

**GLOBETRONICS TECHNOLOGY BHD (410285-W)**  
**INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2006**  
**Condensed Consolidated Income Statements**

The figures have not been audited

		3 months ended		12 months ended	
	Note	31/12/2006 RM'000	Restated 31/12/2005 RM'000	31/12/2006 RM'000	Restated 31/12/2005 RM'000
Revenue		78,194	83,180	327,679	324,148
Cost of goods sold		(59,765)	(66,482)	(261,183)	(268,152)
Gross profit		18,429	16,698	66,496	55,996
Administrative & operating expenses		(7,459)	(8,661)	(31,147)	(30,672)
Other operating income		1,336	1,604	4,470	3,301
Results from operating activities		12,306	9,641	39,819	28,625
Finance Cost		(58)	(48)	(173)	(86)
Operating profit		12,248	9,593	39,646	28,539
Share of profit / (loss) of associated company		(28)	17	48	61
Profit before tax		12,220	9,610	39,694	28,600
Income tax	8	(5,166)	(2,509)	(9,106)	(4,701)
Profit for the year		7,054	7,101	30,588	23,899
Attributable to :					
Shareholders of the Company		7,054	7,101	30,588	23,899
Minority interest		-	-	-	-
Earnings per share (sen)					
- basic		0.54	0.54	2.33	1.82
- diluted		0.54	0.54	2.33	1.82

The Condensed Consolidated Income Statement should be read in conjunction with the Group's audited Financial Statements as at 31 December 2005. The accompanying notes are an integral part of this statement.

**GLOBETRONICS TECHNOLOGY BHD (410285-W)**  
**INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2006**  
**Condensed Consolidated Balance Sheet**

The figures have not been audited

	Note	As at 31/12/2006 RM'000	Restated 31/12/2005 RM'000
<b>Assets</b>			
Property, plant & equipment		106,553	87,164
Prepaid lease payments		5,821	5,970
Investment property		9,930	10,187
Investment in associated company		4,223	4,175
Other investments		14,156	21,538
<b>Total non-current assets</b>		<b>140,683</b>	<b>129,034</b>
Inventories		22,329	46,454
Trade receivables		33,307	33,070
Other receivables, deposits and prepayments		5,943	4,190
Cash & bank balances		84,869	76,959
<b>Total current assets</b>		<b>146,448</b>	<b>160,673</b>
<b>Total assets</b>		<b>287,131</b>	<b>289,707</b>
<b>Equity</b>			
Share Capital		131,025	131,024
Reserves			
Share premium		8,240	8,239
Share option reserve		1,309	601
Exchange fluctuation reserve		(1,519)	(681)
Retained profits		75,439	67,125
<b>Total equity attributable to shareholders of the Company</b>		<b>214,494</b>	<b>206,308</b>
<b>Liabilities</b>			
Deferred Taxation		6,637	5,781
Deferred Income		28	71
<b>Total non-current liabilities</b>		<b>6,665</b>	<b>5,852</b>
Trade payables		17,699	30,622
Other creditors & accruals		38,925	38,779
Bank borrowings	9	2,607	2,607
Dividend payable		5,241	5,241
Taxation		1,500	298
<b>Total current liabilities</b>		<b>65,972</b>	<b>77,547</b>
<b>Total liabilities</b>		<b>72,637</b>	<b>83,399</b>
<b>Total equity and liabilities</b>		<b>287,131</b>	<b>289,707</b>
<b>Net assets per share (RM)</b>		<b>0.16</b>	<b>0.16</b>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Group's audited Financial Statements as at 31 December 2005. The accompanying notes are an integral part of this balance sheet.

