



(Incorporated in Malaysia)

Interim Report for the

First Quarter Ended

30 June 2017

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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 30/06/2017 RM'000	Preceding Year Corresponding Quarter 30/06/2016 RM'000	Current Year To-date 30/06/2017 RM'000	Preceding Year Corresponding Period 30/06/2016 RM'000
Revenue		25,049	21,926	25,049	21,926
Cost of sales		(19,766)	(19,852)	(19,766)	(19,852)
Gross profit		5,283	2,074	5,283	2,074
Interest income		33	22	33	22
Other operating income		982	3,351	982	3,351
Distribution expenses		(730)	(419)	(730)	(419)
Administrative expenses		(1,544)	(1,437)	(1,544)	(1,437)
Other operating expenses		(936)	(3,189)	(936)	(3,189)
Depreciation and amortisation		(538)	(597)	(538)	(597)
Profit/(Loss) from operations		2,550	(195)	2,550	(195)
Finance costs		(257)	(264)	(257)	(264)
Net gain/(loss) on financial assets and financial liabilities at fair value		283	1,274	283	1,274
Profit/(Loss) before taxation		2,576	815	2,576	815
Taxation	18	(38)	(38)	(38)	(38)
Profit/(Loss) for the financial period		2,538	777	2,538	777
Other comprehensive expense					
Foreign currency translation differences of foreign operations		100	(228)	100	(228)
Total comprehensive income/(loss) for the financial period		2,638	549	2,638	549
Profit/(Loss) attributable to:					
Equity holders of the parent		1,945	925	1,945	925
Non-controlling interest		593	(148)	593	(148)
Profit/(Loss) for the financial period		2,538	777	2,538	777
Total comprehensive income/(loss) attributable to:					
Equity holders of the parent		2,045	697	2,045	697
Non-controlling interest		593	(148)	593	(148)
Total comprehensive income/(loss) for the financial period		2,638	549	2,638	549
Earning/(Loss) per share (sen) :-	24				
(a) Basic		5.53	2.63	5.53	2.63
(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 2017 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at end of current quarter 30/06/2017 RM'000	(Audited) As at preceding financial year ended 31/03/2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	35,976	35,773
Intangible assets	15,560	15,560
	51,536	51,333
Current assets		
Inventories	5,528	6,943
Trade receivables	25,779	25,540
Other receivables	3,058	1,692
Current tax asset	757	736
Derivative assets	283	-
Other investment	6,125	6,125
Cash and cash equivalents	10,796	5,849
	52,326	46,885
TOTAL ASSETS	103,862	98,218
EQUITY AND LIABILITIES		
Share capital	53,553	53,553
Reserves	6,033	3,988
Equity attributable to equity holders of the parent	59,586	57,541
Non-controlling interest	6,348	5,755
Total equity	65,934	63,296
Non-current liabilities		
Hire purchase liabilities	727	356
Borrowings	10,743	10,982
Deferred tax liability	843	843
	12,313	12,181
Current liabilities		
Trade payables	11,214	10,509
Other payables	8,469	7,753
Derivative liabilities	-	297
Borrowings	5,723	4,066
Hire purchase liabilities	209	116
	25,615	22,741
TOTAL EQUITY AND LIABILITIES	103,862	98,218
Net assets per share (RM)*	1.69	1.64

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

GENETEC TECHNOLOGY BERHAD (445537-W)
 INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

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	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000		
3 months ended 30 June 2016							
Balance at 1 April 2016	35,174	18,379	(767)	9,348	62,134	5,524	67,658
Foreign currency translation	-	-	(228)	-	(228)	-	(228)
Profit for the financial period	-	-	-	925	925	(148)	777
Balance at 30 June 2016	35,174	18,379	(995)	10,273	62,831	5,376	68,207
3 months ended 30 June 2017							
Balance at 1 April 2017	53,553	-	(1,333)	5,321	57,541	5,755	63,296
Foreign currency translation	-	-	100	-	100	-	100
Profit for the financial period	-	-	-	1,945	1,945	593	2,538
Balance at 30 June 2017	53,553	-	(1,233)	7,266	59,586	6,348	65,934

