Globetronics Technology Bhd.
(410285-W)

Symbiosis of Power & Nature

Annual Report 2010

CONTENTS

Vision

To be the global business partner of choice in niche products and services.

Mission

To deliver continuous growth and breakthroughs in business performance with total customer satisfaction.

Belief

- People are our greatest asset
- Results-oriented with customer satisfaction
- Organisational agility
- Focus on corporate excellence
- Integrity at all times
- Team-based approach

CORPORATE INFORMATION

BOARD OF DIRECTORS

Michael Ng Kweng Chong
Founder and Executive Chairman

Heng Huck Lee
Chief Executive Officer

Diong Chin Teck @ Tiong Chin Sang

Dato' Noor Ahmad Mokhtar Bin Haniff

Hizwani Bin Hassan

Lim Chien Ch'eng

Ng Kok Khuan

Norhalim bin Yunus

Dato' Dr. Chong Eng Keat @ Teoh Eng Keat

Dato' Ng Kweng Moh

Ng Kweng Chan

AUDIT COMMITTEE

Chairman
Diong Chin Teck
Independent Non-Executive Director

Members
Dato' Dr. Chong Eng Keat
Independent Non-Executive Director

Ng Kok Khuan
Non-Independent Non-Executive Director

SECRETARIES

Ong Eng Choon (MIA 2121)
Lee Peng Loon (MACS 01258)

REGISTERED OFFICE

51-21-A Menara BHL Bank,
Jalan Sultan Ahmad Shah,
10050 Penang, Malaysia.
Tel : (604) 210 8833
Fax : (604) 210 8831

SHARE REGISTRARS

Agriteum Share Registration Services Sdn Bhd
2nd Floor, Wisma Penang Garden,
42, Jalan Sultan Ahmad Shah,
10050 Penang, Malaysia.
Tel : (604) 228 2321
Fax : (604) 227 2391

AUDITORS

KPMG Penang
Chartered Accountants

PRINCIPAL FINANCIAL INSTITUTIONS

Public Bank Berhad
AmBank Berhad
Citibank Berhad
United Overseas Bank (Malaysia) Berhad
CIMB Bank Berhad
HSBC Bank Malaysia Berhad

PRINCIPAL SOLICITOR

Ghazi & Lim

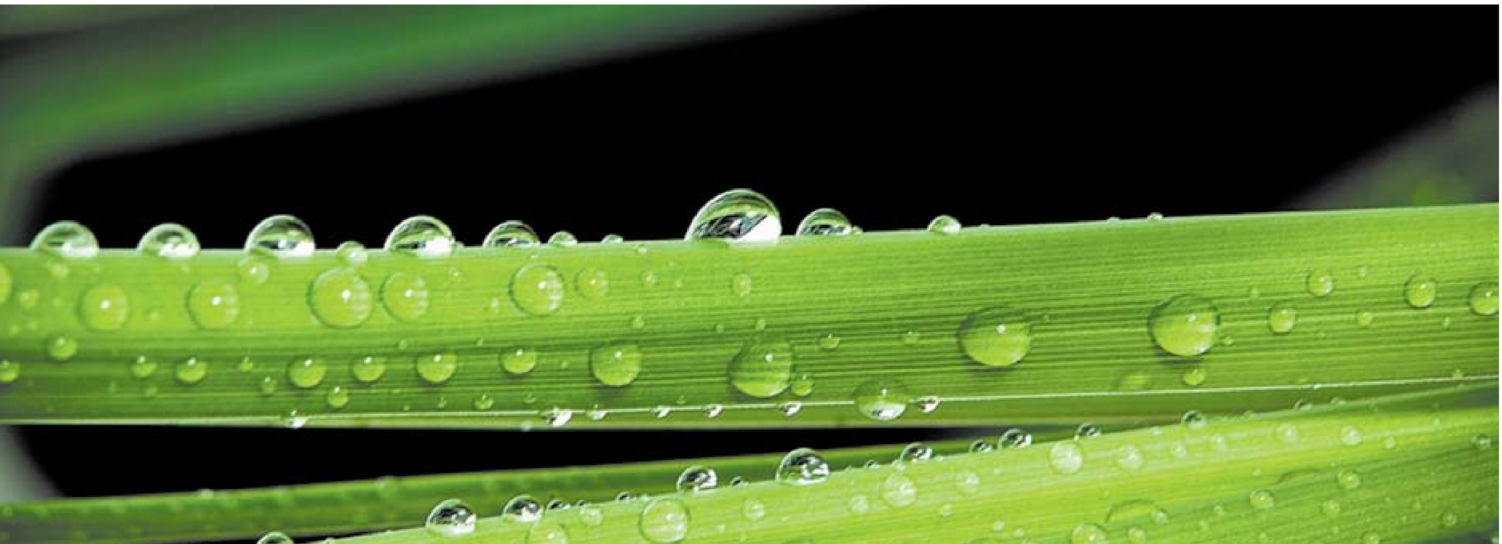
STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad
Stock Code: 7022

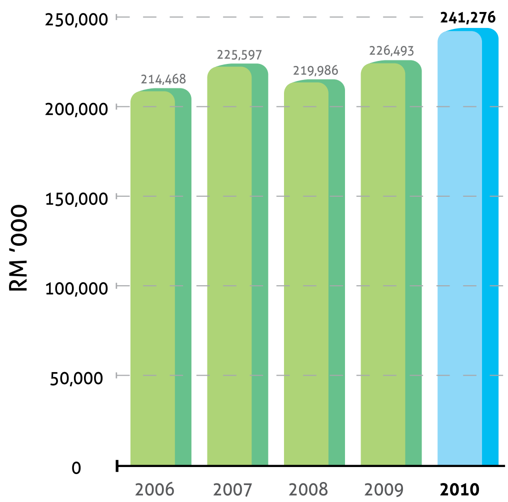
Globetronics Technology Bhd.
(410285-W)

GROUP CORPORATE STRUCTURE

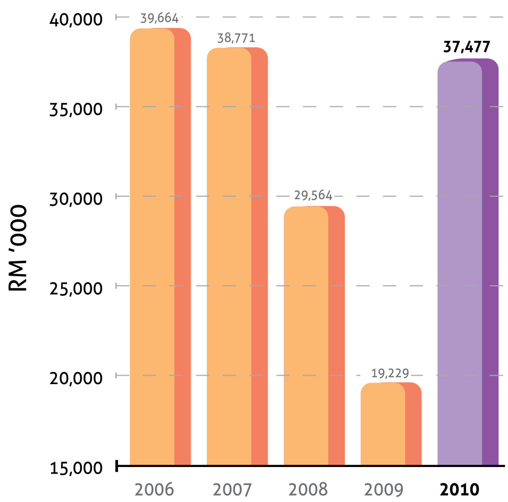
- **100% Globetronics Sdn Bhd**
  Assembly & Testing of Intergrated Circuits (IC), Optoelectronic Products & Technical Plating Services
- **100% ISO Technology Sdn Bhd**
  IC Assembly & Technical Plating Services
- **100% Globetronics (KL) Sdn Bhd**
  Manufacturing, assembly and test of chip carrier quartz crystal products
- **100% Globetronics Industries Sdn Bhd**
  Technical Ceramic Substrates & Antistatic Products Manufacturing
- **100% Globetronics International Incorporated**
  Investment Holding
  - **100% Globetronics (Hong Kong) Limited**
    Inactive
- **100% Globetronics Multimedia Technology Sdn Bhd**
  Computer Integrated Manufacturing & Systems' Solutions Provider
- **100% Globetronics Distribution Sdn Bhd**
  Dormant/Inactive
- **49% SMCi Globetronics Technology Sdn Bhd**
  Advanced Ceramic Piece-Parts Manufacturing



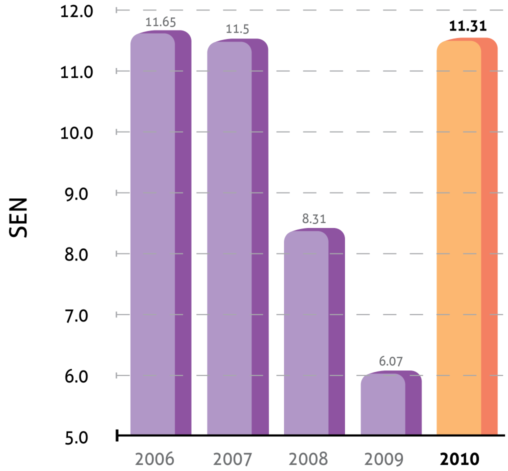
FINANCIAL HIGHLIGHTS



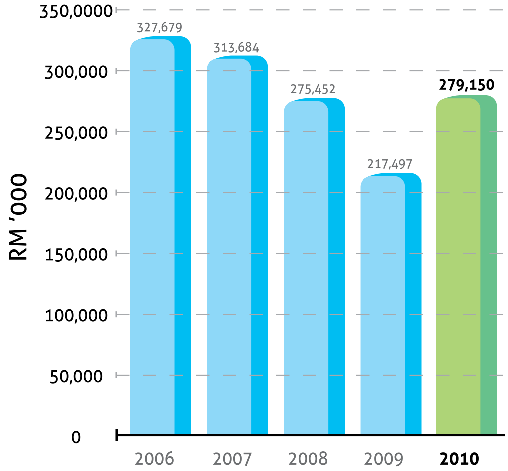
Shareholders' Funds



Profit Before Taxation



Net Earnings Per Share (Sen)

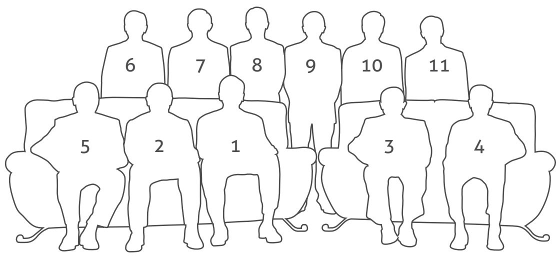


Turnover

Year Ended 31 December 2010	2006 RM '000	2007 RM '000	2008 RM '000	2009 RM '000	2010 RM'000
Turnover	327,679	313,684	275,452	217,497	**279,150**
Profit Before Taxation	39,664	38,771	29,564	19,229	**37,477**
Profit After Taxation	30,562	30,128	21,768	15,921	**29,727**
Profit Attributable to Shareholders	30,562	30,128	21,768	15,921	**29,727**
As at 31 December					
Total Assets Employed	295,601	308,377	291,349	277,445	**305,700**
Shareholders' Funds	214,468	225,597	219,986	226,493	**241,276**
Net Earnings Per Share (Sen)*	11.65	11.50	8.31	6.07	**11.31**
Net Tangible Assets Per Share (RM)*	0.80	0.85	0.85	0.86	**0.92**

* The net earnings and net tangible assets per share for year 2006-2009 has been adjusted for the share consolidation of the ordinary shares of RM 0.10 each into ordinary shares of RM 0.50 each.

BOARD OF DIRECTORS



1. Mr. Michael Ng Kweng Chong
   (Founder & Executive Chairman)
2. Mr. Heng Huck Lee
   (Chief Executive Officer)
3. Mr. Diong Chin Teck
4. Mr. Ng Kok Khuan
5. Encik Hizwani Bin Hassan
6. Dato' Noor Ahmad Mokhtar Bin Haniff
7. Dato' Dr. Chong Eng Keat
8. Dato' Ng Kweng Moh
9. Encik Norhalim Bin Yunus
10. Mr. Lim Chien Ch'eng
11. Mr. Ng Kweng Chan

Mr. Michael Ng Kweng Chong

Mr. Michael Ng Kweng Chong, aged 63, a Malaysian, is a Non-Independent Executive Director of Globetronics Technology Bhd ("GTB"). He was appointed to the Board of GTB on 5 August 1997. Mr. Michael Ng is currently the Founder and Executive Chairman of GTB. He was the original founder of Globetronics Sdn Bhd (GSB) in 1991. He nurtured the Company from the initial paid-up capital of RM3 million 19 years ago and led the Company to a successful IPO in 1997. Today, Globetronics has grown to become a company listed on the Main Market of Bursa Malaysia Securities Berhad with eight subsidiaries & one associated company with paid up capital of RM133 million.

Mr. Michael Ng graduated from the University of London in 1972 with an Honours Degree in Mechanical Engineering. Besides being a Professional Engineer in Malaysia, he has earned many certifications and recognition in the areas of technical, management and business developments & expertise in the Hi-tech Semiconductor manufacturing arena. In his 18 successful years working for Intel Technology Sdn Bhd, Mr. Michael Ng grew rapidly from an Engineer in 1972 to various senior management positions within Intel Penang, the Asia Pacific and the US. Of significance were the senior management positions spanning 1 year in Intel US, 2 years each for the Far East Automotives' Business Group and the Asia Pacific Quality Support Group covering South Korea, Taiwan, Hong Kong, Singapore and Malaysia.

Mr. Michael Ng is a member of the ESOS Committee and Remuneration Committee of GTB.

He attended all 5 Board Meetings held during the financial year ended 31 December 2010.

Mr. Michael Ng is the brother of Dato' Ng Kweng Moh, cousin of Mr. Ng Kweng Chan and uncle of Mr. Ng Kok Khuan who are the directors of GTB. He has no conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

Mr. Heng Huck Lee

Mr. Heng Huck Lee, aged 54, a Malaysian, is a Non-Independent Executive Director of GTB. He was appointed to the Board of GTB on 10 November 1997. He was appointed as the Chief Operating Officer of GTB in July 1997 and later promoted as Chief Executive Officer in January 2008.

He graduated with a Bachelor of Applied Science (Honours) majoring in Computer/ Electronic Technology from Universiti Sains Malaysia in 1982. He also obtained a Master in Business Administration from East Asia University in 1991. His past working experience includes a 10-year operations/management position with Intel Technology Sdn Bhd, currently the world's largest semiconductor manufacturer. He also has more than 5 years working experience as a Group General Manager with Shinca Sdn Bhd, an Original Equipment Manufacturer/subcontract manufacturer for a wide range of electronics and computer products from 1991 to 1997.

Mr. Heng is a member of the MIDA Electronics and Electrical Advisory Panel. He attended all 5 Board Meetings held during the financial year ended 31 December 2010.

Mr. Heng Huck Lee does not have any family relationship with any director and/or major shareholder of GTB, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

Mr. Diong Chin Teck

Mr. Diong Chin Teck, aged 78, a Malaysian, is an Independent Non-Executive Director of GTB. He was appointed to the Board of GTB on 29 May 2001.

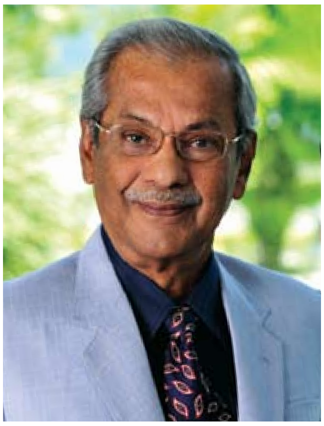
He is a Fellow of the Institute of Chartered Accountants in Australia and a member of the Malaysian Institute of Accountants. He obtained his professional training in accountancy in Melbourne, Australia and was admitted as a member of The Institute of Chartered Accountants in Australia in 1966. He joined Peat Marwick (now known as KPMG) in 1967 and worked in their Kuala Lumpur, Ipoh and Penang offices. He was made a partner of the firm in 1971 and held the position until his retirement in 1988.

He is currently the Chairman of the Audit Committee in GTB.

Mr. Diong currently sits on the Board of Eurospan Holdings Berhad, Asas Dunia Berhad and Zhulian Corporation Berhad.

He attended 4 of the 5 Board Meetings held during the financial year ended 31 December 2010.

Mr. Diong Chin Teck does not have any family relationship with any director and/or major shareholder of GTB, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.



Dato' Noor Ahmad Mokhtar bin Haniff

Dato' Noor Ahmad Mokhtar bin Haniff, aged 72, a Malaysian, is an Independent Non-Executive Director of GTB. He was appointed to the Board of GTB on 5 August 1997.

He graduated with a Bachelor of Arts (Honours) degree majoring in Economics from Universiti Malaya in 1964 and also obtained a Diploma in Education in 1965 from Universiti Malaya. From 1965 to 1970, he was an Educationist with the Ministry of Education. He assumed the position of Special Assistant to the Chief Minister of Penang with Penang City Council from 1970 to 1971 before joining USM as Senior Assistant Registrar. In 1972, he joined Penang Development Corporation as the Principal Director of the Free Trade Zones and was subsequently promoted to Administration Manager in 1976 and Deputy General Manager in 1980. From 1991 to 1996 he was the General Manager of Penang Development Corporation.

He is the Chairman of the Remuneration Committee in GTB.

He currently sits on the Board of Eurospan Holdings Berhad.

He attended all 5 Board Meetings held during the financial year ended 31 December 2010.

Dato' Noor Ahmad Mokthar bin Haniff does not have any family relationship with any director and/or major shareholder of GTB, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

Mr. Lim Chien Ch'eng

Mr. Lim Chien Ch'eng, aged 58, a Malaysian, is an Independent Non-Executive Director of GTB. He was appointed to the Board of GTB on 5 August 1997.

He graduated with a Bachelor of Social Science (Honours) degree majoring in Politics from Universiti Sains Malaysia in 1976, and a Bachelor of Law (LLB. Hons) from King's College, University of London in 1979. He was called to the English Bar in 1980 and the Malaysia Bar in 1981. He has been practicing as an Advocate and Solicitor since 1981 and is now a partner in a legal firm with offices in Penang, Seberang Jaya and Kuala Lumpur.

He is the Chairman of the ESOS Committee and a member of the Remuneration Committee in GTB.

Currently, he sits on the Board of Chin Well Holdings Berhad.

He attended 4 of the 5 Board Meetings held during the financial year ended 31 December 2010.

Mr. Lim Chien Ch'eng does not have any family relationship with any director and/or major shareholder of GTB, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

Mr. Ng Kweng Chan

Mr. Ng Kweng Chan, aged 62, a Malaysian, is a Non-Independent Non-Executive Director of GTB. He was appointed to the Board of GTB on 1 August 2009.

He graduated with a Bachelor of Business degree, majoring in Accounting from Western Australia Institute of Technology (now known as Curtin University of Technology). He started his career as an Audit Senior in Peat Marwick Mitchell (now known as KPMG) in 1975. Subsequently, in 1976, he joined Austral Shipping Pty Ltd. Sydney as Assistant Accountant and in 1982, he moved on to Parkhill Lithgow Gibson, Sydney as Chartered Accountant. In November 1982, he joined United Traders Securities Berhad, a share broking firm in Penang as a Manager and later promoted to Director and subsequently to Branch Head of Dealing of Inter-Pacific Securities Sdn Bhd when the company underwent a name change. With effect from 1 April 2009, he was appointed the Advisor of Inter-Pacific Securities Sdn Bhd.

He attended all 5 Board Meetings held during the financial year ended 31 December 2010.

Mr. Ng Kweng Chan is the cousin of Mr. Michael Ng, who is a director and major shareholder of GTB, and Dato' Ng Kweng Moh and uncle of Mr. Ng Kok Khuan who are the directors of GTB. He has no conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

Mr. Ng Kok Khuan

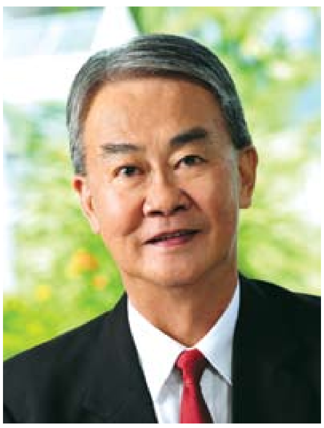
Mr. Ng Kok Khuan, aged 60, a Malaysian, is a Non-Independent Non-Executive Director of GTB. He was appointed to the Board of GTB on 19 May 1998.

He graduated with a Diploma of Business Studies in 1975 from Australia and is a member of the Malaysian Institute of Accountants. From 1976 to 1977 he was employed as the Internal Auditor of Central Finance Berhad. In 1978 he was appointed as the Company Secretary of General Produce Agency Sdn Bhd and he has held the position since then.

He is a member of the ESOS Committee and Audit Committee of GTB.

He attended all 5 Board Meetings held during the financial year ended 31 December 2010.

Mr. Ng Kok Khuan is the nephew of Mr. Michael Ng, who is a director and major shareholder of GTB, and Dato' Ng Kweng Moh and Mr. Ng Kweng Chan who are the directors of GTB. He has no conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.



Dato' Ng Kweng Moh

Dato' Ng Kweng Moh, aged 69, a Malaysian, is a Non-Independent Non-Executive Director of GTB. He was appointed to the Board of GTB on 5 August 1997.

