

**Globetronics
Technology Bhd.**

(410285-W)



Touching the world
with our **TECHNOLOGY**
Annual Report 2012



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
- Organizational agility
- Focus on corporate excellence
- Integrity at all times
- Team-based approach

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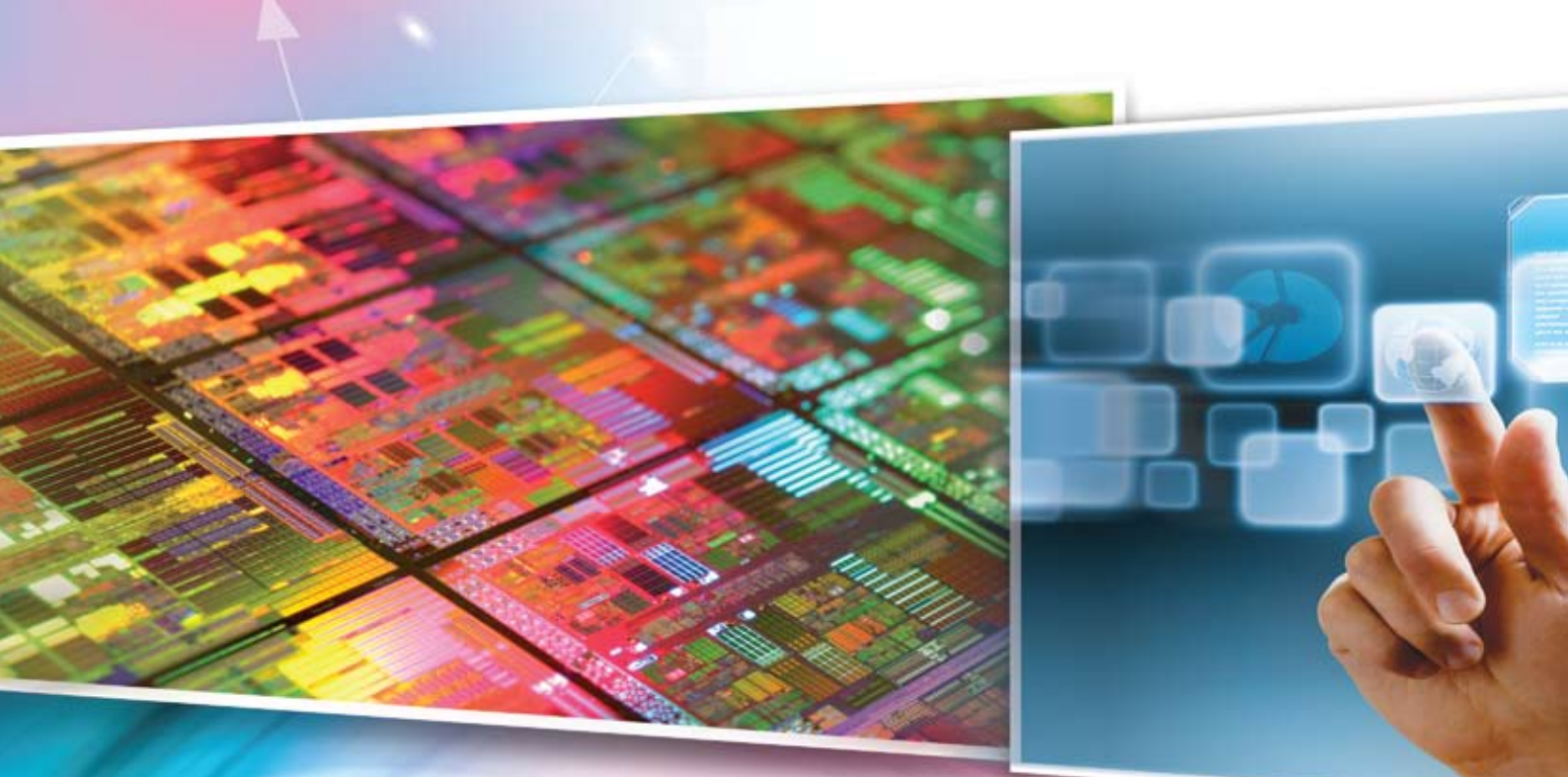
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CORPORATE INFORMATION

BOARD OF DIRECTORS

Michael Ng Kweng Chong
Founder and Executive Chairman

Heng Huck Lee
Chief Executive Officer

Diong Chin Teck @ Tiong Chin Sang

Ng Kok Khuan

Dato' Ng Kweng Moh

Dato' Norhalim bin Yunus

Dato' Syed Mohamad Bin Syed Murtaza

Dato' Iskandar Mizal bin Mahmood

Yeow Teck Chai

Ng Kweng Tong

AUDIT COMMITTEE

CHAIRMAN

Diong Chin Teck
Independent Non-Executive Director

MEMBERS

Dato' Syed Mohamad Bin Syed Murtaza
Independent Non-Executive Director

Mr Yeow Teck Chai
Independent Non-Executive Director

SECRETARIES

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

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

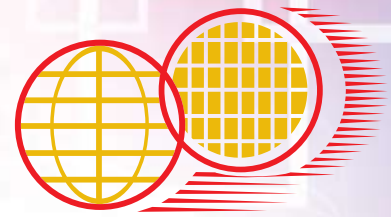
Public Bank Berhad
AmBank Berhad
Citibank Berhad
CIMB Bank Berhad
HSBC Bank Malaysia Berhad