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

GENETEC TECHNOLOGY BERHAD (445537-W)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) 3 months ended 30/06/2017 RM'000	(Audited) 3 months ended 30/06/2016 RM'000
Operating Activities		
Net profit before tax	2,576	815
Adjustment for :-		
Depreciation and amortisation	538	597
(Gain)/Loss on disposal of property, plant and equipment	(116)	1
Interest costs	257	264
Interest income	(33)	(22)
Unrealised derivative (gain)/ loss	(283)	(1,274)
Unrealised foreign exchange (gain)/loss	191	(695)
Operating profit before changes in working capital	3,130	(314)
Changes in working capital		
Inventories	1,415	6,427
Trade and other receivables	(1,805)	(11,852)
Trade and other payables	1,133	1,382
Net cash generated from operating activities	3,873	(4,357)
Income tax paid	(58)	(95)
Net cash generated from operating activities	3,815	(4,452)
Investing Activities		
Interest received	33	22
Proceeds from disposal of property, plant and equipment	132	1
Purchase of property, plant and equipment	(758)	(19)
Placement of other investment	-	300
Net cash generated from investing activities	(593)	304
Financing Activities		
Net (repayment)/drawdown of bank borrowings	1,805	2,071
Net repayment of term loan	(387)	(362)
Net (repayment)/drawdown of hire purchase liabilities	464	(58)
Interest paid	(257)	(264)
Net cash (used in)/generated from financing activities	1,625	1,387
Net change in cash and cash equivalents	4,847	(2,761)
Effect of exchange rate fluctuation on cash held	100	(183)
Cash and cash equivalents at beginning of year	5,849	8,667
Cash and cash equivalents at end of period/year	10,796	5,723
Cash and cash equivalent comprise of:-		
Deposit with licensed bank	-	-
Cash and bank balances	10,796	5,723
Bank overdraft	-	-
	10,796	5,723

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2017 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"), MFRS 134: Interim Financial Reporting 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 2017. 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 2017.

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 2017.

The following MFRSs and Interpretations issued by the MASB but have not been adopted by the Group:-

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- Amendments to MFRS 12, Disclosure of Interest in Other Entities (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)
- Amendments to MFRS 107, Statement of Cash Flows – Disclosure Initiative
- Amendments to MFRS 112, Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, Financial Instruments (2014)
- MFRS 15, Revenue from Contracts with Customers
- Clarifications to MFRS 15, Revenue from Contracts with Customers
- IC Interpretation 22, Foreign Currency Transactions and Advance Consideration
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)
- Amendments to MFRS 2, Share-based Payment – Classification and Measurement of Share-based Payment Transactions
- Amendments to MFRS 4, Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
- Amendments to MFRS 128, Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014 - 2016 cycle)
- Amendments to MFRS 140, Investment Property – Transfer of Investment Property

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, Leases

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group except as mentioned below:

- MFRS 9, Financial Instruments
- MFRS 15, Revenue from Contracts with Customers

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9 and MFRS 15.

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 2017.

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 was no item or event, 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 was no material change 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 was no cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter under review.

7. DIVIDEND PAID

No dividend was 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

Subsequent to the financial year ended 31 March 2017, the Company had on 3 July 2017 issued 317,200 shares at RM1.10 per share to Bumiputra investors identified and approved by The Ministry of International Trade and Industry. The Company completed the listing and quotation of the 317,200 new Bumiputera Special Issue shares on 4 July 2017. Securities Commission Malaysia vide its letter dated 11 August 2017 confirmed that the Company is deemed to have complied with the Bumiputera Equity Condition imposed by the Securities Commission Malaysia in relation to the approval granted to Genetec for its listing proposal. Hence, the Bumiputera Special Issue is deemed completed.

