

Genetec Technology Berhad

(Company No.: 445537-W)

(Incorporated in Malaysia)

Interim Report for the

Fourth Quarter Ended

31 March 2006

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GENETEC TECHNOLOGY BERHAD (445537-W)
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2006

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31/3/2006 RM'000	Preceding Year Corresponding Quarter 31/3/2005 RM'000	Current Year To-date 31/3/2006 RM'000	Preceding Year Corresponding Period 31/3/2005 RM'000
Revenue		9,947	8,030	38,260	28,259
Operating Expenses		(9,644)	(7,170)	(35,587)	(26,436)
Other Operating Income		51	50	98	149
Profit from Operations		354	910	2,771	1,972
Finance Costs		(19)	(46)	(298)	(190)
Profit Before Taxation		335	864	2,473	1,782
Taxation	19	331	(313)	281	(575)
Profit After Taxation		666	551	2,754	1,207
Minority Shareholders' Interests		-	-	-	-
Net profit for the financial period		666	551	2,754	1,207
Earnings per share (sen) :-	27				
Basic		0.56	NA	3.34	NA

Note:

1 Comparative figures for the preceding year corresponding quarter and preceding year corresponding period have been prepared based on the actual results of Genetec Technology Berhad and its subsidiaries and associated company. On 25 June 2004, Genetec Technology Berhad acquired Genevision (M) Sdn Bhd and on 22 October 2004, FAS Technology Solution Sdn Bhd was incorporated.

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 31 March 2005

GENETEC TECHNOLOGY BERHAD (445537-W)
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2006

The figures have not been audited

CONDENSED CONSOLIDATED BALANCE SHEETS

	<u>Note</u>	As at end of current quarter 31/3/2006 RM'000	As at preceding financial year end 31/3/2005 RM'000
Property, plant and equipment		4,750	3,515
Goodwill		252	329
Current assets			
Inventories		4,720	4,815
Trade receivables		13,695	10,821
Other receivables		566	1,432
Tax recoverable		247	296
Amount due from affiliated companies		79	-
Amount due from an associate		888	1,093
Cash and cash equivalents		6,794	2,745
		26,989	21,202
Current liabilities			
Trade payables		4,383	5,328
Other payables		970	662
Amount due to holding company		-	4,456
Amount due to related companies		-	1,870
Amount due to affiliated companies		719	-
Borrowings	23	3,416	3,937
Hire purchase liabilities		130	149
		9,618	16,402
Net current assets		17,371	4,800
		22,373	8,644
Share capital		12,000	1,000
Reserves		10,045	6,901
Shareholders' funds		22,045	7,901
Long term liabilities			
Hire purchase liabilities		203	201
Deferred taxation liabilities		125	542
		328	743
		22,373	8,644
Net assets per share (RM)*		0.18	7.90

Note:

* Net assets per share attributable to shareholders of the Company : Shareholder's funds/Number of issued and paid-up ordinary shares

The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 31 March 2005

GENETEC TECHNOLOGY BERHAD (445537-W)
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2006

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Non Distributable Share Premium RM'000	Distributable Retained Profits RM'000	Total RM'000
<u>12 months ended 31 March 2006</u>				
Balance at 1 April 2005	1,000	-	6,901	7,901
Issuance of shares	11,000	6,000	(3,800)	13,200
Share issue expenses	-	(1,810)	-	(1,810)
Net profit for the financial year	-	-	2,754	2,754
Balance at 31 March 2006	<u>12,000</u>	<u>4,190</u>	<u>5,855</u>	<u>22,045</u>

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 2005

GENETEC TECHNOLOGY BERHAD (445537-W)
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2006