**GLOBETRONICS TECHNOLOGY BHD (410285-W)**  
**INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2006**  
**Condensed Consolidated Statement of Changes in Equity**  
The figures have not been audited

	Note	Non-distributable			Distributable	
		Share Capital	Share Premium	Exchange Fluctuation Reserve	Share Option Reserve	Retained Profits
		RM'000	RM'000	RM'000	RM'000	RM'000
<b>12 months ended 31/12/2006</b>						
Balance as at 01/01/2006		131,024	8,239	(681)	-	67,726
- As previously reported						
- Effect of adopting FRS2	2(a)	-	-	-	601	(601)
- As restated		131,024	8,239	(681)	601	67,125
Issue of shares		1	1	-	(1)	-
Share-based payments		-	-	-	709	-
Foreign exchange differences		-	-	(708)	-	-
Disposal of subsidiary				(130)		
Profit for the year		-	-	-	-	30,588
Dividends		-	-	-	-	(22,274)
<b>Balance as at 31/12/2006</b>		<b>131,025</b>	<b>8,240</b>	<b>(1,519)</b>	<b>1,309</b>	<b>75,439</b>
<b>12 months ended 31/12/2005</b>						
Balance at 01/01/2005		131,023	8,236	(1,419)	-	65,500
Issue of shares		1	3	-	-	-
Share-based payments		-	-	-	601	-
Foreign exchange differences		-	-	738	-	-
Profit for the year		-	-	-	-	23,899
Dividends		-	-	-	-	(22,274)
<b>Balance as at 31/12/2005, Restated</b>		<b>131,024</b>	<b>8,239</b>	<b>(681)</b>	<b>601</b>	<b>67,125</b>

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Group's audited Financial Statements as at 31 December 2005. The accompanying notes are an integral part of this statement.

**GLOBETRONICS TECHNOLOGY BHD (410285-W)**  
**INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2006**  
**Condensed Consolidated Cash Flow Statement**  
The figures have not been audited

		<b>12 months ended 31/12/2006</b>	<b>Restated 12 months ended 31/12/2005</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit Before Tax		39,694	28,600
Adjustments for:-			
Depreciation and amortisation		15,166	11,707
Plant and equipment written off		2,921	3,952
(Gain)/Loss on disposal of plant and equipment		(173)	33
Interest expenses		173	86
Amortisation of deferred income		(43)	(72)
Interest income		(3,284)	(2,624)
ESOS expenses		709	601
Gain on disposal of investments	10,11,13	(641)	(337)
Share of profit of associated company		(48)	(61)
Operating profit before working capital changes		54,474	41,885
Decrease / (Increase) in:			
Inventories		24,125	(11,524)
Trade and other receivables		613	1,361
(Decrease) / Increase in:			
Trade and other payables		(12,654)	15,807
Cash generated from / (used in) operating activities		66,558	47,529
Tax paid		(7,063)	(1,097)
Net cash generated from / (used in) operating activities		<b>59,495</b>	<b>46,432</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(37,832)	(23,591)
Purchase of other investments		(4,586)	(7,524)
Proceeds from disposal of plant and equipment		585	4,641
Proceeds from disposal of investments		12,473	6,711
Interest Received		3,284	2,624
Net cash (used in) / generated from investing activities		<b>(26,076)</b>	<b>(17,139)</b>

	12 months ended 31/12/2006	Restated 12 months ended 31/12/2005
	RM'000	RM'000
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(22,274)	(17,033)
Drawdown of term loan	-	2,607
Grant received	-	100
Interest paid	(173)	(86)
Issue of shares pursuant to ESOS	1	4
Net cash (used in) / generated from financing activities	<b>(22,446)</b>	<b>(14,408)</b>
Net increase / (decrease) in cash and cash equivalents	<b>10,973</b>	<b>14,885</b>
<b>Cash and cash equivalents as at 1 January</b>	76,959	61,810
Foreign exchange differences	(3,063)	264
<b>Cash and cash equivalents as at 31 December</b>	<b>84,869</b>	<b>76,959</b>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Group's audited Financial Statements as at 31 December 2005. The accompanying notes are an integral part of this statement.

