



(Incorporated in Malaysia)

Interim Report for the

First Quarter Ended

30 June 2009

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**GENETEC TECHNOLOGY BERHAD (445537-W)**  
**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2009**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	<u>Note</u>	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30/06/2009 RM'000	Preceding Year Corresponding Quarter 30/06/2008 RM'000	Current Year To-date 30/06/2009 RM'000	Preceding Year Corresponding Period 30/06/2008 RM'000
Revenue		6,072	13,162	6,072	13,162
Operating expenses		(7,045)	(11,532)	(7,045)	(11,532)
Share based-payment under ESOS		-	-	-	-
Other operating income		99	2,793	99	2,793
(Loss)/Profit from operations		(874)	4,423	(874)	4,423
Finance costs		(113)	(41)	(113)	(41)
(Loss)/Profit before taxation		(987)	4,382	(987)	4,382
Taxation	18	(50)	(50)	(50)	(50)
Net (loss)/profit for the financial period		<u>(1,037)</u>	<u>4,332</u>	<u>(1,037)</u>	<u>4,332</u>
Attributable to:					
Equity holders of the parent		(1,037)	4,332	(1,037)	4,332
Minority shareholders' interests		-	-	-	-
		<u>(1,037)</u>	<u>4,332</u>	<u>(1,037)</u>	<u>4,332</u>
(Loss)/Earnings per share (sen) :-	26				
(a) Basic		<u>(0.86)</u>	<u>3.59</u>	<u>(0.86)</u>	<u>3.59</u>
(b) Fully diluted		<u>(0.85)</u>	<u>3.52</u>	<u>(0.85)</u>	<u>3.52</u>

Note N/A : Not Applicable

**The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.**

**GENETEC TECHNOLOGY BERHAD (445537-W)**  
**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2009**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	(Unaudited) As at end of current quarter 30/06/2009 RM'000	(Audited) As at preceding financial year ended 31/03/2009 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	16,777	16,764
Prepaid lease payments	2,737	2,751
Deferred taxation asset	50	50
<b>Current assets</b>		
Inventories	4,048	3,163
Trade receivables	5,950	5,102
Other receivables	502	491
Current tax asset	-	22
Cash and cash equivalents	9,109	12,979
	19,609	21,757
<b>TOTAL ASSETS</b>	39,173	41,322
<b>EQUITY AND LIABILITIES</b>		
Share capital	12,081	12,081
Reserves	15,534	16,571
<b>Equity attributable to equity holders of the parent</b>	27,615	28,652
Minority shareholder's interest	-	-
<b>Total equity</b>	27,615	28,652
<b>Non-current liabilities</b>		
Hire purchase liabilities	22      225	224
Borrowings	22      7,377	7,466
<b>Current liabilities</b>		
Trade payables	2,401	3,878
Other payables	733	240
Current tax liability	126	-
Amount due to an associate	22	-
Borrowings	22      428	440
Hire purchase liabilities	22      246	422
	3,956	4,980
	39,173	41,322
<b>Net assets per share (RM)*</b>	0.23	0.24

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 2009 and the accompanying explanatory notes attached to the interim financial statements.**

**GENETEC TECHNOLOGY BERHAD (445537-W)**  
**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2009**

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	
<b><u>3 months ended 30 June 2008</u></b>					
Balance at 1 April 2008	12,081	4,498	1,458	4,573	22,610
Net profit for the financial period	-	-	-	4,332	4,332
Dividends	-	-	-	(1,208)	(1,208)
<b>Balance at 30 June 2008</b>	<b>12,081</b>	<b>4,498</b>	<b>1,458</b>	<b>7,697</b>	<b>25,734</b>
<b><u>3 months ended 30 June 2009</u></b>					
Balance at 1 April 2009	12,081	4,498	1,424	10,649	28,652
Net loss for the financial period	-	-	-	(1,037)	(1,037)
Dividends	-	-	-	-	-
<b>Balance at 30 June 2009</b>	<b>12,081</b>	<b>4,498</b>	<b>1,424</b>	<b>9,612</b>	<b>27,615</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 2009 and the accompanying explanatory notes attached to the interim financial statements.

**GENETEC TECHNOLOGY BERHAD (445537-W)**  
**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2009**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	(Unaudited) 3 months ended 30/06/2009 RM'000	(Unaudited) 3 months ended 30/06/2008 RM'000
<b>Operating Activities</b>		
Net (loss)/profit before tax	(987)	4,382
<b>Adjustment for :-</b>		
Depreciation and amortisation	332	266
Other non-cash items	52	2
Non-operating items	75	25
	<hr/>	<hr/>
<b>Operating (loss)/profit before changes in working capital</b>	(528)	4,675
<b>Changes in working capital</b>		
Net change in current assets	(1,721)	(6,050)
Net change in current liabilities	(885)	2,925
	<hr/>	<hr/>
<b>Net cash generated (used in)/from operating activities</b>	(3,134)	1,550
<b>Investing Activities</b>		
Interest received	24	8
Proceeds from disposal of property, plant and equipment	44	1
Purchase of property, plant and equipment	(427)	(43)
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	(359)	(34)
<b>Financing Activities</b>		
Net drawdown of term loan	-	2,983
Repayment of hire purchase liabilities	(175)	(139)
Repayment of bank borrowings	(103)	(932)
Interest paid	(99)	(33)
	<hr/>	<hr/>
<b>Net cash (used in)/generated from financing activities</b>	(377)	1,879
Net change in cash and cash equivalents	(3,870)	3,395
Cash and cash equivalents at beginning of year	12,979	2,847
	<hr/>	<hr/>
Cash and cash equivalents at end of period	9,109	6,242
	<hr/> <hr/>	<hr/> <hr/>

**The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2009 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 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 same 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 2009.

