

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2011
Condensed Consolidated Statement of Comprehensive Income

The figures have not been audited

	Note	3 months ended		9 months ended	
		30/09/2011	30/09/2010	30/09/2011	30/09/2010
Continuing operations		RM'000	RM'000	RM'000	RM'000
Revenue		70,719	76,383	207,084	205,700
Cost of sales		(55,029)	(57,451)	(161,819)	(155,825)
Gross profit		15,690	18,932	45,265	49,875
Administrative and operating expenses		(7,952)	(9,291)	(23,873)	(26,331)
Other operating income		398	631	2,207	1,673
Results from operating activities		8,136	10,272	23,599	25,217
Finance income		508	251	976	786
Finance costs		(28)	-	(86)	-
Net finance income		480	251	890	786
Share of profit of associate, net of tax		14	17	61	104
Profit before tax		8,630	10,540	24,550	26,107
Income tax expense	8	(897)	(1,886)	(2,878)	(3,716)
Profit for the period		7,733	8,654	21,672	22,391
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		432	(554)	323	(1,386)
Fair value of available-for-sale assets		(444)	147	(453)	(68)
Other comprehensive income for the period, net of tax		(12)	(407)	(130)	(1,454)
Total comprehensive income for the period		7,721	8,247	21,542	20,937

	3 months ended		9 months ended	
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
	RM'000	RM'000	RM'000	RM'000
Profit attributable to :				
Owners of the Company	7,733	8,654	21,672	22,391
Profit for the period	<u>7,733</u>	<u>8,654</u>	<u>21,672</u>	<u>22,391</u>
Total comprehensive income attributable to :				
Owners of the Company	<u>7,721</u>	<u>8,247</u>	<u>21,542</u>	<u>20,937</u>
Total comprehensive income for the period	<u>7,721</u>	<u>8,247</u>	<u>21,542</u>	<u>20,937</u>
Earnings per ordinary share (sen)	19			
- Basic	2.91	3.27	8.15	8.45
- Diluted	2.90	3.26	8.11	8.44

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited Financial Statements as at 31 December 2010. The accompanying notes are an integral part of this statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2011
Condensed Consolidated Statement of Financial Position

The figures have not been audited

	Note	As at 30/09/2011	As at 31/12/2010
		RM'000	RM'000
Assets			
Property, plant and equipment	6	138,725	171,822
Investment property		8,710	8,903
Investment in an associate		4,823	4,761
Other investments		7,305	6,381
Total non-current assets		<u>159,563</u>	<u>191,867</u>
Trade receivables		44,368	45,317
Other receivables, deposits and prepayments		3,478	4,500
Inventories		11,346	15,130
Cash and cash equivalents		92,180	49,242
Total current assets		<u>151,372</u>	<u>114,189</u>
Total assets		<u>310,935</u>	<u>306,056</u>
Equity			
Share capital		133,781	133,149
Share premium		8,672	8,656
Reserves			
Exchange fluctuation reserve		(1,934)	(2,257)
Fair value reserve		875	1,329
Share option reserve		1,323	936
Retained profits		111,791	99,464
Total equity		<u>254,508</u>	<u>241,277</u>
Liabilities			
Deferred tax liabilities		5,355	5,355
Deferred income		307	971
Total non-current liabilities		<u>5,662</u>	<u>6,326</u>
Trade payables		14,076	17,049
Other payables and accruals		26,910	32,148
Bank borrowings		5,773	6,365
Current tax liabilities		4,006	2,891
Total current liabilities		<u>50,765</u>	<u>58,453</u>
Total liabilities		<u>56,427</u>	<u>64,779</u>
Total equity and liabilities		<u>310,935</u>	<u>306,056</u>
Net assets per share (RM)		0.95	0.91

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements as at 31 December 2010. The accompanying notes are an integral part of this statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2011
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	
9 months ended 30/09/2011							
Balance as at 1 January 2011	133,149	8,656	(2,257)	1,328	936	99,464	241,276
Issuance of new ordinary shares pursuant to ESOS III	632	16	-	-	-	-	648
Total comprehensive income for the period	-	-	323	(453)	-	21,672	21,542
Share-based payments	-	-	-	-	387	-	387
Dividends to owners	-	-	-	-	-	(9,345)	(9,345)
Balance as at 30 September 2011	133,781	8,672	(1,934)	875	1,323	111,791	254,508
9 months ended 30/09/2010							
Balance as at 1 January 2010, as previously stated	131,298	8,284	(1,346)	-	658	87,599	226,493
- Effect of adopting FRS 139	-	-	-	809	-	-	809
At 1 January 2010, as restituted	131,298	8,284	(1,346)	809	658	87,599	227,302
Issuance of new ordinary shares pursuant to ESOS III	1,721	48	-	-	-	-	1,769
Foreign exchange translation difference	-	-	(1,386)	-	-	-	(1,386)
Total comprehensive income for the period	-	-	-	(68)	-	22,391	22,323
Share-based payments	-	-	-	-	408	-	408
Dividends to owners	-	-	-	-	-	(9,907)	(9,907)
Balance as at 30 September 2010	133,019	8,332	(2,732)	741	1,066	100,083	240,509