He is one of the Founding Members of GTB and currently is the Executive Director of General Produce Agency Sdn Bhd, with more than 30 years of experience in the rubber and palm oil industry, housing development and investment holdings since 1963.

He attended all 5 Board Meetings held during the financial year ended 31 December 2010.

Dato' Ng Kweng Moh is the brother of Mr. Michael Ng, who is a director and major shareholder of GTB, cousin of Mr. Ng Kweng Chan and uncle of Mr. Ng Kok Khuan who are the directors of GTB. He has no conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

Dato' Dr. Chong Eng Keat @ Teoh Eng Keat

Dato' Dr. Chong Eng Keat @ Teoh Eng Keat, aged 65, a Malaysian, is an Independent Non-Executive Director of GTB. He was appointed to the Board of GTB on 3 March 2003.

He graduated from Universiti Sains Malaysia (USM) in 1975 with an Honours Degree in Chemistry and went on an Australian National University Scholarship to do his Ph.D in Chemistry in 1976. In 1980, Dato' Dr. Chong left USM to join Intel as a Senior Process Engineer. During his 22 years in Intel, Dato' Dr. Chong has domestic and international experience in starting up as well as managing manufacturing operations, technology development and deployment. Dato' Dr. Chong started up the Intel Kulim site and he was the Vice-President and General Manager of Intel's Worldwide Board and Systems operations at the time of his retirement in 2002.

He is currently a member of the Audit Committee in GTB and also sits on the Board of MQ Technology Bhd and Elsoft Research Berhad.

He attended 4 of the 5 Board Meetings held during the financial year ended 31 December 2010.

Dato' Dr. Chong Eng Keat does not have any family relationship with any director and/or major shareholder of GTB, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

Encik Norhalim bin Yunus

Encik Norhalim bin Yunus, 48, a Malaysian, is a Non-Independent Non-Executive Director of GTB. He was appointed to the Board of GTB on 18 July 2008.

He is a Biologist by training and graduated from Universiti Kebangsaan Malaysia in 1986. He has wide experience in several areas including venture capital investment, commercialisation of research and nurturing start-up companies.

Encik Norhalim was attached to Guthrie Plantation & Agricultural Services before joining Malaysian Technology Development Corporation Sdn Bhd (MTDC), a venture capital company under Khazanah Nasional Berhad Group in 1993. Since then, he has held various positions in MTDC including Director of Technology Development, General Manager of Operations and General Manager of Biotechnology Group. As a Director of Technology Development, he was responsible for management of government funding programmes for the commercialisation of research and technology acquisitions and the running of incubation centers. He was also involved in the creation of several start-up companies under MTDC and was for several years the Executive Director of MTDC Biotechnology Holding Sdn Bhd. Currently, Encik Norhalim is the Chief Executive Officer of MTDC.

He attended all 5 Board Meetings held during the financial year ended 31 December 2010.

Encik Norhalim does not have any family relationship with any director and/or major shareholder of GTB, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

Encik Hizwani bin Hassan

Encik Hizwani bin Hassan, 44, a Malaysian, is a Non-Independent Non-Executive Director of GTB. He was appointed to the Board of GTB on 16 February 2007.

He is a member of the Malaysian Institute of Accountants and an associate of the Institute of Chartered Accountants in England and Wales. He graduated with a Bachelor of Science (Honours), majoring in Economics, from the London School of Economics, University of London. His career experience includes being a Senior Accountant in Ernst & Young (London Office), a Senior Manager in Arab-Malaysian Bank Berhad and the Chief Financial Officer of Dawama Sendirian Berhad, the company that took over the running of the privatised commercial activities of Dewan Bahasa dan Pustaka. In October 2001, he joined the Employees Provident Fund (EPF) as its Head of Corporate Services. He is currently the EPF's Deputy Chief Executive Officer (Finance & Customer Care).

He attended all 5 Board Meetings held during the financial year ended 31 December 2010.

Encik Hizwani does not have any family relationship with any director and/or major shareholder of GTB, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

Mr. Michael Ng Kweng Chong
- Founder & Executive Chairman

Globetronics Technology Bhd (GTB) enjoyed a good recovery in performance for Year 2010 in line with the improving global economy as the world regained confidence after the financial crisis of 2008. With government stimulus spending at full force in industrialised countries like the USA and China, major technology focuses from such stimulus spending have been directed at the energy saving, environmental protection, as well as in the Information & Communications Technology (ICT) arena. Such focuses have resulted in the speedy adoption of the lighting industry from the conventional incandescent lighting to solid-state-lighting or light-emitting-diodes (LEDs), as well as in the increasing demand for high-precision, crystal-based timing devices that are built into a myriad of electronics devices and home electronics products. Over the past years, our Group has strategically been investing heavily in capital and human resources by partnering world-renowned players in participating actively in these two fast growing fronts.

As the result of our Group's meticulous planning and flawless execution of our business strategies and investments, we managed to close year 2010 with revenues of RM279 million and profit after tax of RM30 million, which were improvements of 28% and 89% respectively over year 2009's closing. Our Group also spent a record RM107million in capital expenditure to leverage firmly in the growing markets along the LED-lighting and timing devices' fronts for the years to come. Throughout year 2010 our Group also made three (3) dividend-payments totaling RM17.8 million to reward our loyal shareholders and still managed to close the year with >RM55 million in cash and other investments.

We absolutely owe our Group's successes to our highly dedicated and most respected C.E.O. (Mr. HL Heng), whose selfless dedication and outstanding leadership have been instrumental in motivating and leading our Group's personnel towards delighting our customers with stellar key-performance-indicators as well as in creating competitive advantages for them and for ourselves! Such critical value-adds to our customers have resulted in a steady stream of additional businesses and product loadings to our Group which more than compensated for the declining volumes of matured products facing their end of lives. We have also been successful in partnering with our customers in market penetration of their products in Asia with co-development of new products next in the roadmap, as a positive way of elevating our Group up the value chain towards establishing new business platforms for ourselves.

In line with the above strategies, our Group have laid firm foundation for ourselves by investing a record RM107 million of capital expenditure (CAPEX) in year 2010 alone (on top of RM95 million spent in years 2008-2009) for equipment and technology that will power such business portfolios forward. Our Group continues to carry another crucial competitive advantage with our strong financial and cash flow position which will allow us to turn on a dime to invest and capture strategic business opportunities whenever such opportunity arises!

In the corporate social responsibility front, we continue to look for ways to play our pivotal roles in conserving the environment, in leading our country's manufacturing technology prowess and in being an asset to the local community around us. Our intricate focuses in the energy-saving/ environmental-friendly-LEDs and the growing timing devices together with our on-going scholarship programme for the needy are absolute manifestations of our commitment to this cause. In the recent calamities faced by Japan in their 11 March earthquake and tsunami, we responded passionately and urgently by donating ¥2.5 Million in humanitarian aids to the affected victims.

In closing, it is imperative for me to take some quality time to convey my heartfelt gratitude and appreciation towards our most outstanding C.E.O (Mr. HL Heng), our highly respected and effective Board of Directors and our dedicated and well-aligned employees for making year 2010 such a successful and meaningful year! At this juncture, it is with heartfelt gratitude for me, on behalf of our Board of Directors, to record our sincerest appreciation to Dato' Noor Ahmad Mokhtar bin Haniff who will be retiring after this year's Annual General Meeting. Our Board shall miss Dato' Mokhtar's outstanding leadership and guidance dearly.

Last but not least, I would also like to take this opportunity to thank our shareholders, our suppliers and all our supporters for their unwavering support through all these years!

Thank you all very much!

Financials

Our Group's turnover and net profit for the year ended 31 December 2010 increased significantly by 28% and 87% respectively as compared to the same period last year mainly due to higher volume loadings from all the Group's customers as the result of recovery of the global economy. The net profit for the year ended 31 December 2009 was partly affected by impairment loss due to the shutdown of the Group's China operations.

Cash flow of our Group continued to be healthy with approximately RM55 million in cash and other investments even after spending >RM100 million in capital expenditures to pre-position our Group in the exponential growth in the timing devices and LED businesses.

Dividends

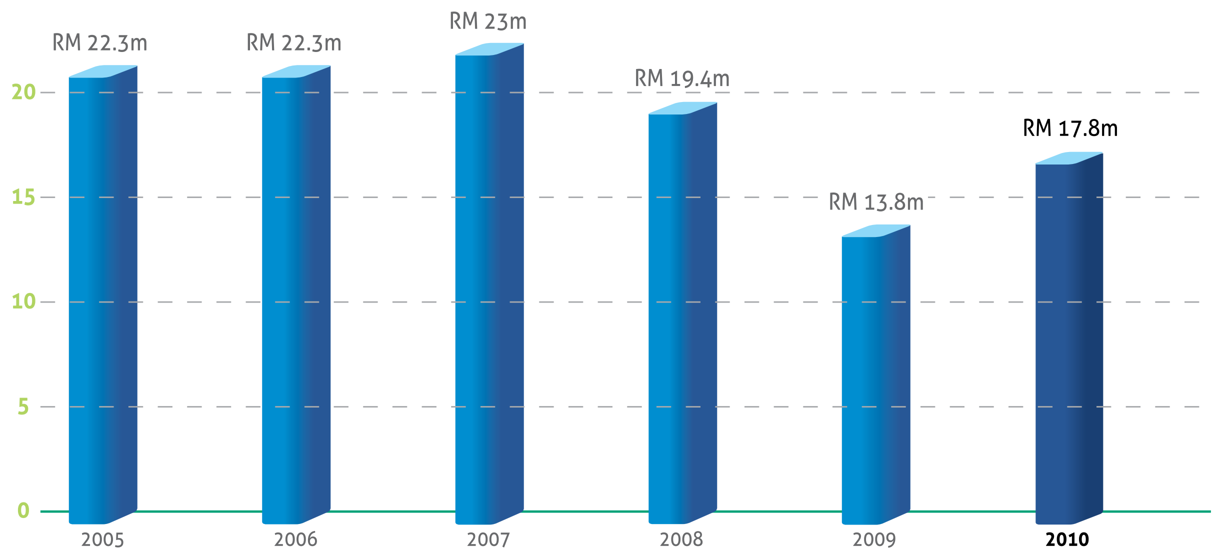
It is indeed our pleasure to report that in spite of the record spending of >RM100 million on capital expenditures during 2010, we continued to be diligent in maintaining our policy of rewarding our shareholders with steady dividend payments whenever our cash flow situation allowed us to do so. In total, we paid out RM17.8 million in dividends comprising of :

(i) A first interim dividend of 6% less 25%tax (2009: 4% less 25% tax) per share for the financial year ended 31 December 2010 totaling RM5.92 million was paid on 8 February 2010;

(ii) A final dividend of 4% less 25% tax (2009: 4% less 25% tax) per share for the financial year ended 31 December 2009 totaling RM3.98 million was paid on 9 June 2010; and

(iii) A second interim dividend of 5.3% less 25% tax (2009: 5% less 25% tax) per share and a special dividend of 2% tax exempt (2009: 1% less 25% tax) per share for the financial year ended 31 December 2010 totaling RM7.96 million was paid on 2 December 2010.

A single tier final dividend of 4% for the financial year ended 31 December 2010 will be proposed for shareholders' approval in the upcoming Annual General Meeting.



Return to Shareholders - Dividends Declared

Corporate Governance and Social Responsibility

In line with our uncompromising guiding principles to be a model Corporate citizen in each country and community that we operate in, our Group have always been a strong advocate towards ensuring full compliances to all of Bursa Malaysia's listing requirements whilst at the same time, adopting the best practices as recommended by the Malaysian Code on Corporate Governance.

This year, we further consolidated our Corporate Social Responsibility (CSR) efforts to be more holistic and inclusive in nature. We continued to extend our on-going scholarship programme to selected financially needy and academically deserving Malaysian students to pursue their tertiary education in this country. We have also started to reap the fruits of our first harvest by having the first batch of three Graduates from our home-grown scholarship programme successfully working for us already. Our Group's annual charity funds have also become more holistic in nature, with coverage going to organisations that protect and assist children, women as well as the needy public. Both at home and overseas, we responded passionately and urgently by donating needy funds to: (i) our Jitra employees whose homes were damaged by the severe flood in November 2010 and (ii) to the victims in Japan's recent earthquake and tsunami with a donation of ¥2.5 million in humanitarian aids. In the healthcare front, our own closely-supervised "Biggest Loser" initiative to combat obesity problem achieved impressive breakthrough with weight-loss of 140Kg from 26 participants in just three(3) months, i.e. average loss of ≈5.4Kg/employee over three months!!! Last but not least, our employees also participated actively and meaningfully in Penang-State's "clean up campaign" for our rivers and beaches!

Prospects & Outlook

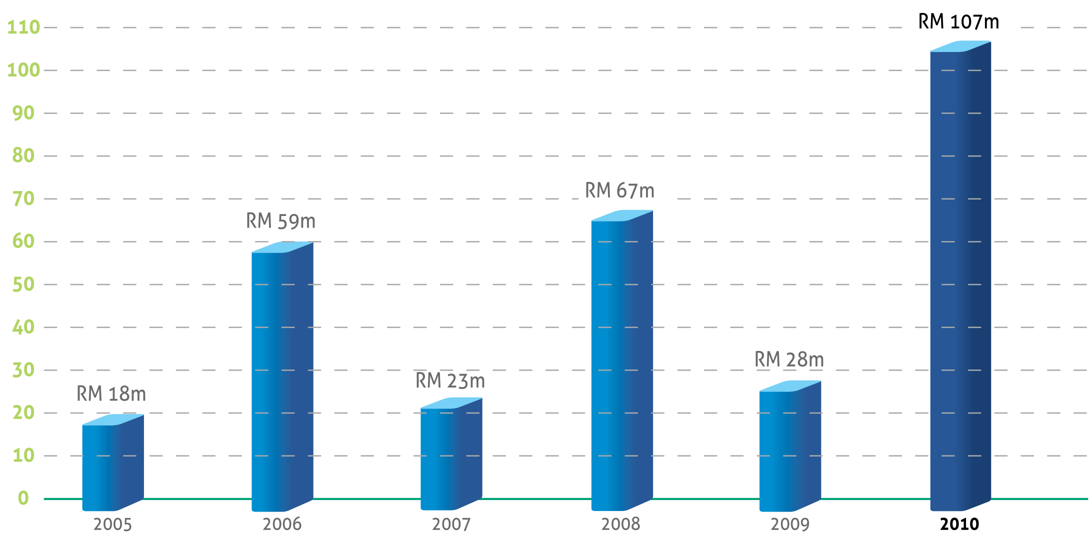
Time and events seem to fly by at a much faster rate nowadays than say, 20 or 30 years ago. One of the reasons for this, I think, is due to the phenomenal advances made in the Information and Communications Technology (ICT) arena resulting in the world becoming more connected and more accessible with instantaneous availability of information anytime, anywhere by anyone! At the same time our world has finally taken solid steps towards making our home-planet more livable through a series of serious adoption of energy conservation and environmentally-friendly applications!

Our Group has over the last five years or so, been very focused towards engaging ourselves in the: (i) energy-saving/ environmentally-friendly, high brightness LED-lighting market (market size: US$14.9 Billion by year 2013) and (ii) ICT markets with crystal-devices (market size: >US$2 Billion/year). In the energy-saving/environmentally-friendly arena, we have been in strong partnership with the world-renowned LED producers towards supplying advanced, long-lasting, 40% lower electricity consumption and environmentally-friendly lighting components and fixtures to the world. In the ICT arena, we have been playing a pivotal role in partnership with the world's top producer in producing high-precision, crystal-based timing devices that are progressively smaller, more precise and accurate and which have evolved well along with information technology and are quintessential parts in a myriad of electronic devices and home electronics products.

After having invested RM200 million in the last three years alone (RM107 million, RM28 million and RM67 million spent in years 2010/2009/2008 respectively) in capital expenditures to pre-position ourselves specifically at producing such LED-based products and crystal-based timing devices, we are now fully ready to tap into the exponentially growing demands for these products due to the affordability and indispensability of these products in today's technologically-advanced, energy-hungry world where real-time connectivity, energy efficient and environmentally-friendly products are essential.

On top of our strong commitments and huge investments in capital and human resources in anchoring ourselves for strong growth in the next few years, another important competitive advantage of ours lies in our globally cost-competitive, highly flexible and agile organisations, ever ready to provide the most cost competitive services and solutions to our world-renowned business partners/customers. Our value-adds to these business partners have also taken a quantum leap in that we have become a powerful change-agent for them towards strategic market penetration of their products into our local Community, our Country and South-East Asia in general.

Looking forward to year 2011 and beyond, while challenges and chaos will continue to reign in the global business markets, I look forward with confidence and optimism that our Group will continue to excel and thrive in chaos while our shareholders will continue to get excellent returns of their investment in our Group of companies!



CAPEX Spending

Mr. Heng Huck Lee
Chief Executive Officer

Business KPIs

Technological Advances

Customer Satisfaction

Corporate Social Responsibility

In my opinion, Year 2010 represented the inflection point for the world economy in terms of recovering from the financial crisis of Year 2008. Despite soft patches in the industrialised countries, most emerging markets including Asia have seen a strong uptick in economic activity compared to last year.

I am pleased to share that Globetronics have managed to position itself strategically to benefit from this economic turnaround. Our involvement in the light-emitting-diode (LED) and timing devices industry, where our customers represent the top three players in the industry, have seen a tremendous growth in Year 2010 especially in LED where there is a worldwide push to be more energy efficient. Therefore, despite putting in a significant amount of CAPEX in our operations for Year 2009, we invested another record RM107 million of CAPEX into expanding our operations for Year 2010. I believe these investments are necessary and will play a critical role in our ability to extend our business relationships with current as well as future customers.

On top of our dedication in excelling in our existing business partnerships, we have continued to look at new potential opportunities of growth. In line with the worldwide drive to be more energy efficient, our Group is collaborating with our customers and other resources to produce economically and financially viable LED products to meet the demands of the marketplace. In fact, we are beginning to convert all of our factories to our own produced LED light tubes from the current fluorescent tubes by Year 2011. I believe that the symbiosis of nature and technology is the way forward, for the advent of new technology should help to reduce the burden on nature and pave a way for a sustainable environment for us to live in.

Our dedicated employees have again demonstrated that they are our Group's greatest assets, excelling by delivering stellar key performance indicators in our manufacturing and customer satisfaction indexes. Strategies towards achieving organisational agility and flexibility, cost reduction and waste elimination, lowest-cost solutions to customers were all meticulously planned and flawlessly executed with all ramp requirements fully met despite facing challenges like labour shortages and material constraints from time to time. I would thus like to take this opportunity and commend all our employees for their outstanding efforts and contributions to our Group performance this year!

Looking ahead, there were some consolidations in economic activities after a very strong three quarters of growth in Year 2010. I am of the opinion that this is cyclical in nature and am optimistic that with the plans and resources we have put in place in 2010, we will continue to make inroads for the growth of Globetronics in Year 2011.

In closing, I would like to once again extend my appreciation to our partners, our employees, the Board of Directors and you, esteemed shareholders, for making this another successful year for GTB.

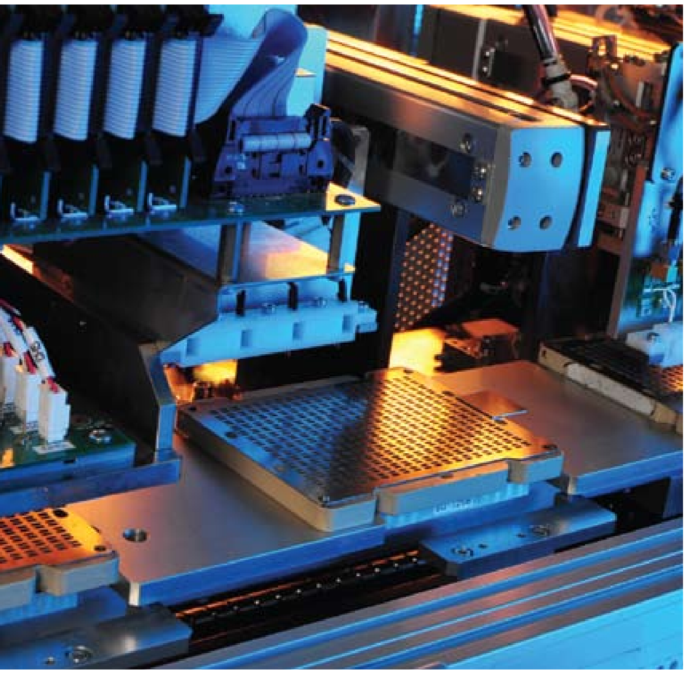
Customer Appreciation Award For Billion Units Shipped

Globetronics Sdn Bhd - KL & Globetronics (KL) Sdn Bhd ("GKL")

GKL has officially claimed the crown to be the Group's biggest revenue and biggest employment contributor, despite the fact that it is the Group's youngest subsidiary. GKL is the subsidiary where major bulks of our RM107M CAPEX investments have been directed. The team led by our GKL factory manager, Mr. BH Wong together with his young team of mostly Engineering and Manufacturing executives (pre-managerial posts) continue to show outstanding passion and dedication in starting up two new lines as well as in ramping up volumes with stellar performance indicators in a period of less than five months. In spite of facing severe labour shortages, GKL managed to deliver consistently 100% of the quality, yield and manufacturing target set by our customers.