**GLOBETRONICS TECHNOLOGY BHD (410285-W)**  
**INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2006**  
**Notes to the interim financial report**

**1. Basis of Preparation**

This interim report is prepared in accordance with Financial Reporting Standards ("FRS") No. 134 : Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Bursa Malaysia Listing Requirements, and should be read in conjunction with the Group's financial statements for the year ended 31 December 2005.

The significant accounting policies and presentation applied in the interim financial report are consistent with those adopted for the annual financial statements for the year ended 31 December 2005 except for the adoption of the following new / revised FRS for the Group's financial period beginning 1 January 2006 :

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 117	Leases
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of FRS 3, 5, 110, 116, 121, 127, 128, 132, 133, 136 and 138 does not have any significant financial impact on the Group. The Group has early adopted FRS 117. The principal effects of the changes in accounting policies resulting from the adoption of the other new and revised FRSs are disclosed in Note 2 below.

**2. Changes in Accounting Policies**

The adoption of the above new / revised FRS has resulted in changes in accounting policies as follows :

**a) FRS 2 : Share-based Payment**

The adoption of FRS 2 has resulted in a change in accounting policy for staff costs of the Group arising from share options granted by Globetronics Technology Bhd to employees (including executive directors) of the Group.

Prior to 1 January 2006, no compensation expense was recognised in the income statement for share options granted to employees of the Group. Upon the adoption of FRS 2, where the Group pays for services of its employees using share options, the fair value of the transaction is recognised as an expense in the income statement over the vesting periods of the grants, with a corresponding increase in equity. The total amount to be recognised as compensation expense is determined by reference to the fair value of the share option at the date of the grant and the number of share options to be vested by vesting date. At balance sheet date, the Group revises its estimate of the number of share options that are expected to vest by the vesting date. Any revision of this estimate is

**a) FRS 2 : Share-based Payment (Con't)**

included in the income statement and a corresponding adjustment to equity over the remaining vesting period.

For the year ended 31 December 2006, a professional valuer has been engaged to evaluate the model adopted for the valuation of share options granted under the Company's share option schemes and adjustment to the ESOS reserve had been recommended. As a result, the Group had accordingly adjusted the effect of adoption of FRS2 as a prior year adjustment and revised the comparative information as follows : -

	As previously reported RM'000	Effect of adopting FRS2 RM'000	As restated RM'000
As at 31/12/2005			
- Retained profits	67,726	(601)	67,125
- Share option reserve	-	601	601

**b) FRS 117 : Leases**

With the adoption of FRS 117, the leasehold interest in the land held for own use is accounted for as being held under an operating lease. Such leasehold land will no longer be revalued.

Prior to 1 January 2006, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation. Such prepaid lease payment will now be amortized over the remaining lease term of the land.

The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively in accordance with FRS 117 by restating the balance sheet presentation as at 31 December 2005, as illustrated below. However, there is no impact to the unappropriated profits of the Group as at 31 December 2006.

**c) FRS 140 : Investment Property**

The adoption of FRS 140 has resulted in a change in the accounting policy for investment properties, as well as the reclassification of certain properties previously recognized as property, plant and equipment to investment property. Investment property can be valued either using cost or fair value method.

As a result of the adoption of FRS 140, certain property of the Group that is held for rental has been reclassified to Investment Property and cost method has been adopted. Investment property is stated at cost less accumulated depreciation, consistent with the accounting policy for property, plant and equipment.

