



(Incorporated in Malaysia)

Interim Report for the

Third Quarter Ended

31 December 2017

## Contents

---

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
Condensed Consolidated Statement of Financial Position	2
Condensed Consolidated Statement of Changes in Equity	3
Condensed Consolidated Statement of Cash Flows	4
Notes to the Condensed Financial Statements	5 - 12

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 31/12/2017 RM'000	Preceding Year Corresponding Quarter 31/12/2016 RM'000	Current Year To-date 31/12/2017 RM'000	Preceding Year Corresponding Period 31/12/2016 RM'000
Revenue		27,467	14,360	71,983	52,340
Cost of sales		(21,539)	(12,279)	(58,734)	(46,058)
Gross profit		5,928	2,081	13,249	6,282
Interest income		23	14	84	48
Other operating income		951	1,879	2,386	7,853
Distribution expenses		(502)	(321)	(1,753)	(1,059)
Administrative expenses		(1,719)	(1,245)	(4,957)	(3,947)
Other operating expenses		(932)	(2,804)	(2,273)	(7,565)
Depreciation and amortisation		(563)	(547)	(1,646)	(1,722)
Profit/(Loss) from operations		3,186	(943)	5,090	(110)
Finance costs		(334)	(214)	(881)	(766)
Net gain/(loss) on financial assets and financial liabilities at fair value		807	(713)	1,494	(695)
Profit/(Loss) before taxation		3,659	(1,870)	5,703	(1,571)
Taxation	18	(38)	(37)	(113)	(27)
Profit/(Loss) for the financial period		3,621	(1,907)	5,590	(1,598)
Other comprehensive expense					
Foreign currency translation differences of foreign operations		202	(398)	505	(760)
Total comprehensive income/(loss) for the financial period		3,823	(2,305)	6,095	(2,358)
Profit/(Loss) attributable to:					
Equity holders of the parent		2,723	(2,234)	3,702	(1,898)
Non-controlling interest		898	327	1,888	300
Profit/(Loss) for the financial period		3,621	(1,907)	5,590	(1,598)
Total comprehensive income/(loss) attributable to:					
Equity holders of the parent		2,925	(2,632)	4,207	(2,658)
Non-controlling interest		898	327	1,888	300
Total comprehensive income/(loss) for the financial period		3,823	(2,305)	6,095	(2,358)
Earning/(Loss) per share (sen) :-	24				
(a) Basic		7.67	(6.35)	10.42	(5.40)
(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 31/12/2017 RM'000	(Audited) As at preceding financial year ended 31/03/2017 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	36,848	35,773
Intangible assets	15,560	15,560
	52,408	51,333
<b>Current assets</b>		
Inventories	18,489	6,943
Trade receivables	33,703	25,540
Other receivables	2,906	1,692
Current tax asset	815	736
Derivative assets	1,494	-
Other investment	4,125	6,125
Cash and cash equivalents	6,936	5,849
	68,468	46,885
<b>TOTAL ASSETS</b>	120,876	98,218
<b>EQUITY AND LIABILITIES</b>		
Share capital	53,902	53,553
Reserves	8,195	3,988
<b>Equity attributable to equity holders of the parent</b>	62,097	57,541
Non-controlling interest	7,538	5,755
<b>Total equity</b>	69,635	63,296
<b>Non-current liabilities</b>		
Hire purchase liabilities	1,105	356
Borrowings	10,258	10,982
Deferred tax liability	843	843
	12,206	12,181
<b>Current liabilities</b>		
Trade payables	15,684	10,509
Other payables	9,277	7,753
Derivative liabilities	-	297
Borrowings	13,740	4,066
Hire purchase liabilities	334	116
	39,035	22,741
<b>TOTAL EQUITY AND LIABILITIES</b>	120,876	98,218
<b>Net assets per share (RM)*</b>	1.75	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 THIRD 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		
<b>9 months ended 31 December 2016</b>							
Balance at 1 April 2016	35,174	18,379	(767)	9,348	62,134	5,524	67,658
Foreign currency translation	-	-	(760)	-	(760)	-	(760)
Profit for the financial period	-	-	-	(1,898)	(1,898)	300	(1,598)
<b>Balance at 31 December 2016</b>	<b>35,174</b>	<b>18,379</b>	<b>(1,527)</b>	<b>7,450</b>	<b>59,476</b>	<b>5,824</b>	<b>65,300</b>
<b>9 months ended 31 December 2017</b>							
Balance at 1 April 2017	53,553	-	(1,333)	5,321	57,541	5,755	63,296
Issuance of share capital	349	-	-	-	349	-	349
Foreign currency translation	-	-	505	-	505	-	505
Changes in ownership Interest in subsidiaries	-	-	-	-	-	(105)	(105)
Profit for the financial period	-	-	-	3,702	3,702	1,888	5,590
<b>Balance at 31 December 2017</b>	<b>53,902</b>	<b>-</b>	<b>(828)</b>	<b>9,023</b>	<b>62,097</b>	<b>7,538</b>	<b>69,635</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 2017 and the accompanying explanatory notes attached to the interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) 9 months ended 31/12/2017 RM'000	(Audited) 9 months ended 31/12/2016 RM'000
<b>Operating Activities</b>		
Net profit before tax	5,703	(1,571)
<b>Adjustment for :-</b>		
Depreciation and amortisation	1,646	1,722
(Gain)/Loss on disposal of property, plant and equipment	(156)	467
(Gain)/Loss on acquisitions of additional non-controlling interest	(85)	-
Property, plant and equipment written off	8	3
Impairment loss on goodwill	-	2,000
Interest costs	881	766
Interest income	(84)	(48)
Unrealised derivative (gain)/ loss	(1,494)	695
Unrealised foreign exchange (gain)/loss	603	(734)
	<hr/>	<hr/>
<b>Operating profit before changes in working capital</b>	7,022	3,300
<b>Changes in working capital</b>		
Inventories	(11,546)	6,580
Trade and other receivables	(10,009)	1,718
Trade and other payables	6,429	1,225
	<hr/>	<hr/>
<b>Net cash generated from operating activities</b>	(8,104)	12,823
Income tax paid	(191)	(259)
	<hr/>	<hr/>
<b>Net cash generated from operating activities</b>	(8,295)	12,564
<b>Investing Activities</b>		
Acquisition of additional non-controlling interest	(20)	-
Interest received	84	48
Proceeds from disposal of property, plant and equipment	199	1,602
Purchase of property, plant and equipment	(2,772)	(55)
Proceeds from private placement	349	-
Withdrawal/(Placement) of other investment	2,000	(5,700)
	<hr/>	<hr/>
<b>Net cash generated from investing activities</b>	(160)	(4,105)
<b>Financing Activities</b>		
Net (repayment)/drawdown of bank borrowings	10,017	(2,452)
Net repayment of term loan	(1,066)	(1,106)
Net (repayment)/drawdown of hire purchase liabilities	967	(154)
Interest paid	(881)	(766)
	<hr/>	<hr/>
<b>Net cash (used in)/generated from financing activities</b>	9,037	(4,478)
	<hr/>	<hr/>
Net change in cash and cash equivalents	582	3,981
Effect of exchange rate fluctuation on cash held	505	(836)
Cash and cash equivalents at beginning of year	5,849	8,667
	<hr/>	<hr/>
Cash and cash equivalents at end of period/year	6,936	11,812
	<hr/> <hr/>	<hr/> <hr/>
Cash and cash equivalent comprise of:-		
Cash and bank balances	6,936	11,812
	<hr/>	<hr/>
	6,936	11,812
	<hr/> <hr/>	<hr/> <hr/>