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

Manufacturing of Small Outline Components &
Technical Plating Services for the Semiconductor Industry

100%

Globetronics (KL) Sdn Bhd

Manufacturing, Assembly and Test of
Chip Carrier Quartz Crystal Products

100%

Globetronics Industries Sdn Bhd

Manufacturing of LED Lighting System

100%

Globetronics International Incorporated

Investment Holding

- **100% Globetronics (Hong Kong) Limited**

Trading of Electronics / Semiconductor Components

100%

Globetronics Multimedia Technology Sdn Bhd

Computer Integrated Manufacturing &
Systems' Solutions Provider

100%

Globetronics Manufacturing Sdn Bhd

(formerly known as Globetronics Distribution Sdn Bhd)

Assembly of Sensors and Optical Products for
Mobile and Computer Devices Applications

49%

Nippon Steel & Sumikin Globetronics Technology Sdn Bhd

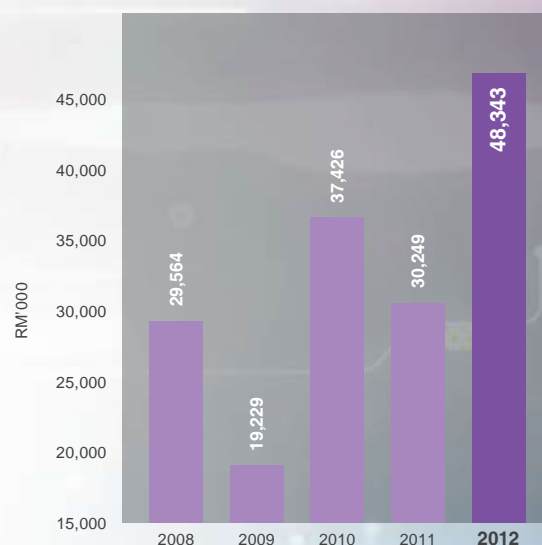
(formerly known as SMCi Globetronics Technology Sdn Bhd)

Advanced Ceramic Piece-Parts Manufacturing

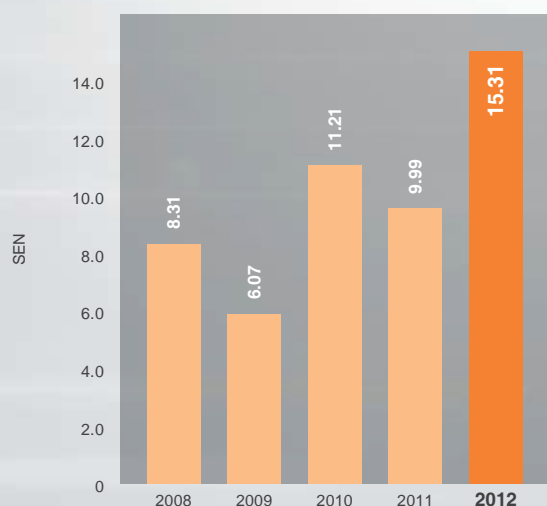
FINANCIAL HIGHLIGHTS



Shareholders' Funds



Profit Before Taxation



Net Earning Per Share (Sen)



Turnover

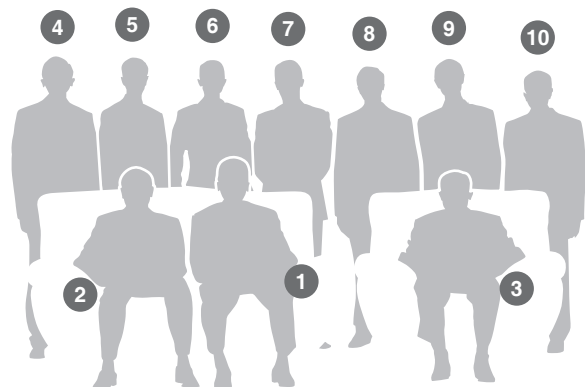
Year Ended 31 December	2008	2009	2010	2011	2012
	RM '000	RM '000	RM '000	RM '000	RM '000
Turnover	275,452	217,497	279,150	265,018	290,007
Profit Before Taxation	29,564	19,229	37,426	30,249	48,343
Profit After Taxation	21,768	15,921	29,727	26,693	41,345
Profit Attributable to Shareholders	21,768	15,921	29,727	26,693	41,345
As at 31 December					
Total Assets Employed	291,349	277,445	306,056	298,406	325,796
Shareholders' Funds	219,986	226,493	241,276	246,430	261,137
Net Earnings Per Share (Sen)*	8.31	6.07	11.21	9.99	15.31
Net Tangible Assets Per Share (RM)*	0.85	0.86	0.92	0.92	0.96

* The net earnings and net tangible assets per share for year 2008-2009 has been adjusted for the share consolidation of the ordinary shares of RM0.10 each into ordinary shares of RM0.50 each.