The Group has adopted the above FRS 117 and 140 in its financial statements since 1 January 2006. The following comparative amounts have been restated due to the adoption of the revised FRS :

	As previously reported RM'000	Effect of adopting FRS117 & FRS140 RM'000	As restated RM'000
As at 31/12/2005			
- Property, plant and equipment	103,321	(16,157)	87,164
- Prepaid lease payments	-	5,970	5,970
- Investment property	-	10,187	10,187

**d) FRS 101 : Presentation of Financial Statements**

The adoption of the revised FRS 101 has affected the presentation of share of results of associate. Prior to 1 January 2006, the share of result of associate was stated at gross of tax. Upon the adoption of FRS 101, the share of associate's result is currently stated at net of tax. The following comparative amount has been restated as follows :

	As previously reported RM'000	Effect of adopting FRS 101 RM'000	As restated RM'000
As at 31/12/2005			
- Share of profit of associate	84	(23)	61

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 2005 was not qualified.

4. **Changes in Estimates**

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 year's presentation.

6. **Property, Plant and Equipment**

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

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

During the financial quarter 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**

	3 months ended		12 months ended	
	31/12/2006 RM'000	31/12/2005 RM'000	31/12/2006 RM'000	31/12/2005 RM'000
<b>Current tax expenses</b>				
Malaysia - current	4,709	199	7,802	2,405
- prior period/year	-	306	442	(180)
Overseas - current	1	4	6	45
- prior period/year	-	-	-	(69)
	4,710	509	8,250	2,201
<b>Deferred tax expenses</b>				
Malaysia	456	2,000	856	2,500
Overseas	-	-	-	-
	456	2,000	856	2,500
	5,166	2,509	9,106	4,701



9. **Bank Borrowings**

	<b>As at 31/12/2006 RM'000</b>	<b>As at 31/12/2005 RM'000</b>
Short Term Loan - Secured	2,607	2,607
	-----	-----
	2,607	2,607
	=====	=====

The term loan is secured by a corporate guarantee from the Company and is repayable in full on April 2007. Interest on the term loan is payable half yearly and is charged at fixed rates of 4.94% to 5.06% per annum respectively.

10. **Quoted Securities / Bond**

During the financial year to date, the Company recorded a gain on disposal of its other investments amounting to approximately RM0.5 million.

(a)

	<b>12 months ended 31/12/2006 RM'000</b>
Purchases	4,586
Sales / Maturity	10,810
Profit from disposal	441

(b)

	<b>As at 31/12/2006 RM'000</b>
Total investment at cost	11,875
Total investment at book value	11,875
Total investment at market value	12,848

11. **Profit on Sale of Unquoted Investments**

During the financial year to date, the Company had made a sale of its unquoted investments of approximately RM0.4 million and recorded no gain or loss from the disposal.

12. **Corporate Proposals**

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

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

There were no changes in the composition of the Group during the current quarter and financial year to date except Globetronics International Incorporated (a wholly-owned subsidiary of the Company) has completed the disposal of its entire equity interest in Globetronics Shanghai Inc to Trio-Tech International Private Ltd on 3 January 2006, for a cash consideration of RM 2 million. As a result, the Group recorded a gain on disposal amounting to approximately RM0.2 million (including an amount of RM0.15 million representing final adjustments on net debtors/creditors).

14. **Debt and Equity Securities**

There were no other 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 year to date except for the following :-

Issuance of the following ordinary shares of RM0.10 each exercised by the eligible employees pursuant to the Company's Employee Share Option Scheme II ("ESOS II").

ESOS option price	Number of Shares
RM per share	'000
0.30	3.7

15. **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 RM9 million of which RM5.4 million has been utilized as at 31 December 2006, an increase of RM0.4 million as compared to 31 December 2005.

16. **Off Balance Sheet Financial Instruments**

The Group did not have any financial instruments with off balance sheet risk as at 22 February 2007, the latest practicable date that shall not be earlier than 7 days from the date of issue of the quarterly report.

17. **Changes In Material Litigation**

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

18. **Segment Information**

Segment information is presented in respect of the Group's business segment and the inter-segment pricing is determined based on a negotiated basis.

