

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2013
Condensed Consolidated Statement of Comprehensive Income
The figures have not been audited

		3 months ended 31/03/2013 31/03/2012		3 months ended 31/03/2013 31/03/2012	
Continuing operations	Note	RM'000	RM'000	RM'000	RM'000
Revenue		77,475	56,794	77,475	56,794
Cost of sales		(58,281)	(42,550)	(58,281)	(42,550)
Gross profit		19,194	14,244	19,194	14,244
Administrative and operating expenses		(7,875)	(7,938)	(7,875)	(7,938)
Other operating income		495	704	495	704
Results from operating activities		11,814	7,010	11,814	7,010
Finance income		502	428	502	428
Finance costs		-	(12)	-	(12)
Net finance income		502	416	502	416
Share of profit of associate, net of tax		26	(31)	26	(31)
Profit before tax		12,342	7,395	12,342	7,395
Income tax expense	8	(2,147)	(1,199)	(2,147)	(1,199)
Profit for the period		10,195	6,196	10,195	6,196
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		162	(383)	162	(383)
Fair value of available-for-sale assets		(270)	155	(270)	155
Other comprehensive income for the period, net of tax		(108)	(228)	(108)	(228)
Total comprehensive income for the period		10,087	5,968	10,087	5,968

		3 months ended		3 months ended	
		31/03/2013	31/03/2012	31/03/2013	31/03/2012
		RM'000	RM'000	RM'000	RM'000
Profit attributable to :					
Owners of the Company		10,195	6,196	10,195	6,196
Profit for the period		10,195	6,196	10,195	6,196
Total comprehensive income attributable to :					
Owners of the Company		10,087	5,968	10,087	5,968
Total comprehensive income for the period		10,087	5,968	10,087	5,968
Earnings per ordinary share (sen)					
- Basic		3.73	2.31	3.73	2.31
- Diluted		3.70	2.31	3.70	2.31

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited Financial Statements as at 31 December 2012. The accompanying notes are an integral part of this statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2013
Condensed Consolidated Statement of Financial Position

The figures have not been audited

	Note	As at 31/03/2013 RM'000	As at 31/12/2012 RM'000
Assets			
Property, plant and equipment	6	102,440	111,068
Investment property		8,325	8,389
Investment in an associate		4,937	4,911
Deferred tax assets	9	921	921
Other investments		5,825	6,290
Total non-current assets		122,448	131,579
Trade receivables		60,104	68,453
Other receivables, deposits and prepayments		1,399	1,789
Inventories		16,020	17,833
Cash and cash equivalents		109,738	106,142
Total current assets		187,261	194,217
Total assets		309,709	325,796
Equity			
Share capital		136,768	136,135
Share premium		11,190	10,470
Reserves			
Exchange fluctuation reserve		(2,168)	(2,330)
Fair value reserve		122	392
Share option reserve		1,581	1,505
Capital redemption reserve		17	10
Retained profits		111,470	114,955
Total equity		258,980	261,137
Liabilities			
Deferred income		307	386
Total non-current liabilities		307	386
Trade payables		18,124	25,847
Other payables and accruals		27,594	33,272
Current tax liabilities		4,704	5,154
Total current liabilities		50,422	64,273
Total liabilities		50,729	64,659
Total equity and liabilities		309,709	325,796
Net assets per share (RM)		0.95	0.96

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements as at 31 December 2012. The accompanying notes are an integral part of this statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2013
Condensed Consolidated Statement of Changes in Equity

The figures have not been audited

	Non-distributable				Distributable			
	Share Capital RM'000	Share Premium RM'000	Exchange Fluctuation Reserve RM'000	Fair Value Reserve RM'000	Share Option Reserve RM'000	Capital Redemption Reserve RM'000	Retained Profits RM'000	Total RM'000
3 months ended 31/03/2013								
Balance as at 1 January 2013	136,135	10,470	(2,330)	392	1,505	10	114,955	261,137
Foreign currency translation differences for foreign operations	-	-	162	-	-	-	-	162
Fair value of available-for-sale assets	-	-	-	(270)	-	-	-	(270)
Profit for the period	-	-	-	-	-	-	10,195	10,195
Total comprehensive income for the period	-	-	162	(270)	-	-	10,195	10,087
Issuance of new ordinary shares pursuant to ESOS III	633	720	-	-	-	-	-	1,353
Share-based payments	-	-	-	-	76	-	-	76
Dividends to owners	-	-	-	-	-	-	(13,673)	(13,673)
Capital Redemption Reserve	-	-	-	-	-	7	(7)	-
Total contribution from / (to) owners	633	720	-	-	76	7	(13,680)	(12,244)
Balance as at 31 March 2013	136,768	11,190	(2,168)	122	1,581	17	111,470	258,980