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

On 17 January 2018, CLT Engineering Sdn. Bhd., a 51%-owned subsidiary of the Company had completed the disposal of its entire 100% equity interest in CLT Engineering (Thailand) Co. Ltd. ("CLT Thailand") to Ms. Wannee Boonyasiriwat (51%), Mr. Chai Meng Heng (25%) and Mr. Goh Lik Giap (24%) for a total consideration of 1,000 Thai Baht (equivalent to approximately RM125.00 at the exchange rate of Baht 1/- : RM0.125 as at 17<sup>th</sup> January 2018)

In this regard, CLT Thailand had ceased to be a wholly-owned subsidiary of CLT Engineering Sdn. Bhd and indirect subsidiary of the Company.

**11. CHANGES IN THE COMPOSITION OF THE GROUP**

On 15<sup>th</sup> November 2017, the Company had completed the acquisition of the remaining 40% of the equity interest in Fas Manufacturing Sdn. Bhd. (FASM) and Fas Technology Solution Sdn. Bhd (FASTECH) for a purchase consideration of RM14,000 and RM6,000 respectively from an unrelated third party. In this regard, FASM and FASTECH have become wholly-owned subsidiaries of the Company. The carrying amount of FASM and FASTECH s' net liabilities in the Group's financial statements on the date of acquisition was RM1,872,831 and RM2,501,973 respectively. Both FASM and FASTECH are currently dormant companies.

**12. CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

There was no contingent liabilities or contingent assets as at 31 December 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 31 December 2017.

