

GLOBETRONICS TECHNOLOGY BHD

Registration No. 199601037932 (410285-W)

INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

The figures have not been audited

	Note	Individual Period (3rd Quarter)		Cumulative Period	
		Current Quarter Ended	Corresponding Quarter Ended	Current Year To-date Ended	Corresponding Year To-date Ended
		30/9/2023	30/9/2022	30/9/2023	30/9/2022
		RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue		34,630	46,318	99,271	137,001
Cost of sales		(19,158)	(29,071)	(61,412)	(82,108)
Gross profit		15,472	17,247	37,859	54,893
Administrative and operating expenses		(7,964)	(7,385)	(24,438)	(27,107)
Other operating income		2,682	4,853	9,183	8,401
Results from operating activities		10,190	14,715	22,604	36,187
Finance income		1,124	597	3,126	1,428
Share of loss of equity-accounted associate, net of tax		(9)	(236)	(280)	(633)
Profit before tax		11,305	15,076	25,450	36,982
Tax expense	22	(1,774)	(2,295)	(5,541)	(3,566)
Profit for the period		9,531	12,781	19,909	33,416
Other comprehensive income/(expense), net of tax					
Item that will not be reclassified subsequently to profit or loss					
Net change in fair value of equity investments designated at fair value through other comprehensive income ("FVOCI")		(237)	(585)	(254)	(1,483)
Item that is or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		90	975	1,178	1,880
Total other comprehensive (expense)/ income for the period, net of tax		(147)	390	924	397
Total comprehensive income for the period		9,384	13,171	20,833	33,813

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The figures have not been audited

	Individual Period (3rd Quarter)		Cumulative Period	
	Current Quarter Ended 30/9/2023	Corresponding Quarter Ended 30/9/2022	Current Year To-date Ended 30/9/2023	Corresponding Year To-date Ended 30/9/2022
	RM'000	RM'000	RM'000	RM'000
Profit attributable to :				
Owners of the Company	9,531	12,781	19,909	33,416
Profit for the period	9,531	12,781	19,909	33,416
Total comprehensive income attributable to :				
Owners of the Company	9,384	13,171	20,833	33,813
Total comprehensive income for the period	9,384	13,171	20,833	33,813
Earnings per ordinary share (sen)	25			
- Basic	1.42	1.91	2.97	4.99
- Diluted	1.42	1.91	2.97	4.99

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Group's audited Financial Statements as at 31 December 2022. The accompanying notes are an integral part of this Statement.

GLOBETRONICS TECHNOLOGY BHD

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INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

Condensed Consolidated Statement of Financial Position

The figures have not been audited

	Note	As at 30/9/2023 RM'000	As at 31/12/2022 RM'000
Assets			
Property, plant and equipment	21	67,843	57,555
Investment properties		13,558	13,852
Investment in an associate		5,109	5,389
Other investments		6,600	6,510
Deferred tax assets		760	760
Prepayments		6,625	2,661
Total non-current assets		100,495	86,727
Inventories		5,353	9,149
Current tax assets		1	310
Trade receivables	23	29,153	27,517
Other receivables, deposits and prepayments		1,368	1,589
Cash and cash equivalents		195,009	201,493
Total current assets		230,884	240,058
Total assets		331,379	326,785
Equity			
Share capital		188,496	186,463
Reserves			
Share option reserve		2,228	1,913
Capital reserve		41	41
Fair value reserve		(712)	(458)
Translation reserve		5,352	4,174
Retained earnings		108,144	108,319
Total equity attributable to owners of the Company		303,549	300,452
Liabilities			
Current tax liabilities		2,518	1,391
Trade payables		4,137	3,100
Other payables and accruals		21,175	21,842
Total current liabilities		27,830	26,333
Total equity and liabilities		331,379	326,785
Net assets per share (RM)		0.45	0.45

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INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

