



(Incorporated in Malaysia)

Interim Report for the

Fourth Quarter Ended

31 March 2008

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GENETEC TECHNOLOGY BERHAD (445537-W)
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2008

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS

	<u>Note</u>	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31/03/2008 RM'000	Preceding Year Corresponding Quarter 31/03/2007 RM'000	Current Year To-date 31/03/2008 RM'000	Preceding Year Corresponding Year 31/03/2007 RM'000
Revenue		10,342	8,396	53,391	23,442
Operating expenses		(8,890)	(11,301)	(47,746)	(29,241)
Share based-payment under ESOS		-	1,225	-	-
Other operating income		75	462	212	492
Profit/(loss) from operations		1,527	(1,218)	5,857	(5,307)
Finance costs		(39)	(74)	(295)	(273)
Profit/(loss) before taxation		1,488	(1,292)	5,562	(5,580)
Taxation	18	66	391	(84)	391
Net profit/(loss) for the financial year		<u>1,554</u>	<u>(901)</u>	<u>5,478</u>	<u>(5,189)</u>
Attributable to:					
Equity holders of the parent		1,554	(901)	5,478	(5,189)
Minority shareholders' interests		-	-	-	-
		<u>1,554</u>	<u>(901)</u>	<u>5,478</u>	<u>(5,189)</u>
Earnings/(loss) per share (sen) :-	27				
(a) Basic		<u>1.29</u>	<u>(0.75)</u>	<u>4.55</u>	<u>(4.32)</u>
(b) Fully diluted		<u>1.26</u>	<u>(0.75)</u>	<u>4.47</u>	<u>(4.32)</u>

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2007 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 2008

CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited) As at end of current quarter 31/03/2008 RM'000	(Audited) As at preceding financial year ended 31/3/2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	8,820	6,672
Prepaid lease payments	815	832
Deferred taxation asset	-	45
Current assets		
Inventories	7,460	8,499
Trade receivables	10,349	7,137
Other receivables	2,562	2,412
Current tax asset	201	533
Amount due from an associate	278	549
Assets classified as held for sale	-	130
Cash and cash equivalents	2,847	3,428
	23,697	22,688
TOTAL ASSETS	33,332	30,237
EQUITY AND LIABILITIES		
Share capital	12,081	12,014
Reserves	10,529	6,124
Equity attributable to equity holders of the parent	22,610	18,138
Minority shareholder's interest	-	-
Total equity	22,610	18,138
Non-current liabilities		
Hire purchase liabilities	297	988
Borrowings	23 1,473	-
Deferred tax liability	18	-
Current liabilities		
Trade payables	5,927	7,264
Other payables	1,432	993
Borrowings	23 1,008	2,170
Hire purchase liabilities	567	684
	8,934	11,111
	33,332	30,237
Net assets per share (RM)*	0.19	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 Balance Sheets should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2007 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 2008

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Non Distributable		Distributable	Total RM'000
		Share Premium RM'000	Other Reserve RM'000	Retained Profits RM'000	
<u>12 months ended 31 March 2007</u>					
Balance at 1 April 2006	12,000	4,191	-	5,869	22,060
Prior year adjustment - effect of adopting FRS 2	-	-	721	(721)	-
Balance at 1 April 2006 (restated)	12,000	4,191	721	5,148	22,060
Share-based payments	-	-	1,225	-	1,225
Issuance of shares from exercise of ESOS	14	28	-	-	42
Transfer to share premium for ESOS exercised	-	25	(25)	-	-
Transfer to retained profit for ESOS lapsed	-	-	(145)	145	-
Net profit for the financial year	-	-	-	(5,189)	(5,189)
Balance at 31 March 2007	12,014	4,244	1,776	104	18,138
<u>12 months ended 31 March 2008</u>					
Balance at 1 April 2007	12,014	4,244	1,776	104	18,138
Net profit for the financial year	-	-	-	5,478	5,478
Issuance of shares from exercise of ESOS	67	134	-	-	201
Dividends	-	-	-	(1,207)	(1,207)
Balance at 31 March 2008	12,081	4,378	1,776	4,375	22,610