With all the outstanding accomplishments and track records, our Japanese customer have further committed to additional business transfers in December 2010. Combining all our current business in GKL, the site has become one of the largest quartz-based timing device manufacturers.

I would like to express my sincere thanks to the trust and confidence of all our customers as well as the outstanding support from our GKL staff for this successful year.

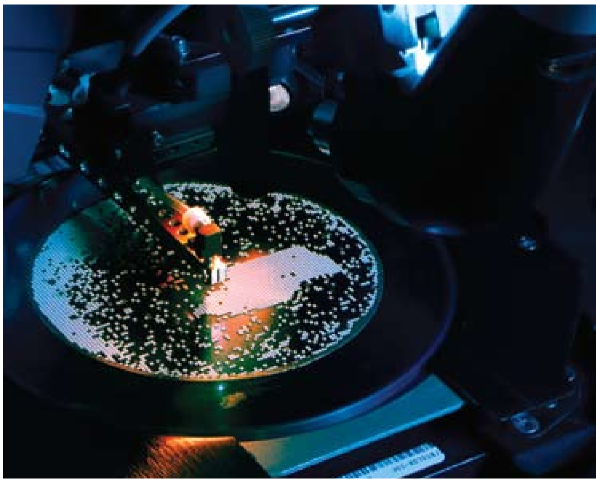


Globetronics Sdn Bhd – Penang ("GSB")

GSB had a good first three quarters in Year 2010 when its LED customer was experiencing order back logs of as high as 6-9 months. Our team was put into the over-drive mode to fulfill ALL the backlogs. Thanks to our factory manager, Mr. BS Lim, we delivered and met all the requirements within the shortest production lead time. Financial performance was also better than projection. Unfortunately, there was a drop in LED orders during the fourth quarter, mainly due to ASP erosion and inventory build up. Inspite of the very volatile situation, GSB managed to deliver some important breakthroughs in terms of yield improvement and operational/manufacturing excellence to continue securing satisfactory business loadings.

GSB also had a major breakthrough in securing another anchor customer who is also a top player in the LED industry. Through the proactive and flawless executions during the start up and ramp phases, GSB had managed to secure three new businesses from this new customer. This success moved GSB up the LED capacity ranking and we are currently processing tens of millions of LED dies daily.

On top of this, while serving a few other smaller customers, GSB is actively pursuing another potential anchor customer to add to its business portfolio in the next one to two years. With the strategic diversification and positioning of its business portfolio, GSB is confident of its growth path in spite of the occasional volume swings from its customers.



ISO Technology Sdn Bhd ("ISO")

ISO posted a respectable set of top and bottom line numbers for Year 2010 after being the hardest hit subsidiary in Year 2009. The aggressive fat trimming exercise in 2009 has resulted in a more fit and lean structure and it became an asset for ISO as it grew in Year 2010 with minimum CAPEX expenditure, thus freeing cash flow and keeping its overheads low.

Under the capable leadership of our Senior VP, Mr. KC Lau, it managed to draw in new loadings from its existing customers. Our team had also successfully sought out and attracted four new business units in Year 2010. We expect some of these new customers to start contributing to our top and bottomline in 2011.

ISO is also co-developing new LED modules and light engines in a potentially mutually beneficial partnership with its customers. Our niche focus in plant growth and narrow beam LED product is a technological breakthrough that is putting ISO in a very exciting growth position.

Besides the LED business, ISO have also successfully secured two new customers in Pizo Transducer (PZT) and Temperature Controlled Quartz products. Our team did a great job with a flawless start up and our delighted customers had given us a ramp plan that will greatly contribute to ISO's 2011 performance.

All these developments are now building the foundation and expected to grow in the years ahead as the future growth areas for ISO.

MEMBERSHIP AND ATTENDANCE

The Audit Committee members and details of attendance of each member at the Audit Committee meetings held during the year are as follows:

Composition of Audit Committee	Number of Meetings Attended
Mr. Diong Chin Teck Chairman/ Independent Non-Executive Director	4/4
Dato' Dr. Chong Eng Keat Independent Non-Executive Director	4/4
Mr. Ng Kok Khuan Non-Independent Non-Executive Director	4/4

COMPOSITION AND TERMS OF REFERENCE

1. Composition

(a) The Committee Members shall consist of at least three (3) members appointed by the Board of Directors from amongst the Directors of whom all the members of the Committee are Non-executive Directors with a majority of them being independent Directors.

(b) At least one (1) member of the Audit Committee:

(i) must be a member of the Malaysian Institute of Accountants ("MIA");

(ii) if he/ she is not a member of the MIA, he/ she must have at least three (3) years' working experience; and

- he/ she must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
- he/ she must be a member of one of the Association of Accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or

(iii) must have at least 3 years' post-qualification experience in accounting or finance with either one of the following qualifications:

- a degree/masters/doctorate in accounting or finance; or
- a member of any professional accountancy organisation which has been admitted as a full member of the International Federation of Accountants; or

(iv) must have at least 7 years' experience as a chief financial officer of a corporation or be primarily responsible for the management of the financial affairs of a corporation; or

(v) fulfils such other requirements as prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities").

(c) No alternate Director shall be appointed as a member of the Committee.

(d) The Members of the Committee shall elect a chairman from among their number who shall be an Independent Director.

(e) The Board of Directors must review the term of office and performance of the Committee and each of its members at least once every three (3) years.

(f) If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board of Directors shall, within three (3) months of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

2. Meetings and Quorum

(a) The Audit Committee will hold a minimum of four (4) meetings a year, although additional meetings may be called at any time at the Audit Committee Chairman's discretion or if requested by any Audit Committee member, the management and the internal or external auditors.

(b) The Audit Committee members shall meet with the external auditors at least twice a year, without any executive Board members or officers present.

(c) The Executive Chairman, Chief Financial Officer, Internal Auditor and a representative of the external auditors (if required) may attend Audit Committee meetings. The senior management team may attend meetings upon the invitation of the Committee to provide detailed explanation and clarification on matters that have been tabled.

(d) The quorum for each meeting shall be at least two thirds (2/3) of the members with independent directors forming the majority.

(e) Minutes of each meeting will be circulated to each member of the Audit Committee and the Audit Committee Chairman shall report on each meeting to the Board.

3. Authority

The Audit Committee shall, at the Company's expense:

(a) Have authority to investigate any matter within its terms of reference;

(b) Have the resources which are required to perform its duties;

(c) Have full and unrestricted access to any records, information, property and personnel of the company;

(d) Have direct communication channels with the external and internal auditors;

(e) Be able to obtain independent professional or other advice; and

(f) Be able to convene meetings with the external auditors, excluding the attendance of the executive Board members or officers, where deemed necessary.

4. Duties and Responsibilities

The duties and responsibilities of the Audit Committee include the following:

(a) Internal Audit
- To review and report the adequacy of the scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its duties;
- To review the results of the Group's internal audit procedures and the adequacy of actions taken by the management based on the reports; and
- To review any appraisal or assessment of the performance of members of the internal audit function and approve any appointment or termination of the internal audit staff.

(b) External Audit
- To review with the external auditors, the audit plan, scope of the audit and the areas of audit of the Company/ Group;
- To review with the external auditors, their evaluation of the system of internal controls and audit findings;
- To discuss problems and reservations arising from the audit, and any other matters the auditors may wish to discuss;
- To review the external auditors' management letter and management's response;
- To review the auditors' report with the external auditors;
- To review and report the assistance given by the Company's/ Group's Officers to the external auditors and the overall conduct of the audit;
- To review the suitability of the external auditors for recommendation to the Board for re-appointment and the audit fee thereof; and
- To make appropriate recommendation to the Board on matters of resignation or dismissal of external auditors.

(c) Financial Reporting
- To review the annual audited financial statements of the Company/ Group and quarterly results of the Group, and thereafter submit them to the Board for approval, focusing particularly on:
  - Any changes in accounting policies and practices;
  - Significant adjustments arising from the audit;
  - The going concern assumption;
  - Significant and unusual events; and
  - Compliance with accounting standards and other legal requirements.
- To ensure prompt publication of annual audited financial statements.

(d) Risk Management
- To review the adequacy and effectiveness of risk management and internal control systems instituted within the Group.

(e) Related Party Transactions
- To review any related party transactions that may arise within the Company/ Group.

(f) Other Functions
- To review and verify the allocation of shares option to eligible employees in accordance with the criteria set by the Employees' Share Option Scheme ("ESOS") Committee; and
- To perform any other functions as may be agreed by the Audit Committee and the Board.

INTERNAL AUDIT FUNCTION

The Audit Committee is assisted by the Internal Auditor in discharging its duties and responsibilities. The internal audit function is established to add value and improve the Group's operations by providing independent, objective assurance and consulting activities through its audit of the Group's key operations and also to ensure consistency in the control environment and the application of policies and procedures.

The Internal Auditor undertakes internal audit functions based on the audit plan that is reviewed and approved by the Audit Committee. The audit plan covers review of adequacy of operational controls, risk management, compliance with established procedures, laws and regulations, quality of assets, management efficiency, amongst others.

The internal audit function adopts a risk based approach to monitor and implement an effective internal control system for the Group. The monitoring process forms the basis for continuous improvement to the risk management process of the Group in meeting its overall objectives and assist management to achieve its corporate goals.

The Internal Audit Reports prepared by the Internal Auditor are deliberated by the Audit Committee and recommendations are duly acted upon and followed up by the management.

SUMMARY OF ACTIVITIES

In line with the terms of reference of the Committee, the following activities were carried out by the Committee during the financial year ended 31 December 2010 in the discharge of its functions and duties:

- Reviewed the quarterly financial statements and Annual Report of the Group before presentation for the Board's approval, focusing particularly on:
  - changes in or implementation of major accounting policy;
  - significant and unusual events;
  - the going concern assumption; and
  - compliance with accounting standards and other legal requirements.
- Reviewed the related party transactions that had arisen within the Company or the Group and the disclosure of such transactions in the Annual Report.
- Reviewed with the External Auditors their audit plan and scope of work prior to commencement of audit.
- Discussed and reviewed the Group's financial year-end statements with the External Auditors including issues and findings noted in the course of the audit of the Group's Financial Statements.
- Reviewed and discussed with the External Auditors their evaluation of the system on internal control of the Group including meeting the External Auditors without the presence of Management.
- Considered the appointment of External Auditors and their request for increase in audit fees.
- Reviewed and deliberated on reports of audits conducted by the Internal Auditor.
- The Committee also appraised the adequacy of actions and remedial measures taken by the Management in resolving the audit issues reported and recommended further improvement measures.
- Reviewed and assessed the risk management activities of the Company and the Group.
- Reviewed the Audit Committee Report, Statement on Internal Control and Statement on Corporate Governance before submitting for the Board's approval and inclusion in the Company's Annual Report.

Corporate social responsibility ("CSR") reflects our belief that in addition to shareholder value maximisation, the Group should be cognizant of its duty to improve the conditions affecting its other stakeholders, community and environment in which it operates. Our CSR provides the framework that emphasises our commitment to the following pivotal areas:

Employee Health and Safety

We strongly believe that human capital is the most important value to an organisation. To ensure a safe and healthy working condition for our employees and support workers, the Group has developed guidelines to safeguard employees in all of its business operations. Environmental, Health and Safety ("EHS") Committee within the Group ensure that health and safety policies are effectively implemented and continuously improved. Our EHS management system are reviewed against international best practices and updated from time to time.

To safeguard employees and instill the values and knowledge essential to a safe and healthy workplace, we continuously undertake first aid training, health talks, fire drills and plant evacuation exercises. At the Group's manufacturing locations, we have continued to ensure that equipment and building systems are functioning properly and are well maintained.

Environmental Management

At the Group's various plants, we ensure strict compliance with the environmental laws governing plant operations and maintenance in areas relating to environmental standards, emission standards, noise level management and treatment of plant effluents and waste water. As part of our corporate responsibility agenda, we have measures in place to minimise the adverse impact on the environment and to achieve continuous improvement of our plants/ factories environmental performance. In line with this, our Penang manufacturing factories are certified to the international environmental management systems standard, ISO 14001.

Corporate Contributions and Community Development

The Group's policy on corporate contributions is to direct its support primarily to causes related to education and social needs in the communities in which its businesses operate and its employees live and work.

The Group plays its role as a socially responsible corporate citizen in the community through sponsorship/donation to various centres in Penang/Jitra during the year. Of importance were the donated funds to our employees in Jitra whose homes were damaged by the severe flood. In addition, we have also responded urgently by donating Yen 2.5 million in humanitarian aid via our customer for the victims in Japan's recent earthquake and tsunami.

Education continues to be a key focus of the Group's corporate contribution, in line with its belief that education plays a key role in nation building by the creation of a knowledge based society. Our pioneer batch of 3 scholarship holders have just completed their tertiary education and started working for the Group. Other key activities during the year also include financial aid for a primary school in Penang.

Moving forward, the Group is also finalising scholarship awards for another 3 deserving Malaysian students to pursue their tertiary educations/diploma studies at Malaysian Universities or local technical institutions. Each eligible student will receive a grant totaling RM15,000 per year.

In conjunction with our CSR programmes, we have also created an environment which encourages all staffs to actively participate in charitable activities. The Group supports staff volunteering as being integral to the development of the individual and the community. One notable activity has been the participation in the various programmes organised by the Penang State Government is "clean up campaign" for our rivers and beaches.

Introduction And Objective

The Board of Directors ("Board") remains fully committed to achieve and maintain high standards of corporate governance throughout the Group as a fundamental part of its responsibilities in managing the business and affairs of the Group. It is the Board's belief that corporate governance is synonymous with the key concepts of transparency, accountability, integrity and corporate performance.

The Board is guided by the Company's Code of Corporate Governance which is formulated based on the principles set out in the Malaysian Code on Corporate Governance (Code) and developments of globally recognised best governance practices. These principles are practiced throughout the Group as the underlying principle in discharging the Board's responsibility and to ensure transparency and corporate accountability.

The Board is pleased to present the following report on the various measures implemented within the Group as recommended under the Code. Save as specifically identified, the Group has materially complied with the Best Practices in Corporate Governance as laid out in the Code.

BOARD OF DIRECTORS AND ITS COMMITTEES

Board Composition and Balance

The Board provides entrepreneurial leadership of the Group and is collectively responsible for setting policies which ensure that the Group's objective are met. The Board is composed of 2 Executive Directors, 4 Independent Non-Executives Directors and 5 Non-Independent Non-Executive Directors. This board composition is in compliance with the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements.

The Board composition of Executive Directors and Non-Executive Directors including the Independent Non-Executive Directors, allows for independent judgement and viewpoint on the various issues for the Board's decision making. Together, the Directors are able to bring wide and varied legal, financial, technical and commercial experience to the Board and Committee's deliberations.

The Board continually evaluates its requirements as to the appropriate mix of skills and experience required to ensure that its composition remains optimal for the effective discharge of its responsibilities. A brief profile and status of each Director is presented on pages 6 to 9.

Board Duties and Responsibilities

In addition to statutory and fiduciary duties, the Board is further tasked with reviewing the strategies, performance and resources of the Group and evaluating these against their budgets and targets in an ever changing environment. The Board is also responsible for assessing the integrity of the Group's financial information and the adequacy and effectiveness of the Group's system of internal control and risk management processes.

In discharging its fiduciary duty, the Board is assisted by Board Committees, namely the Audit Committee, the Employees' Share Option Scheme ("ESOS") Committee and the Remuneration Committee. Each Committee operates within its respective defined terms of reference which have been approved by the Board. The Board, through the Audit Committee, addresses and monitors the principal risks affecting or that may affect the Group's operations and the measures that could be taken to mitigate such risks.

Terms of Appointment

In accordance with the Articles of Association, all newly appointed Directors and one third of the remaining Directors are required to retire at each Annual General Meeting ("AGM") subject to the retirement of all Directors at least once in every 3 years. The Directors due to retire by rotation at the forthcoming AGM are shown in the Notice of Meeting (Ordinary Resolution) on page 96.

Directors over seventy years old are required to submit themselves for re-appointment annually in accordance with Section 129(6), Companies Act, 1965. Directors seeking re-appointment under this Section at the forthcoming AGM are shown in the Notice of Meeting (Ordinary Resolution) on page 96.

Board Meetings

The Board meets on a scheduled basis and has formal schedule of matters reserved for its meetings. Additional meetings may be convened when necessary should major issues arise that need to be resolved between scheduled meetings. Relevant management personnel are invited to Board meetings to report and apprise the Board on operations and other developments within their respective purview.

For the financial year ended 31 December 2010, the Board held five meetings.

Details of each Director's meeting attendances during the financial year are as follows :-

Meetings Attended (Out of 5)	
Ng Kweng Chong	5 out of 5 meetings
Heng Huck Lee	5 out of 5 meetings
Diong Chin Teck	4 out of 5 meetings
Dato' Noor Ahmad Mokhtar bin Haniff	5 out of 5 meetings
Lim Chien Ch'eng	4 out of 5 meetings
Dato' Dr. Chong Eng Keat	4 out of 5 meetings
Ng Kok Khuan	5 out of 5 meetings
Hizwani bin Hassan	5 out of 5 meetings
Dato' Ng Kweng Moh	5 out of 5 meetings
Norhalim bin Yunus	5 out of 5 meetings
Ng Kweng Chan	5 out of 5 meetings

Supply of Information to Board Members

Board Meetings are structured with a pre-set agenda which encompasses all aspects of matters under discussion. This is to enable the Directors to look at both qualitative and quantitative factors so that informed decisions are made. Board papers for the Agenda are circulated to Directors well before the meeting date to give Directors time to deliberate on the issues to be raised at the meeting. All proceedings of Board Meetings are minuted and signed by the Chairman of the Meeting in accordance with the provision of Section 156 of the Companies Act, 1965. Minutes of meetings of each committee are also circulated to the Board Members for review and deliberation.

Directors have unrestricted direct access to the Senior Management and the services of the Company Secretaries who advise the Board on the Company policies and procedures, including compliance with the relevant laws, regulations and regulatory requirements. In the furtherance of its duties, the Board may where necessary, obtain independent professional advice on specific matters, at the Company's expense.

Directors' Continuing Development

The Board oversees the training needs of its Directors. Directors are regularly updated on the Group's businesses and the competitive and regulatory environment in which they operate. Directors, especially newly appointed ones, are encouraged to visit the Group's operating centre to have an insight on the Group's various operations which would assist the Board to make effective decisions relating to the Group.

All Directors have completed the Mandatory Accreditation Programme prescribed by Bursa Malaysia. Directors are also encouraged to attend various external professional programmes relevant and useful in contributing to the effective discharge of their duties as Directors.

For the year under review, all Directors attended various appropriate seminars and courses to keep abreast of changes in legislation and regulations affecting the Group's operations.

Directors' Remuneration

The Company's framework on Directors' remuneration has the underlying objectives of attracting and retaining the Directors of high calibre needed to run the Group successfully. In the case of the Executive Directors, the various components of the remuneration are structured so as to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration reflects the expertise, experience and level of responsibilities undertaken by a particular Non-Executive Director concerned. Where applicable, the Board also takes into consideration any relevant information provided by independent consultants or from survey data.

The Non-Executive Directors are paid a meeting allowance for each Board meeting they attended. Similarly, members to Board Committee are also paid a meeting allowance for each Committee meeting they attended.

The appropriate Directors' remuneration paid or payable or otherwise made available from the Company and its subsidiaries for the financial year under review are presented in the table below:

a) Aggregate remuneration of Directors categorised into appropriate components:

	Fees RM'000	Salaries RM'000	Bonus RM'000	Benefits-In-Kind RM'000	Other	Total RM'000
Executive Directors	146	1,800	1,050	31	485	3,512
Non-Executive Directors	710	-	-	-	-	710
Total	856	1,800	1,050	31	485	4,222

b) The number of Directors of the Company whose total remuneration falls within the following bands :

	Number of Directors	
Range of Remuneration	Executive	Non-Executive
RM 50,001 to RM 100,000	-	9
RM 1,550,001 to RM 1,600,000	1	-
RM 1,900,001 to RM 1,950,000	1	-

Details of the Directors' remuneration are set out in applicable bands of RM50,000 which comply with the Bursa Malaysia Main Market Listing Requirements. While the principles of the Code have prescribed for individual disclosures of directors' remuneration packages, the Board is of the view that transparency and accountability aspects in respect of the Directors' Remuneration are appropriately and adequately addressed by the band disclosure method adopted by the Board.

