

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2012
Condensed Consolidated Statement of Comprehensive Income
The figures have not been audited

	Note	3 months ended		3 months ended	
		31/03/2012	31/03/2011	31/03/2012	31/03/2011
Continuing operations		RM'000	RM'000	RM'000	RM'000
Revenue		56,794	67,085	56,794	67,085
Cost of sales		(42,550)	(53,138)	(42,550)	(53,138)
Gross profit		14,244	13,947	14,244	13,947
Administrative and operating expenses		(7,938)	(7,885)	(7,938)	(7,885)
Other operating income		704	1,256	704	1,256
Results from operating activities		7,010	7,318	7,010	7,318
Finance income		428	168	428	168
Finance costs		(12)	(30)	(12)	(30)
Net finance income		416	138	416	138
Share of profit of associate, net of tax		(31)	23	(31)	23
Profit before tax		7,395	7,479	7,395	7,479
Income tax expense	8	(1,199)	(1,054)	(1,199)	(1,054)
Profit for the period		6,196	6,425	6,196	6,425
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		(383)	242	(383)	242
Fair value of available-for-sale assets		155	35	155	35
Other comprehensive income for the period, net of tax		(288)	277	(288)	277
Total comprehensive income for the period		5,968	6,702	5,968	6,702

	3 months ended		3 months ended	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	RM'000	RM'000	RM'000	RM'000
Profit attributable to :				
Owners of the Company	6,196	6,425	6,196	6,425
Profit for the period	6,196	6,425	6,196	6,425
Total comprehensive income attributable to :				
Owners of the Company	5,968	6,702	5,968	6,702
Total comprehensive income for the period	5,968	6,702	5,968	6,702
Earnings per ordinary share (sen)	20			
- Basic	2.31	2.42	2.31	2.42
- Diluted	2.31	2.41	2.31	2.41

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited Financial Statements as at 31 December 2011. The accompanying notes are an integral part of this statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2012
Condensed Consolidated Statement of Financial Position

The figures have not been audited

	Note	As at 31/03/2012 RM'000	As at 31/12/2011 RM'000
Assets			
Property, plant and equipment	6	122,725	127,137
Investment property		8,582	8,646
Investment in an associate		4,808	4,839
Other investments		6,818	6,430
Total non-current assets		<u>142,933</u>	<u>147,052</u>
Trade receivables		39,790	37,295
Other receivables, deposits and prepayments		13,650	2,813
Inventories		10,738	12,086
Cash and cash equivalents		83,846	99,160
Total current assets		<u>148,024</u>	<u>151,354</u>
Total assets		<u>290,957</u>	<u>298,406</u>
Equity			
Share capital		133,963	133,790
Share premium		8,832	8,803
Reserves			
Exchange fluctuation reserve		(2,306)	(1,923)
Fair value reserve		1,015	860
Share option reserve		1,573	1,467
Retained profits		104,271	103,433
Total equity		<u>247,348</u>	<u>246,430</u>
Liabilities			
Deferred tax liabilities		5,255	5,255
Deferred income		1,214	174
Total non-current liabilities		<u>6,469</u>	<u>5,429</u>
Trade payables		11,619	12,357
Other payables and accruals		19,217	26,076
Bank borrowings	22	2,156	4,004
Current tax liabilities		4,148	4,110
Total current liabilities		<u>37,140</u>	<u>46,547</u>
Total liabilities		<u>43,609</u>	<u>51,976</u>
Total equity and liabilities		<u>290,957</u>	<u>298,406</u>
Net assets per share (RM)		0.92	0.92

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements as at 31 December 2011. The accompanying notes are an integral part of this statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2012
Condensed Consolidated Statement of Changes in Equity