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Group's audited Financial Statements as at 31 December 2012. The accompanying notes are an integral part of this statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2013
Condensed Consolidated Statement of Changes in Equity

The figures have not been audited

	Share Capital RM'000	Share Premium RM'000	Non-distributable Exchange Fluctuation Reserve RM'000	Fair Value Reserve RM'000	Share Option Reserve RM'000	Distributable Retained Profits RM'000	Total 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 2012. The accompanying notes are an integral part of this statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2013
Condensed Consolidated Statement of Cash Flows

The figures have not been audited

		3 months ended 31/03/2013	3 months ended 31/03/2012
	Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax from continuing operations		12,342	7,395
Adjustments for:-			
Depreciation of property, plant and equipment		11,769	9,092
Depreciation of investment property		64	64
Property, plant and equipment written off		2	-
Gain on disposal of property, plant and equipment		(1)	(2)
Finance income		(502)	(428)
Amortisation of deferred income		(80)	(575)
Share of (profit) / loss of associate, net of tax		(26)	31
Gain on disposal of other investments	10	(125)	(233)
Share-based payments		76	106
Finance costs		-	12
Operating profit before changes in working capital		23,519	15,462
Changes in working capital:			
Inventories		1,813	1,349
Receivables, deposits and prepayments		8,738	(13,332)
Payables and accruals		(13,400)	(7,597)
Cash generated from / (used in) operations		20,670	(4,118)
Income tax paid		(2,596)	(1,161)
Net cash generated from / (used in) operating activities		18,074	(5,279)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(3,143)	(4,734)
Purchase of other investments		-	(541)
Proceeds from disposal of property, plant and equipment		1	55
Proceeds from disposal of other investments	10	385	483
Interest received		502	428
Net cash used in investing activities		(2,255)	(4,309)

3 months ended 31/03/2013 RM'000	3 months ended 31/03/2012 RM'000
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CASH FLOWS FROM FINANCING ACTIVITIES

Dividends paid to owners of the Company	(13,673)	(5,358)
Repayment of bank borrowings	-	(1,848)
Proceeds from issue of shares	1,352	202
Finance costs	-	(12)
Grant received	-	1,615
Net cash used in financing activities	(12,321)	(5,401)
Net increase / (decrease) in cash and cash equivalents	3,498	(14,989)
Cash and cash equivalents as at 1 January	106,142	99,160
Effect of exchange rates difference on cash and cash equivalents	98	(325)
Cash and cash equivalents as at 31 March	109,738	83,846

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	43,441	32,803
- Short term deposits	17,263	22,271
Cash and bank balances	49,034	28,772
	109,738	83,846

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements as at 31 December 2012. The accompanying notes are an integral part of this statement.

GLOBETRONICS TECHNOLOGY BHD (410285-W)
INTERIM REPORT FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2013
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 2012.

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 2012.

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 2012 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 2012.

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 2013, the Group acquired assets with a cost of RM3.14 million (Three months ended 31 March 2012: RM4.7 million).

(b) Capital commitments

During the three months ended 31 March 2013, the Group entered into contracts to purchase property, plant and equipment for RM6.3 million (Three months ended 31 March 2012: RM19.3 million).

(c) Disposals

Assets with a carrying amount of RM6 were disposed of during the three months ended 31 March 2013 (Three months ended 31 March 2012: RM53,597), resulting in a gain on disposal of RM795 (Three months ended 31 March 2012: gain of RM1,791), 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 year 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	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysia - current	2,147	1,199	2,147	1,199
- prior period	-	-	-	-
	2,147	1,199	2,147	1,199
Deferred tax (asset) / expense				
Malaysia	-	-	-	-
	2,147	1,199	2,147	1,199

The effective tax rate of the Group is lower than the statutory tax rate in the quarter mainly due to tax incentives enjoyed by certain subsidiaries in the Group.

9 **Deferred Tax Asset**

Deferred tax asset is in relation to previously unrecognised unutilised investment tax allowance of a subsidiary that was suffering losses / marginally profitable were recognised in Year 2012 as management considered it probable that future taxable profits will be available against which they can be utilised.

10. **Quoted Securities and Bond**

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

	3 months ended 31/03/2013 RM'000
Purchases	-
Sales	385
Gain on disposal of investments	125

11. **Unquoted Investments**

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

12. **Corporate Proposals**

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

14. **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 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	130.1
0.80	12.8
1.52	52.5
1.09	251.9
1.08	70.9
0.90	371.5
1.10	100.8
1.46	273.6

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 RM11.50 million of which RM3.43 million has been utilized as at 31 March 2013, no change as compared to 31 December 2012.

16. **Off Balance Sheet Financial Instruments**

The Group did not have any financial instruments with off balance sheet risk as at 23 April 2013, the latest practicable date that shall not be earlier than 7 days from the date of issue of the quarterly report.

17. **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 2012.