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 2007 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 2008

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	(Unaudited) 12 months ended 31/03/2008 RM'000	(Audited) 12 months ended 31/03/2007 RM'000
Operating Activities		
Net profit/(loss) before tax	5,562	(5,580)
Adjustment for :-		
Depreciation and amortisation	1,023	929
Impairment on goodwill	-	252
Other non-cash items	905	727
Share based-payment under ESOS	-	1,225
Non-operating items	173	115
	<hr/>	<hr/>
Operating profit/(loss) before changes in working capital	7,663	(2,332)
Changes in working capital		
Net change in current assets	(2,090)	705
Net change in current liabilities	(586)	2,133
	<hr/>	<hr/>
Net cash generated from operating activities	4,987	506
	<hr/>	<hr/>
Investing Activities		
Interest received	78	96
Dividend paid	(1,207)	-
Proceeds from disposal of property, plant and equipment	88	192
Purchase of property, plant and equipment	(3,979)	(2,272)
	<hr/>	<hr/>
Net cash used in investing activities	(5,020)	(1,984)
	<hr/>	<hr/>
Financing Activities		
Proceeds from issue of shares	200	42
Net drawdown of bank borrowings	310	(1,246)
Repayment of finance lease liabilities	(807)	(453)
Interest paid	(251)	(231)
	<hr/>	<hr/>
Net cash used in financing activities	(548)	(1,888)
	<hr/>	<hr/>
Net change in cash and cash equivalents	(581)	(3,366)
Cash and cash equivalents at beginning of year	3,428	6,794
	<hr/>	<hr/>
Cash and cash equivalents at end of year	2,847	3,428
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The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2007 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 Financial Reporting Standard ("FRS") 134: Interim Financial Reporting (previously known as MASB 26) issued by the Malaysian Accounting Standards Board ("MASB") and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the MESDAQ Market.

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 financial statements for the financial year ended 31 March 2007.

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 2007.

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 2007.

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 2007.

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.

5 MATERIAL CHANGE IN ESTIMATES

There was no material changes in the nature and amount of estimates reported that 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

On 19 October 2005, the Company offered 11,653,000 ESOS option at an exercise price of RM0.30 to eligible employees of the Group, being the weighted average market price of the shares for the five (5) market days immediately preceding the date of offer with a discount of not more than 10%. All the employees accepted the offer.

As at 31 March 2008, 2,752,000 options had lapsed, 808,000 options were exercised and 8,093,000 options remained unexercised.

There were no cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter under review.

7 DIVIDEND PAID

During the financial year, the Company paid a tax-exempt interim dividend of 1.0 sen per share in respect of financial year ended 31 March 2008 on 18 January 2008.

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 ended 31 March 2008.

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 2008 and up to the date of this report.

13 CAPITAL COMMITMENTS

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31 March 2008 are as follows:

	RM'000
Property, plant and equipment	
Approved and contracted for	<u>5,778</u>
Leasing commitments	
Due within 12 months	413
Between 1 and 5 years	103
	<u>516</u>

14 REVIEW OF PERFORMANCE

The Group achieved record revenue of RM53.4 million for the year ended 31 March 2008. This represents a significant increase of 2.28 times over the preceding year's revenue of RM23.4 million. The strong performance is driven by replication projects of prototypes completed in preceding years and completion of large turnkey automation projects for new customers in the automotive industry. The high demand is mainly fuelled by growth in the Group's core industry segment of hard disk drive (HDD) industry. On the back of this revenue record, the Group achieved a net profit position of RM5.5 million as compared to a net loss of RM5.2 million in the preceding year's corresponding year.

15 COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group's revenue for the financial quarter under review was RM10.3 million as compared to RM12.3 million recorded in the immediate preceding quarter ended 31 December 2007. With the further strengthening of margin to 15.5%, the Group achieved a net profit of RM1.6 million in this quarter as compared to RM1.3 million in the immediate preceding quarter ended 31 December 2007.