Condensed Consolidated Statement of Changes in Equity

The figures have not been audited

	←——— Attributable to owners of the Company ———→						Total equity RM'000
	Share capital RM'000	Share option reserve RM'000	Capital reserve RM'000	Fair value reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	
9 months ended 30/9/2023							
At 1 January 2023	186,463	1,913	41	(458)	4,174	108,319	300,452
Foreign currency translation differences for foreign operations	-	-	-	-	1,178	-	1,178
Net change in fair value of equity investment designated at FVOCI	-	-	-	(254)	-	-	(254)
Total other comprehensive (expense)/income for the period	-	-	-	(254)	1,178	-	924
Profit for the period	-	-	-	-	-	19,909	19,909
Total comprehensive (expense)/income for the period	-	-	-	(254)	1,178	19,909	20,833
Distributions to owners of the Company							
Issuance of new ordinary shares pursuant to Employees Share Option Scheme 2020 ("ESOS 2020")	2,033	-	-	-	-	-	2,033
Share-based payment	-	315	-	-	-	-	315
Dividends to owners of the Company	-	-	-	-	-	(20,084)	(20,084)
Total transactions with owners of the Company	2,033	315	-	-	-	(20,084)	(17,736)
At 30 September 2023	188,496	2,228	41	(712)	5,352	108,144	303,549

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Condensed Consolidated Statement of Changes in Equity

The figures have not been audited

	← Attributable to owners of the Company →						Total equity RM'000
	Share capital RM'000	Share option reserve RM'000	Capital reserve RM'000	Fair value reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	
9 months ended 30/9/2022							
At 1 January 2022	186,463	1,057	41	219	3,184	110,018	300,982
Foreign currency translation differences for foreign operations	-	-	-	-	1,880	-	1,880
Net change in fair value of equity investment designated at FVOCI	-	-	-	(1,483)	-	-	(1,483)
Total other comprehensive (expense)/income for the period	-	-	-	(1,483)	1,880	-	397
Profit for the period	-	-	-	-	-	33,416	33,416
Total comprehensive (expense)/income for the period	-	-	-	(1,483)	1,880	33,416	33,813
Distributions to owners of the Company							
Share-based payment transactions	-	518	-	-	-	-	518
Dividends to owners of the Company	-	-	-	-	-	(33,472)	(33,472)
Total transactions with owners of the Company	-	518	-	-	-	(33,472)	(32,954)
Transfer upon the disposal of equity investment designated at FVOCI	-	-	-	303	-	(303)	-
At 30 September 2022	186,463	1,575	41	(961)	5,064	109,659	301,841

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited Financial Statements as at 31 December 2022. The accompanying notes are an integral part of this Statement.

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INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

Condensed Consolidated Statement of Cash Flows

The figures have not been audited

		9 months ended 30/9/2023	9 months ended 30/9/2022
	Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		25,450	36,982
Adjustments for :			
Depreciation of :			
- property, plant and equipment		10,082	16,206
- investment properties		294	291
Property, plant and equipment written off		28	1
Gain on disposal of property, plant and equipment	21	(1,983)	(71)
Interest income		(3,736)	(1,732)
Share of loss of equity-accounted associate, net of tax		280	633
Share-based payments		315	518
Operating profit before changes in working capital		30,730	52,828
Change in inventories		3,796	(1,509)
Change in trade and other receivables		(5,378)	(7,926)
Change in trade and other payables		369	(5,058)
Cash generated from operations		29,517	38,335
Interest received		610	304
Tax paid		(4,105)	(2,973)
Net cash generated from operating activities		26,022	35,666
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of :			
- property, plant and equipment	21	(20,398)	(9,574)
- other investments	8	(15)	(722)
Proceeds from disposal of :			
- property, plant and equipment		1,983	71
- other investments	8	-	3,023
Interest received		3,126	1,428
Net cash used in investing activities		(15,304)	(5,774)

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Condensed Consolidated Statement of Cash Flows

The figures have not been audited

	9 months ended 30/9/2023 RM'000	9 months ended 30/9/2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid to owners of the Company	(20,084)	(33,472)
Proceeds from issue of ordinary shares	2,033	-
Net cash used in financing activity	(18,051)	(33,472)
Net decrease in cash and cash equivalents	(7,333)	(3,580)
Effect of exchange rate fluctuations on cash held	849	1,403
Cash and cash equivalents as at 1 January	201,493	195,097
Cash and cash equivalents as at 30 September	195,009	192,920

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	125,404	131,135
- Short term deposits	43,242	32,284
Cash and bank balances	26,363	29,501
	195,009	192,920

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements as at 31 December 2022. The accompanying notes are an integral part of this Statement.

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INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

Notes to the condensed consolidated interim financial statements

1. Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting in Malaysia, requirements of the Companies Act 2016 ("CA 2016") and paragraph 9.22 and Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities LR").

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 2022.

These explanatory notes attached to the interim financial statements provide an explanation of 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 December 2022.