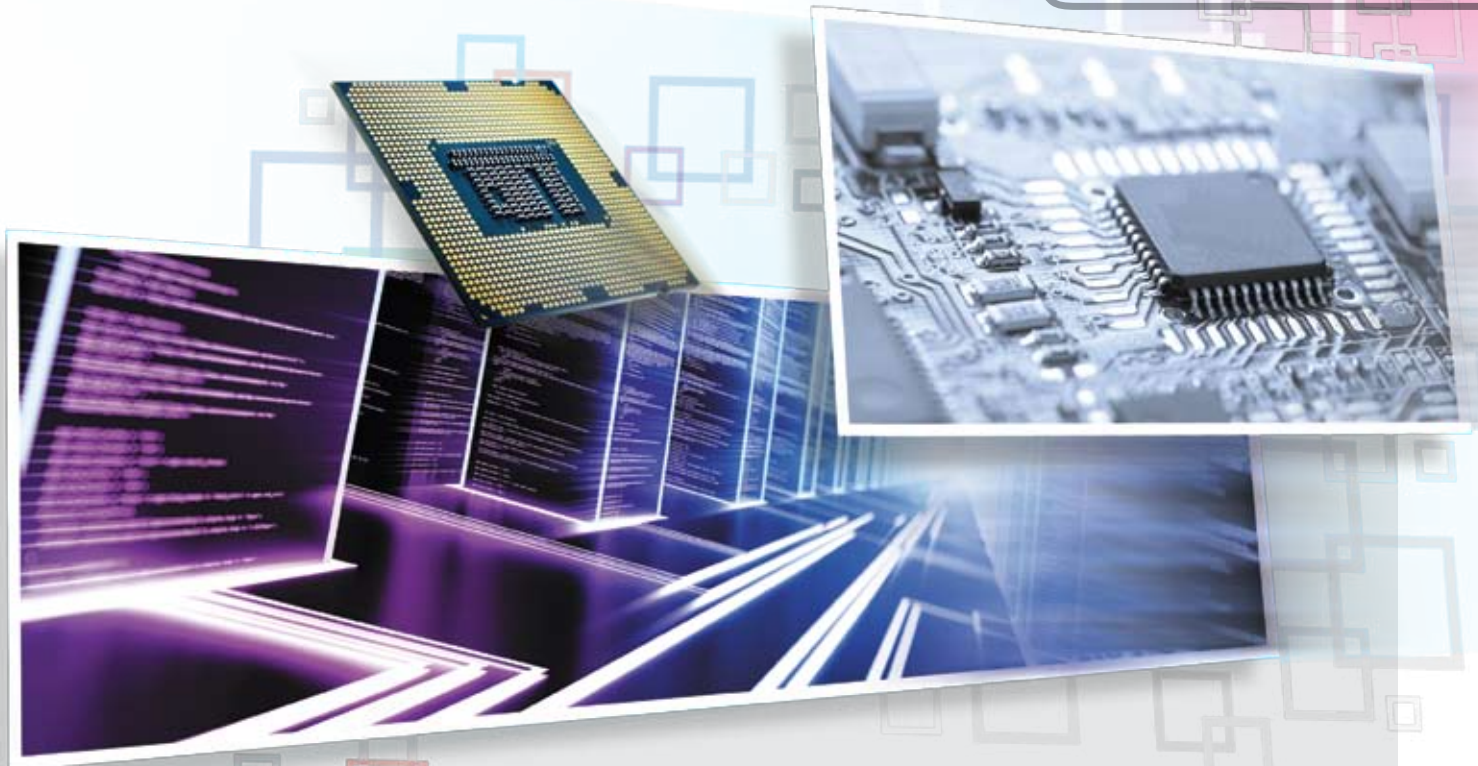
BOARD OF DIRECTORS



1. Mr. Michael Ng Kweng Chong (*Founder and Executive Chairman*)
2. Mr. Heng Huck Lee (*Chief Executive Officer*)
3. Mr. Diong Chin Teck
4. Dato' Norhalim Bin Yunus
5. Mr. Ng Kok Khuan
6. Datuk Iskandar Mizal Mahmood
7. Dato' Ng Kweng Moh
8. Dato' Syed Mohamad Bin Syed Murtaza
9. Mr. Yeow Teck Chai
10. Mr. Ng Kweng Tong



PROFILE OF BOARD OF DIRECTORS



**MR. MICHAEL
NG KWENG CHONG**

Mr. Michael Ng Kweng Chong, aged 65, 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 21 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 more than RM 136 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, 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 2012.

Mr. Michael Ng is the brother of Dato’ Ng Kweng Moh, cousin of Mr. Ng Kweng Tong 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.

Profile of Board of Directors (cont'd)



MR. HENG HUCK LEE

Mr. Heng Huck Lee, aged 56, 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 University 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 the President of Frepenca (The Free Industrial Zone, Penang, Companies Association) since 2011 and a committee member of the Penang Industry Advisory Panel.

He attended all 5 Board Meetings held during the financial year ended 31 December 2012.

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 80, 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 and a member of the Nomination Committee in GTB.

Mr. Diong currently sits on the Boards of Asas Dunia Berhad and Zhulian Corporation Berhad.

He attended 4 of the 5 Board Meetings held during the financial year ended 31 December 2012.

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' SYED MOHAMAD
BIN SYED MURTAZA**

Dato' Syed Mohamad Bin Syed Murtaza, aged 64, a Malaysian, is an Independent Non-Executive Director of GTB. He was appointed to the Board of GTB on 18 May 2011.

Dato' Syed has over 40 years of vast experience in the business, corporate and entrepreneurial exposures. After completing his education at Penang Free School, he joined Kah Motors and has since been appointed to several key positions in various organizations. He has served in reputable multinational companies such as Shell Malaysia and was the Chairman of Penang Port Commission.