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 2009.

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 2009.

### **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 2009.

### **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 were no material changes in the nature and amount of estimates reported that have had 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 30 June 2009, 2,958,000 options had lapsed, 808,000 options were exercised and 7,887,000 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**

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 30 June 2009 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 30 June 2009 are as follows:

	RM'000
Property, plant and equipment	
Approved and contracted for	<u>303</u>

**14. REVIEW OF PERFORMANCE**

For the current quarter ended 30 June 2009, the Group registered lower revenue of approximately RM6.1 million, which represents a decrease of 53.9% as compared to approximately RM13.2 million recorded for the corresponding quarter of the preceding year. The decrease in revenue was mainly caused by lower sales volume achieved as customers are being more prudent in their capital expenditure spending due to the downturn of the global economy.

For the three (3)-months period ended 30 June 2009, the Group recorded a loss before taxation of approximately RM1.0 million for the current quarter as compared to profit before taxation of RM1.7 million (exclusive of RM2.7 million government grant income received as reimbursement of research & development of projects in the automotive and hard disk drive industries and training activities) in the preceding year corresponding quarter. This was mainly attributable to the lower revenue generated by the Group.

**15. COMPARISON WITH PRECEDING QUARTER'S RESULTS**

The Group's revenue for the current quarter under review was approximately RM6.1 million, a decrease of 45.1% as compared to approximately RM11.1 million recorded in the immediate preceding quarter ended 31 March 2009. In tandem with the lower revenue, the Group registered a pretax loss position of approximately RM1.0 million as compared with a pretax profit position of approximately RM1.1 million for the immediate preceding quarter. The decrease in revenue and profit before taxation was mainly due to the reasons stated as above.

**16. PROSPECTS**

The economic recession that began in 2008 has prolonged into 2009 with continuing volatilities and uncertainties in both the global financial and economic systems. Despite the low sales volume achieved in first quarter, Genetec is seeing positive indications of a pick-up in demand from some of our customers with a book order of approximately RM28.4 million as at the date of this report. With the current book order and indications of a further pick-up in demand from the industries that we operate in, the Directors of Genetec is cautiously positive that the Group's performance for the remaining quarters should be positive in nature.

**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 30.06.2009 RM'000	Preceding Year Corresponding Quarter 30.06.2008 RM'000	Current Period To- Date 30.06.2009 RM'000	Preceding Year Corresponding Period 30.06.2008 RM'000
Malaysia income tax:				
- current taxation	(50)	(50)	(50)	(50)

The effective tax rate of the Group for the financial period ended 30 June 2009 was lower than the statutory tax rate due to availability of pioneer status tax incentive.

**19. PROFIT OR LOSS ON SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES**

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

**20. PURCHASE OR DISPOSAL OF QUOTED SECURITIES**

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

**21. STATUS OF CORPORATE PROPOSAL**

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

**22. BORROWINGS**

Details of the Group's borrowings as at 30 June 2009 are as follows:

<b>Current</b>	<b>RM'000</b>
Unsecured: Hire purchase	246
Secured: Term loan	428
	<u>674</u>
 <b>Non-current</b>	 <b>RM'000</b>
Unsecured: Hire purchase	225
Secured: Term loan	7,377
	<u>7,602</u>

**23. 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 proceeds was fully utilised by the third quarter of the financial year ended 31 March 2008.

**24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There were no financial instruments with off balance sheet risk as at 11 August 2009 (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:

<b>Contract amount in USD'000</b>	<b>Date of contract</b>	<b>Value date of contract</b>	<b>Equivalent amount in RM'000</b>
4,050	07.10.2008	01.06.2010	14,313

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 are 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**

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.

GENETEC TECHNOLOGY BERHAD  
 Company No. 445537-W  
 Interim report for the first quarter ended 30 June 2009

26. (LOSS)/EARNINGS PER SHARE

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.09 RM' 000	Preceding Year Corresponding Quarter 30.06.08 RM' 000	Current Year To-date 30.06.09 RM' 000	Preceding Year Corresponding Period 30.06.08 RM' 000
<b>Basic (loss)/earnings per share (LPS)/EPS</b>				
Net (loss)/profit attributable to shareholders	(1,037)	4,332	(1,037)	4,332
Weighted average number of ordinary shares in issue	120,808	120,808	120,808	120,808
Basic (LPS)/ EPS (sen)	(0.86)	3.59	(0.86)	3.59
<b>Diluted(loss)/earnings per share (LPS)/EPS</b>				
Net (loss)/profit attributable to shareholders	(1,037)	4,332	(1,037)	4,332
Weighted average number of ordinary shares in issue	121,935	122,925	121,935	122,925
Diluted (LPS)/EPS (sen)	(0.85)	3.52	(0.85)	3.52