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 2022.

The Group has adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January, 2023. The adoption of these new and revised MFRSs and IC Interpretations have not resulted in any material impact on the financial statements of the Group.

The Group plan to apply the below mentioned amendments where applicable, in the respective financial years when the below amendments become effective:

MFRSs and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, *Leases - Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements - Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*

MFRSs and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The initial application of the abovementioned amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group.

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 2022 was unmodified.

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 was applied to the financial statements as at and for the year ended 31 December 2022.

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

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Notes to the condensed consolidated interim financial statements

5. **Comparative Figures**

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

6. **Material Impairment of Assets**

There was no material impairment of assets during the period under review.

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. **Quoted Securities and Bond**

There were no purchases or sales of quoted securities and bond except for reinvestment of income distribution from quoted investments during the financial period under review.

9. **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.

10. **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 financial period/year to date except for the issuance of the following ordinary shares exercised by the eligible employees pursuant to the Company's ESOS :

ESOS Option Price RM per share	Number of Shares '000
1.03	1,701
1.04	142
1.33	101

11. **Changes in Contingent Liabilities**

The Group has issued corporate guarantees to financial institutions for banking facilities granted to certain subsidiaries up to a limit of RM21.5 million of which RM3 million has been utilized as at 30 September 2023, a increase of RM0.4 million as compared to 31 December 2022.

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12. Operating Segments

The Group is principally involved in the manufacture, assembly, testing and sale of integrated circuits, optoelectronic products, small outline components, Light-Emitting-Diode ("LED") components and modules, sensors and optical products, electronics/semiconductor components and technical plating services for the semiconductor and electronics industries. Management monitors the Group's operating results as one business unit due to the similar nature and economic characteristics of the products. The products within the business unit do not require materially different technology, operational and marketing strategies. Accordingly, information by operating segments on the Group's operations as required by MFRS 8 is not presented.

The Group's manufacturing activities are performed in Malaysia while sales and distribution activities are mainly performed in two principal geographical areas namely South East Asia and North America.

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

Analysis By Geographical Segments

9 months ended 30/9/2023

	South East Asia RM'000	North America RM'000	Others RM'000	Group RM'000
Segment profit/(loss) before taxation	23,837	(1,111)	(402)	22,324
Revenue from external customer	96,478	2,371	422	99,271

9 months ended 30/9/2022

	South East Asia RM'000	North America RM'000	Others RM'000	Group RM'000
Segment profit/(loss) before taxation	35,281	402	(129)	35,554
Revenue from external customer	132,365	4,365	271	137,001

	30/9/2023 RM'000	30/9/2022 RM'000
Reconciliation of segment profit :		
Reportable segments	22,324	35,554
Finance income	3,126	1,428
Consolidated profit before taxation	25,450	36,982
Tax expense	(5,541)	(3,566)
Consolidated profit after taxation	19,909	33,416

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13. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly 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. Related parties may be individuals or other entities.

The Group has related party relationship with its subsidiaries and associate as disclosed in Notes 5 and 6 of the audited Consolidated Financial Statements of the Group as at and for the year ended 31 December 2022.

Related parties also include key management personnel 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.

Significant related party transactions are as follows :

	9 months ended 30/9/2023 RM'000
i) Transactions with an associate <i>NGK Globetronics Technology Sdn Bhd</i>	
Rental income from investment property	1,924
Management support services income	<u>189</u>

14. Events Subsequent to the Balance Sheet Date

There were no material events subsequent to the balance sheet date.

15. Seasonal/Cyclical Factors

The business operations of the Group are not affected by any major seasonal or cyclical factors other than the volatility of the customers' demand which is inherent in the industry that we operate in.

16. Dividends Paid

A third interim single tier ordinary dividend of 1 sen (2022: 1 sen) per share and a single tier special dividend of 1 sen (2022: 2 sen) per share, totalling RM13.4 million (2022: RM20.1 million) in respect of the financial year ended 31 December 2022 was paid on 23 March 2023 to Depositors who are registered in the Record of Depositors of the Company on 13 March 2023.

A first interim single tier ordinary dividend of 1 sen (2022: 2 sen) per share, totalling RM6.7 million (2022: RM13.4 million) in respect of the financial year ending 31 December 2023 was paid on 20 July 2023 to Depositors who are registered in the Record of Depositors of the Company on 5 July 2023.