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

He currently sits on the boards of DRB-HICOM BERHAD (Chairman), Yayasan Bumiputra Pulau Pinang Berhad, PBA Holdings Berhad, MITTAS Berhad, Boon Siew Credit Berhad, Penang Tourists Centre Berhad, Tourism Entrepreneur Centre Berhad and several private limited companies.

Currently, he is the Managing Director of Armstrong Auto Parts Sdn Bhd. He also heads Penang Tourist Centre Berhad, MITTAS Berhad, Motorcycle, Scooter Assembly & Distributor Association of Malaysia and Usains Group of Companies. He is the president of the Federal of Asian Motorcycle Industries and Steering Committee of International Motorcycle Manufacturers Association. In addition, he has held many other appointments at state and national levels.

He attended 4 of the 5 Board Meetings held during the financial year ended 31 December 2012.

Dato' Syed 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.

Profile of Board of Directors (cont'd)



**DATO'
NG KWENG MOH**

Dato' Ng Kweng Moh, aged 71, 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 Chairman 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 is a member of the Nomination Committee of GTB.

He attended all 5 Board Meetings held during the financial year ended 31 December 2012.

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 Tong 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' NORHALIM
BIN YUNUS**

Dato' Norhalim bin Yunus, 50, 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, commercialization of research and nurturing start-up companies.

Dato' 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 commercialization 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, Dato' Norhalim is the Chief Executive Officer of MTDC.

He attended all 5 Board Meetings held during the financial year ended 31 December 2012.

Dato' 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.



MR. YEOW TECK CHAI

Mr. Yeow Teck Chai, aged 62, a Malaysian, was appointed an Independent Non-Executive Director to the Board of GTB on 16 May, 2012.

Mr. Yeow holds a Bachelor of Economics (Hons) degree from the University of Malaya.

Mr. Yeow served the Malaysian Investment Development Authority (MIDA) for 32 years and held the post of Deputy Director General prior to his retirement in August, 2006. During his term in MIDA, he has accumulated invaluable experience in drawing up and implementing industrial strategies in attracting FDI into Malaysia and promoting domestic investment within the country. He participated in innumerable trade and investment missions overseas and attended and spoke in many international business conferences.

He is a member of the Audit Committee in GTB.

Currently, Mr. Yeow sits as an Independent Non-Executive Director on the Board of Parkson Holdings Bhd and Amsteel Mills Sdn Bhd. He is also a Council Member of the Federation of Malaysian Manufacturers (FMM). In addition to the above, he also acts as a Business Advisor to numerous companies in Malaysia and Overseas.

He attended all 3 Board Meetings held during the financial year ended 31 December, 2012 since his appointment on 16 May, 2012.

Mr. Yeow Teck Chai 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.

Profile of Board of Directors (cont'd)



MR. NG KOK KHUAN

Mr. Ng Kok Khuan, aged 62, 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 of GTB.

He attended all 5 Board Meetings held during the financial year ended 31 December 2012.

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 Tong 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.



**DATUK
ISKANDAR MIZAL
MAHMOOD**

Datuk Iskandar Mizal Mahmood, aged 47, a Malaysian, is an Independent Non-Executive Director of GTB. He was appointed to the Board of GTB on 16 May 2012.

Iskandar graduated from Boston University, USA in 1989 with a Bachelor of Science degree in Business Administration majoring in Accountancy.

He was the founding Chief Executive Officer (CEO) and a member of the Board of Malaysian Biotechnology Corporation Sdn Bhd (BiotechCorp). BiotechCorp is the Malaysian Government's professional agency spearheading the development of the country's biotechnology industry. He was appointed as the CEO and member of the Board in May 2005. Iskandar was also the Chairman of the Board of Malaysian Bio-XCell Sdn Bhd, a 60% subsidiary of BiotechCorp that is undertaking the development of a comprehensive biotechnology ecosystem located in Iskandar Malaysia, Johor. Under his leadership, BiotechCorp has grown from the date of incorporation to be one of the leading biotechnology industry developmental organizations within the region.

Prior to his appointment to BiotechCorp, Iskandar was the CEO and a member of the Board of Malaysian Technology Development Corporation Sdn Bhd (MTDC), Malaysia's integrated venture capital company, which was then 51% owned by Malaysia's Sovereign Wealth Fund, Khazanah Nasional Berhad.

He is currently the Managing Director and Chief Executive Officer of Manipal Education Malaysia Sdn Bhd. Manipal Education Malaysia is Manipal Education Global's entity that is spearheading its Asia Pacific education services.

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

He attended all 3 Board Meetings held during the financial year ended 31 December 2012 since his appointment on 16 May 2012.

Datuk Iskandar 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 TONG

Mr Ng Kweng Tong, aged 73, a Malaysian, is a Non-Independent Non-Executive Director of GTB. He was appointed to the Board of GTB on 16 May 2012.

Ng Kweng Tong had 30 years of working experience in the banking industry, as an officer in Southern Bank Berhad from 1965 to 1995. He is also actively involved in housing development, investment holdings as well as rubber and palm oil industry where he is a director of General Produce Agency Sdn Berhad since 1997, Hong Guan Estate Sdn Bhd and Chang Wen Estate Sdn Bhd.

He attended all 3 Board Meetings held during the financial year ended 31 December 2012 since his appointment on 16 May 2012.

Mr. Ng Kweng Tong is the cousin of Ng Kweng Chong who is a director and major shareholder of GTB, Dato' Ng Kweng Moh and uncle of Ng Kok Khuan who are 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.

