



(Incorporated in Malaysia)

Interim Report for the

Third Quarter Ended

31 December 2009

Contents

Condensed Consolidated Income Statements	1
Condensed Consolidated Balance Sheets	2
Condensed Consolidated Statement of Changes in Equity	3
Condensed Consolidated Cash Flow Statement	4
Notes to the Interim Financial Report	5 - 10

GENETEC TECHNOLOGY BERHAD (445537-W)
INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2009

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS

	<u>Note</u>	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31/12/2009 RM'000	Preceding Year Corresponding Quarter 31/12/2008 RM'000	Current Year To-date 31/12/2009 RM'000	Preceding Year Corresponding Period 31/12/2008 RM'000
Revenue		15,967	10,413	40,530	37,774
Operating expenses		(14,794)	(9,242)	(38,401)	(33,139)
Share based-payment under ESOS		-	-	-	-
Other operating income		24	109	219	3,057
Profit from operations		1,197	1,280	2,348	7,692
Finance costs		(179)	(71)	(423)	(168)
Profit before taxation		1,018	1,209	1,925	7,524
Taxation	18	(50)	(50)	(150)	(150)
Net profit for the financial period		<u>968</u>	<u>1,159</u>	<u>1,775</u>	<u>7,374</u>
Attributable to:					
Equity holders of the parent		968	1,159	1,775	7,374
Minority shareholders' interests		-	-	-	-
		<u>968</u>	<u>1,159</u>	<u>1,775</u>	<u>7,374</u>
Earning per share (sen) :-	27				
(a) Basic		<u>0.80</u>	<u>0.96</u>	<u>1.47</u>	<u>6.10</u>
(b) Fully diluted		<u>0.80</u>	<u>0.95</u>	<u>1.46</u>	<u>6.01</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 THIRD QUARTER ENDED 31 DECEMBER 2009

CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited) As at end of current quarter 31/12/2009 RM'000	(Audited) As at preceding financial year ended 31/03/2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	16,929	16,764
Prepaid lease payments	2,708	2,751
Deferred taxation asset	50	50
Current assets		
Inventories	5,077	3,163
Trade receivables	12,533	5,102
Other receivables	189	491
Current tax asset	-	22
Cash and cash equivalents	13,876	12,979
	31,675	21,757
TOTAL ASSETS	51,362	41,322
EQUITY AND LIABILITIES		
Share capital	12,081	12,081
Reserves	17,742	16,571
Equity attributable to equity holders of the parent	29,823	28,652
Minority shareholder's interest	-	-
Total equity	29,823	28,652
Non-current liabilities		
Hire purchase liabilities	22 113	224
Borrowings	22 7,198	7,466
Current liabilities		
Trade payables	4,421	3,878
Other payables	1,028	240
Dividend payables	604	-
Current tax liability	48	-
Amount due to an associate	13	-
Borrowings	22 7,973	440
Hire purchase liabilities	22 141	422
	14,228	4,980
	51,362	41,322
Net assets per share (RM)*	0.25	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 THIRD QUARTER ENDED 31 DECEMBER 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	
<u>9 months ended 31 December 2008</u>					
Balance at 1 April 2008	12,081	4,498	1,458	4,573	22,610
Net profit for the financial period	-	-	-	7,374	7,374
Dividends	-	-	-	(2,416)	(2,416)
Balance at 31 December 2008	12,081	4,498	1,458	9,531	27,568
<u>9 months ended 31 December 2009</u>					
Balance at 1 April 2009	12,081	4,498	1,424	10,649	28,652
Net profit for the financial period	-	-	-	1,775	1,775
Dividends	-	-	-	(604)	(604)
Balance at 31 December 2009	12,081	4,498	1,424	11,820	29,823

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 THIRD QUARTER ENDED 31 DECEMBER 2009