BOARD COMMITTEES

Audit Committee

The composition and terms of reference of this Committee together with its report are presented on pages 17 to 19 of the Annual Report.

Remuneration Committee

The Remuneration Committee consists of:

Dato' Noor Ahmad Mokhtar bin Haniff (Independent Non-Executive Director, Chairman)
Mr. Lim Chien Ch'eng (Independent Non-Executive Director)
Mr. Ng Kweng Chong (Non-Independent Executive Director)

The Remuneration Committee is responsible for recommending to the Board the remuneration framework for Directors as well as the remuneration packages of Executive Directors. The policy practiced on Directors' remuneration by the Remuneration Committee is to provide the remuneration packages needed to attract, retain and motivate Directors of the quality required to manage the business of the Group and to align the interest of the Directors with those of the shareholders.

Information prepared by independent consultants and survey data on the remuneration practices of comparable companies are taken into consideration in determining the remuneration packages for Executive and Non-Executive Directors.

None of the Executive Directors participated in any way in determining their individual remuneration. Executive Directors' remuneration are linked to their performance. The remuneration package of the Executive Directors is subject to the approval of the Board.

The Board as a whole determines the fees for the services of Non-Executive Directors, on the recommendation of the Remuneration Committee and subject to the approval of shareholders in the AGM.

The Committee meets when necessary. For the financial year ended 31 December 2010, the Committee held one meeting.

Employee Share Options Scheme ("ESOS") Committee

This Committee has the power to administer the ESOS in such manner as it shall in its discretion deem fit; including such powers and duties conferred upon it under the By-Laws of the ESOS. The Committee ensures that the ESOS Scheme and its relevant allocation is administered in accordance with the By-Laws.

The ESOS Committee consists of:

Mr. Lim Chien Ch'eng (Independent Non-Executive Director, Chairman)
Mr. Ng Kok Khuan (Non-Independent Non-Executive Director)
Mr. Ng Kweng Chong (Non-Independent Executive Director)

The Committee meets when necessary. For the financial year ended 31 December 2010, the Committee held two meetings.

RELATIONS WITH SHAREHOLDERS AND INVESTORS

GTB values good communications with its shareholders and investors. Its commitment, both in principle and practice, is to maximise transparency consistent with good governance but except where commercial confidentiality dictates otherwise.

Annual General Meetings

The AGM is the principal forum for dialogue and interaction with the shareholders of the Company. The Board encourages shareholders' active participation at the Company's AGM and endeavours to ensure all Board Members, Senior Management and the Group's External Auditors are in attendance to respond to shareholders' enquiries. At the AGM, the Board presents the performance of the Group as contained in the Annual Report and shareholders present are given the opportunity to present their views or to seek more information. Resolutions tabled and passed at the Meeting are released to the Bursa Malaysia on the same day.

Corporate Disclosure Policy

The Company is committed to a policy which provides accurate, balanced, clear, timely and complete disclosure of corporate information to enable informed and orderly market decisions by investors. In this respect, the Company follows the Corporate Disclosure Guide and Best Practices as proposed by Bursa Malaysia.

Material information will in all cases be disseminated broadly and publicly via Bursa Malaysia, and other means. Copies of the full announcement are supplied to the shareholders and members of the public upon request. Interested parties can also obtain the full financial results and the Company's announcements from the Company's website at **www.globetronics.com.my** and also the Bursa Malaysia's website.

Investor Relations

The Board recognises the importance of keeping shareholders and investors informed of the Group's businesses and corporate developments. The Board's primary contact with major shareholders is via the Founder and Executive Chairman and the Chief Financial Officer, who has regular dialogue with institutional investors and delivers presentations to analysts periodically.

For the financial year ended 31 December 2010, the management has held and/or attended 20 meetings and 3 roadshows with both local investors and analysts.

As there may be instances where investors and shareholders may prefer to express their concerns to an independent director, the Board has appointed Mr. Diong Chin Teck as the Independent Non-Executive Director to whom concerns may be directed. At all times, investors and shareholders may contact the Company Secretaries for information on the Company.

ACCOUNTABILITY AND AUDIT

Financial Reporting
The Board takes due care and responsibility for presenting a balanced and clear assessment of the Group's operations, performance and prospects each time it releases its quarterly and annual audited financial statements to shareholders and the general public. The Audit Committee plays a crucial role in reviewing information to be disclosed to ensure its accuracy, adequacy and compliance to the appropriate accounting standards and the financial statements give a true and fair view of the state of affairs of the Company and Group.

Internal Controls
The Internal Control Statement is set out on pages 27 to 28.

Relationship with the Auditors

The role of the Audit Committee in relation to both the external and internal auditors is elaborated on pages 17 to 19.

COMPLIANCE WITH THE CODE

The Board of Directors collectively, rather than a separate Nomination Committee, is responsible for recommending the right candidate with the necessary skill, experience and competencies to be filled in the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

In respect of the preparation of the audited financial statements, the Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and Group and their results and cash flows for that year. In preparing the financial statements for the financial year ended 31 December 2010, the Directors have:

- Used appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent ; and
- Stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for ensuring that proper accounting records are kept and which disclose with reasonable accuracy the financial position of the Company and Group to enable them to ensure that the financial statements comply with the Companies Act, 1965. They have an overall responsibility for taking such steps as is reasonably open to them to safeguard the assets of the Company, to prevent and detect fraud and other irregularities.

OTHER INFORMATION

Utilisation of Proceeds Raised from Corporate Proposals

There were no proceeds raised from corporate proposals.

Share Buy-Back

There was no share buy-back programme implemented by the Company during the year.

Options, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the financial year under review.

American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")

The Company did not sponsor any ADR or GDR programme during the financial year under review.

Sanctions and/ or Penalties

There were no material sanctions and/ or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year.

Non-audit Fees

There was no non-audit fees paid to the external auditor by the Company during the financial year under review.

Variation in Results

There was no profit forecast issued by the Company during the financial year.

Profit Guarantee

There was no profit guarantees given by the Company during the financial year.

Material Contracts

There were no material contracts entered into by the Company and/ or its subsidiaries involving directors' and major shareholders' interests either still subsisting at the end of the financial year ended 31 December 2010 or entered into since the end of the previous financial year.

Introduction

The Board of Directors of Globetronics Technology Bhd is pleased to provide the following statement on Internal Control pursuant to paragraph 15.27(b) of the Bursa Malaysia Listing Requirements. The Board is committed to fulfilling its responsibilities of maintaining a sound system of internal control in the Group in accordance with the Malaysian Code on Corporate Governance, as set out below.

Board Responsibility

The Board recognises the importance of sound internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of those systems. In view of the inherent limitations in any system of internal controls, the systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives. In pursuing these objectives, internal control can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group's system of internal control involves the management and staff from each business units of its respective subsidiaries. The Board is responsible for determining key strategies and policies for significant risks and control issues, whilst functional managers of the subsidiaries are responsible to implement the Board's policies effectively by designing, operating, monitoring and managing risks and control processes.

Risk Management Framework

The Board with the assistance of the Internal Auditor or Chief Financial Officer undertook to identify and evaluate the principal business risks in critical areas of the Company and the major subsidiaries of the Group, assessing the likelihood of material exposures and identifying the measures taken to manage these risks. This was done through desktop reviews, interviews with Senior Management and regular site visits.

The Board has initiated an ongoing process of identifying, evaluating, and managing significant risks encountered by the Company and the Group in a structured manner. This would entail establishing procedures for reporting and monitoring of risks and controls. Reviews will be conducted on a yearly basis with additional reviews to be carried out as and when required.

These initiatives would ensure that the Company and the Group have in place a formalised ongoing process to identify, measure and manage the significant risks affecting the achievement of its business objectives.

Other Key Components of Internal Control System

The other key components of the Company's and the Group's internal control systems are described below:

Board Meetings

The Board meets at least quarterly and has a formal agenda on matters for discussion. The Founder and Executive Chairman, together with the Chief Executive Officer, lead the presentation of board papers and provide explanation of pertinent issues. In arriving at any decision, on recommendation by the Management, a thorough deliberation and discussion by the Board is a prerequisite. In addition, the Board is kept updated on the Company's and the Group's activities and operations on a regular basis.

Monthly board meetings are carried out at the key subsidiaries with meetings attended by all the Executive Directors, Chief Financial Officer and its various General / Factory / Finance Managers. The General / Factory Managers will lead the discussion / presentation on the various areas such as monthly profit and loss performance for its respective key product lines, comparison of its actual monthly / year to date results versus earlier plans, business planning and strategies, productivity / improvements plans and others for the respective subsidiaries.

Management Executive Meeting

Annual strategic planning meetings are held before the beginning of the financial year whereby the Group's yearly strategic, objectives, key results and its measurement are finalised between the Executive Directors and the key management team of the respective operating subsidiaries, for organisation calibration and alignment purposes.

Monthly management executive meetings are held to identify, discuss and resolve operational, financial and key management issues. The meetings are attended by all Executive Directors and key managers in which the meeting serves as a platform whereby the Group's goals, objectives and key results are continuously communicated and reinforced and potential risk areas are identified, evaluated and managed.

Organisational Structure with Formally Defined Responsibility Lines and Delegation of Authority

There is in place an organisational structure with formally defined responsibility lines and authorities to facilitate timely response to changes in the evolving business environment and accountability for operational performance. Capital and non-capital expenditures and acquisition and disposal of investment are subjected to appropriate review by the management, and if required, approved by the Board.

Performance Management Framework

Management reports are generated on a regular and consistent basis to facilitate the Board, the Company's and the Group's Management to perform financial and operating reviews on the various operating units. The reviews encompass areas such as financial and non-financial key performance indicators, variances between budget and operating results and compliance with laws and regulations.

The Company and the Group have in place a budgeting process that provides a responsibility accounting framework.

Operational Policies and Procedures

The documented policies and procedures form an integral part of the internal control system to safeguard the Company's and the Group's assets against material losses and seek to ensure complete and accurate financial information. The documents consist of memoranda, circulars, manuals and handbooks that are continuously being revised and updated to meet operational needs.

Group Internal Audit

The Internal Auditor, who reports to the Audit Committee, conducts reviews on the systems of internal control and the effectiveness of the processes that are in place to identify, manage and report risks. The routine reviews are being conducted on business units / divisions under the Group's major core activities.

Weaknesses in Internal Control

A number of minor internal control weaknesses were identified during the year, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require mention in the Group's Annual Report.

FINANCIAL STATEMENT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The Company is an investment holding company whilst the principal activities of the subsidiaries are stated in Note 5 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the year attributable to owners of the Company	29,727,128	16,589,377

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the year under review except as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the Company paid :

i) an interim dividend of 6% per share less tax at 25% on 263,233,840 ordinary shares of RM0.50 each, totalling RM5,922,761 in respect of the year ended 31 December 2010 on 8 February 2010;

ii) a final dividend of 4% per share less tax at 25% on 265,624,440 ordinary shares of RM0.50 each, totaling RM3,984,367 in respect of the year ended 31 December 2009 on 9 June 2010;

iii) a second interim dividend of 5.3% per share less tax at 25% and a special dividend of 2% tax-exempt on 266,257,440 ordinary shares of RM0.50 each, totalling RM7,954,426 in respect of the year ended 31 December 2010 on 2 December 2010.

A single tier final dividend of 4% per share for the financial year ended 31 December 2010 will be proposed for shareholders' approval at the forthcoming Annual General Meeting.

DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are :

Ng Kweng Chong - Founder and Executive Chairman
Heng Huck Lee
Dato' Noor Ahmad Mokhtar Bin Haniff
Dato' Ng Kweng Moh
Dato' Dr Chong Eng Keat @ Teoh Eng Keat
Diong Chin Teck @ Tiong Chin Sang
Lim Chien Ch'eng
Ng Kok Khuan
Ng Kweng Chan
Hizwani Bin Hassan
Norhalim Bin Yunus

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the ordinary shares and options of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows :

	← Number of ordinary shares of RM0.50 each →			
	At 1.1.2010	**Bought**	**(Sold)**	**At 31.12.2010**
The Company				
Direct Interest				
Ng Kweng Chong				
- own	1,559,871	165,800	-	1,725,671
- others **	1,269,120	5,200	-	1,274,320
Heng Huck Lee				
- own	937,200	400,000	-	1,337,200
Dato' Ng Kweng Moh				
- others **	80,920	10,600	(40,600)	50,920
Dato' Dr Chong Eng Keat @ Teoh Eng Keat				
- own	50,000	-	-	50,000
- others **	98,480	-	-	98,480
Dato' Noor Ahmad Mokhtar Bin Haniff				
- own	18,893	-	-	18,893
- others **	420,000	-	-	420,000
Diong Chin Teck				
- own	40,000	-	-	40,000
Lim Chien Ch'eng				
- own	2,534,000	-	-	2,534,000
Ng Kok Khuan				
- own	40,000	-	-	40,000
- others **	35,640	-	-	35,640
Ng Kweng Chan				
- others **	535,660	-	(251,600)	284,060
Indirect Interest				
Ng Kweng Chong	76,483,365	1,494,100	(1,020,000)	76,957,465
Dato' Ng Kweng Moh	1,404,762	-	-	1,404,762
Ng Kok Khuan	7,221,973	1,494,100	(100,000)	8,616,073

** These are shares held in the name of the spouses and children and are treated as interest of the respective Directors in accordance with Section 134(12)(c) of the Companies Act, 1965.

By virtue of his interest in the shares of the Company, Mr. Ng Kweng Chong is also deemed to be interested in the shares of the subsidiaries during the financial year to the extent that Globetronics Technology Bhd has an interest.

DIRECTORS' INTERESTS IN SHARES (cont'd)

None of the other Directors holding office at 31 December 2010 had any interests in the ordinary shares of the Company and of its related corporations during the financial year.

	Number of options over ordinary shares of RM0.50 each				
	At 1.1.2010	**Offered and accepted**	**(Exercised)**	**(Expired)**	**At 31.12.2010**
ESOS Scheme III **					
Ng Kweng Chong	663,200	166,000	(165,800)	-	663,400
Heng Huck Lee	1,000,000	300,000	(400,000)	-	900,000

** ESOS Scheme III on ordinary shares of RM0.50 each was established on 13 April 2009.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the issue of the Employees Share Option Scheme ("ESOS").

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued:

i) issued 3,643,300 new ordinary shares of RM0.50 each for cash arising from the exercise of employees' share options at an exercise price of RM0.51 per ordinary share.

ii) issued 49,700 new ordinary shares of RM0.50 each for cash arising from the exercise of employees' share options at an exercise price of RM0.80 per ordinary share.

iii) issued 4,800 new ordinary shares of RM0.50 each for cash arising from the exercise of employees' share options at an exercise price of RM1.52 per ordinary share.

iv) issued 4,000 new ordinary shares of RM0.50 each for cash arising from the exercise of employees' share options at an exercise price of RM1.09 per ordinary share.

There were no other changes in the authorised, issued and paid-up capital of the Company and no debentures were issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the year apart from the issue of options pursuant to ESOS III.

At an Extraordinary General Meeting held on 24 February 2009, the Company's shareholders approved the establishment of a new employees' share option scheme ("ESOS III") of up to 10% of the issued and paid-up share capital, replacing the ESOS II which expired on 28 March 2009.

The salient features of the ESOS III are, inter alia, as follows:

i) The total number of shares to be offered under ESOS III shall not exceed 10% of the issued and paid-up share capital of the Company at any point in time during the existence of ESOS;

ii) ESOS III shall continue to be in force for a period of five years from 13 April 2009;

iii) The option is personal to the grantee and is non-assignable, transferable, disposable or chargeable except for certain conditions provided for in the By-Laws;

iv) Eligible persons are full-time employees and executive Directors of the Group who have been confirmed in the employment of the Group for at least three months prior to the date of offer, the date when an offer is made in writing to an employee to participate in ESOS III;

v) The option granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiple of 100 shares;

vi) The option price for each ordinary share shall be the average of the mean market quotation of the shares as shown in the Daily Official List issued by the Bursa Malaysia Securities Berhad for the five market days preceding the date of offer or at par value of the shares of the Company whichever is higher;

vii) In the event of any alteration in the capital structure of the Company during the option period, whether by way of capitalisation of profits or reserves, rights issues, reduction of capital, subdivision, consolidation of shares or otherwise (excluding the purchase by the Company of its own shares) howsoever, taking places, such corresponding alterations (if any) shall be made in the number of shares relating to the unexercised options and option price;

viii) The options granted do not confer any dividend or other distribution declared to the shareholders as at a date which precedes the date of exercise of the option and will be subject to all the provisions of the Articles of Association of the Company; and

ix) The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

The options granted (under ESOS III) to take up unissued ordinary shares of RM0.50 each and the option exercise are as follows :

		Number of options over ordinary shares of RM0.50 each				
Date of offer	**Exercise price RM**	**At 1.1.2010**	**Granted**	**(Exercised)**	**(Forfeited)**	**At 31.12.2010**
13.4.2009	0.51	11,846,900	161,000	(3,643,300)	(1,662,100)	6,702,500
7.10.2009	0.80	232,200	13,600	(49,700)	(43,200)	152,900
8.4.2010	1.52	-	770,800	(4,800)	(127,900)	638,100
12.10.2010	1.09	-	2,009,900	(4,000)	(17,000)	1,988,900
		12,079,100	2,955,300	(3,701,800)	(1,850,200)	9,482,400

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in this report the names of persons to whom options have been granted during the financial year and details of their holdings as required by Section 169(11) of the Companies Act, 1965. This information has been separately filed with the Companies Commission of Malaysia.

OTHER STATUTORY INFORMATION

Before the statements of comprehensive income and the statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist :

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 December 2010 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

OTHER STATUTORY INFORMATION (cont'd)

SIGNIFICANT EVENT

Details of such event are as disclosed in Note 34 to the financial statements.

AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :

____
Ng Kweng Chong

____
Heng Huck Lee

Penang,

Date : 31 March 2011

	Note	31.12.2010 RM	31.12.2009 RM Restated	1.1.2009 RM Restated
Assets				
Property, plant and equipment	3	**171,822,125**	118,449,561	143,959,707
Investment property	4	**8,902,754**	9,159,565	9,416,375
Investments in an associate	6	**4,761,144**	4,607,766	4,446,651
Other investments	7	**6,381,303**	7,515,755	7,269,463
Total non-current assets		**191,867,326**	139,732,647	165,092,196
Trade and other receivables	8	**49,816,815**	39,314,795	42,686,068
Inventories	9	**15,129,438**	8,755,303	9,950,122
Current tax assets		**-**	185,200	325,733
Cash and cash equivalents	10	**49,242,217**	85,436,305	71,120,280
Assets classified as held for sale	11	**-**	4,020,820	2,174,998
Total current assets		**114,188,470**	137,712,423	126,257,201
Total assets		**306,055,796**	277,445,070	291,349,397
Equity				
Share capital	12	**133,149,320**	131,298,420	131,029,720
Reserves	13	**108,127,232**	95,194,359	88,956,618
Total equity		**241,276,552**	226,492,779	219,986,338
Liabilities				
Borrowings	16	**2,121,792**	-	-
Deferred tax liabilities	14	**5,355,394**	2,793,394	4,887,394
Deferred income	15	**970,534**	1,718,858	1,162,910
Total non-current liabilities		**8,447,720**	4,512,252	6,050,304
Borrowings	16	**4,243,584**	-	1,041,652
Trade and other payables	18	**49,197,569**	42,835,320	61,855,572
Current tax liabilities		**2,890,371**	3,604,719	2,415,531
Total current liabilities		**56,331,524**	46,440,039	65,312,755
Total liabilities		**64,779,244**	50,952,291	71,363,059
Total equity and liabilities		**306,055,796**	277,445,070	291,349,397

The notes on pages 45 to 87 are an integral part of these financial statements.

	Note	2010 RM	2009 RM
Assets			
Investments in subsidiaries	5	**38,143,734**	37,552,641
Investments in an associate	6	**784,000**	784,000
Other investments	7	**961,377**	1,231,417
Total non-current assets		**39,889,111**	39,568,058
Trade and other receivables	8	**103,537,788**	95,658,547
Current tax assets		**-**	174,400
Cash and cash equivalents	10	**7,943,299**	14,426,292
Total current assets		**111,481,087**	110,259,239
Total assets		**151,370,198**	149,827,297
Equity			
Share capital	12	**133,149,320**	131,298,420
Reserves	13	**16,796,994**	17,396,951
Total equity		**149,946,314**	148,695,371
Liabilities			
Trade and other payables	18	**1,421,084**	1,131,926
Current tax liabilities		**2,800**	-
Total current liabilities		**1,423,884**	1,131,926
Total equity and liabilities		**151,370,198**	149,827,297

The notes on pages 45 to 87 are an integral part of these financial statements.