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Group's audited Financial Statements as at 31 December 2010. The accompanying notes are an integral part of this statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2011
Condensed Consolidated Statement of Cash Flows

The figures have not been audited

		9 months ended 30/09/2011	9 months ended 30/09/2010
	Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax from continuing operations		24,550	26,107
Adjustments for:-			
Depreciation of property, plant and equipment		28,866	30,286
Depreciation of investment property		193	193
Amortisation of assets held for sale		-	1,041
Plant & equipment written off		113	-
Gain on disposal of plant and equipment		(159)	(65)
Finance income		(976)	(786)
Amortisation of deferred income		(664)	(1,212)
Share of profit of associate, net of tax		(61)	(104)
Loss on disposal of other investments	9	107	3
Share-based payments		387	408
Finance costs		86	-
Operating profit before changes in working capital		52,442	55,871
Changes in working capital :			
Inventories		3,783	(4,994)
Receivables, deposits and prepayments		1,971	(68,514)
Payables and accruals		(8,211)	36,010
Cash generated from operations		49,985	18,373
Income tax paid		(1,763)	(4,309)
Net cash generated from operating activities		48,222	14,064
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(13,814)	(9,663)
Purchase of other investments	9	(2,408)	(300)
Proceeds from disposal of plant and equipment		18,091	237
Proceeds from disposal of other investments	9	1,308	2,309
Interest received		976	786
Net cash generated from / (used in) investing activities		4,153	(6,631)

9 months ended 30/09/2011 RM'000	9 months ended 30/09/2010 RM'000
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CASH FLOWS FROM FINANCING ACTIVITIES

Dividends paid to owners of the Company	(9,345)	(9,907)
Repayment of bank borrowings	(592)	-
Proceeds from issue of shares	648	1,769
Interest paid	(86)	-
Grant received	-	1,309
Net cash used in financing activities	(9,375)	(6,829)
Net increase in cash and cash equivalents	43,000	604
Cash and cash equivalents as at 1 January	49,242	85,436
Effect of exchange rates difference on cash and cash equivalents	(62)	(4,236)
Cash and cash equivalents as at 30 September	92,180	81,804

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	42,102	14,441
- Short term deposits	19,021	14,401
Cash and bank balances	31,057	52,962
	92,180	81,804

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements as at 31 December 2010. The accompanying notes are an integral part of this statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2011
Notes to the condensed consolidated interim financial statements

1. Basis of Preparation

This interim financial report is based on the unaudited financial statements for the quarter ended 30 September 2011 and has been prepared in compliance with *FRS 134: Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and the Bursa Malaysia Securities Berhad Listing Requirements. The accounting policies and methods of computation adopted by the Group in this report are consistent with those adopted in the financial statements for the year ended 31 December 2010 except for those standards, amendments and interpretations, as indicated in Note 2 of this statement. The adoptions of these standards, amendments and interpretations have no material impact to these interim financial statements.

2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations which are applicable for the Group’s financial period beginning 1 January 2011.

Amendments effective for annual periods beginning on or after 1 March 2010

- Amendments to FRS 132, *Financial Instruments: Presentation – Classification of Rights Issues*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010

- FRS 1, *First-time Adoption of Financial Reporting Standards* (revised)
- FRS 3, *Business Combinations* (revised)
- FRS 127, *Consolidated and Separate Financial Statements* (revised)
- Amendments to FRS 2, *Share-based payment*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, *Intangible Assets*
- IC Interpretation 12, *Service Concession Agreements*
- IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, *Distributions of Non-cash Assets to Owners*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
 - *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
 - *Additional Exemptions for First-time Adopters*
- Amendments to FRS 2, *Group Cash-settled Share Based Payment Transactions*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
- IC Interpretation 4, *Determining whether an Arrangement contains a Lease*
- IC Interpretation 18, *Transfer of Assets from Customers*
- Improvements to FRSs (2010)

Interpretation and amendments effective for annual periods beginning on or after 1 July 2011

- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*

FRS and Interpretation effective for annual periods beginning on or after 1 January 2012

- FRS 124, *Related Party Disclosures* (revised)
- IC Interpretation 15, *Agreements for the Construction of Real Estate*

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 2010 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 2010.

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.

(a) Acquisitions

During the nine months ended 30 September 2011, the Group acquired assets with a cost of RM13.81 million (nine months ended 30 September 2010 : RM9.66 million).