The figures have not been audited

	← Non-distributable →					Distributable	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Exchange Fluctuation Reserve RM'000	Fair Value Reserve RM'000	Share Option Reserve RM'000	Retained Profits RM'000	
3 months ended 31/03/2012							
Balance as at 1 January 2012	133,790	8,803	(1,923)	860	1,467	103,433	246,430
Foreign currency translation differences for foreign operations	-	-	(383)	-	-	-	(383)
Fair value of available- for-sale assets	-	-	-	155	-	-	155
Profit for the period	-	-	-	-	-	6,196	6,196
Total comprehensive income for the period	-	-	(383)	155	-	6,196	5,968
Issuance of new ordinary shares pursuant to ESOS III	173	29	-	-	-	-	202
Share-based payments	-	-	-	-	106	-	106
Dividends to owners	-	-	-	-	-	(5,358)	(5,358)
Total contribution from / (to) owners	173	29	-	-	106	(5,358)	(5,050)
Balance as at 31 March 2012	133,963	8,832	(2,306)	1,015	1,573	104,271	247,348

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Group's audited Financial Statements as at 31 December 2011. The accompanying notes are an integral part of this statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2012
Condensed Consolidated Statement of Changes in Equity

The figures have not been audited

	← Non-distributable →					Distributable	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Exchange Fluctuation Reserve RM'000	Fair Value Reserve RM'000	Share Option Reserve RM'000	Retained Profits RM'000	
3 months ended 31/03/2011							
Balance as at 1 January 2011	133,149	8,656	(2,257)	1,328	936	99,464	241,276
Foreign currency translation differences for foreign operations	-	-	242	-	-	-	242
Fair value of available- for-sale assets	-	-	-	35	-	-	35
Profit for the period	-	-	-	-	-	6,425	6,425
Total comprehensive income for the period	-	-	242	35	-	6,425	6,702
Issuance of new ordinary shares pursuant to ESOS III	42	1	-	-	-	-	43
Share-based payments	-	-	-	-	108	-	108
Total contribution from / (to) owners	42	1	-	-	108	-	151
Balance as at 31 March 2011	133,191	8,657	(2,015)	1,363	1,044	105,889	248,129

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Group's audited Financial Statements as at 31 December 2011. The accompanying notes are an integral part of this statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2012
Condensed Consolidated Statement of Cash Flows
The figures have not been audited

		3 months ended 31/03/2012	3 months ended 31/03/2011
	Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax from continuing operations		7,395	7,479
Adjustments for:-			
Depreciation of property, plant and equipment		9,092	11,815
Depreciation of investment property		64	64
Property, plant and equipment written off		-	104
Gain on disposal of plant and equipment		(2)	(48)
Finance income		(428)	(168)
Amortisation of deferred income		(575)	(318)
Share of loss / (profit) of associate, net of tax		31	(23)
Gain on disposal of other investments	9	(233)	-
Share-based payments		106	108
Finance costs		12	30
Operating profit before changes in working capital		15,462	19,043
Changes in working capital :			
Inventories		1,349	2,762
Receivables, deposits and prepayments		(13,332)	(2,000)
Payables and accruals		(7,597)	(12,848)
Cash (used in) / generated from operations		(4,118)	6,957
Income tax paid		(1,161)	(90)
Net cash (used in) / generated from operating activities		(5,279)	6,867
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(4,734)	(819)
Purchase of other investments	9	(541)	(299)
Proceeds from disposal of plant and equipment		55	150
Proceeds from disposal of other investments	9	483	-
Interest received		428	168
Net cash used in investing activities		(4,309)	(800)

3 months ended 31/03/2012 RM'000	3 months ended 31/03/2011 RM'000
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CASH FLOWS FROM FINANCING ACTIVITIES

Dividends paid to owners of the Company	(5,358)	-
(Repayment) / Drawdown of bank borrowings	(1,848)	2,543
Proceeds from issue of shares	202	42
Interest paid	(12)	(30)
Grant received	1,615	-
Net cash (used in) / generated from financing activities	(5,401)	2,555
Net (decrease) / increase in cash and cash equivalents	(14,989)	8,622
Cash and cash equivalents as at 1 January	99,160	49,242
Effect of exchange rates difference on cash and cash equivalents	(325)	(1,353)
Cash and cash equivalents as at 31 March	83,846	56,511

