	Group RM'000
Revenue	-
Cost of sales	-
Gross profit	-
Other operating income	-
Selling and distribution expenses	-
Administrative expenses	-
Depreciation and amortisation	-
Other operating expenses	-
Finance costs	-
Profit before tax from discontinued operation	-
Taxation	-
Profit for the period	-

Statement of cash flow disclosure

The cash flows attributable to USA Subsidiaries as at 31 March 2015 as follows:

	Group RM'000
Operating	-
Investing	-
Finance	-
Net cash outflow	-

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.

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 2014 and 31 March 2015, into realised and unrealised profits, pursuant to the directive is as follows:

	As at 31.12.2014 RM'000	As at 31.03.2015 RM'000
Total retained profits of the Group:		
- Realised	(16,485)	(15,848)
- Unrealised	357	1,552
	<hr/> (16,128)	<hr/> (14,296)
Total share of retained profits from an associate		
- Realised	-	-
- Unrealised	-	-
	<hr/> (16,128)	<hr/> (14,296)
Consolidation adjustments	19,236	19,237
	<hr/>	<hr/>
Total retained profits as per statement of financial position	3,108	4,941
	<hr/>	<hr/>

25. EARNINGS PER SHARE

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.15 RM' 000	Preceding Year Corresponding Quarter 31.03.14 RM' 000	Current Year To-date 31.03.15 RM' 000	Preceding Year Corresponding Period 31.03.14 RM' 000
Basic earnings per share EPS				
Net profit attributable to shareholders	1,895	3,094	4,457	7,004
Weighted average number of ordinary shares in issue	351,738	351,738	351,738	351,738
Basic EPS (sen)	0.54	0.88	1.27	1.99
Diluted earnings per share EPS				
Net profit attributable to shareholders	1,895	3,094	4,457	7,004
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