Founder & Executive Chairman's Message



MR. MICHAEL NG KWENG CHONG
 Founder & Executive Chairman



Year 2012 was a very challenging as well as an exciting year. Our industry faced major challenges throughout practically the whole year but through our most passionate and dedicated Chief Executive Officer, Mr HL Heng in leading our Group of well-aligned and highly motivated personnel, we broke through the gloomy global economic turbulence and exited Year 2012 with a set of most outstanding results with net profit at RM41.3million and revenue at RM290million!

Through the most valuable guidance and meticulous support of our Board of Directors, we managed to put our best resources into various pro-active and strategic investments which bore instant results, delighting our world renowned customers who reciprocated our contribution to their successes with expansions of new products and higher volume loadings to our group of companies.

Our Year 2012's strategic investments of RM30million in sensors' products for the smart phones and tablets' markets as well as our ability to turn on a dime in expanding capacities to cater for the phenomenal growths in the timing devices' products have been instrumental to our successes whilst new growth opportunities have gained good traction towards supporting vast area of new applications in our light-emitting-diodes' (LED) and solid-state-lightings (SSL) businesses.

Building on our strength in being able to consistently generate positive operational cash-flow, our Group has thus been able to stay at a solid cash-flow position with cash and other investments of ~RM110million at the end of Year 2012, even after returning RM29.8million in dividend payments to our shareholders and spending RM37.7million

on capital expenditures (CAPEX) for the year. Our CAPEX over the last 2 years have also bore good fruits as a result of strong volume-loadings in all of our major product lines.

Riding on our Group's stellar business performances and bright prospects for the future, there had been many encouraging requests for our Group to conduct offshore road-shows (Macau, Hong Kong and Shanghai) as well as conducting meetings with fund managers and investment bankers in KL and Penang throughout the year. Such high-level interests from the investment community had helped to generate fresh upsurges of demand in GTB's shares with the end result of some healthy spikes in Globetronics' share prices and market capitalization.

We also closed the year with another high note -- our Year 2012's solid performance had also resulted in Globetronics Technology Bhd being selected for visits by Malaysia's Minister of MITI (Ministry of International Trade and Industry), followed by another visit from the Chairman of MIDA (Malaysian Industrial Development Authority) with delegations including representatives from MIDA, MITI and NCI (Malaysia's National Committee on Investments). These have definitely elevated Globetronics' image and reputation significantly as a strong technology manufacturer in Malaysia.

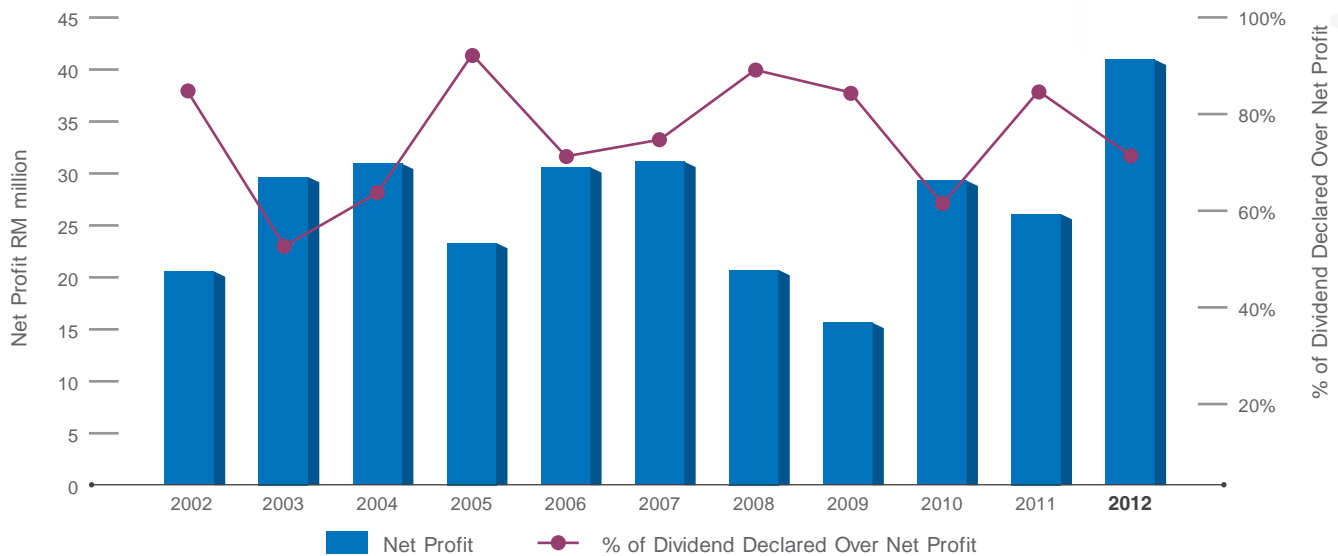
Our Group can now look forward optimistically to many more exciting years of breakthroughs and successes as we march forward confidently but humbly led by our most outstanding and highly respected Chief Executive Office (Mr. Heng Huck Lee) together with our best-in-class workforce and our most respectable Board of Directors.



Visit by Chairman of MIDA and Delegation

FINANCIAL ACCOMPLISHMENTS

The repositioning and planning we have put in over the last 2 years have resulted in GTB achieving a turnover of RM 290 million and highest ever profit after tax of RM 41.3 million since our inception 22 years ago. This represents a 9% and 54% increase in sales and net profit over Year 2011's financial performance.