	Note	2010 RM	2009 RM Restated
Continuing operations			
Revenue	19	**279,150,359**	217,496,903
Cost of sales		**(212,337,089)**	(168,877,780)
Gross profit		**66,813,270**	48,619,123
Administrative expenses		**(35,212,925)**	(36,657,784)
Other expenses		**(560,814)**	(3,083,762)
Other income		**6,233,161**	10,198,839
Results from operating activities		**37,272,692**	19,076,416
Finance costs	23	**-**	(8,850)
Operating profit		**37,272,692**	19,067,566
Share of profits of equity accounted associate, net of tax		**153,378**	161,115
Profit before tax	20	**37,426,070**	19,228,681
Income tax expense	24	**(7,698,942)**	(3,307,246)
Profit for the year		**29,727,128**	15,921,435
Other comprehensive income, net of tax			
Foreign currencies translation differences for foreign operations		**(910,792)**	(538,097)
Fair value of available-for-sale financial assets		**519,478**	-
Other comprehensive income for the year, net of tax		**(391,314)**	(538,097)
Total comprehensive income for the year		**29,335,814**	15,383,338
Profit attributable to :			
Owners of the Company		**29,335,814**	15,383,338
Total comprehensive income attributable to:			
Owners of the Company		**29,335,814**	15,383,338
Basic earnings per ordinary share (sen) of RM0.50 each (2009 : RM0.50 each)	27	**11.21**	6.07
Diluted earnings per ordinary share (sen) of RM0.50 each (2009 : RM0.50 each)	27	**11.20**	6.05

The notes on pages 45 to 87 are an integral part of these financial statements.

	Note	2010 RM	2009 RM Restated
Continuing operations			
Revenue	19	**20,703,148**	19,583,512
Administrative expenses		**(936,463)**	(13,526,114)
Other expenses		**(3,178,882)**	(284,829)
Other income		**65,170**	1,709
Profit before tax		**16,652,973**	5,774,278
Income tax expense	24	**(63,596)**	(7,383)
Profit for the year	20	**16,589,377**	5,766,895
Other comprehensive income, net of tax			
Fair value of available-for-sale financial assets		**22,528**	-
Total comprehensive income for the year		**16,611,905**	5,766,895
Profit attributable to :			
Owners of the Company		**16,611,905**	5,766,895
Total comprehensive income attributable to:			
Owners of the Company		**16,611,905**	5,766,895

The notes on pages 45 to 87 are an integral part of these financial statements.

Consolidated Statement Of Changes In Equity For The Year Ended 31 December 2010

		Attributable to owners of the Company						
		Non-distributable					Distributable	
Group	Note	Share capital RM	Share premium RM	Share option reserve RM	Fair value reserve RM	Translation reserve RM	Retained earnings RM	Total RM
At 1 January 2009		131,029,720	8,250,249	1,908,941	-	(808,470)	79,605,898	219,986,338
Reversal from share option for expiry of ESOS II		-	-	(1,908,941)	-	-	1,908,941	-
Issuance of new ordinary shares pursuant to ESOS III		268,700	5,374	-	-	-	-	274,074
Transfer from share option reserve for share option exercised		-	28,566	(28,566)	-	-	-	-
Total comprehensive income for the year		-	-	-	-	(538,097)	15,921,435	15,383,338
Share-based payment transactions	17	-	-	686,548	-	-	-	686,548
Dividends to owners of the Company	25	-	-	-	-	-	(9,837,519)	(9,837,519)
At 31 December 2009		131,298,420	8,284,189	657,982	-	(1,346,567)	87,598,755	226,492,779
At 1 January 2010								
- as previously stated		131,298,420	8,284,189	657,982	-	(1,346,567)	87,598,755	226,492,779
- effect of adopting FRS 139		-	-	-	808,921	-	-	808,921
At 1 January 2010, restated		131,298,420	8,284,189	657,982	808,921	(1,346,567)	87,598,755	227,301,700
Issuance of new ordinary shares pursuant to ESOS III		1,850,900	58,599	-	-	-	-	1,909,499
Total comprehensive income for the year		-	-	-	519,478	(910,792)	29,727,128	29,335,814
Transfer from share option reserve for share option exercised		-	313,346	(313,346)	-	-	-	-
Share-based payment transactions	17	-	-	591,093	-	-	-	591,093
Dividends to the owners of the Company	25	-	-	-	-	-	(17,861,554)	(17,861,554)
At 31 December 2010		133,149,320	8,656,134	935,729	1,328,399	(2,257,359)	99,464,329	241,276,552
		Note 12	Note 13	Note 13	Note 13	Note 13	Note 13	

The notes on pages 45 to 87 are an integral part of these financial statements.

Statement Of Changes In Equity For The Year Ended 31 December 2010

	Note	Attributable to owners of the Company					
		Non-distributable				Distributable	
		Share capital	Share premium	Share option reserve	Fair value reserve	Retained earnings	Total
		RM	RM	RM	RM	RM	RM
At 1 January 2009		131,029,720	8,250,249	1,908,941	-	12,525,404	153,714,314
Reversal from share option for expiry of ESOS II		-	-	(1,908,941)	-	-	(1,908,941)
Issuance of new ordinary shares pursuant to ESOS III		268,700	5,374	-	-	-	274,074
Transfer from share option reserve for share options exercised		-	28,566	(28,566)	-	-	-
Total comprehensive income for the year		-	-	-	-	5,766,895	5,766,895
Share-based payment transactions	17	-	-	686,548	-	-	686,548
Dividends to owners of the Company	25	-	-	-	-	(9,837,519)	(9,837,519)
At 31 December 2009		131,298,420	8,284,189	657,982	-	8,454,780	148,695,371
At 1 January 2010		131,298,420	8,284,189	657,982	-	8,454,780	148,695,371
Issuance of new ordinary shares pursuant to ESOS III		1,850,900	58,599	-	-	-	1,909,499
Transfer from share option reserve for share options exercised		-	313,346	(313,346)	-	-	-
Total comprehensive income for the year		-	-	-	22,528	16,589,377	16,611,905
Share-based payment transactions	17	-	-	591,093	-	-	591,093
Dividends to owners of the Company	25	-	-	-	-	(17,861,554)	(17,861,554)
At 31 December 2010		133,149,320	8,656,134	935,729	22,528	7,182,603	149,946,314
		Note 12	Note 13	Note 13	Note 13	Note 13	

The notes on pages 45 to 87 are an integral part of these financial statements.

	Note	2010 RM	2009 RM Restated
Cash flows from operating activities			
Profit before tax from continuing operations		**37,426,070**	19,228,681
Adjustments for:			
Depreciation of property, plant and equipment	3	**43,582,316**	38,161,727
Depreciation of investment property	4	**256,811**	256,810
Property, plant and equipment written off	20	**36,540**	1,695,686
Impairment loss:			
- Property, plant and equipment	20	**-**	1,454,451
- Assets classified as held for sales		**1,066,221**	-
(Gain)/loss on disposal of property, plant and equipment	20	**(69,120)**	4,491,210
Finance income	20	**(1,365,974)**	(1,254,657)
Amortisation of deferred income	15	**(2,057,811)**	(2,832,817)
Share of profits of equity accounted associate, net of tax		**(153,378)**	(161,115)
Loss on disposal of other investments	20	**2,915**	10,433
Gain on disposal of a subsidiary	20	**(1,047,859)**	-
Share-based payments	17	**591,093**	686,548
Finance costs	23	**-**	8,850
Reversal for diminution in value of other investments	20	**-**	(321,137)
Operating profit before changes in working capital		**78,267,824**	61,424,670
Change in inventories		**(6,374,135)**	1,194,819
Change in trade and other receivables		**(10,550,650)**	3,359,018
Change in trade and other payables		**6,837,498**	(19,267,349)
Cash generated from operations		**68,180,537**	46,711,158
Income tax paid		**(5,666,090)**	(4,071,525)
Net cash from operating activities		**62,514,447**	42,639,633
Cash flows from investing activities			
Acquisition of property, plant and equipment	A	**(97,745,400)**	(24,715,373)
Acquisition of other investments		**(307,190)**	(1,212,232)
Proceeds from disposal of property, plant and equipment		**347,896**	2,453,828
Interest income		**1,365,974**	1,254,657
Proceeds from disposal of other investments		**2,309,223**	1,219,923
Disposal of a subsidiary	B	**4,051,043**	-
Net cash used in investing activities		**(89,978,454)**	(20,999,197)
Cash flows from financing activities			
Dividends paid to owners of the Company	25	**(17,861,554)**	(9,837,519)
Drawdown/(Repayment) of bank borrowings (net)		**6,365,376**	(1,041,652)
Proceeds from issue of shares		**1,909,499**	274,074
Finance costs		**-**	(8,850)
Grant received	15	**1,309,487**	3,388,765
Net cash used in financing activities		**(8,277,192)**	(7,225,182)
Net (decrease)/increase in cash and cash equivalents		**(35,741,199)**	14,415,254
Effect of exchange rate fluctuations on cash held		**(452,889)**	(99,229)
Cash and cash equivalents at 1 January		**85,436,305**	71,120,280
Cash and cash equivalents at 31 December	10	**49,242,217**	85,436,305

The notes on pages 45 to 87 are an integral part of these financial statements.

Note

A. Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM97,270,196 (2009 : RM22,441,316), of which RM1,158,014 (2009 : RM1,633,218) remained unpaid at the reporting period date. The total of RM96,112,182 (2009 : RM22,192,442) was paid by cash.

B. Disposal of a subsidiary

During the year, the Group through its wholly owned subsidiary, Globetronics International Incorporated, disposed of its entire shareholdings in its wholly owned subsidiary, Globetronics (Jiaxing) Inc. The fair values of assets disposed of and liabilities relieved are as follows :

	Note	**RM**
Property, plant and equipment		2,954,599
Trade and other receivables		48,630
Cash and cash equivalents		21
Trade and other payables		(45)
Net identifiable assets and liabilities		3,003,205
Gain on disposal of subsidiary	20	1,047,859
Total consideration received		4,051,064
Less : Cash and cash equivalents disposed off		(21)
Net cash inflow		4,051,043

The notes on pages 45 to 87 are an integral part of these financial statements.

	Note	2010 RM	2009 RM
Cash flows from operating activities			
Profit before tax from continuing operations		**16,652,973**	5,774,278
Adjustments for :			
Dividends from subsidiaries	20	**(20,351,300)**	(19,292,750)
Gain on disposal of other investments	20	**(22,391)**	-
Interest income	20	**(351,848)**	(290,762)
Impairment of investment in a subsidiary	5	**-**	608,000
Operating loss before changes in working capital		**(4,072,566)**	(13,201,234)
Change in trade and other receivables		**(7,879,241)**	6,599,995
Change in trade and other payables		**289,158**	269,426
Cash used in from operations		**(11,662,649)**	(6,331,813)
Interest income		**351,848**	290,762
Dividends received from subsidiaries		**20,351,300**	19,292,750
Income tax paid/(refund)		**113,604**	(25,500)
Net cash from operating activities		**9,154,103**	13,226,199
Cash flows from investing activities			
Investment in subsidiaries		**-**	(1,999,998)
Acquisition of other investments		**(7,432)**	(715,775)
Proceeds from disposal of other investments		**322,391**	-
Net cash generated/(used in) from investing activities		**314,959**	(2,715,773)
Cash flows from financing activities			
Dividends paid	25	**(17,861,554)**	(9,837,519)
Proceeds from issue of shares		**1,909,499**	274,074
Net cash used in financing activities		**(15,952,055)**	(9,563,445)
Net (decrease)/increase in cash and cash equivalents		**(6,482,993)**	946,981
Cash and cash equivalents at 1 January		**14,426,292**	13,479,311
Cash and cash equivalents at 31 December	10	**7,943,299**	14,426,292

The notes on pages 45 to 87 are an integral part of these financial statements.

Globetronics Technology Bhd is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of the Bursa Malaysia Securities Berhad. The addresses of the registered office and principal place of business are as follows:

Registered office

51-21-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang

Principal place of business

Plot 2, Phase 4, Free Industrial Zone
Bayan Lepas, 11900 Penang

The consolidated financial statements of the Company as at and for the year ended 31 December 2010 comprise the Company and its subsidiaries (together referred to as the "Group" and individualy referred to as "Group entities") and the Group's interest in an associate. The financial statements of the Company as at and for the year ended 31 December 2010 do not include other entities.

The Company is principally engaged in investment holding activities while the other Group entities are primarily engaged in the assembly and testing of integrated circuits, chip carrier quartz crystal products and optoelectronic products, manufacturing of small outline components, technical plating services, manufacturing and fabricating of ESD protective materials and ceramic metallisation, provision of computer hardware and software, system solutions and investment holding.

The financial statements were authorised for issue by the Board of Directors on 31 March 2011.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (FRSs), accouting principles generally accepted and the Companies Act, 1965 in Malaysia.

The Group and the Company have not applied the following new/revised accounting standards (including its consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective :

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, *Transfers 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* #

1. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning 1 January 2011 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 March 2010, 1 July 2010 and 1 January 2011, except for marked "*" which are not applicable to the Group and the Company.
- From the annual period beginning 1 January 2012 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2011 and 1 January 2012, except for those marked " # " which are not applicable to the Group and the Company.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively or which requires extended disclosures, is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption.

The initial applications of the other standards, amendments and interpretations are not expected to have any material impact on the financial statements of the Group and the Company.

Following the announcement by the MASB on 1 August 2008, the Group's and the Company financial statements will be prepared in accordance with International Financial Reporting Standards (IFRS) framework for annual periods beginning on 1 January 2012. The change of the financial reporting framework is not expected to have any significant impact on the financial position and performance of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:
- Note 3 - impairment of plant and equipment
- Note 2(d)(iii) - depreciation of certain plant and equipment over the expected production output.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by Group entities, other than those disclosed in the following notes :

- Note 2(c) - Financial instruments
- Note 2(e) - Leased assets
- Note 2(i) - Receivables
- Note 2(p) - Borrowing costs
- Note 2(s) - Operating segments

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less any impairment losses, unless the investment is held for sale.

2. Significant accounting policies (cont'd)

(ii) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of investment includes transaction cost. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity accounted associates, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted associate, the carrying amount of that interest including any long-term investments is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses. The cost of investment includes transaction cost.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments which are recognised in other comprehensive income.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 January 2006 which are reported using the exchange rates at the dates of the acquisitions. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the FCTR.

2. Significant accounting policies (cont'd)

(c) Financial instruments

Arising from the adoption of FRS 139, Financial Instruments: Recognition and Measurement, with effect from 1 January 2010, financial instruments are categorised and measured using accounting policies as mentioned below. Before 1 January 2010, different accounting policies were applied. Significant changes to the accounting policies are discussed in Note 35.

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) Held-to-maturity investments

Held-to-maturity investments category comprises debt instruments that are quoted in an active market and the Group or the Company has the positive intention and ability to hold them to maturity.

Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

(c) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and other receivable and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(d) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see note 2(k)(i)).

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to :

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2. Significant accounting policies (cont'd)

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" respectively in the profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

Depreciation is recognised in the profit and loss on a straight line basis over the estimated useful lives for the current and comparative periods are as follows :

	%
Buildings and factory improvements	2 - 20
Plant and equipment *	10 - 33.33
Motor vehicles, office equipment, furniture and fixtures	10 - 20

* The Group depreciates certain plant and equipment over the expected production output to be derived from those plant and equipment of which, the expected usage of these assets by the Group ranges from 3 years to 7 years.

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

Periodically, the Group will review the estimated useful life of certain of its plant and machinery especially those specific plant and machinery to match the life cycle of the products. The management will revise the estimated useful life from 10 years to 5 years if the cycle of the products is within a normal period of 5 years. The impact of the change on depreciation charge has resulted in an increase in the current year depreciation charge of the Group by approximately RM653,228 (2009: RM3,253,532).

2. Significant accounting policies (cont'd)

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Operating lease

Leases, where the Group does not assume substantially all the risks and rewards of ownership are classified as operating lease and, except for property interest held under operating lease, the leased assets are not recognised in the Group's statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

In the previous years, a leasehold land that normally had an indefinite economic life and title was not expected to pass to the lessee by the end of the lease term was treated as an operating lease. The payment made on entering into or acquiring a leasehold land that was accounted for as an operating lease represents prepaid lease payments, except for leasehold land classified as investment property.

The Group has adopted the amendment made to FRS 117, Leases in 2010 in relation to the classification of lease of land. Leasehold land which in substance is a finance lease has been reclassified and measured as such retrospectively.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(f) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss when incurred.

Expenditure on development activities, whereby the application of research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development.

The expenditure capitalised includes the cost of materials, direct labour and overheads costs that are directly attributable to preparing the asset for its intended use. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less any accumulated amortisation and any accumulated impairment losses.

(g) Investment property

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties. Investment properties are stated at cost less accumulated depreciation and impairment losses. Depreciation is charged on a straight-line basis over the estimated useful life of 50 years.

2. Significant accounting policies (cont'd)

(h) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Receivables

Prior to 1 January 2010, receivables were initially recognised at their costs and subsequently stated at cost less allowance for doubtful debts.

Following the adoption of FRS 139, trade and other receivables are categorised and measured as loans and receivables in accordance with note 2(c).

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

Cash and cash equivalents (other than bank overdrafts) are categorised and measured as loans and receivables in accordance with policy note 2(c).

(k) Impairment of assets

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investments in subsidiaries and associates) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity and recognised to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

2. Significant accounting policies (cont'd)

(k) Impairment of assets

(ii) Non-financial assets

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets ("cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(l) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to issue of instruments classified as equity are recognised as a deduction from equity.

(m) Employee benefits

(i) Short term employee benefits

Short term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contributions to statutory pension funds are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(ii) Share-based payment transactions

The grant date fair value of share-based payment awards to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of employee stock options is measured using a binomial model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

2. Significant accounting policies (cont'd)

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(o) Revenue and other income

(i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, traded discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Services

Revenue from services rendered is recognised in the profit or loss in proportion to the stage of completion of the transaction at the end of the reporting period. The stage of completion is assessed by reference to surveys of work performed.

(iii) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as other income.

(iv) Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

Grants that compensate the Group for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

(v) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established.

(vi) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

2. Significant accounting policies (cont'd)

(p) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Before 1 January 2010, all borrowing costs were recognised in profit or loss using the effective interest method in the period in which they are incurred.

Following the adoption of revised FRS 123, Borrowing Costs, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(q) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

Unutilised reinvestment allowance and investment tax allowance are treated as tax base of assets and are recognised as a reduction of tax expense as and when they are utilised.

(r) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares (EPS).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, from the share options granted to employees.

(s) Operating segments

In the previous years, a segment was a distinguishable component of the Group that was engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment) which was subject to risks and rewards that were different from those of other segments.