**14. REVIEW OF PERFORMANCE**

For the current quarter ended 31 December 2017, the Group recorded a revenue of RM27.5 million, an increase of 91.0% or RM13.1 million as compared to a revenue of RM14.4 million recorded in the preceding corresponding quarter ended 31 December 2016. The Group recorded a net profit before tax of RM3.6 million for the current quarter under review as compared to a net loss before tax of RM1.9 million in the preceding corresponding quarter ended 31 December 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 41.0% to RM27.5 million for the current quarter under review as compared to RM19.5 million recorded in the immediate preceding quarter ended 30 September 2017. The Group recorded a net profit before tax of RM3.6 million as compared to a net loss before tax of RM0.5 million for the immediate preceding quarter mainly due to higher sales volume achieved and improved operational efficiency.

**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 quarter.

**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	Preceding Year Corresponding Quarter	Current Period To-Date	Preceding Year Corresponding Period
	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000
Malaysia income tax:				
- current taxation	38	37	113	27

The effective tax rate of the Group for the financial period ended 31 December 2017 was lower than the statutory tax rate due to availability of pioneer status tax incentive.

## 19. STATUS OF CORPORATE PROPOSAL

On behalf of the Company's Board of Directors, KAF Investment Bank Berhad had on 29 December 2017 announced that the Company proposed to undertake a private placement exercise involving the issuance of up to 3,764,260 new ordinary shares "Proposed Private Placement").

Bursa Malaysia Securities Berhad had vide its letter dated 12 January 2018 approved the listing and quotation of up to 3,764,260 new ordinary shares in the Company to be issued pursuant to the Proposed Private Placement. The Company has fixed the issue price for the Private Placement comprising 3,231,900 Placement Shares at RM1.05 on 16 January 2018.

On behalf of the Company's Board of Directors, KAF Investment Bank Berhad had on 26 January 2018 announced the completion of the Proposed Private Placement with the listing and quotation of 3,231,900 new ordinary shares on the ACE Market.

The status of utilisation of proceeds raised from the Private Placement is as follows:

	Proposed Utilisation (proceeds received) RM'000	Actual Utilisation RM'000	Intended Time Frame for Utilisation	Deviation		Balance RM'000
				RM'000	%	
Working Capital for the Group	3,293	300	Within 12 months	-	-	2,993
Expenses in relation to the Private Placement	100	75	Within 1 month	^(25)	25%	-
Total	3,393	375				

^ The excess of RM25,000 was utilised for working capital purpose

## 20. BORROWINGS

Details of the Group's borrowings as at 31 December 2017 are as follows:

<b>Current</b>	<b>RM'000</b>
Unsecured: Hire purchase	334
Secured: Term loan	954
Trade bills	12,786
	<u>14,074</u>
<b>Non-current</b>	<b>RM'000</b>
Unsecured: Hire purchase	1,105
Secured: Term loan	10,258
	<u>11,363</u>

## 21. FINANCIAL INSTRUMENTS

### Derivatives

As at 31 December 2017, 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	32,032	30,538	1,494

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. Any gains or losses from changes in fair value of the derivatives financial instruments will be recognised in profit and loss.

There is no change to the Group's financial risk management policies in managing these derivatives, its related accounting policies and the market risk associated with these derivatives since the last financial year

## 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 30 September 2017 and 31 December 2017 into realised and unrealised profits are as follows:

	<b>As at 31.12.2017 RM'000</b>	<b>As at 30.9.2017 RM'000</b>
Total retained profits of the Group:		
- Realised	132	(2,932)
- Unrealised	27	(414)
	<hr/> 159	<hr/> (3,346)
 Consolidation adjustments	 8,864	 9,645
	<hr/>	<hr/>
Total retained profits as per statement of financial position	9,023	6,299
	<hr/>	<hr/>

## 24. EARNINGS PER SHARE

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.17 RM' 000	Preceding Year Corresponding Quarter 31.12.16 RM' 000	Current Year To-date 31.12.17 RM' 000	Preceding Year Corresponding Period 31.12.16 RM' 000
<b>Basic earnings/(loss) per share EPS/(LPS)</b>				
Net profit/(loss) attributable to equity holders of the parent	2,723	(2,234)	3,702	(1,898)
Weighted average number of ordinary shares in issue	35,523	35,174	35,523	35,174
Basic EPS/(LPS) (sen)	7.67	(6.35)	10.42	(5.40)
<b>Diluted earnings/(loss) per share EPS/(LPS)</b>				
Net profit/(loss) attributable to equity holders of the parent	2,723	(2,234)	3,702	(1,898)
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