The figures have not been audited

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	12 months ended 31/3/2006 RM'000	12 months ended 31/3/2005 RM'000
Operating Activities		
Net profit before tax	2,473	2,169
Adjustment for :-		
Depreciation and amortisation	738	717
Other non-cash items	4	87
Non-operating items	(156)	(656)
Operating profit before changes in working capital	<u>3,059</u>	<u>2,317</u>
Changes in working capital		
Net change in current assets	(1,740)	(6,018)
Net change in current liabilities	(4,218)	3,869
Net cash (used in)/generated from operating activities	<u>(2,899)</u>	<u>168</u>
Investing Activities		
Equity investments	-	(42)
Other investments	(1,587)	(248)
Net cash used in investing activities	<u>(1,587)</u>	<u>(290)</u>
Financing Activities		
Proceeds from issue of shares	11,058	-
Payment of listing expenses	(1,810)	-
Net drawdown of bank borrowings	(521)	1,761
Repayment of hire purchase creditors	(193)	(161)
Interest paid	-	(161)
Net cash generated from financing activities	<u>8,534</u>	<u>1,439</u>
Net change in cash and cash equivalents	4,048	1,317
Cash and cash equivalents at beginning of year	2,745	1,428
Cash and cash equivalents at end of year	<u><u>6,793</u></u>	<u><u>2,745</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 31 March 2005

NOTES TO THE INTERIM FINANCIAL REPORT

1 BASIS OF PREPARATION

The interim financial report has been prepared in accordance with the requirements of the Financial Reporting Standard (FRS) 134: Interim Financial Reporting (previously known as MASB 26) issued by Malaysian Accounting Standards Board ("MASB") and Appendix 7A of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the MESDAQ 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 year ended 31 March 2005.

The accounting policies and methods of computation adopted by Genetec and its subsidiary companies ("Genetec Group" or "the Group") in this interim financial report are consistent with those adopted in the annual financial statements for the year ended 31 March 2005.

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 2005.

3 SEASONALITY OR CYCLICALITY OF OPERATIONS

The business of the Group is not affected by any significant seasonal or cyclical factors.

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.

5 MATERIAL CHANGE IN ESTIMATES

There were no material changes in the nature and amount of estimates reported that have a material effect in the current quarter under review.

6 ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter except as disclosed below and shown on the Unaudited Condensed Consolidated Statement of Changes in Equity.

Bonus Issue

On 16 September 2005, Genetec implemented a bonus issue of 3,800,000 new ordinary shares in Genetec at an issue price of RM1.00 per share. Upon completion of the bonus issue, the issued and paid-up share capital of the Company increased from RM1,000,000.00 comprising 1,000,000 ordinary shares of RM1.00 each in Genetec to RM4,800,000.00 comprising 4,800,000 ordinary shares of RM1.00 each in Genetec.

Reduction in Par Value

On 17 September 2005, Genetec implemented a reduction in par value which involves sub-dividing every one (1) ordinary share of RM1.00 each to ten (10) ordinary shares of RM0.10 each (Shares). Upon completion of the reduction in par value, the issued and paid-up share capital of the Company increased from RM4,800,000.00 comprising 4,800,000 ordinary shares of RM1.00 each in Genetec to RM4,800,000.00 comprising 48,000,000 ordinary shares of RM0.10 each in Genetec.

Rights Issue

On 21 September 2005, Genetec implemented a rights issue of 42,000,000 new ordinary shares in Genetec at an issue price of RM0.10 per share on the basis of seven (7) Shares for every eight (8) existing Shares held. Upon completion of the rights issue, the issued and paid-up share capital of the Company increased from RM4,800,000.00 comprising 48,000,000 ordinary shares of RM0.10 each in Genetec to RM9,000,000.00 comprising 90,000,000 ordinary shares of RM0.10 each in Genetec.

Initial Public Offering (IPO) Exercise

On 29 September 2005, Genetec issued a prospectus pursuant to its listing on the MESDAQ Market of Bursa Malaysia Securities Berhad (Bursa Securities). The IPO, involved the public issue of 30,000,000 new ordinary shares of RM0.10 each (Shares) at an issue price of RM0.30 per new ordinary share comprising:

- (a) 22,000,000 new Shares made available for application by way of private placement;
- (b) 6,000,000 new Shares reserved for eligible employees and persons who have contributed to Genetec's success; and
- (c) 2,000,000 new Shares made available for application by the public.