16 PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Directors of the Group (barring unforeseen circumstances) anticipate the good performance achieved for the financial year ended 31 March 2008 to continue into the coming financial year with projects secured in hand and good outlook prospects for the hard disk drive industry.

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 Year Quarter 31.03.2008 RM'000	Preceding Year Corresponding Quarter 31.03.2007 RM'000	Current Year To-Date 31.03.2008 RM'000	Preceding Year' Corresponding Period 31.03.2007 RM'000
Malaysian income tax:				
- current taxation	(129)	-	21	-
- overprovision in prior year	-	(254)	-	(254)
- deferred tax	63	(137)	63	(137)
	<u>(66)</u>	<u>(391)</u>	<u>84</u>	<u>(391)</u>

The effective tax rate of the Group for the financial year ended 31 March 2008 was lower than the statutory tax rate due to availability of pioneer status tax incentive.

19 PROFIT ON SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

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

20 QUOTED SECURITIES

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

21 STATUS OF CORPORATE PROPOSAL

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

GENETEC TECHNOLOGY BERHAD
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22 UTILISATION OF PROCEEDS

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

The utilisation of the proceeds from the IPO as at 31 March 2008 is shown in the table below:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Amount	
			RM'000	%
Working capital	9,858	(9,858)	-	-
Estimated listing expenses	1,200	(1,200)	-	-
Total	11,058	(11,058)	-	-

23 BORROWINGS

Details of the Group's short term borrowings as at 31 March 2008 are as follows:

Current – Unsecured	RM'000
Term loan	80
Trade bills	928
	<u>1,008</u>
 Non-current – Unsecured	 RM'000
Term loan	<u>1,473</u>

24 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no financial instruments with off balance sheet risk as at 20 May 2008 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim report) except for the following:

Contract amount in USD'000	Date of contract	Value date of contract	Equivalent amount in RM'000
3,900	15.11.2007	09.01.2009	12,506

As the above foreign currency contracts are entered into to cover the Group's commitments in foreign currencies, the contracted rates will be used to translate the underlying foreign currency transactions into Ringgit Malaysia. The above contracts are entered into with licensed banks.

The Company does not foresee any significant credit and market risks posed by the above off balance sheet financial instruments.

There is no cash requirement as the Company uses fixed forward foreign exchange contracts as its hedging instrument.

The accounting policies for the off balance sheet financial instruments is as follows:-

The Group enters into foreign currency forward contracts as a hedge against foreign trade receivable. Market value gains and losses are recognised and the resulting credit or debit offsets foreign exchange gains or losses on those receivables.

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 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.

26 DIVIDENDS

The Directors on 18 December 2007 declared a tax-exempt interim dividend of 1.0 sen per share in respect of the financial year ending 31 March 2008 amounting to RM1.207 million. In respect of deposited securities, entitlement to dividend will be determined on the basis of the record depositors as at 7 January 2008 and the dividend will be paid on 18 January 2008.

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 Interim report for the fourth quarter ended 31 March 2008

27 EARNINGS/(LOSS) PER SHARE

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.08 RM' 000	Preceding Year Corresponding Quarter 31.03.07 RM' 000	Current Year To-date 31.03.08 RM' 000	Preceding Year Corresponding Period 31.03.07 RM' 000
Basic earnings/ (loss) per share EPS/(LPS)				
Net profit/(loss) attributable to shareholders	1,554	(901)	5,478	(5,189)
Weighted average number of ordinary shares in issue	120,791	120,140	120,430	120,041
Basic EPS/(LPS) (sen)	1.29	0.75	4.55	(4.32)
Diluted earnings per share EPS				
Net profit attributable to shareholders	1,554	(901)	5,478	(5,189)
Weighted average number of ordinary shares in issue	123,046	120,140	122,685	120,041
Diluted EPS (sen)	1.26	0.75	4.47	(4.32)

It is not applicable to calculate the diluted earnings per share for the preceding year corresponding quarter and preceding year corresponding period as any potential conversion of the Company's employee share options to ordinary shares would be antidilutive.

By Order of the Board
Genetec Technology Berhad

Tan Kon Hoan
 Finance Manager
 Selangor Darul Ehsan
 27 May 2008