The status of utilisation of proceeds raised from the Bumiputera Special Issue is as follows:

	Proposed Utilisation (proceeds received) RM'000	Actual Utilisation RM'000	Intended Time Frame for Utilisation	Deviation		Explanations
				RM'000	%	
Working Capital for the Group	179	239	Within 2 months	60	34%	Fully Utilised
Expenses in relation to the Special Issue	170	110	Within 1 month	(60)	35%	^ Fully Utilised
Total	349	349				

^ The excess of RM60,000 was utilised for working capital purpose

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 30 June 2017 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 2017.

14. REVIEW OF PERFORMANCE

For the current quarter ended 30 June 2017, the Group recorded a revenue of RM25.0 million, an increase of 14.1% or RM3.1 million as compared to a revenue of RM21.9 million recorded in the preceding corresponding quarter ended 30 June 2016. The Group recorded a net profit before tax of RM2.6 million for the current quarter under review as compared to a net profit before tax of RM0.1 million in the preceding corresponding quarter ended 30 June 2016. The increase in net profit before tax was mainly attributable to higher sales volume achieved and improved operational efficiency.

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

Revenue of the Group increased by 36.6% to RM25.0 million for the current quarter under review as compared to RM18.3 million recorded in the immediate preceding quarter ended 31 March 2017. The Group recorded a net profit before tax of RM2.6 million as compared to a net loss before tax of RM2.0 million for the immediate preceding quarter mainly due to impairment made on goodwill of RM3.0 million in the immediate preceding quarter.

16. PROSPECTS

The operating environment continues to be challenging and the uncertainties in the global economic environment remain high. The Group will actively explore new opportunities for business development and diversification, thereby achieving sustainable and steady business growth. The Directors of the Group anticipate that the Group will achieve satisfactory performance for the remaining 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 30.06.2017 RM'000	Preceding Year Corresponding Quarter 30.06.2016 RM'000	Current Period To- Date 30.06.2017 RM'000	Preceding Year Corresponding Period 30.06.2016 RM'000
Malaysia income tax:				
- current taxation	38	38	38	38

The effective tax rate of the Group for the financial period ended 30 June 2017 was lower than the statutory tax rate due to availability of pioneer status tax incentive.

19. STATUS OF CORPORATE PROPOSAL

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

20. BORROWINGS

Details of the Group's borrowings as at 30 June 2017 are as follows:

Current	RM'000
Unsecured: Hire purchase	209
Secured: Term loan	1,149
Trade bills	4,574
	<u>5,932</u>
Non-current	RM'000
Unsecured: Hire purchase	727
Secured: Term loan	10,743
	<u>11,470</u>

21. FINANCIAL INSTRUMENTS

Derivatives

As at 30 June 2017, 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	27,550	27,267	283

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 recognised 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

The breakdown of the retained profits of the Group as at 31 March 2017 and 30 June 2017 into realised and unrealised profits are as follows:

	As at 30.06.2017 RM'000	As at 31.3.2017 RM'000
Total retained profits of the Group:		
- Realised	(1,797)	(4,529)
- Unrealised	(981)	(787)
	<hr style="width: 100%; border: 0.5px solid black;"/> (2,778)	<hr style="width: 100%; border: 0.5px solid black;"/> (5,316)
 Consolidation adjustments	 10,044	 10,637
	<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	7,266	5,321
	<hr style="width: 100%; border: 1px solid black;"/>	<hr style="width: 100%; border: 1px solid black;"/>

24. EARNINGS PER SHARE

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.17 RM' 000	Preceding Year Corresponding Quarter 30.06.16 RM' 000	Current Year To-date 30.06.17 RM' 000	Preceding Year Corresponding Period 30.06.16 RM' 000
Basic earnings/(loss) per share EPS/(LPS)				
Net profit/(loss) attributable to equity holders of the parent	1,945	925	1,945	925
Weighted average number of ordinary shares in issue	35,174	35,174	35,174	35,174
Basic EPS/(LPS) (sen)	5.53	2.63	5.53	2.63
Diluted earnings/(loss) per share EPS/(LPS)				
Net profit/(loss) attributable to equity holders of the parent	1,945	925	1,945	925
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