All the above 30,000,000 Shares in Genetec were issued and fully paid up upon completion of the IPO. Genetec was listed on the MESDAQ Market of Bursa Securities on 7 November 2005.

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 quarter ended 31 March 2006.

11 CHANGES IN THE COMPOSITION OF THE GROUP

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

12 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at 31 March 2006 and up to the date of this report.

13 CAPITAL COMMITMENTS

There were no capital commitments as at the date of this announcement.

14 SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no significant related party transactions as at the date of this announcement.

15 REVIEW OF PERFORMANCE

The Group revenue for the financial year ended 31 March 2006 was RM38.26 million with net profit of RM2.75 million. As compared to the preceding year's corresponding period, the revenue and net profit have increased by RM10.00 million (35%) and RM1.55 million (128%) respectively. The increase is mainly due to replication of prototypes which has resulted in a higher volume of sales. The better product mix has also contributed to higher margins.

16 COMPARISON WITH PRECEDING QUARTER'S RESULTS

There is no significant variance between the Group's revenue of RM9.95 million for the quarter under review as compared to the preceding quarter's revenue of RM9.07 million, which represents a slight increase of RM0.88 million or 10% as compared to the preceding quarter.

17 PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Directors of the Group anticipate the performance of the Group to remain satisfactory on the back of continuing growth in the Hard Disk Drive Industry.

18 VARIANCE ON PROFIT FORECAST/PROFIT GUARANTEE

Not applicable as there was no profit forecast or profit guarantee.

19 TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.06	Preceding Year Corresponding Quarter 31.03.05	Current Year To-date 31.03.06	Preceding Year Corresponding Period 31.03.05
Malaysian income tax:				
- current taxation	50,000	313,000	100,000	575,000
- deferred taxation	(380,972)	-	(380,972)	-
	<u>(330,972)</u>	<u>313,000</u>	<u>(280,972)</u>	<u>575,000</u>

The effective tax rate of the Group for the year ended 31 March 2006 was lower than the statutory tax rate due to the availability of pioneer status tax incentive.

20 PROFIT ON SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no sale of unquoted investment and/or properties during the current financial period under review.

21 QUOTED SECURITIES

There were no purchases or disposals of quoted securities during the current quarter and financial year to date under review.

22 STATUS OF CORPORATE PROPOSAL

As at the last practicable date, there is no corporate proposal announced but not completed.

23 BORROWINGS

Details of the Group's short term borrowings as at 31 March 2006 are as follows:

<u>Current – Unsecured</u>	RM
Trade bills	3,416,000

24 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 18 May 2006 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report).

25 MATERIAL LITIGATIONS

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 does not know of any proceedings pending or threatened, or of fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiaries.

26 DIVIDENDS

The Directors do not propose any dividend for the period under review.

27 EARNINGS PER SHARE

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.06	Preceding Year Corresponding Quarter 31.03.05	Current Year To-date 31.03.06	Preceding Year Corresponding Period 31.03.05
	Basic earning per share (EPS)			
Net profit attributable to Shareholders	666,054	N/A	2,753,594	N/A
Weighted average number of ordinary shares in issue	120,000,000	N/A	82,389,041	N/A
Basic EPS (sen)	0.56	N/A	3.34	N/A

28 UTILISATION OF PROCEEDS

As per Genetec's prospectus dated 29 September 2005, the gross proceeds raised from the IPO amounted to RM11.06 million.

The utilisation of the proceeds from the IPO as at 31 March 2006 is shown in the table below:

Purpose	Gross proceeds raised RM'000	Utilisation of proceeds as at 31 March 2006 RM'000	Balance RM'000
Working capital	9,858	7,858	2,000
Estimated listing expenses	1,200	1,200	-
TOTAL	11,058	9,058	2,000

By Order of the Board
Genetec Technology Berhad

Tan Kon Hoan
 Finance Manager
 Selangor Darul Ehsan
 25 May 2006