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	(Unaudited) 9 months ended 31/12/2009 RM'000	(Unaudited) 9 months ended 31/12/2008 RM'000
Operating Activities		
Net profit before tax	1,925	7,524
Adjustment for :-		
Depreciation and amortisation	1,013	822
Other non-cash items	(33)	(29)
Non-operating items	290	202
	<hr/>	<hr/>
Operating profit before changes in working capital	3,195	8,519
Changes in working capital		
Net change in current assets	(9,008)	(478)
Net change in current liabilities	1,253	(835)
	<hr/>	<hr/>
Net cash generated (used in)/from operating activities	(4,560)	7,206
	<hr/>	<hr/>
Investing Activities		
Interest received	54	19
Dividend paid	-	(2,416)
Proceeds from disposal of property, plant and equipment	196	99
Purchase of property, plant and equipment	(1,298)	(1,029)
	<hr/>	<hr/>
Net cash used in investing activities	(1,048)	(3,327)
	<hr/>	<hr/>
Financing Activities		
Net drawdown of bank borrowings	7,569	6,425
Repayment of bank borrowings	(306)	(937)
Drawdown of hire purchase liabilities	-	400
Repayment of hire purchase liabilities	(392)	(442)
Interest paid	(366)	(145)
	<hr/>	<hr/>
Net cash generated from financing activities	6,505	5,301
	<hr/>	<hr/>
Net change in cash and cash equivalents	897	9,180
Cash and cash equivalents at beginning of year	12,979	2,847
	<hr/>	<hr/>
Cash and cash equivalents at end of period/year	13,876	12,027
	<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 31 December 2009, 3,763,000 options had lapsed, 808,000 options were exercised and 7,082,000 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 31 December 2009 and up to the date of this report.

13. CAPITAL COMMITMENTS

There was no capital commitment for the purchase of property, plant and equipment that was not provided for in the interim financial statements as at 31 December 2009.

14. REVIEW OF PERFORMANCE

For the current quarter ended 31 December 2009, the Group achieved revenue of approximately RM16.0 million, an increase of 53.3% as compared to approximately RM10.4 million recorded for the corresponding quarter of the preceding year. However, profit before taxation decreased from approximately RM1.2 million for the quarter ended 31 December 2008 to approximately RM1.0 million for the current quarter under review.

For the nine (9)-months period ended 31 December 2009, the Group registered revenue of approximately RM40.5 million, which represents an increase of 7.3% as compared to revenue of approximately RM37.8 for the preceding year corresponding period. For the same nine (9)-months period, the Group recorded a profit before taxation of approximately RM1.9 million as compared to approximately RM4.8 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's corresponding period.

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group's revenue for the current quarter under review was approximately RM16.0 million, a decrease of 13.7% as compared to approximately RM18.4 million recorded in the immediate preceding quarter ended 30 September 2009. In tandem with the lower revenue, the Group recorded profit before taxation of approximately RM1.0 million, a decline of 46.2% compared to approximately RM1.9 million achieved for the immediate preceding quarter.

16. PROSPECTS

With the improvement in the global demand for HDD industry coupled with the projects secured in hand, the Directors of Genetec (barring unforeseen circumstances) anticipate that the Group's performance for the remaining quarter of this financial year 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 31.12.2009 RM'000	Preceding Year Corresponding Quarter 31.12.2008 RM'000	Current Period To- Date 31.12.2009 RM'000	Preceding Year Corresponding Period 31.12.2008 RM'000
Malaysia income tax: - current taxation	(50)	(50)	(150)	(150)

The effective tax rate of the Group for the financial period ended 31 December 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 31 December 2009 are as follows:

Current	RM'000
Unsecured: Hire purchase	141
Secured: Term loan	403
Trade bills	7,570
	<u>8,114</u>
 Non-current	 RM'000
Unsecured: Hire purchase	113
Secured: Term loan	7,198
	<u>7,311</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 19 February 2010 (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
8,450	14.07.2009	30.11.2010	29,315

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.

26. DIVIDENDS

The Directors on 25 February 2010 declared a tax-exempt interim dividend of 5% per ordinary share of RM0.10 each in respect of the financial year ending 31 March 2010 amounting to RM0.6 million.

GENETEC TECHNOLOGY BERHAD
 Company No. 445537-W
 Interim report for the third quarter ended 31 December 2009

27. EARNINGS PER SHARE

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.09 RM' 000	Preceding Year Corresponding Quarter 31.12.08 RM' 000	Current Year To-date 31.12.09 RM' 000	Preceding Year Corresponding Period 31.12.08 RM' 000
Basic earnings per share EPS				
Net profit attributable to shareholders	968	1,159	1,775	7,374
Weighted average number of ordinary shares in issue	120,808	120,808	120,808	120,808
Basic EPS (sen)	0.80	0.96	1.47	6.10
Diluted earnings per share EPS				
Net profit attributable to shareholders	968	1,159	1,775	7,374
Weighted average number of ordinary shares in issue	120,302	122,624	121,495	122,624
Diluted EPS (sen)	0.80	0.95	1.46	6.01