We continued with our unwavering focus on enhancing shareholder value with consistent and handsome dividend payouts year in and year out since our inception. For Year 2012, we paid out 3 dividend payments totalling RM 29.8 million, consisting of :

- (i) A single tier interim dividend of 4% amounting to RM5.3 million was paid on 28 March 2012;
- (ii) Year 2011's single tier final dividend of 4% amounting to RM5.4 million as approved by GTB's shareholders in May 2012's AGM was paid out on 12 July 2012; and
- (iii) A second single tier and special interim dividend of 14% amounting to RM19 million was paid out on 8 November 2012.

We are proud and honoured to be currently listed as one of the top 50 dividend yielding stocks in Bursa Malaysia in the latest ranking release. This has provided us with the motivation to do even better in our continual quest of maintaining excellent corporate governance and enhancing shareholder value to all our esteemed shareholders.

CORPORATE SOCIAL RESPONSIBILITY

On the Corporate Governance front, we have continued to be proactive in compliances with the latest requirements issued by the Malaysian Accounting Standards Board (MASB), as well as in updated listing requirements issued by Bursa Malaysia. On the Corporate Social Responsibility (CSR) front, our Group have elevated ourselves significantly into the higher realms of corporate social works beyond what we had been doing in previous years, like supporting our Government agencies in promoting foreign investments into our Country, assisting and sponsoring local small and medium industries along technological growth, promoting entrepreneurship within the Malaysian business circles by sharing our success-stories in technology conferences or discussions, all the way to chairing Penang's Free Trade Zone Companies (Frepenca) Association by our Group's CEO.

Our belief in giving back to the community that makes us successful continues to be demonstrated in our CSR initiatives. Contributing financially to the local charities and physical participation in compassionate causes continued to be a key pillar of our initiatives, where we had been involved in a few this year:

- (1) Relay for Life where a contribution was made to National Cancer Society of Malaysia (Penang Branch) toward focusing on cancer awareness in the society rather than prevention;
- (2) Walk for The Blind in highlighting the plight of the blind and how we can help weave them into the fabric of society; and
- (3) Participation in The Starwalk where a contribution was made to Penang Shan Children's Association in support of children's welfare.



PROSPECTS & OUTLOOK

The world of technology changes in waves and surges. The semiconductor era of the early 70's to late 90's, the rise and bust of the dotcom bubble and the digital age of today have shown the quantum leap progress of technology over the generations. Desktop personal computers that once ruled the world are now like the prehistoric dinosaurs, on the verge of extinction, to be replaced by today's real live, real time state of the art mobile products that is transforming our world today to one that is virtually connected.

Someone once joked that if a person who departed from this earth 80 years ago were to reappear, he would soon die again from a technological-shock. Come to think of it, this joke could well be an appropriate description of our world's last 80 years' technological advances. The dreams of yesteryears : owning your own corded telephone, a black-and-white television with incandescent lighting in the house have been fulfilled and greatly surpassed. Today, with just the touch of a button, one can instantaneously see, talk to and gesture to another person thousands of miles away, take sight-seeing-tours to any part of the world, obtain data/information/knowledge from the "Cloud", apply video-conferencing technology to reduce/eliminate the needs for air and road travels, etc. The presence of LEDs, sensors, crystal oscillators and timing devices' technologies have enabled today's more relevant applications like energy saving LED lighting and global positioning system (GPS), but more importantly have led to stunning breakthroughs in various industries that were previously unachievable : in medicine using diagnostic capabilities via smart-phones, in agricultural applications utilizing the most full spectrum of LED-lighting in stimulating optimal plant growth for farming and agriculture, all the way to various industrial, household, automotive, advertising applications. The list goes on and on but the fact is clear, that the advances made in the digital electronics, semiconductors, sensors, LED-lightings, mobility products, broadband wireless networking, "Cloud" technology, etc over the last 50 years have totally transformed our world today.

Thanks to the most outstanding leadership and unmatched business acumen of our Chief Executive Office (Mr HL Heng) in grooming and motivating our team of well-aligned and dedicated workforce, our Group has humbly stored under our belt the best of last 23 years' most relevant and up-to-date knowledge and knowhow in this complete range of technological advances as mentioned above. We have also been able to proactively reinvent ourselves and renew our business-model in the process to stay ahead of each new transition to newer technologies.

Going forward, I believe that we will continue to see even more surges of breakthrough-innovations in the fields of medical, horticulture, industrial, automotive, etc via the consolidated applications of technological advances in mobility products, LED-lightings, sensors, lasers and semiconductor components including micro-electronics-mechanical (MEMs) etc which will come a long way in further providing cost effective, environmentally friendly and superior quality-of-life products for mankind. Since our Group's technological platforms and product/business portfolio fit perfectly in these fast growing markets and with all relevant and new sets of manufacturing and co-developmental capabilities deeply entrenched into our Group's DNA now, I am confident of our Group's continuing safe and profitable passage through the challenging yet exciting times ahead of us.

Thank you very much!



Visit by Minister of MITI, CEO of MIDA and Delegation

Cheif Executive Officer's Message



MR. HENG HUCK LEE

Chief Executive Officer

Most corporations globally might start off Year-2013 with a sense of apprehension for what is to come after a highly challenging year in 2012. I must confess that I am highly energized and charged-up and looking forward to working even more passionately and successfully with my team of well-tested and highly-trusted workforce on new and exiting challenges that are lined up ahead of us have always felt very blessed and deeply touched by our people's burning passion and complete faith in ourselves and our organization's leadership to succeed and excel even in the midst of the continuing global economic crisis and business volatility surrounding the business community and the technology industry.