Following the adoption of FRS 8, Operating Segments, an operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Notes To The Financial Statements (cont'd)

3. Property, plant and equipment - Group

	Freehold land	Leasehold land	Buildings and factory improvements	Plant and equipment	Motor vehicles, office equipment, furniture and fixtures	Capital work-in-progress	Total
	RM	RM	RM	RM	RM	RM	RM
Cost							
At 1 January 2009, restated	3,987,019	6,231,628	40,574,961	167,207,252	21,152,956	-	239,153,816
Additions	2,038,169	2,522,931	9,301,384	9,000,018	2,101,745	-	24,964,247
Disposals	-	-	(546,940)	(12,752,321)	(1,742,652)	-	(15,041,913)
Write off	-	-	(365,023)	(7,877,714)	(246,093)	-	(8,488,830)
Transfer to assets classified as held for sale (Note 11)	-	(1,568,072)	(5,535,558)	(27,448)	(703,898)	-	(7,834,976)
Transfer from assets classified as held for sale (Note 11)	-	360,570	1,593,230	110,000	1,129,000	-	3,192,800
Reclassification	-	-	(410,000)	410,000	-	-	-
Foreign exchange difference	-	-	(47,821)	(545,663)	(96,661)	-	(690,145)
At 31 December 2009/1 January 2010, restated	6,025,188	7,547,057	44,564,233	155,524,124	21,594,397	-	235,254,999
Additions	-	-	3,766,204	89,655,195	3,717,175	131,622	97,270,196
Disposals	-	-	-	(3,191,797)	(486,317)	-	(3,678,114)
Write off	-	-	-	(47,238)	-	-	(47,238)
At 31 December 2010	6,025,188	7,547,057	48,330,437	241,940,284	24,825,255	131,622	328,799,843
Accumulated depreciation/ impairment losses							
At 1 January 2009, restated :							
- Accumulated depreciation	-	1,026,508	12,062,084	62,482,821	11,380,978	-	86,952,391
- Accumulated impairment loss	-	-	-	8,241,718	-	-	8,241,718
	-	1,026,508	12,062,084	70,724,539	11,380,978	-	95,194,109

3. Property, plant and equipment - Group (cont'd)

	Freehold land	Leasehold land	Buildings and factory improvements	Plant and equipment	Motor vehicles, office equipment, furniture and fixtures	Capital work-in-progress	Total
	RM	RM	RM	RM	RM	RM	
Depreciation for the year	-	162,746	2,273,495	33,683,492	2,041,994	-	38,161,727
Impairment loss	-	-	825,000	119,870	509,581	-	1,454,451
Disposals	-	-	(54,436)	(7,230,075)	(812,364)	-	(8,096,875)
Write off	-	-	(261,772)	(6,035,359)	(496,013)	-	(6,793,144)
Transfer to assets classified as held for sale (Note 11)	-	(121,572)	(3,128,245)	(13,284)	(551,055)	-	(3,814,156)
Transfer from assets classified as held for sale (Note 11)	-	39,895	170,034	55,000	752,873	-	1,017,802
Reclassification	-	-	(68,333)	68,333	-	-	-
Foreign exchange difference	-	-	(27,762)	(277,116)	(13,598)	-	(318,476)
At 31 December 2009/1 January 2010, restated							
- Accumulated depreciation	-	1,107,577	11,790,065	82,733,812	12,302,815	-	107,934,269
- Accumulated impairment loss	-	-	-	8,361,588	509,581	-	8,871,169
	-	1,107,577	11,790,065	91,095,400	12,812,396	-	116,805,438
Depreciation for the year	-	145,069	3,560,911	37,048,791	2,827,545	-	43,582,316
Impairment loss	-	-	-	(996,359)	-	-	(996,359)
Disposals	-	-	-	(1,921,005)	(481,974)	-	(2,402,979)
Write off	-	-	-	(10,698)	-	-	(10,698)
Reclassification	-	-	115	(115)	-	-	-
At 31 December 2010							
- Accumulated depreciation	-	1,252,646	15,351,091	117,850,785	14,648,386	-	149,102,908
- Accumulated impairment losses	-	-	-	7,365,229	509,581	-	7,874,810
	-	1,252,646	15,351,091	125,216,014	15,157,967	-	156,977,718
Carrying amounts							
At 1 January 2009, restated	3,987,019	5,205,120	28,512,877	96,482,713	9,771,978	-	143,959,707
At 31 December 2009/1 January 2010, restated	6,025,188	6,439,480	32,774,168	64,428,724	8,782,001	-	118,449,561
At 31 December 2010	6,025,188	6,294,411	32,979,346	116,724,270	9,667,288	131,622	171,822,125

3. Property, plant and equipment - Group (cont'd)

Leasehold land

The carrying amounts of leasehold land at 1 January 2009 and 31 December 2009 have been adjusted following the adoption of the amendments to FRS 117, Leases, where leasehold land, in substance is a finance lease, has been reclassified from prepaid lease payments to property, plant and equipment.

Impairment of property, plant and equipment

The Group assesses its assets whenever there are indications of impairment on an annual basis, where applicable.

For the year ended 31 December 2009, certain product lines were at end of life position resulted in the Group to assess the recoverable amount of a number of assets related to the production of those products. Based on the assessment, the recoverable value of the assets were lower than the carrying value, therefore, the carrying amount of the assets have been written down by RM1,454,451 to its recoverable value.

For the financial year ended 31 December 2010, the Group assesses the asset's carrying amounts are not significantly different than its recoverable amounts.

The estimates of recoverable amount were based on the assets' value in use.

4. Investment property

	Note	Group RM
Cost		
At 1 January 2009/31 December 2009		12,839,566
At 1 January 2010/31 December 2010		12,839,566
Accumulated depreciation		
At 1 January 2009		3,423,191
Depreciation for the year	20	256,810
At 31 December 2009/1 January 2010		3,680,001
Depreciation for the year	20	256,811
At 31 December 2010		3,936,812
Carrying amounts		
At 1 January 2009		9,416,375
At 31 December 2009/1 January 2010		9,159,565
At 31 December 2010		8,902,754

Investment property comprises a factory building that is leased to the associate of the Group. The lease contains a non-cancellable period of twenty years commencing 1 June 1995. No contingent rents are charged. The fair value of the investment property is estimated at approximately RM10.0 million based on a valuation performed by an independent valuer in March 2007 based on an open market value basis.

The following are recognised in profit or loss in respect of investment properties :

	Group 2010 RM	2009 RM
Rental income	1,882,740	1,882,740
Direct operating expenses :		
- income generating investment properties (Note 20)	327,090	258,378

5. Investments in subsidiaries

	Company 2010 RM	Company 2009 RM
At cost:		
Unquoted shares	37,474,093	37,474,093
Share-based payments allocated to subsidiaries	1,227,641	686,548
Less : Accumulated impairment losses	(608,000)	(608,000)
	38,143,734	37,552,641

Details of subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Effective ownership interest 2010	Effective ownership interest 2009	Principal activities
Globetronics Sdn. Bhd.	Malaysia	100%	100%	Assembly and testing of integrated circuits, optoelectronic products and technical plating services
Globetronics Industries Sdn. Bhd.	Malaysia	100%	100%	Manufacturing and fabricating of ESD protective materials, ceramic metallisation and assembly of printed circuit boards
ISO Technology Sdn. Bhd.	Malaysia	100%	100%	Manufacturing of small outline components and technical plating services for the semiconductor industry and trading of chemicals
Globetronics Multimedia Technology Sdn. Bhd.	Malaysia	100%	100%	Provision of computer hardware and software, system solutions and consultations
Globetronics International Incorporated	British Virgin Islands	100%	100%	Investment holding
Globetronics (KL) Sdn. Bhd.	Malaysia	100%	100%	Provision of test and assembly of chip carrier quartz crystal products for the electronics industry
Globetronics Distribution Sdn. Bhd.	Malaysia	100%	100%	Dormant
Subsidiaries of Globetronics International Incorporated				
Globetronics (HK) Limited *	Hong Kong	100%	100%	Dormant
Globetronics (Jiaxing) Inc.#	People's Republic of China	-	100%	Ceased operation

* Not audited by member firms of KPMG International

\# Subsidiary disposed of during the year

6. Investments in an associate

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
At cost :				
Unquoted shares	784,000	784,000	784,000	784,000
Share of post-acquisition reserves	3,977,144	3,823,766	-	-
	4,761,144	4,607,766	784,000	784,000

Summary financial information for associates, not adjusted for the percentage ownership held by the Group :

	Country of incorporation	Effective ownership interest	Revenue (100%) RM	Profit for the year (100%) RM	Total assets (100%) RM	Total liabilities (100%) RM
2010						
SMCi Globetronics Technology Sdn. Bhd.	Malaysia	49%	27,893,900	417,356	11,625,275	1,838,826
2009						
SMCi Globetronics Technology Sdn. Bhd.	Malaysia	49%	21,205,365	328,806	11,563,780	1,987,440

7. Other investments

	Note	Total	Shares Outside Malaysia Quoted	Bonds/Funds In Malaysia Quoted	Bonds/Funds Outside Malaysia Quoted	Bonds/Funds Outside Malaysia Unquoted
		RM	RM	RM	RM	RM
Group						
2010						
Non-current						
Available-for-sale financial assets		6,381,303	2,252,264	961,377	208,515	2,959,147
Representing items :						
At fair value		6,381,303	2,252,264	961,377	208,515	2,959,147
Group						
2009						
Non-current						
At cost		7,774,527	2,021,835	1,231,417	1,238,515	3,282,760
Less: Impairment loss		(258,772)	(258,772)	-	-	-
		7,515,755	1,763,063	1,231,417	1,238,515	3,282,760
Market value of quoted investments		8,387,000	1,975,000	1,236,000	1,284,000	3,892,000

7. Other investments (cont'd)

	Bonds/Funds In Malaysia Quoted RM
Company	
2010	
Non-current	
Available-for-sale financial assets	961,377
Representing items :	
At fair value	961,377
2009	
Non-current	
At cost	1,231,417
Market value of quoted investments	1,236,000

The comparative figures as at 31 December 2009 have not been presented based on the new categorisation of financial assets resulting from the adoption of FRS 139 by virtue of the exemption given in FRS 7.44AA.

8. Trade and other receivables

	Note	Group		Company	
		2010 RM	2009 RM	2010 RM	2009 RM
Current					
Trade					
Amount due from associate	8.1	**51,758**	3,496	**-**	-
Trade receivables		**45,048,663**	36,929,717	**-**	-
		45,100,421	36,933,213	**-**	-
Non-current					
Non-trade					
Amount due from associate	8.2	**28,468**	23,883	**-**	-
Amount due from subsidiaries	8.2	**-**	-	**103,483,038**	95,605,089
Other receivables	8.3	**3,076,231**	1,346,147	**29,243**	27,951
Deposits		**269,041**	203,073	**4,500**	4,500
Prepayments		**1,342,654**	808,479	**21,007**	21,007
		4,716,394	2,381,582	**103,537,788**	95,658,547
		49,816,815	39,314,795	**103,537,788**	95,658,547

8.1 Amount due from associate

The trade receivables from associate are subject to the normal trade terms.

8.2 Amount due from subsidiaries and associate

The non-trade receivables due from subsidiaries and associate are unsecured, interest-free and repayable on demand.

8.3 Other receivables

Included in other receivables is an amount of RM1,426,822 (2009: RMNil) representing proceeds received from the buyer of a subsidiary (refer to Note 34). The sale proceeds is held in trust by an officer of the Group.

9. Inventories

	Group 2010 RM	Group 2009 RM
At cost :		
Raw materials	**6,886,520**	2,901,957
Work-in-progress	**3,099,222**	2,379,958
Manufactured inventories	**1,023,669**	956,406
Consumables	**3,424,758**	2,134,001
Trading inventories	**695,269**	382,981
	15,129,438	8,755,303

10. Cash and cash equivalents

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Funds placed with financial institutions :					
- Short term investment in bond funds		-	6,213,836	-	6,213,836
- Short term investment funds	10.1	**12,658,250**	17,897,487	**3,941,386**	1,389,698
- Short term deposits		**12,249,401**	26,035,786	**3,695,055**	5,083,015
Cash and bank balances	10.2	**24,334,566**	35,289,196	**306,858**	1,739,743
		49,242,217	85,436,305	**7,943,299**	14,426,292
Market value					
- Short term investment in bond funds		-	6,281,000	-	6,281,000
- Short term investment funds		**12,811,000**	17,922,000	**4,058,000**	1,414,000

Included in cash and cash equivalents of the Group and of the Company are RM36,144,119 (2009 : RM60,849,506) and RM7,817,178 (2009 : RM14,107,922) respectively which earn interest at rates ranging from 0.10% to 2.95% (2009 : 1.36% to 3.45%) per annum.

10.1 Short term investment funds

Short term investment funds represent investments in fixed income trusts which can be redeemed within a period of less than 31 days.

10.2 Cash and bank balance

Included in the cash and bank balance of the Group is an amount of RM Nil (2009 : RM602,040) representing deposit received from the buyer of a subsidiary (refer to Note 34). The deposit is held in trust by an officer of the Group.

11. Assets classified as held for sale - Group

In the previous financial year, the following assets were classified as held for sale due to the Group's intention to dispose off a wholly owned subsidiary, Globetronics (Jiaxing) Inc..

	Buildings and factory improvements	Plant and equipment	Equipment, furniture and fixtures	Prepaid lease payments	Total
	RM	RM	RM	RM	RM
Cost :	5,535,558	27,448	703,898	1,568,072	7,834,976
Accumulated depreciation	(2,303,245)	(13,284)	(551,055)	(121,572)	(2,989,156)
Accumulated impairment	(825,000)	-	-	-	(825,000)
Carrying amount	2,407,313	14,164	152,843	1,446,500	4,020,820

12. Share capital - Group and Company

	Number of Shares	Par Value RM	RM
Ordinary shares			
Authorised :			
Balance at 1 January 2009	5,000,000,000	0.10	500,000,000
Share consolidation	(4,000,000,000)	-	-
Balance at 31 December 2009/31 December 2010	1,000,000,000	0.50	500,000,000
Issued and fully paid :			
Balance at 1 January 2009	1,310,297,200	0.10	131,029,720
Share consolidation	(1,048,237,760)	-	-
Exercise of ESOS III	537,400	0.50	268,700
Balance at 31 December 2009/1 January 2010	262,596,840	0.50	131,298,420
Exercise of ESOS III	3,701,800	0.50	1,850,900
Balance at 31 December 2010	266,298,640	0.50	133,149,320

During the year, the Company issued 3,701,800 new ordinary shares of RM0.50 each for cash arising from the exercise of employees' share options.

During the previous financial year:

i) (a) the Company consolidated its entire authorised share capital from every five (5) ordinary shares of RM0.10 held into one (1) ordinary share of RM0.50 each (share consolidation). Upon the completion of the share consolidation, the number of authorised shares of the Company is consolidated into 1,000,000,000 ordinary shares of RM0.50 each from 5,000,000,000 ordinary shares of RM0.10 each;

(b) The Company issued 537,400 new ordinary shares of RM0.50 each for cash arising from the exercise of employees' share options.

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company and rank equally with regard to the Company's residual assets.

13. Reserves

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Non-distributable					
Share premium		**8,656,134**	8,284,189	**8,656,134**	8,284,189
Translation reserve	13.1	**(2,257,359)**	(1,346,567)	**-**	-
Share option reserve	13.2	**935,729**	657,982	**935,729**	657,982
Fair value reserve	13.3	**1,328,399**	-	**22,528**	-
		8,662,903	7,595,604	**9,614,391**	8,942,171
Distributable					
Retained profits		**99,464,329**	87,598,755	**7,182,603**	8,454,780
		108,127,232	95,194,359	**16,796,994**	17,396,951

The movements in each category of reserves are disclosed in the statement of changes in equity. The nature and purpose of each category of reserves are as follows :

13.1 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

13.2 Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share premium. When the share options expire, the amount from the share option reserve is transferred to retained earnings. Share option is disclosed in Note 17.

13.3 Fair value reserve

The fair value reserve relates to the valuation of financial assets categorised as available-for-sale.

14. Deferred tax liabilities

The recognised deferred tax liabilities are as follows :

	Group 2010 RM	2009 RM
Property, plant and equipment		
- capital allowances	**5,579,028**	2,850,394
Provisions	**(223,634)**	(466,000)
Other items	**-**	409,000
	5,355,394	2,793,394

Deferred tax liabilities and assets are offset where there is a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred taxes relate to the same taxation authority.

Movement in temporary differences during the year are as follows:

Group	At 1.1.2009 RM	Recognised in the profit or loss (Note 24) RM	At 31.12.2009 RM	Recognised in the profit or loss (Note 24) RM	At 31.12.2010 RM
Property, plant and equipment					
- capital allowances	4,626,937	(1,776,543)	2,850,394	2,728,634	5,579,028
Provisions	(408,000)	(58,000)	(466,000)	242,366	(223,634)
Others	668,457	(259,457)	409,000	(409,000)	-
	4,887,394	(2,094,000)	2,793,394	2,562,000	5,355,394

Unrecognised deferred tax assets

Deferred tax have not been recognised in respect of the following items :

	Group 2010 RM	2009 RM
Property, plant and equipment - capital allowances	**(4,008,000)**	(172,000)
Tax loss carry-forwards	**(216,000)**	-
Unabsorbed capital allowances	**(30,000)**	(2,648,000)
Other deductible temporary difference	**(1,595,000)**	(1,477,500)
	(5,849,000)	(4,297,500)

The tax loss carry-forwards and unabsorbed capital allowances do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom.

The comparative figures have been restated to reflect the revised tax loss carry-forwards and unabsorbed capital allowances available to the Group.

15. Deferred income

	Group 2010 RM	2009 RM
Government grant :		
Balance at 1 January	**1,718,858**	1,162,910
Add: Addition during the year	**1,309,487**	3,388,765
Less : Amortised during the year (Note 20)	**(2,057,811)**	(2,832,817)
Balance at 31 December	**970,534**	1,718,858

16. Borrowings

	Group 2010 RM	Group 2009 RM
Non-current		
Secured term loan	**2,121,792**	-
Current		
Secured term loan	**4,243,584**	-
	6,365,376	-

During the year, a term loan denominated in US Dollar was obtained by a subsidiary. The US Dollar term loan is secured by a corporate guarantee from the Company amounting to RM12.3 million.

17. Employee benefits - Group

Share-based payments

At an Extraordinary General Meeting held on 24 February 2009, the Company's shareholders approved the establishment of a new employees' share option scheme ("ESOS III") of up to 10% of the issued and paid-up share capital, replacing the ESOS II which expired on 28 March 2009.

No options were granted to any person to take up unissued shares of the Company during the year apart from the issue of options pursuant to ESOS III.

The Group offers vested share options over ordinary shares to Executive Directors and other employees with more than three months of service for ESOS III. The contractual life of ESOS III is five years commencing from 13 April 2009. Details of the grants are as follows :

Grant date	Number of instruments ('000)
13 April 2009	13,159
7 October 2009	245
8 April 2010	771
12 October 2010	2,010

The exercisable condition of the share option is that the eligible persons are entitled to exercise the number of options granted equally over the remaining life of ESOS III from the granting date on condition that the eligible persons are still in employment.

The number and weighted average exercise prices of share options are as follows :

	2010 Weighted average exercise price	2010 Number of options	2009 Weighted average exercise price	2009 Number of options
ESOS III				
Outstanding at 1 January	**0.52**	**12,079,100**	-	-
Issued	**1.17**	**2,955,300**	0.52	13,232,800
Exercised	**0.52**	**(3,701,800)**	0.51	(537,400)
Forfeited	**0.59**	**(1,850,200)**	0.52	(616,300)
Outstanding at 31 December	**0.70**	**9,482,400**	0.52	12,079,100
Exercisable at 31 December	**1.04**	**854,070**	0.52	1,985,900

The options outstanding at 31 December 2010 have an exercise price of RM0.51, RM0.80, RM1.52, RM1.09 respectively and a weighted contractual life of 3 years.

17. Employee benefits - Group (cont'd)

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a binomial lattice model, with the following inputs:

	Directors		Employees	
	2010	2009	**2010**	2009
Fair value of share options and assumptions				
Fair value at grant date	**0.1934**	0.1164	**0.1934 - 0.3836**	0.1164 - 0.2664
Weighted average share price	**1.03 - 1.50**	0.55 - 0.80	**1.03 - 1.50**	0.55 - 0.80
Exercise price	**1.09**	0.51	**1.09 - 1.52**	0.51 - 0.80
Expected volatility (weighted average volatility)	**33.07%**	33.07%	**33.07%**	33.07%
Option life (expected weighted average life)	**4.00 years**	5.00 years	**4.00 years**	4.99 years
Expected dividends	**3.64%**	5%	**1.52 - 3.64%**	5%
Risk-free interest rate (based on Malaysian government bonds)	**2.95%**	2%	**2.65 - 2.95%**	2%

Value of employee services received for issue of share options

	Group	
	2010 RM	**2009 RM**
Share options granted in 2009	**258,545**	686,548
Share options granted in 2010	**332,548**	-
Total expense recognised as share-based payments	**591,093**	686,548

18. Trade and other payables

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Trade					
Trade payables		**17,049,307**	17,309,691	**-**	-
Non-trade					
Amount due to subsidiaries	18.1	**-**	-	**867,000**	627,000
Other payables	18.2	**20,271,728**	16,326,831	**-**	-
Accruals		**11,876,534**	9,198,798	**554,084**	504,926
		32,148,262	25,525,629	**1,421,084**	1,131,926
		49,197,569	42,835,320	**1,421,084**	1,131,926

18.1 Amount due to subsidiaries

The non-trade amount due to subsidiaries is unsecured, interest-free and repayable on demand.

18.2 Other payables

Included in other payables is an amount of :

(i) RM550,000 (2009 : RM550,000) being deposits received for the disposal of a subsidiary's leasehold land and building from a potential buyer which was aborted as the potential buyer had not fulfilled certain conditions stipulated in the Sales and Purchase Agreement.

(ii) RM Nil (2009 : RM602,040) being deposits received for the disposal of a subsidiary.