Cash and cash equivalents

Cash and cash equivalents included in the Condensed Consolidated Statement of Cash Flows comprise :

Funds placed with financial institutions		
- Short term investment funds / bond funds	32,803	17,764
- Short term deposits	22,271	13,102
Cash and bank balances	28,772	25,645
	83,846	56,511

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements as at 31 December 2011. The accompanying notes are an integral part of this statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2012
Notes to the condensed consolidated interim financial statements

1. Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2011.

The Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied.

The adoptions of these standards, amendments and interpretations have no material impact to these interim financial statements.

2. Significant Accounting Policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 31 December 2011.

3. Audit Report of Preceding Annual Financial Statements

The auditors' report of the Group's most recent annual audited financial statements for the year ended 31 December 2011 was not qualified.

4. Changes in Estimates

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2011.

There were no changes in estimates of amounts reported in the prior financial years that have a material effect in the current quarter.

5. Comparative Figures

Certain comparative figures have been reclassified to conform with current period's presentation.

6. **Property, Plant and Equipment**

The carrying amount of land and buildings has been brought forward, without amendment from the previous audited financial statements.

(a) Acquisitions

During the three months ended 31 March 2012, the Group acquired assets with a cost of RM 4.7 million (Three months ended 31 March 2011 : RM0.8 million).

(b) Capital commitments

During the three months ended 31 March 2012, the Group entered into a contract to purchase property, plant and equipment for RM19.3 million (Three months ended 31 March 2011 : RM5.78 million).

(c) Disposals

Assets with a carrying amount of RM53,597 were disposed of during the three months ended 31 March 2012 (Three months ended 31 March 2011 : RM101,368), resulting in a gain on disposal of RM1,791 (Three months ended 31 March 2011 : gain of RM48,171), which is included as other income in the income statement.

7. **Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

During the financial period under review, there were no items affecting assets, liabilities, equity, net income, or cash flow that are unusual because of their nature, size, or incidence.

8. **Income Tax Expense**

	3 months ended		3 months ended	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	RM'000	RM'000	RM'000	RM'000
Current tax expenses				
Malaysia - current	1,199	1,054	1,199	1,054
- prior period	-	-	-	-
	<u>1,199</u>	<u>1,054</u>	<u>1,199</u>	<u>1,054</u>
Deferred tax expenses				
Malaysia	-	-	-	-
	<u>1,199</u>	<u>1,054</u>	<u>1,199</u>	<u>1,054</u>

The effective tax rate of the Group is lower than the statutory tax rate due to the availability of tax incentives enjoyed by certain subsidiaries during the current financial period.

9. **Quoted Securities and Bond**

There were purchases and disposals of quoted investments during the financial period under review, as disclosed below :

	3 months ended
	31/03/2012
	RM'000
Purchases	541
Sales	483
Gain on disposal of investments	233

10. **Unquoted Investments**

During the financial period to date, there was no disposal of unquoted investment by the Company.

11. **Corporate Proposals**

There were no corporate proposals by the Company during the financial period to date.

12. **Changes in Composition of the Group**

There were no changes in the composition of the Group during the current quarter and financial period to date.

13. **Debt and Equity Securities**

There were no issuance and repayments of debt and equity securities, share buy back, shares held as treasury stocks and resale of treasury shares for the current financial period to date except for the issuance of the following ordinary shares of RM0.50 each exercised by the eligible employees pursuant to the Company's ESOS III :

ESOS Option Price RM per share	Number of Shares '000
0.51	280.6
0.90	65.4

14. **Changes in Contingent Liabilities**

The Company has issued corporate guarantees to financial institutions for banking facilities granted to certain subsidiaries up to a limit of RM22.14 million of which RM5.68 million has been utilized as at 31 March 2012, a decrease of RM 1.93 million as compared to 31 December 2011.