18. **Changes In Material Litigation**

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

19. **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 follows:-

Analysis By Geographical Segments

3 months ended 31/03/2013

	Malaysia	China	United States	Singapore	Others	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment profit before taxation	8,129	186	1,084	2,330	111	11,840
Revenue from external customers	51,682	1,049	3,509	21,215	20	77,475

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

	31/03/2013 RM'000	31/03/2012 RM'000
Reconciliation of segment profit:		
Reportable segments	11,840	6,979
Finance costs	-	(12)
Finance income	502	428
Consolidated profit before taxation	12,342	7,395
Tax expense	(2,147)	(1,199)
Consolidated profit after taxation	10,195	6,196

20. 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.

20.1 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 2012.
- 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

20.2 Significant transactions with related parties are as follows:

	3 months ended 31/03/2013 RM'000
i) Transactions with an associate <i>Nippon Steel & Sumikin Globetronics Technology Sdn. Bhd.</i> <i>(Formerly known as SMCi Globetronics Technology Sdn. Bhd.)</i>	
Sales	-
Rental of premises	471
Provision of management support services	48

21. **Earnings Per Share**

(a) Basic earnings per share		3 months ended		3 months ended	
		31/03/2013	31/03/2012	31/03/2013	31/03/2012
Net profit for the period	(RM'000)	10,195	6,196	10,195	6,196
Issued ordinary shares at beginning of the period	('000)	272,271	267,580	272,271	267,580
Effect of shares issued during the period	('000)	839	180	839	180
Weighted average number of ordinary shares	('000)	273,110	267,760	273,110	267,760
Basic earnings per share	(sen)	3.73	2.31	3.73	2.31
(b) Diluted earnings per share		3 months ended		3 months ended	
		31/03/2013	31/03/2012	31/3/2013	31/3/2012
Net profit for the period	(RM'000)	10,195	6,196	10,195	6,196
Issued ordinary shares at beginning of the period	('000)	272,271	267,580	272,271	267,580
Effect of shares issued during the period	('000)	839	180	839	180
Effect of share option-ESOS	('000)	2,711	1,001	2,711	1,001
Weighted average number of ordinary shares		275,821	268,761	275,821	268,761
Diluted earnings per share	(sen)	3.70	2.31	3.70	2.31

22. **Profit Before Tax**

	Current Year Quarter 31/03/2013 RM'000	Current Year To-date 31/03/2013 RM'000
Profit before tax is arrived at after charging / (crediting):-		
Depreciation of property, plant and equipment	11,769	11,769
Depreciation of investment property	64	64
Property, plant and equipment written off	2	2
(Gain) on disposal of property, plant and equipment	(1)	(1)
Finance income	(502)	(502)
(Gain) on disposal of other investments	(125)	(125)
Foreign exchange (gain) or loss – realised	(418)	(418)
– unrealised	(512)	(512)

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

The Group's revenue for quarter under review was RM77.5 million, a decrease of 9% from the preceding quarter of RM85.3 million while the net profit of the Group for the quarter was RM10.2 million as compared to RM11.2 million for the preceding quarter. Revenue from the Singapore segment, decrease from RM23.6 million to RM21.2 million (decrease of 10%). Malaysia recorded the highest segment revenue of RM51.7 million for the quarter, a decrease of 9.6% when compared to the last quarter.

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

For the year under review, the Group recorded a revenue and net profit of RM77.5 million and RM10.2 million as compared to RM56.8 million and RM6.2 million respectively in the corresponding quarter of the preceding period. The Malaysian and Singapore segments registered healthy sales and net profit improvement compared to last year.

The better net profit achieved for the year is mainly due to higher volume loadings from most of the Group's customers, better product mix and economy of scale.

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

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

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.

Premised on the above and barring any unforeseen circumstances, the Group is optimistic of achieving better performance and growth in financial year 2013.

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

Not Applicable.

29. **Dividends**

A first single tier interim dividend of 4% (2012: 4%) per share and a single tier special dividend of 6% (2012: NIL) per share for the financial year ending 31 December 2013 has been approved and paid on 26 March 2013.

A single tier final dividend of 4% (2011: 4%) and a single tier special dividend of 2% (2011: NIL) per share for the financial year ended 31 December 2012 will be proposed for shareholders' approval 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 2013 and 31 December 2012, into realised and unrealised profits, pursuant to the directive, is as follows:-

	As At End of Current Quarter 31/03/2013 RM'000	As At End of Preceding Quarter 31/12/2012 RM'000
Total retained earnings of the Company and its subsidiaries:-		
- Realised	104,466	109,522
- Unrealised	3,181	1,334
	107,647	110,856
Add: Consolidation adjustments	3,823	4,099
Total retained earnings	111,470	114,955

By Order of the Board

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

Joint Secretaries

Dated this 30 April 2013