19. Revenue

	2010 RM	2009 RM
Group		
Sales	**277,075,577**	215,728,469
Services	**1,638,543**	1,329,853
Dividends	**21,154**	21,323
Interest income	**415,085**	417,258
	279,150,359	217,496,903
Company		
Dividends	**20,351,300**	19,292,750
Interest income	**351,848**	290,762
	20,703,148	19,583,512

20. Profit before tax

Profit before tax is arrived at after charging:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Auditors' remuneration				
Statutory audit				
- KPMG	**76,300**	67,800	**12,000**	10,000
- Other auditors	**3,495**	15,338	**-**	-
Other services				
- KPMG	**3,000**	3,000	**3,000**	3,000
Depreciation of property, plant and equipment (Note 3)	**43,582,316**	38,161,727	**-**	-
Depreciation of investment property (Note 4)	**256,811**	256,810	**-**	-
Directors' emoluments				
Directors of the Company				
- fees	**856,000**	779,000	**491,000**	449,000
- others	**3,334,500**	2,974,250	**-**	-
Other Directors				
- fees	**73,000**	66,000	**-**	-
- others	**351,456**	330,652	**-**	-
Inventories written down	**135,626**	217,005	**-**	-
Impairment loss:				
- Property, plant and equipment (Note 3)	**-**	1,454,451	**-**	-
- Trade receivables	**-**	309,276	**-**	11,855,334
- Investment in a subsidiary	**-**	-	**-**	608,000
- Asset classified as held for sales	**1,066,221**	-	**-**	-
Rental of premises	**844,801**	992,379	**-**	-
Plant and equipment written off	**36,540**	1,695,686	**-**	-
Loss on disposal of plant and equipment	**-**	4,491,210	**-**	-
Realised loss on foreign exchange	**3,355,904**	1,123,860	**1,214,566**	-
Unrealised loss on foreign exchange	**-**	50,754	**1,964,316**	-
Research and development expenditure	**166,226**	372,594	**-**	-
Loss on disposal of other investments	**2,915**	10,433	**-**	-
Loss on disposal of short term investment in funds & bond funds	**-**	6,965	**-**	6,965
Direct operating expenses of investment property :				
- Income generating (Note 4)	**327,090**	258,378	**-**	-
and crediting :				
Gain on disposal of plant and equipment	**69,120**	-	**-**	-
Gross dividends from subsidiaries	**-**	-	**20,351,300**	19,292,750
Gain on disposal of other investments	**-**	-	**22,391**	-
Interest income	**1,365,974**	1,254,657	**351,848**	290,762
Rental income	**1,952,983**	1,935,482	**-**	-
Reversal for diminution in value for investment in quoted share	**-**	321,137	**-**	-
Reversal of impairment loss in trade receivables	**205,170**	-	**-**	-
Amortisation of deferred income (Note 15)	**2,057,811**	2,832,817	**-**	-
Unrealised gain on foreign exchange	**284,076**	-	**-**	277,864
Gain on disposal of a subsidiary	**1,047,859**	-	**-**	-

21. Employee information

	Group		Company	
	2010	2009	**2010**	2009
	RM	RM	**RM**	RM
Staff costs (including Executive Directors)	**58,669,986**	44,371,081	**-**	-

i) The estimated monetary value of Directors' benefits-in-kind of the Group is RM31,000 (2009 : RM20,000).

ii) Staff costs include contributions to the Employees' Provident Fund of RM3,240,774 (2009 : RM3,055,943).

iii) Staff costs include share-based payments of RM591,093 (2009 : RM686,548).

22. Key management personnel compensation

The key management personnel compensation is as follows :

	Group		Company	
	2010	2009	**2010**	2009
	RM	RM	**RM**	RM
Directors				
- Fees	**929,000**	845,000	**491,000**	449,000
- Remuneration	**3,163,800**	2,820,225	**-**	-
- Other short term employee benefits (including estimated monetary value of benefits-in-kind)	**553,156**	504,677	**-**	-
Total short-term employee benefits	**4,645,956**	4,169,902	**491,000**	449,000
- Share-based payment	**123,098**	97,222	**-**	-
	4,769,054	4,267,124	**491,000**	449,000

23. Financing costs

	Group	
	2010	2009
	RM	RM
Interest expense on loans	**-**	8,850

24. Income tax expense

Recognised in the profit or loss

	Group		Company	
	2010	2009	**2010**	2009
	RM	RM	**RM**	RM
Income tax expense on continuing operations	**7,698,942**	3,307,246	**63,596**	7,383
Share of tax of equity accounted associate	**51,126**	53,705	**-**	-
Total income tax expense	**7,750,068**	3,360,951	**63,596**	7,383

Major components of tax expense include :

	Group		Company	
	2010	2009	**2010**	2009
	RM	RM	**RM**	RM
Current tax expense				
Malaysian				
- Current year	**4,452,188**	4,341,696	**63,596**	34,000
- Prior years	**684,754**	1,059,550	**-**	(26,617)
Total current tax recognised in the profit or loss	**5,136,942**	5,401,246	**63,596**	7,383
Deferred tax expense				
Origination and reversal of temporary differences	**2,973,000**	(687,000)	**-**	-
Prior year	**(411,000)**	(1,407,000)	**-**	-
Total deferred tax recognised in the profit or loss	**2,562,000**	(2,094,000)	**-**	-
	7,698,942	3,307,246	**63,596**	7,383
Share of tax of equity accounted associate	**51,126**	53,705	**-**	-
Total income tax expense	**7,750,068**	3,360,951	**63,596**	7,383

24. Income tax expense (cont'd)

Reconciliation of effective tax expense

	Group		Company	
	2010 RM	**2009 RM (Restated)**	**2010 RM**	**2009 RM**
Profit for the year	**29,727,128**	15,921,435	**16,589,377**	5,766,895
Total income tax expense	**7,750,068**	3,360,951	**63,596**	7,383
Profit excluding tax	**37,477,196**	19,282,386	**16,652,973**	5,774,278
Income tax calculated using Malaysian tax rate of 25% (2009 : 25%)	**9,369,299**	4,820,596	**4,163,243**	1,443,570
Non-deductible expenses	**1,069,662**	2,360,626	**1,026,988**	3,452,393
Non-taxable income	**(894,393)**	(1,257,270)	**-**	(38,775)
Tax exempt income	**(86,098)**	(117,048)	**(5,129,831)**	(4,823,188)
Tax incentives	**(2,711,375)**	(4,065,375)	**-**	-
Effect of deferred tax assets not recognised	**387,875**	971,285	**-**	-
Other items	**(341,344)**	995,587	**3,195**	-
	7,476,314	3,708,401	**63,595**	34,000
Over provided in prior years	**273,754**	(347,450)	**-**	(26,617)
Tax expense	**7,750,068**	3,360,951	**63,595**	7,383

25. Dividends

	Sen per share (net of tax)	Total amount RM	Date of payment
2010			
Final Payment for year 2009	1.50	3,984,367	9 June 2010
First interim 2010 ordinary	2.25	5,922,761	8 February2010
Second interim 2010 ordinary	2.99	7,954,426	2 December 2010
Total amount		17,861,554	
2009			
First interim 2009 ordinary	1.50	3,930,891	8 June 2010
Second interim 2009 ordinary	2.25	5,906,628	8 October 2010
Total amount		9,837,519	

26. Other comprehensive income

	Before tax RM	Tax (expense/ Benefit) RM	Net of tax RM
Group			
2010			
Foreign currency translation differences for foreign operations	(910,792)	-	(910,792)
Fair value of available-for-sale financial assets			
- Gains arising during the year	519,478	-	519,478
	(391,314)	-	(391,314)
2009			
Foreign currency translation differences for foreign operations			
- Loss arising during the year	(538,097)	-	(538,097)

27. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the year ended 31 December 2010 was based on the net profit attributable to ordinary shareholders of RM29,727,128 (2009 : RM15,921,435) and on the weighted average number of ordinary shares outstanding during the year of RM265,247,587 (2009 : 262,304,434) calculated as follows :

	Group 2010	2009
Issued ordinary shares at beginning of year	**262,596,840**	1,310,297,200
Effect of share consolidation	**-**	(1,048,237,760)
Effect of shares issued during the year	**2,650,747**	244,994
Weighted average number of ordinary shares	**265,247,587**	262,304,434

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at 31 December 2010 was based on profit attributable to the shareholders of RM29,727,128 (2009 : RM15,921,435) and on the weighted average number of ordinary shares outstanding during the year of RM265,378,955 (2009 : 262,954,253) calculated as follows :

	Group 2010	2009
Weighted average number of shares as above	**265,247,587**	262,304,434
Effect of ESOS III	**131,368**	649,819
Weighted average number of ordinary shares (diluted)	**265,378,955**	262,954,253

* The effect of share options is anti-dilutive.

28. Capital commitments - Group

	2010 RM	2009 RM
Property, plant and equipment		
Contracted but not provided for	**5,190,799**	4,281,000

29. Operating segment

The Group's operating segment comprises manufacture, assembly, testing and sales of integrated circuits, chip carrier quartz crystal products, optoelectronic products, printed circuit boards, ESD protective materials, small outline components, technical plating services and packaging materials for the semiconductor and electronics industries.

Accordingly, information by operating segment on the Group's operating as required by FRS 8 is not presented.

The Group's manufacturing activities are performed in Malaysia while sales and distribution activities are mainly performed at four principal geographical areas namely Malaysia, United States, People's Republic of China and Singapore.

Geographical information

	Malaysia RM	United States RM	People's Republic of China RM	Singapore RM	Others RM	Consolidated RM
2010						
Revenue from external customers	188,667,407	65,628,749	1,404,740	23,323,382	126,081	279,150,359
Non-current assets	186,675,610	-	-	-	5,191,716	191,867,326
2009						
Revenue from external customers	135,483,151	62,521,764	885,791	18,384,778	221,419	217,496,903
Non-current assets	133,942,096	-	-	-	5,790,551	139,732,647

Major customer

During the year, revenue from single customer contributed to more than 10% of the Group revenue amounted to RM227,560,425 (2009:RM183,133,016).

30. 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.

30.1 Controlling related party relationships are as follows :

i) Subsidiaries and associate of the Company as disclosed in Note 5 and Note 6 to the financial statements; and

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

30.2 Significant transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

	2010 RM	2009 RM
Group		
i) Transactions with an associate		
SMCi Globetronics Technology Sdn. Bhd.		
Sales	**477,227**	362,040
Rental of premises	**1,882,740**	1,882,740
Provision of management support services	**192,000**	192,000
Company		
i) Transactions with subsidiaries		
Globetronics Sdn. Bhd.		
Allocation of employee share option	**368,129**	454,893
Dividend receivable	**12,051,300**	12,542,750
Management fee expenses	**240,000**	222,000
Globetronics Multimedia Technology Sdn. Bhd.		
Allocation of employee share option	**23,921**	20,848
Dividend receivable	**300,000**	250,000
ISO Technology Sdn. Bhd.		
Allocation of employee share option	**171,462**	188,127
Dividend receivable	**8,000,000**	6,500,000
Globetronics Industries Sdn. Bhd.		
Allocation of employee share option	**2,041**	22,680
Globetronics (KL) Sdn. Bhd.		
Allocation of employee share option	**25,540**	-

ii) Transactions with Directors and key management personnel

There were no transactions with the Directors and key management personnel other than the following :

- remuneration package paid to them in accordance with the terms and conditions of their appointment; and
- share options granted to key management personnel of the Group as disclosed in the Directors' Report of the Company and its related companies

31. Financial instruments

Certain comparative figures have not been presented for 31 December 2009 by virtue of the exemption given in paragraph 44AA of FRS 7.

31.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables ("L&R");
(b) Available-for-sale financial assets ("AFS");
(c) Other financial liabilities measured at amortised cost ("OL").

	Carrying amount RM	L &R RM	AFS RM
2010			
Financial assets			
Group			
Other investments	6,381,303	-	6,381,303
Trade and other receivables	48,205,120	48,205,120	-
Cash and cash equivalents	49,242,217	49,242,217	-
	103,828,640	97,447,337	6,381,303
Company			
Other investments	961,377	-	961,377
Trade and other receivables	103,512,281	103,512,281	-
Cash and cash equivalents	7,943,299	7,943,299	-
	112,416,957	111,455,580	961,377

	Carrying amount RM	OL RM
2010		
Financial liabilities		
Group		
Trade and other payables	49,197,569	49,197,569
Borrowings	6,365,376	6,365,376
	55,562,945	55,562,945
Company		
Trade and other payables	1,421,084	1,421,084

31.2 Net gains and losses arising from financial instruments

	Group 2010 RM	Company 2010 RM
Net gain arising on :		
Available-for-sale financial assets		
- recognised in other comprehensive income	**519,478**	**22,528**

31.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

31. Financial instruments (cont'd)

31.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and investment securities. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

The exposure of credit risk for receivables as at the end of the reporting period by geographic region was:

	Group		**Company**	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
Domestic	**40,340,778**	30,124,583	**103,512,281**	95,633,040
Asia Pacific	**6,757,511**	2,159,825	**-**	-
U.S.A.	**1,106,831**	956,805	**-**	-
Others	**-**	5,062,030	**-**	-
	48,205,120	38,303,243	**103,512,281**	95,633,040

Impairment losses

The ageing of receivables as at the end of the reporting period was :

	Gross	**Individual impairment**	**Collective impairment**	**Net**
	RM	**RM**	**RM**	**RM**
Group 2010				
Not past due	40,462,192	-	-	40,462,192
Past due 1-30 days	7,524,892	-	-	7,524,892
Past due 31-60 days	274,405	(56,369)	-	218,036
Past due more than 60 days	702,898	(702,898)	-	-
	48,964,387	(759,267)	-	48,205,120
Group 2009				
Not past due	33,756,728	-	-	33,756,728
Past due 1-30 days	4,067,848	-	-	4,067,848
Past due 31-60 days	209,915	-	-	209,915
Past due more than 60 days	1,233,189	(964,437)	-	268,752
	39,267,680	(964,437)	-	38,303,243

31. Financial instruments (cont'd)

31.4 Credit risk (cont'd)

Exposure to credit risk, credit quality and collateral (continued)

The movements in the allowance for impairment losses of receivables during the financial year were:

	Group 2010 RM
At 1 January	(964,437)
Impairment loss reversed	205,170
At 31 December	(759,267)

At 31 December 2010, a significant individual impairment loss of RM759, 267 relates to customers that were facing financial difficulties, cash flow constraint during the financial year. There had been no progress on repayment as at year end despite the on-going efforts to recover these outstanding amounts from the customers.

The allowance account in respect of receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Investments and other financial assets

Risk management objectives, policies and processes for managing the risk

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations.

The investments and other financial assets are unsecured.

31. Financial instruments (cont'd)

31.4 Credit risk (cont'd)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries of the Group. The Company monitors on an ongoing basis the results and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM9.9 million (2009: RM4.9 million) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiaries would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Inter company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Intercompany advances are only provided to subsidiaries which are wholly owned by the Company.

Impairment losses

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the advances to the subsidiaries. Nevertheless, these advances have been overdue for less than a year. Non-current advances to subsidiaries are not overdue.

31.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as for as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

Notes To The Financial Statements (cont'd)

31. Financial instrument (cont'd)

31.5 Liquidity risk (cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments :

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	1-2 years RM	2-5 years RM	More than 5 years RM
Group							
2010							
Non-derivative financial liabilities							
Trade and other payables	49,197,569	-	49,197,569	49,197,569	-	-	-
Borrowings	6,365,376	1.3%	6,470,995	4,326,217	2,144,778	-	-
	55,562,945		55,668,564	53,523,786	2,144,778	-	-
Company							
2010							
Non-derivative financial liabilities							
Trade and other payables	1,421,084	-	1,421,084	1,421,084	-	-	-

31. Financial instruments (cont'd)

31.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

31.6.1 Currency risk

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

Risk management objectives, policies and processes for managing the risk

The Group hedges at least 20% of its foreign currency denominated net trade receivables and trade payables. The Group uses forward exchange contracts to hedge its foreign currency risk. Most of the forward exchange contracts have maturities of less than one year in the reporting period.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in USD RM
Group	
2010	
Cash and cash equivalent	10,773,012
Trade receivables	19,402,718
Trade payables	(6,751,597)
Borrowings	(6,365,376)
Exposure in the statement of financial position	17,058,757
Group	
2009	
Cash and cash equivalent	21,212,251
Trade receivables	15,771,382
Trade payables	(5,100,334)
Exposure in the statement of financial position	31,883,299

Currency risk sensitivity analysis

The foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

A 5% strengthening of the RM against USD at the end of the reporting period would have decreased post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Profit or loss RM
Group	
2010	
USD	852,938

A 5% weakening of RM against USD at the end of the reporting period would have had equal but opposite effect on the currency to the amounts shown above, on the basis that all other variables remained constant.

31. Financial instruments (cont'd)

31.6 Market risk (cont'd)

31.6.2 Interest rate risk

The Group's investments in fixed rate debt securities are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rate. Investments in equity securities and short term receivables and payables are not significantly exposed to interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2010 RM	**2009 RM**	**2010 RM**	**2009 RM**
Fixed rate instruments				
Financial assets				
Quoted bond fund	**961,377**	1,231,417	**961,377**	1,231,417
Quoted bonds outside Malaysia	**208,515**	1,238,515	**-**	-
Unquoted bonds fund investments and fixed income fund	**2,959,147**	3,282,760	**-**	-
	4,129,039	5,752,692	**961,377**	1,231,417
Floating rate instruments				
Financial liabilities				
Borrowings	**6,365,376**	-	**-**	-

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change in 50 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by RM31,827. This analysis assumes that all other variables, in particular foreign currency rates remain constant.

31.6.3 Other price risk

Equity price risk arises from the Group's investments in equity securities.

Risk management objectives, policies and processes for managing the risk

Management of the Group monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis. The management regularly updates the Audit Committee and Board of Directors on the investment portfolio of the Group.

Equity price risk sensitivity analysis

The Group does not carry out sensitivity analysis for equity price as it accounts for its equity investments as available-for-sale financial assets. Therefore, a change in equity price at the end of the reporting period would not affect profit or loss.

31. Financial instruments (cont'd)

31.7 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables approximate fair values due to the relatively short term nature of these financial instruments.

	2010		2009	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group				
Financial assets				
In Malaysia :				
- Quoted bond fund	**961,377**	**961,000**	1,231,417	1,236,000
Outside Malaysia :				
- Quoted bonds	**208,515**	**209,000**	1,238,515	1,284,000
- Quoted shares	**2,252,264**	**2,252,000**	1,763,063	1,975,000
- Unquoted bond funds investments	**2,175,445**	**2,175,000**	2,413,920	3,023,000
- Fixed income fund	**783,702**	**784,000**	868,840	869,000
	6,381,303	**6,381,000**	7,515,755	8,387,000
Financial liability				
- Borrowings-term loan	**6,365,376**	**6,365,376**	-	-
Company				
Financial assets				
Quoted bond fund	**961,377**	**961,000**	1,231,417	1,236,000

The following summarises the methods used in determining the fair value of financial instruments reflected in the above table.

Investments in equity and debt securities

The fair values of financial assets that are quoted in an active market are determined by reference to their quoted closing bid price at the end of the reporting period. The fair value of the unquoted bonds quoted bond/funds and fixed income funds are based on the broker's quotes.

Financial liabilities

Fair value, which is determined for disclosure purposes, is calculated on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

32. Contingent liabilities - Company, unsecured

The Company provides financial guarantees to banks for credit facilities granted to certain subsidiaries up to limits of RM23,836,000 (2009 : RM7,420,000) of which RM9,861,926 (2009 : RM4,909,500) have been utilised at balance sheet date. The fair value of such financial guarantees is not expected to be material as the probability of the subsidiaries defaulting on the credit limit is remote.

33. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

There were no changes in the Group's approach to capital management during the financial year.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM35.5 million as at 31 December 2010. The Company has complied with this requirement.

34. Significant event

During the year, the Group through its wholly-owned subsidiary, Globetronics International Inc. disposed of its entire shareholdings in its wholly-owned subsidiary, Globetronics Jiaxing Inc. ("GJI") for a total cash consideration of RMB8.76 million (equivalent to RM4.05 million). The disposal of GJI resulted in a gain on disposal of RM1,047,859 to the consolidated comprehensive income for the year ended 31 December 2010. The fair value of the assets disposed of and liabilities relieved are as follows:

	Note	RM
Property, plant and equipment		2,954,599
Trade and other receivables		48,630
Cash and cash equivalents		21
Trade and other payables		(45)
Net identifiable assets and liabilities		3,003,205
Gain on disposal of a subsidiary	20	1,047,859
Total consideration received		4,051,064
Less : Cash and cash equivalents disposed off		(21)
Net cash inflow		4,051,043

35. Significant changes in accounting policies

	Group Fair value reserve 2010 RM	Group Fair value reserve 2009 RM	Company Fair value reserve 2010 RM	Company Fair value reserve 2009 RM
Group				
At 1 January, as previously stated	-	-	-	-
Adjustments arising from adoption of FRS 139 :				
- Fair valuation of equity securities classified as available-for-sale	808,921	-	-	-
At 1 January, as restated	808,921	-	-	-

35.1 FRS 139, Financial Instruments: Recognition and Measurement

The adoption of FRS 139 has resulted in several changes to accounting policies relating to recognition and measurement of financial instruments. Significant changes in accounting policies are as follows:

Investments in equity securities

Prior to the adoption of FRS 139, investments in non-current equity securities, other than investments in subsidiaries and associates were stated at cost less allowance for diminution in value which is other than temporary. With the adoption of FRS 139, quoted investments in non-current equity securities, other than investments in subsidiaries and associates are now categorized and measured at fair value through profit or loss, or as available-for-sale as detailed in note 2(c).