**Analysis By Geographical Segments**

**12 months ended 31/12/2006**

	<b>Malaysia</b>	<b>Philippines</b>	<b>China</b>	<b>United States</b>	<b>S'pore</b>	<b>Others</b>	<b>Group</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue from external customers by location of customers	218,819	3,218	70	31,237	73,823	512	327,679
Segment assets by location of assets	252,441	3,028	15,166	-	-	16,450	287,085
Capital expenditure by location of assets	39,851	-	1,097	-	-	-	40,948

**12 months ended 31/12/2005**

	<b>Malaysia</b>	<b>Philippines</b>	<b>China</b>	<b>United States</b>	<b>S'pore</b>	<b>Others</b>	<b>Group</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue from external customers by location of customers	227,455	3,942	893	7,242	84,273	343	324,148
Segment assets by location of assets	250,355	2,988	19,524	-	-	16,810	289,677
Capital expenditure by location of assets	15,100	14	3,309	-	-	-	18,423

19. **Earnings Per Share**

**(a) Basic earnings per share**

		<b>3 months ended</b>		<b>12 months ended</b>	
		<b>31/12/2006</b>	<b>31/12/2005 Restated</b>	<b>31/12/2006</b>	<b>31/12/2005 Restated</b>
Net profit for the period / year	(RM'000)	7,054	7,101	30,588	23,899
Issued ordinary shares at beginning of the period / year	('000)	1,310,234	1,310,229	1,310,234	1,310,229
Effect of shares issued during the period / year	('000)	3	5	3	5
<b>Weighted average number of ordinary shares</b>	('000)	1,310,237	1,310,234	1,310,237	1,310,234
Basic earnings per share	(sen)	0.54	0.54	2.33	1.82

**(b) Diluted earnings per share**

		<b>3 months ended</b>		<b>12 months ended</b>	
		<b>31/12/2006</b>	<b>31/12/2005 Restated</b>	<b>31/12/2006</b>	<b>31/12/2005 Restated</b>
Net profit for the period / year	(RM'000)	7,054	7,101	30,588	23,899
Issued ordinary shares at beginning of the period / year	('000)	1,310,234	1,310,229	1,310,234	1,310,229
Effect of shares issued during the period / year	('000)	3	5	3	5
Effect of share option-ESOS	('000)	1,231	3,239	1,231	3,239
<b>Weighted average number of ordinary shares</b>		1,311,468	1,313,473	1,311,468	1,313,473
Diluted earnings per share	(sen)	0.54	0.54	2.33	1.82

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

Turnover for the quarter ended 31 December 2006 was approximately RM78 million, representing a decrease of 8% as compared to the preceding quarter mainly due to shorter work week because of the various festive holidays while the net profit of the Group decreased by RM1.5 million or 17%, mainly due to higher tax charge recorded by one of the subsidiaries as a result of the expiry of certain tax incentives granted by the Authority.

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

The Group's turnover for the year ended 31 December 2006 have increased by 1% as compared to the previous year while the net profit of the Group increased significantly by RM6.6 million or 28% mainly due to :-

- (i) additional volume loading and new products transferred from new customers achieving economy of scale; and
- (ii) one time write off for the Group's Philippines operations (approximately RM2.3 million) incurred in year 2005.

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

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

23. **Seasonal / Cyclical Factors**

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

24. **Prospects**

The Board of Directors is optimistic of achieving satisfactory results this year by making continuous breakthrough in creating new business opportunities with various customers.

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

Not Applicable.

26. **Dividends**

A second special interim dividend of 4% tax exempt (2005: 4% tax exempt) per share for the financial year ended 31 December 2006 totalling RM5,240,983 will be payable on 28 February 2007.

A final dividend of 3% tax exempt (2005: 3% tax exempt) per share for the financial year ended 31 December 2006 will be proposed for shareholders' approval at the forthcoming Annual General Meeting.

By Order of the Board

Ong Eng Choon (MIA 2121)  
Lee Peng Loon (LS00405)  
Joint Secretaries

Dated this 26 February 2007