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Notes to the condensed consolidated interim financial statements

17. Overall Review of Group's Financial Performance And Segmental Analysis

Financial review for current quarter and financial period to date

	Individual Period (3rd quarter)			Cumulative Period		
	Current	Corresponding	Changes	Current	Corresponding	Changes
	Quarter	Quarter		Year To-date	Year To-date	
	Ended	Ended	Ended	Ended		
30/9/2023	30/9/2022	%	30/9/2023	30/9/2022	%	
	RM'000	RM'000		RM'000	RM'000	
Revenue	34,630	46,318	-25	99,271	137,001	-28
Operating Profit	10,190	14,715	-31	22,604	36,187	-38
Profit Before Tax	11,305	15,076	-25	25,450	36,982	-31
Profit After Tax	9,531	12,781	-25	19,909	33,416	-40
Profit Attributable to Owners of the Company	9,531	12,781	-25	19,909	33,416	-40

The Group's revenue and net profit for the quarter under review were RM34.6 million and RM9.5 million, a decrease of 25% respectively as compared to RM46.3 million and RM12.8 million in the corresponding quarter ended 30 September 2022.

The lower revenue and net profit achieved in the current quarter were mainly due to:-

- i) Lower volume loadings from certain of the Group's customers; and
- ii) Lower forex gain of RM0.4 million recognised in the income statement as compared to forex gain of RM3.9 million in the corresponding quarter ended 30 September 2022.

For the period under review, the Group recorded a lower revenue of RM99.3 million and net profit of RM19.9 million as compared to RM137 million and RM33.4 million respectively in the corresponding period last year (decrease of 28% and 40% respectively). South East Asia and North America segment recorded sales decrease as compared to corresponding period last year.

The lower revenue and net profit in current period-to-date was mainly due to:-

- i) Lower volume loadings from certain of the Group's customers;
- ii) Higher tax expense of RM5.5 million recognised in the income statement as compared to tax expense of RM3.6 million in the corresponding period last year ended 30 September 2022; and
- iii) Lower forex gain of RM4.3 million recognised in the income statement as compared to forex gain of RM5.7 million in the corresponding period last year ended 30 September 2022.

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18. Material Changes in the Quarterly Results Compared to the Results of the Immediate Preceding Quarter

	Current Quarter Ended 30/9/2023 RM'000	Immediate Preceding Quarter Ended 30/6/2023 RM'000	Changes %
Revenue	34,630	31,514	10
Operating Profit	10,190	8,063	26
Profit Before Tax	11,305	8,919	27
Profit After Tax	9,531	7,078	35
Profit Attributable to Owner of the Company	9,531	7,078	35

The Group's revenue for the quarter under review was RM34.6 million, an increase of 10% from the preceding quarter of RM31.5 million while the net profit of the Group for the quarter was RM9.5 million, an increase of 35% from the preceding quarter of RM7.1 million.

The higher revenue achieved in the current quarter was mainly due to the higher volume loadings of products from certain of the Group's customers.

The higher net profit achieved in the current quarter was mainly due to:-

- i) Higher volume loadings from certain of the Group's customers; and
- ii) Gain on disposal of equipment of RM1.3 million recognised in the income statement in the quarter ended 30 September 2023.

19. Prospects

The semiconductor industry continues to experience challenging macroeconomic and geopolitical issues resulting in uncertain end demand, rising inflation and manpower shortages. The Group has taken measures and shall continue to strive to minimize any potential exposures or disruptions arising from these challenges.

Year 2023 would be a challenging one for the Group, and the Group is expected to experience a decline in profitability for the financial year. Several factors contributing to this decline include softer revenue forecasts from our customers, the full-year tax impact of our expired pioneer status in one of the subsidiaries, the full impact of increased minimum wages and increase in utilities costs.

Despite these challenges, the Group remains committed in finding new and innovative ways to drive growth and profitability.

20. Variance of Actual Profit from Forecast Profit

Not Applicable.

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21. 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 period ended 30 September 2023, the Group acquired property, plant and equipment with a cost of RM20.4 million (Period ended 30 September 2022: RM9.6 million).

(b) Capital commitments

As at 30 September 2023, the Group has entered into contracts to purchase property, plant and equipment for RM3.7 million (Period ended 30 September 2022: RM11.4 million).

(c) Disposals

Asset with carrying amount of RM30 were disposed of during the period ended 30 September 2023 (Period ended 30 September 2022: RM4), resulting in a gain on disposal of RM2 million (Period ended 30 September 2022: gain of RM71K), which is included as other operating income in the income statement.