We maintained our unbroken profit record since inception in Year-2012 while at the same time achieving the highest profit grossing year ever. Our past years' successful collaboration and co-development works with existing and new customers, as well as numerous successful introductions of new product platforms and new manufacturing capabilities have contributed handsomely and positively to our revenue-base as well. Our Year-2012's strategic investment of RM30million in sensors for smart phones and tablets have been instrumental towards mitigating the negative economic impacts caused by the global economic slowdown and ruthless price pressures especially in the LEDs industry.

Top management succession plan has further gained excellent traction for us with a complete set of Factory Managers and functional managers playing their individual anchor-roles in growing their businesses profitably while grooming dozens of second-tier leaders and managers within their respective organizations. Our Human Resources and Training departments have implemented in parallel a comprehensive talent-development-retention and middle management

succession program to satisfy our Group's growing needs .

Our team has also done an outstanding job in all aspects of striving for operation excellence and performance, implementing new business start-ups flawlessly and setting strong foundation for new businesses. Flawless implementations of operational cost controls were instrumental in offsetting business-drops due to one of the mature lines coming to End-of-life (EOL). Our team's willingness to walk the extra mile for our existing as well as potential customers in providing a one stop solution to all their manufacturing needs have enabled our lines to be healthily loaded with the ramp up and transfer of both existing and new products. The solutions we provide are not only limited to manufacturing but to full collaboration with our suppliers to supporting us with the most efficient and cost-competitive options for both ourselves and our customers.

Our Group took a quantum leap in our image and reputation this year as a role-model in showcasing Malaysia's successful technology company in the hi-tech industry. YB Dato' Sri Mustapa Mohamed who is Malaysia's Minister of Ministry of International Trade and Industry (MITI) brought with him the Chief Executive Officer (YB Dato' Noharuddin Nordin) of Malaysian Investment Development Authority (MIDA) and a dozen more MIDA/MITI Directors/Officers in visiting us on Nov.14, 2012, to be followed two weeks later by another delegation of 40 Directors/Officers from the National Committee on Investments (NCI) comprising of representatives from Ministry of Finance (MOF), Inland Revenue Board (IRB) , Economic Planning Unit (EPU), MITI, MIDA, etc

Cheif Executive Officer's Message (cont'd)

led by the Chairman of MIDA (YB Tan Sri Amirsham Abdul Aziz) with the objectives exposing their Senior Directors/Officers to Malaysia's own technological and manufacturing leaders like GTB who have been very successful in R&D and Co-Development works with world renowned Multi-National-Corporations (MNCs). The visits were tremendously edifying and educational for all with promising prospects of higher priorities to be given to model-local-companies with Direct Domestic Investments' grants/incentives in order for Malaysia to achieve higher success rate of developing our own products in the hi-tech industry. On top of that, I myself in representing Globetronics Technology Bhd have for the past two years been chairing as the President of the Penang Free Trade Zone Companies' Association with 61 companies mostly comprising of MNCs, while assisting and sponsoring local small and medium industries and promoting entrepreneurship within the Malaysian

business circles by sharing our success-stories in technology conferences or discussions, etc. On top of these, our Group have continued with our yearly CSR activities in various community-enhancement-works as well as in providing monetary or material donations to the poor and needy within our community.

Our Group's continuing successes so far have come significantly from our Board of Directors' whose unmatched guidance and outstanding support have been instrumental in allowing our Group to make pro-active and strategic business decisions and investments in the most timely manner. We look forward with even greater passion, humility and dedication to creating even more mutually profitable and successful ventures together with our world renowned customers, our loyal shareholders and all our supporters in Year-2013 and beyond.



Globetronics (KL) Sdn Bhd ("GKL")

GKL remains profitable and sustained its top and bottom line performance very well despite the drastic cost down from its customer across most of its product lines. The team's ability to meet steep ramp demands while delivering on quality and cost has delighted our customers who have reciprocated by increasing the loading to GKL through volume consolidation from their other manufacturing sites. Despite volume volatility as a result of a demand shift

into the smartphone market, GKL's exposure in crystal products and timing devices have been the most stable demand base for the group as the end application goes mostly into consumer electronics. The next focus will be for GKL to drive for even more productivity improvement and process automations and I am confident that it will continue to be one of the most successful subsidiaries in the Group.



ISO Technology Sdn Bhd ("ISO")

ISO had a solid performance for Year 2012 despite a challenging environment, where profit improved from a year ago despite a slight drop in sales. The modus operandi that is used is to stay lean and competitive, taking on a wide business portfolio range with minimum capital expenditure and focusing on total customer satisfaction. ISO highlights include successfully moving some of their LED business from start up to mass production and the steep ramp of a high precision controlled device with applications for the smartphone, tablet and GPS market (indications are of even further ramp up in Year 2013). The broad product portfolio will eventually link to diverse end applications in the areas like automotive, consumer electronics and vertical farming. ISO is also actively pursuing new and strategic customers that will make ISO a very exciting subsidiary if its growth potential comes to fruition in the next 1-2 years.



Globetronics Sdn Bhd ("GSB")

GSB faced a tough year where its major business segment in the LED market continued to witness sharp price erosions and volatile business loadings due to many new entrants in the market. The unrelenting conditions led to a mutually agreed cessation of business partnership with one of our customers.