15. **Off Balance Sheet Financial Instruments**

The Group did not have any financial instruments with off balance sheet risk as at 17 April 2012, the latest practicable date that shall not be earlier than 7 days from the date of issue of the quarterly report.

16. **Financial Risk Management**

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2011.

17. **Changes In Material Litigation**

To date, the Company has no material litigation case pending.

18. Operating Segments

The Group's operating segment comprises of only one key business activities which is the manufacture, assembly, testing and sales of integrated circuits, chip carrier quartz crystal products, optoelectronic products, printed circuit boards and small outline components for the semiconductor and electronics industries.

The Group's geographical segmental report for the financial period-to-date is as follow:-

Analysis By Geographical Segments

3 months ended 31/03/2012

	Malaysia	China	United States	Singapore	Others	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment profit before taxation	6,828	(99)	(216)	191	275	6,979
Revenue from external customers	44,950	97	6,623	5,095	29	56,794

3 months ended 31/03/2011

	Malaysia	China	United States	Singapore	Others	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment profit before taxation	7,089	(5)	398	(138)	(3)	7,341
Revenue from external customers	49,179	1,333	10,439	6,073	61	67,085

	31/03/2012 RM'000	31/03/2011 RM'000
Reconciliation of segment profit:		
Reportable segments	6,979	7,341
Finance costs	(12)	(30)
Finance income	428	168
Consolidated profit before taxation	7,395	7,479
Tax expense	(1,199)	(1,054)
Consolidated profit after taxation	6,196	6,425

19. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

19.1 Controlling related party relationships are as follows :

- i) Subsidiaries and associate of the Company as disclosed in Note 5 and Note 6 of the audited Consolidated Financial Statements of the Group as at and for the year ended 31 December 2011.
- ii) Companies in which Mr. Ng Kweng Chong is deemed to have substantial financial interest:
 - Wiserite Sdn. Bhd. (Company No : 410593 - W)
 - Ng Kweng Chong Holdings Sdn. Bhd. (Company No : 51580 - M)
 - Glencare Sdn. Bhd. (Company No : 549058 - U)
- iii) Directors of the Group

19.2 Significant transactions with related parties are as follows:

	3 months ended 31/03/2012 RM'000
i) Transactions with an associate <i>SMCi Globetronics Technology Sdn. Bhd.</i>	
Sales	25
Rental of premises	471
Provision of management support services	48
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20. **Earnings Per Share**

		3 months ended		3 months ended	
		31/03/2012	31/03/2011	31/03/2012	31/03/2011
(a) Basic earnings per share					
Net profit for the period	(RM'000)	6,196	6,425	6,196	6,425
Issued ordinary shares at beginning of the period	('000)	267,580	265,248	267,580	265,248
Effect of shares issued during the period	('000)	180	56	180	56
Weighted average number of ordinary shares	('000)	267,760	265,304	267,760	265,304
Basic earnings per share	(sen)	2.31	2.42	2.31	2.42
(b) Diluted earnings per share					
Net profit for the period	(RM'000)	6,196	6,425	6,196	6,425
Issued ordinary shares at beginning of the period	('000)	267,580	265,248	267,580	265,248
Effect of shares issued during the period	('000)	180	56	180	56
Effect of share option-ESOS	('000)	1,001	1,269	1,001	1,269
Weighted average number of ordinary shares		268,761	266,573	268,761	266,573
Diluted earnings per share	(sen)	2.31	2.41	2.31	2.41

21. **Profit Before Tax**

	Current Year Quarter 31/03/2012 RM'000	Current Year To-date 31/03/2012 RM'000
Profit before tax is arrived at after charging / (crediting):-		
Depreciation of property, plant and equipment	9,092	9,092
Depreciation of investment property	64	64
(Gain) on disposal of property, plant and equipment	(2)	(2)
Finance income	(428)	(428)
(Gain) on disposal of other investments	(233)	(233)
Finance costs	12	12
Foreign exchange (gain) or loss – realised	176	176
– unrealised	(3)	(3)

22. **Borrowings and debt securities**

Borrowings denominated in foreign currency:

	As at 31/03/2012 USD'000	As at 31/03/2012 RM'000 Equivalent
Short term borrowings		
Secured term loan	704	2,156

The US Dollar term loan is secured by a corporate guarantee from the Company.