There were no amendments to the valuation of property, plant and equipment brought forward.

22. Tax Expense

		3 months ended		9 months ended	
		30/9/2023	30/9/2022	30/9/2023	30/9/2022
		RM'000	RM'000	RM'000	RM'000
Current tax expense					
Malaysia	- current quarter/period	2,195	2,299	5,962	3,570
	- prior year	(421)	(4)	(421)	(4)
		<u>1,774</u>	<u>2,295</u>	<u>5,541</u>	<u>3,566</u>

23. Trade Receivables

The age analysis of trade receivables is as follow :

	Current Quarter Ended 30/9/2023 RM'000	Corresponding Quarter Ended 30/9/2022 RM'000
Current (not past due)	27,344	33,575
1-30 days past due	1,809	3,127
31-60 days past due	-	12
Above 60 days past due	-	-
	1,809	3,139
Credit Impaired		
Individually impaired	-	-
	<u>29,153</u>	<u>36,714</u>

The Group is satisfied that recovery of the amount is possible, therefore there is no impairment for past due trade receivables.

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24. Profit Before Tax

Profit before tax is arrived at after charging/(crediting) :

	Current Quarter Ended 30/9/2023 RM'000	Corresponding Quarter Ended 30/9/2022 RM'000	Current Period To-date Ended 30/9/2023 RM'000	Corresponding Period To-date Ended 30/9/2022 RM'000
Depreciation of property, plant and equipment	3,312	4,737	10,082	16,206
Depreciation of investment property	98	97	294	291
Property, plant and equipment written off	-	-	28	1
Gain on disposal of property, plant and equipment	(1,326)	-	(1,983)	(71)
Finance income	(1,124)	(597)	(3,126)	(1,428)
Gain on foreign exchange – realised	(1,189)	(2,468)	(2,246)	(3,724)
Loss/(gain) on foreign exchange – unrealised	837	(1,408)	(2,036)	(1,973)
Expenses/(income) arising from leases				
Expenses relating to short-term leases	331	366	1,080	1,116
Income from:				
- subleasing of building	(172)	(180)	(514)	(540)
- investment properties	(1,056)	(924)	(3,158)	(2,595)

25. Earnings Per Ordinary Share ("EPS")

(i) Basic earnings per ordinary share

		3 months ended		9 months ended	
		30/9/2023	30/9/2022	30/9/2023	30/9/2022
Net profit for the quarter/period	(RM'000)	9,531	12,781	19,909	33,416
Issued ordinary shares at beginning of the quarter/period	('000)	669,445	669,445	669,445	669,445
Effect of shares issued during the quarter/period	('000)	500	-	500	-
Weighted average number of ordinary shares	('000)	669,945	669,445	669,945	669,445
Basic earnings per ordinary share	(sen)	1.42	1.91	2.97	4.99

(ii) Diluted earnings per ordinary share

		3 months ended		9 months ended	
		30/9/2023	30/9/2022	30/9/2023	30/9/2022
Net profit for the quarter/period	(RM'000)	9,531	12,781	19,909	33,416
Issued ordinary shares at beginning of the quarter/period	('000)	669,445	669,445	669,445	669,445
Effect of shares issued during the quarter/period	('000)	500	-	500	-
Effect of share option-ESOS 2020	('000)	317	-	317	-
Weighted average number of ordinary shares (diluted)		670,262	669,445	670,262	669,445
Diluted earnings per ordinary share	(sen)	1.42	1.91	2.97	4.99

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Notes to the condensed consolidated interim financial statements

26. Corporate Proposals

- (a) There were no corporate proposals by the Company during the financial period to date.
- (b) There were no unutilised proceeds raised from corporate proposals by the Company during the financial period to date.

27. Changes In Material Litigation

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

28. Foreign Currency Risk Management

The Group is exposed to foreign currency risk on sales, purchases and cash and cash equivalents that are denominated in a currency other than the respective functional currencies of the Group entities. The currency giving rise to this risk is primarily the U.S. Dollar ("USD").

The Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

29. Dividends Declared

No dividends were declared in the quarter ended 30 September 2023.

By Order of the Board

Lee Peng Loon (MACS 01258)
SSM PC NO. 201908002340

P'ng Chiew Keem (MAICSA 7026443)
SSM PC NO. 201908002334

Joint Secretaries

Dated this 24 October 2023