(b) Capital commitments

During the nine months ended 30 September 2011, the Group entered into a contract to purchase property, plant and equipment for RM8.18 million (nine months ended 30 September 2010 : RM68.2 million).

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 Expense**

	3 months ended		9 months ended	
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
	RM'000	RM'000	RM'000	RM'000
Current tax expenses				
Malaysia - current	897	1,515	2,878	3,345
- prior period	-	(129)	-	(129)
	<hr/>	<hr/>	<hr/>	<hr/>
	897	1,386	2,878	3,216
Deferred tax expenses				
Malaysia	-	500	-	500
	<hr/>	<hr/>	<hr/>	<hr/>
	897	1,886	2,878	3,716

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 :

	9 months ended
	30/09/2011
	RM'000
Purchases	2,408
Sales	1,308
Gain on disposal of investments	107

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	1,256.6
0.80	2.8
1.09	4.8

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 RM21.75 million of which RM10.04 million has been utilized as at 30 September 2011, an increase of RM 0.14 million as compared to 31 December 2010.

15. Off Balance Sheet Financial Instruments

The Group did not have any financial instruments with off balance sheet risk as at 17 October 2011, 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 2010.

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

9 months ended 30/09/2011

	Malaysia	China	United States	Singapore	Others	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	154,120	8,490	26,385	17,987	102	207,084
Non-current assets	153,439	-	-	-	6,124	159,563
Capital expenditure by location of assets	13,814	-	-	-	-	13,814

9 months ended 30/09/2010

	Malaysia	China	United States	Singapore	Others	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	135,009	-	53,266	17,425	-	205,700
Non-current assets	112,300	-	-	-	4,826	117,126
Capital expenditure by location of assets	9,663	-	-	-	-	9,663

19. **Earnings Per Share**

(a) Basic earnings per share

		3 months ended		9 months ended	
		30/09/2011	30/09/2010	30/09/2011	30/09/2010
Net profit for the period	(RM'000)	7,733	8,654	21,672	22,391
Issued ordinary shares at beginning of the period	('000)	265,248	262,597	265,248	262,597
Effect of shares issued during the period	('000)	673	2,328	673	2,328
Weighted average number of ordinary shares	('000)	265,921	264,925	265,921	264,925
Basic earnings per share	(sen)	2.91	3.27	8.15	8.45

(b) Diluted earnings per share

		3 months ended		9 months ended	
		30/09/2011	30/09/2010	30/09/2011	30/09/2010
Net profit for the period	(RM'000)	7,733	8,654	21,672	22,391
Issued ordinary shares at beginning of the period	('000)	265,248	262,597	265,248	262,597
Effect of shares issued during the period	('000)	673	2,328	673	2,328
Effect of share option-ESOS	('000)	1,183	301	1,183	301
Weighted average number of ordinary shares		267,104	265,226	267,104	265,226
Diluted earnings per share	(sen)	2.90	3.26	8.11	8.44

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

Turnover for the quarter ended 30 September 2011 was approximately RM70.7 million, representing an increase of 2.1% as compared to the preceding quarter while the net profit of the Group increased by 2.9%. The increase in turnover and net profit is mainly due to improved volume loadings from some of the Group's key customers in the quarter.

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

The Group's turnover and net profit for the period ended 30 September 2011 increased by 1% and decreased by 3% respectively. The drop in net profit by 3% is mainly caused by the increase in electricity tariff rate and end of life for certain matured products.

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**

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 2011.

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

Not Applicable.

26. **Dividends**

A first single tier interim dividend of 3% (2010 : 6% less 25% tax) per share for the financial year ending 31 December 2011 totaling RM4 million was paid on 6 April 2011.

A single tier final dividend of 4% (2009 : 4% less 25% tax) per share for the financial year ended 31 December 2010 totaling RM5.3 million was paid on 6 July 2011.

A second single tier interim dividend of 10% (2010 : 5.3% less 25% tax and a special dividend of 2% tax-exempt) per share for the financial year ending 31 December 2011 has been approved and will be payable on 1 November 2011.

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

The breakdown of the retained earnings of the Group as at 30 September 2011 and 30 June 2011, into realised and unrealised profits, pursuant to the directive, is as follows:-

	As At End of Current Quarter 30/09/2011 RM'000	As At End of Preceding Quarter 30/6/2011 RM'000
Total retained earnings of the Company and its subsidiaries:-		
- Realised	103,876	99,719
- Unrealised	5,297	6,172
	<hr/> 109,173	<hr/> 105,891
 Add: Consolidation adjustments	 2,618	 3,517
Total retained earnings	<hr/> <hr/> 111,791	<hr/> <hr/> 109,408

By Order of the Board

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

Joint Secretaries

Dated this 25 October 2011