23. **Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter**

The Group's revenue for quarter under review was RM56.8 million, a reduction of 2% from the preceding quarter of RM57.9 million. Revenue by segment for the quarter saw the China segment dropping the most by 92.5%, followed by the Singapore at 14.7% against the preceding quarter. While the uncertain macro economic outlook and the weak semiconductor market is affecting all segments, the Group meticulously carried out various productivity improvements and cost control programmes to maintain our competitive edge in the market place.

Consequently, the net profit of the Group for the quarter was RM6.2 million as compared to RM5 million for the preceding quarter with Malaysia recording a higher segment profit for the quarter. This is due to an impairment charge of RM1.5 million incurred on certain plant and machineries in Quarter 4, 2011 for the Malaysian segment.

24. **Review of Performance of the Company and its Principal Subsidiaries**

For the quarter under review, the Group recorded a revenue and net profit of RM56.8 million and RM6.2 million as compared to RM67.1 million and RM6.4 million respectively in the corresponding quarter of the preceding period. Revenue by segment for the quarter saw the China segment dropping the most by 92.7% and followed by Singapore of 16.1% against the corresponding quarter of the preceding period. The lower volume loadings resulted in lower revenue billings of 15.3%. For net profit, a smaller decline of 3.6% is registered due to various productivity improvements, cost controls coupled with a better product mix enjoyed during the period.

25. **Events Subsequent To The Balance Sheet Date**

There were no material events subsequent to the balance sheet date, except for the disposal of land and factory building by a wholly owned subsidiary of the Company to Scenic Drive Sdn. Bhd. for a total consideration of RM8.2 million. ("Transaction")

No announcement was made in respect of the Transaction to Bursa Malaysia Securities Berhad, as the higher percentage ratio applicable to the Transaction pursuant to paragraph 10.02 (g) of the Main Market Listing Requirements is 3.4%.

26. **Seasonal / Cyclical Factors**

The business operations of the Group are not affected by any major seasonal or cyclical factors.

27. **Prospects**

Moving forward, the Group will continue to focus on escalating up the value chain and riding on the R&D initiatives in new products' design and development. The Group will also continue to step up efforts in improving the efficiency and cost reduction measures in its Group's operations to achieve the necessary competitive edge in the market.

With the above, the Group is optimistic of performing satisfactorily in financial year 2012.

28. **Variance of Actual Profit from Forecast Profit**

Not Applicable.

29. **Dividends**

A first single tier interim dividend of 4% (2011 : 3%) per share for the financial year ending 31 December 2012 totaling RM5.3 million was paid on 28 March 2012.

A single tier final dividend of 4% (2010 : 4%) per share for the financial year ended 31 December 2011 will be paid on 12 July 2012, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

30. **Supplementary information on the breakdown of realised and unrealised profits or losses**

The breakdown of the retained earnings of the Group as at 31 March 2012 and 31 December 2011, into realised and unrealised profits, pursuant to the directive, is as follows:-

	As At End of Current Quarter 31/03/2012 RM'000	As At End of Preceding Quarter 31/12/2011 RM'000
Total retained earnings of the Company and its subsidiaries:-		
- Realised	93,993	93,678
- Unrealised	6,314	6,581
	<hr/> 100,307	<hr/> 100,259
Add: Consolidation adjustments	3,964	3,174
Total retained earnings	<hr/> <hr/> 104,271	<hr/> <hr/> 103,433

By Order of the Board

Lee Peng Loon (MACS 01258)
P'ng Chiew Keem (MAICSA 7026443)

Joint Secretaries

Dated this 24 April 2012