Derivatives

Prior to the adoption of FRS 139, derivative contracts were recognised in the financial statements on settlement date. With the adoption of FRS 139, derivative contracts are now categorised as fair value through profit or loss and measured at their fair values with the gain or loss recognised in profit or loss.

Financial guarantee contracts

Prior to the adoption of FRS 139, financial guarantee contracts were not recognised in the statement of financial position unless it becomes probable that the guarantee may be called upon. With the adoption of FRS 139, financial guarantee contracts are now recognised initially at their fair values and subsequently measured at their initially measured amount less cumulative amortisation. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made.

35. Significant changes in accounting policies (cont'd)

35.1 FRS 139, Financial Instruments: Recognition and Measurement (cont'd)

Investments in debt securities

Prior to the adoption of FRS 139, investments in non-current debt securities were measured at amortised cost using the effective interest method less allowance for diminution in value which is other than temporary. With the adoption of FRS 139, investments in non-current debt securities are now categorised and measured at fair value through profit or loss, available-for-sale or at amortised cost as detailed in note 2(c).

Inter-company loans

Prior to the adoption of FRS 139, inter-company loans were recorded at cost. With the adoption of FRS 139, inter-company loans are now recognised initially at their fair values, which are estimated by discounting the expected cash flows using the current market interest rate of a loan with similar risk and tenure. Finance income and costs are recognised in profit or loss using the effective interest method.

Impairment of trade and other receivables

Prior to the adoption of FRS 139, an allowance for doubtful debts was made when a receivable is considered irrecoverable by the management. With the adoption of FRS 139, an impairment loss is recognised for trade and other receivables and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

These changes in accounting policies have been made in accordance with the transitional provisions of FRS 139. In accordance to the transitional provisions of FRS 139 for first-time adoption, adjustments arising from remeasuring the financial instruments at the beginning of the financial year were recognised as adjustments of the opening balance of retained earnings or another appropriate reserve. Comparatives are not adjusted.

Consequently, the adoption of FRS 139 does not affect the basic and diluted earnings per ordinary share for prior periods. It is not practicable to estimate the impact arising from the adoption of FRS 139 to the current year's basic and diluted earnings per share.

35.2 FRS 8, Operating Segments

As of 1 January 2010, the Group determines and presents operating segments based on the information that internally is provided to the Chief Executive Officer, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of FRS 8. Previously operating segments were determined and presented in accordance with FRS 114_{2004}, Segment Reporting.

Comparative segment information has been re-presented. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

35.3 FRS 101, Presentation of Financial Statements (revised)

The Group applies FRS 101 (revised) which became effective as of 1 January 2010. As a result, the Group presents all non-owner changes in equity in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it is in conformity with the revised standard. Since the change only affects presentation aspects, there is no impact on earnings per share.

35.4 FRS 117, Leases

The Group has adopted the amendment to FRS 117. The Group has reassessed and determined that all leasehold land of the Group which are in substance is finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment.

The reclassification does not affect the basic and diluted earnings per ordinary share for the current and prior periods.

36. Comparative figures

36.1 FRS 101, Presentation of Financial Statements (revised)

Arising from the adoption of FRS 101 (revised), income statements for the year ended 31 December 2009 have been re-presented as statement of comprehensive income. Consequently, components of comprehensive income are not presented in the statement of changes in equity.

36.2 FRS 117, Leases

Following the adoption of the amendment to FRS 117, certain comparatives have been re-presented as follows:

	Group			
	31.12.2009		1.1.2009	
	As restated RM	As previously stated RM	As restated RM	As previously stated RM
Carrying amount				
Property, plant and equipment	118,449,561	112,010,081	143,959,707	138,754,587
Prepaid lease payments	-	6,439,480	-	5,205,120
	118,449,561	118,449,561	143,959,707	143,959,707

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

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2010, into realised and unrealised profits, pursuant to the directive, is as follows :

	2010	
	Group RM	Company RM
Total retained earnings of the Company and its subsidiaries :		
- realised	91,726,404	9,146,919
- unrealised	4,531,620	(1,964,316)
	96,258,024	7,182,603
Less : Consolidation adjustments	3,206,305	-
Total retained earnings	99,464,329	7,182,603

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

In the opinion of the Directors, the financial statements set out on pages 36 to 87 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2010 and of their financial performance and cash flows for the year then ended.

In the opinion of the Directors, the information set out in Note 37 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :

NG KWENG CHONG

HENG HUCK LEE

Penang,

Date : 31 March 2011

I, **Ng Kok Choon**, the officer primarily responsible for the financial management of Globetronics Technology Bhd, do solemnly and sincerely declare that the financial statements set out on pages 36 to 87 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed **NG KOK CHOON** at Georgetown
in the State of Penang on 31 March 2011.

BEFORE ME :

Commissioner for Oaths
Penang

Report on the Financial Statements

We have audited the financial statements of Globetronics Technology Bhd.,which comprise the statement of financial position as at 31 December 2010 of the Group and of the Company, and the statement of comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 36 to 87.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2010 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.

c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 37 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
AF 0758
Chartered Accountants

Lee Kean Teong
1857/02/12 (J)
Chartered Accountant

Date : 31 March 2011

Penang.

Analysis By Size Of Holdings: 31 March 2011

Authorised share capital:	RM500,000,000
Issue and paid-up capital:	RM131,190,520
Class of shares:	ordinary shares of RM0.50 Each
Voting right:	one vote per ordinary share

Size of Holdings	No. Of Depositors	% of Depositors	No. Of Share Held	% of Issued Capital
Less than 100	120	1.494	4,665	0.002
100 - 1,000	1,737	21.629	1,203,543	0.452
1,001 - 10,000	4,728	58.872	20,016,943	7.514
10,001 - 100,000	1,303	16.225	36,746,865	13.795
100,001 - 13,187,091	139	1.730	88,596,108	33.259
13,187,092 - 266,381,040	4	0.050	119,812,916	44.978
Total	8,031	100.000	266,381,040	100

Top 30 Shareholders:

	Name	Number of Shares Held	% of Issued Share Capital
1	WISERITE SDN. BHD.	58,187,868	21.844
2	LEMBAGA TABUNG HAJI	22,598,000	8.483
3	GENERAL PRODUCE AGENCY SDN. BHD.	20,480,408	7.688
4	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD	18,546,640	6.962
5	NG KWENG CHONG HOLDINGS SDN. BHD.	10,153,524	3.812
6	GLENCARE SDN. BHD.	8,957,073	3.363
7	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	8,646,960	3.246
8	HSBC NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (NORGES BK LEND)	6,098,000	2.289
9	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE INSURANCE (MALAYSIA) BERHAD (PAR1)	4,100,000	1.539
10	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (AM INV)	3,000,000	1.126
11	LIM CHIEN CH'ENG	2,534,000	0.951
12	ADDEEN CONSULTANCY & MANAGEMENT SDN. BHD.	2,243,900	0.842
13	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD. FOR PERTUBUHAN KESELAMATAN SOSIAL (AIM 6939-405)	1,824,000	0.685
14	NG KWENG CHONG	1,725,671	0.648
15	ENGEE HOLDINGS SENDIRIAN BERHAD	1,404,762	0.527
16	HENG HUCK LEE	1,137,200	0.427
17	LIM SEAT TING	1,103,520	0.414
18	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KHO CHAI YAM	974,420	0.366
19	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD. FOR OSK-UOB GROWTH AND INCOME FOCUS TRUST (4892)	953,500	0.358
20	GOOI MEI HOON	902,000	0.339
21	TANG CHUN YONG	900,000	0.338
22	GOOI MOY HUA	877,505	0.329
23	NG KOK CHIN	858,114	0.322
24	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD. FOR OSK-UOB SMALL CAP OPPORTUNITY UNIT TRUST (3548)	800,000	0.300
25	HLB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIEW WING KEONG (SIN 9734-4)	750,000	0.282
26	AMSEC NOMINEES (TEMPATAN) SDN BHD AMTRUSTEE BERHAD FOR APEX DANA AL-SOFI-I (UT-APEX-SOFI)	636,500	0.239
27	YEE HOONG HING	628,280	0.236
28	AMANAHRAYA TRUSTEES BERHAD DANA JOHOR	594,000	0.223
29	TABUNG AMANAH WARISAN NEGERI JOHOR	566,400	0.213
30	NG KWENG HAI	520,000	0.195
		182,702,245	68.586

Substantial Shareholdings as at 31 March 2011

Substantial Shareholders	No. of ordinary shares of RM0.50 each held			
	Direct Interest	%	Indirect Interest	%
Ng Kweng Chong	1,725,671	0.65	78,572,785[N1]	29.50
Gooi Mei Hoon	902,000	0.34	77,298,465[N2]	29.02
Ng Kweng Chong Holdings Sdn. Bhd.	10,153,524	3.87	67,144,941[N3]	25.21
General Produce Agency Sdn. Bhd.	20,480,408	7.82	67,144,941[N3]	25.21
Malaysian Technology Development Corporation Sdn. Bhd.	121,199	0.05	67,144,941[N3]	25.21
Wiserite Sdn. Bhd.	58,187,868	21.84	8,957,073[N4]	3.37
Employees Provident Fund Board	30,193,600	11.33	-	-
Lembaga Tabung Haji	22,598,000	8.48	-	-

Notes :

(N1) Deemed interested by virtue of his spouse's, son's and daughter's direct interest in Globetronics Technology Bhd. ("GTB") and by virtue of Section 6A of the Companies Act, 1965 held through Ng Kweng Chong Holdings Sdn. Bhd. of 10,153,524 ordinary shares in GTB, Wiserite Sdn. Bhd. of 58,187,868 ordinary shares in GTB and Glencare Sdn. Bhd. of 8,957,073 ordinary shares in GTB.

(N2) Deemed interested by virtue of Section 6A of the Companies Act, 1965 held through Ng Kweng Chong Holdings Sdn. Bhd. of 10,153,524 ordinary shares in GTB, Wiserite Sdn. Bhd. of 58,187,868 ordinary shares in GTB and Glencare Sdn. Bhd. of 8,957,073 ordinary shares in GTB.

(N3) Deemed interested by virtue of Section 6A of the Companies Act, 1965 held through Wiserite Sdn. Bhd. of 58,187,868 ordinary shares in GTB and Glencare Sdn. Bhd. of 8,957,073 ordinary shares in GTB.

(N4) Deemed interested by virtue of Section 6A of the Companies Act, 1965 held through Glencare Sdn. Bhd. of 8,957,073 ordinary shares in GTB.

Directors' Shareholdings as at 31 March 2011

Directors	No. of ordinary shares of RM0.50 each held			
	Direct Interest	%	Indirect Interest	%
Ng Kweng Chong	1,725,671	0.65	78,572,785[N1]	29.50
Heng Huck Lee	1,337,200	0.50	-	
Dato' Noor Ahmad Mokhtar Bin Haniff	18,893	0.01	420,000[N4]	0.16
Dato' Ng Kweng Moh	-		1,485,682[N2]	0.56
Dato' Dr. Chong Eng Keat	50,000	0.02	98,480[N4]	0.04
Lim Chien Ch'eng	2,557,600	0.96	-	
Ng Kok Khuan	40,000	0.02	8,992,713[N3]	3.38
Diong Chin Teck	40,000	0.02	-	
Ng Kweng Chan	-		310,060[N4]	0.12
Hizwani Bin Hassan	-		-	
Norhalim Bin Yunus	-		-	

Notes :

(N1) Deemed interested by virtue of his spouse's, son's and daughter's direct interest in Globetronics Technology Bhd ("GTB") and by virtue of Section 6A of the Companies Act, 1965 held through Ng Kweng Chong Holdings Sdn. Bhd. of 10,153,524 ordinary shares in GTB, Wiserite Sdn. Bhd. of 58,187,868 ordinary shares in GTB and Glencare Sdn. Bhd. of 8,957,073 ordinary shares in GTB.

(N2) Deemed interested by virtue of his spouse's direct interest in GTB and by virtue of Section 6A of the Companies Act, 1965 held through Engee Holdings Sendirian Berhad of 1,404,762 ordinary shares in GTB.

(N3) Deemed interested by virtue of his spouse's direct interest in GTB and by virtue of Section 6A of the Companies Act, 1965 held through Glencare Sdn. Bhd. of 8,957,073 ordinary shares in GTB.

(N4) Deemed interested by virtue of his spouse's direct interest in GTB.

NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting of the Company will be held at Merbah Room, Lower Level , Hotel Equatorial Penang, No. 1 Jalan Bukit Jambul, 11900 Bayan Lepas, Penang on Wednesday, 18 May 2011 at 10.30 a.m. for the following purposes :-

AGENDA

Ordinary Business		
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2010 together with the Reports of Directors and Auditors thereon.	**Please refer to Note 6**
2.	To consider and if thought fit, to pass with or without modifications, the following special resolution in accordance with Section 129(6) of the Companies Act, 1965 : "That Mr. Diong Chin Teck, a director who retires pursuant to Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed as a director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."	**Resolution 1**
3.	To re-elect the following directors who retire by rotation in accordance with Article 80 of the Company's Articles of Association and who, being eligible, offer themselves for re-election : i) Dato' Ng Kweng Moh ii) Mr. Ng Kok Khuan	 **Resolution 2** **Resolution 3**
4.	To approve the payment of directors' fees for the financial year ended 31 December 2010.	**Resolution 4**
5.	To approve the payment of a Single Tier Final Dividend of 4% for the financial year ended 31 December 2010.	**Resolution 5**
6.	To re-appoint Messrs. KPMG as auditors of the Company until the next Annual General Meeting of the Company and to authorise the directors to fix their remuneration.	**Resolution 6**
7.	To transact any other business of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.	

By Order of the Board,

ONG ENG CHOON (MIA 2121)
LEE PENG LOON (MACS 01258)
Joint Secretaries

Penang
Date : 26 April 2011

NOTES:

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies' Act, 1965 shall not apply to the Company.
2. For a proxy to be valid, the Proxy Form must be duly completed and deposited at the Registered Office of the Company, 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time appointed for holding the meeting.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, the Proxy Form must be executed under its Common Seal or under the hand of its attorney.

EXPLANATORY NOTE ON ORDINARY BUSINESS

6. Agenda 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders of the Company and hence, Agenda 1 is not put forward for voting.
7. Dato' Noor Ahmad Mokhtar bin Haniff, is retiring as a director of the Company pursuant to Section 129(2) of the Companies Act, 1965 at the forthcoming Annual General Meeting and he had indicated to the Board that he is not seeking for re-appointment as a director of the Company. Upon his retirement at the Annual General Meeting, Dato' Noor Ahmad Mokhtar will step down as the Chairman of the Remuneration Committee.

ANNUAL REPORT 2010

8. The Annual Report 2010 is in CD-ROM format. Printed copy of the Annual Report shall be provided to the shareholder upon request within four (4) market days from the date of receipt of the verbal or written request. A copy of the Annual Report 2010 can also be downloaded at www.globetronics.com.my

   Shareholders who wish to receive the printed Annual Report and who require assistance in viewing the CD-ROM, kindly contact Ms. Loo Wen Chyi at telephone no. 04-6444906 ext. 121 or email your request to wenchyi_loo@ globe.com.my

NOTICE IS ALSO HEREBY GIVEN that a Single Tier Final Dividend of 4% for the financial year ended 31 December 2010, if approved, will be paid on 06 July 2011 to shareholders registered in the Record of Depositors of the Company on 23 June 2011.

A depositor shall qualify for entitlement only in respect of :

a. Shares transferred into the depositor's securities account before 4.00 p.m. on 23 June 2011 in respect of ordinary transfers; and

b. Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board,

ONG ENG CHOON (MIA 2121)
LEE PENG LOON (MACS 01258)
Joint Secretaries

Penang
Date : 26 April 2011

Registered Owner / Location	Description	Land Area (acres)	Built-up Area (sq ft)	Tenure (Expiry date)	Age (Years)	Net Book Value as at 31.12.2010 (RM)	Date of Acquisition
Globetronics Sdn Bhd Plot 2, Phase 4, Free Industrial Zone, 11900 Bayan Lepas, Penang.	Leasehold Land	5.35		Leasehold 60 years		1,252,495	01.08.1990
	Factory Building		70,000	(14.05.2051)	18	4,434,798	
	Factory Building		110,000		16	8,902,754	
	Factory Building		40,000		15	3,698,134	
Globetronics Sdn Bhd Lot 5&7 Jln SS8/4 Kawasan MIEL, Phase II, Sg Way Baru, 47300 PJ, Selangor Darul Ehsan.	Freehold Land	2.14		Freehold		3,987,019	31.12.2006
	Factory Building		39,492		37	2,093,800	
Globetronics (KL) Sdn Bhd Lot 1, Jln SS8/4 Free Industrial Zone, Sungai Way, 47300 PJ, Selangor Darul Ehsan.	Leasehold Land	0.75		Leasehold 99 years (30.10.2100)		1,750,653	28.7.2009
	Leasehold Land	0.31		Leasehold 99 years (11.10.2105)		733,606	28.7.2009
	Freehold Land	0.41		Freehold		1,165,569	28.7.2009
	Freehold Land	0.31		Freehold		872,600	28.7.2009
	Factory Building		103,465		38	5,066,423	28.7.2009
ISO Technology Sdn Bhd 290, 291 & 292, Phase 3 Free Industrial Zone, 11900 Bayan Lepas, Penang.	Leasehold Land	3.11		Leasehold 60 years		821,014	05.01.1999
	Factory Building		50,000	(06.03.2050)	20	4,611,772	
ISO Technology Sdn Bhd Plot 36, Kawasan Perindustrian Bandar Baru Darulaman, 06000 Jitra, Kedah.	Leasehold Land	5.94		Leasehold 60 years		305,525	10.06.2003
	Factory Building		51,200	(21.04.2051)	19	1,359,467	
ISO Technology Sdn Bhd 242 & 243, Lebuh Kampung Jawa, Sungai Kluang, Phase 3, FIZ, 11900 Bayan Lepas Penang.	Leasehold Land	2.26		Leasehold 60 years		1,431,118	20.11.2002
	Factory Building		67,515	Lot 1959 (21.11.2033)	37	4,509,486	
				H.S.(D)13853 (02.03.2040)	30		

GLOBETRONICS TECHNOLOGY BHD.(410285-W)
(Incorporated in Malaysia)

* I / We ....
(Full Name in Block Letters)

of ....
(Address)

being a * member / members of the abovenamed Company, hereby appoint ....

....
(Full Name in Block Letters)

of ....
(Address)

or failing him, ...
(Full Name in Block Letters)

of ....
(Address)

as * my / our proxy to vote for * me / us on * my / our behalf at the Fourteenth Annual General Meeting of the Company to be held at Merbah Room, Lower Level, Hotel Equatorial Penang, No. 1 Jalan Bukit Jambul, 11900 Bayan Lepas, Penang on Wednesday, 18 May 2011 at 10.30 a.m. and at any adjournment thereof.

NO.	RESOLUTIONS	FOR	AGAINST
1	To re-appoint Mr. Diong Chin Teck as a director.		
2	To re-elect Dato' Ng Kweng Moh as a director.		
3	To re-elect Mr. Ng Kok Khuan as a director		
4	To approve the payment of directors' fees.		
5	To approve the payment of a single tier final dividend.		
6	To re-appoint Messrs. KPMG as auditors of the Company.		

Please indicate with an "x" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy may vote as he thinks fit.

As witness my hand this ....day of ....2011.

No. of shares held

....
Signature of Member(s)

Notes :

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies' Act, 1965 shall not apply to the Company.
2. For a proxy to be valid, this form must be duly completed and deposited at the Registered Office of the Company, 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time appointed for holding the meeting.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

* Strike out whichever is not desired.

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STAMP
HERE

The Secretary
Globetronics Technology Bhd. (410285-W)
51-21-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia

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www.globetronics.com.my

Globetronics Technology Bhd. (410285-W)
Plot 2, Phase 4, Free Industrial Zone, Bayan Lepas,
11900 Penang, Malaysia.
tel : 604- 644 4906 fax : 604-644 6517