The team did an outstanding job of bouncing back from this negative impact to lock in new businesses and expand on the volume / product range of its other existing customers. The results was that not only did it fill the negative void, but GSB has emerged even stronger with a new business in the sensor market that is used in one of the world's leading smartphones and also backfilling its product portfolio with increased loading. GSB's turnaround has it looking in very good shape heading into Year 2013 and I am optimistic it will be a good year ahead.



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' Syed Mohamad Bin Syed Muztaza Independent Non-Executive Director	4/4
Mr. Yeow Teck Chai Independent Non-Executive Director (Since appointment on 16 May 2012)	2/2

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, 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.

5. Internal Audit Function

The Audit Committee is assisted by the Internal Auditor function in discharging its duties and responsibilities.

The Group has an adequate resourced Internal Audit function which reports directly to the Committee and its independent of the activities they audit. There is also in place an audit charter that defines the organisation status, functions and responsibilities of the Internal Audit function.

5. Internal Audit Function (cont'd)

The Internal Audit function conducts regular and systematic reviews of the key controls and processes in the operating units and assess compliance with the established policies and procedures. This provides reasonable assurance that such systems would continue to operate satisfactorily and effectively in the Company and the Group. In addition, the Internal Audit function also conducts investigations and special reviews at the request of Management.

On a quarterly basis, the Internal Audit function submits the audit reports on their activities to the Committee for its review and deliberation. The Internal Auditor attends the Committee meetings to present the internal audit findings and makes appropriate recommendations on any areas of concern within the Company and the Group for the Committee's deliberation.

6. 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 2012 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.

7. Training Attended By The Committee

For the year under review, the Committee attended the following conferences and seminars:

Organiser	Conference and Seminar
Bursa Malaysia	Advocacy Sessions On Disclosure for CEOs and CFOs
KPMG & Boardroom Corporate Services Sdn Bhd	Corporate Governance and Risk Management
The Institute of Internal Auditors Malaysia	2012 National Conference on Internal Auditing Rising Potential
Malaysian Institute of Accountants (MIA)	Board Challenges : Legal and Corporate Governance

Corporate Social Responsibility Statement

Corporate social responsibility (“CSR”) reflects our belief that in addition to shareholder value maximization, 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 emphasizes our commitment to the following pivotal areas:

Employee Health and Safety

We strongly believe that human capital is the most important value to an organization. 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 minimize 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.

Human Capital Development

One of our key corporate responsibility initiatives is the development of human capital as our employees are our greatest asset. The development is achieved through the implementation of various initiatives such as in-house cross training and employees’ productivity improvement, building university relationships and encouraging workplace diversity. The ultimate aim of these objectives is the unity of all employees in striving for a common objective i.e. the success of the Group in terms of economic, social and environmental development.

Employee Welfare

Fostering better ties with our employees and improving their quality of life are areas that have continuously been given importance in the Group’s corporate responsibility initiatives. Activities carried out include medical health screening and awareness programmes and recognition of long service. We continue to promote healthy lifestyles and team cohesiveness by sponsoring free courts and consumables for our employees to participate in sporting activities.

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 centers during the year. Of importance are highlighted as follows:-

- 1) RM10,000 donation to Penang Shan’s Children Home Association in conjunction with The Star’s Penang Starwalk 2012;
- 2) RM10,000 donation to National Cancer Society of Malaysia in Conjunction with Relay for Life Run organized by Penang Cancer Society; and
- 3) ‘Walk with the Blind’ programme organized by The Lion Club and St. Nicholas Home for the Blind.

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 knowledgeable based society. Moving forward, the Group is finalizing 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.

Corporate Contributions and Community Development (cont'd)

On another note in the CSR front, our Group mainly initiated by our CEO, have elevated ourselves into higher realms of corporate social works such as:-

- 1) Supporting our Government agencies in promoting foreign investments into Malaysia;
- 2) Assisting and sponsoring local, small and medium industries along technologies growth; and
- 3) Promoting entrepreneurship within the Malaysia business circles by sharing our success stories in technology conferences or discussions.

In closing, 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 activities has been the participation in 'Gotong Royong' programme organized by the Penang State Government's 'Clean up Campaign' for our rivers in conjunction with 'Hari Sungai Sedunia'.

Statement on Corporate Governance

(Pursuant to Paragraph 15.25 of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

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’s practices is formulated based on the principles set out in the Malaysian Code on Corporate Governance 2012 (Code) and developments of globally recognized best governance practices. The Board is pleased to present the following statement on the various measures implemented within the Group and has generally complied with the recommendation of the Code.

The Group’s Governance Model



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 and performance targets are met. The Board is composed of 2 Executive Directors, 4 Independent Non-Executives Directors and 4 Non-Independent Non-Executive Directors. The board is of the opinion that the composition is balanced and 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 deliberations.

The Nomination Committee together with the Board continually reviews and evaluates its requirements for an appropriate mix of skills and experience to ensure the Board’s composition remains relevant and optimal. A brief profile of each Director is presented on pages 6 to 9.

Board Duties and Responsibilities

In addition to statutory and fiduciary duties, the Board is responsible for formulating and reviewing the Group’s strategic plans and key policies, and charting the course of the Group’s business operations whilst providing effective oversight of the Management’s performance, risk assessment and controls over business operations.

Statement on Corporate Governance (cont'd)

(Pursuant to Paragraph 15.25 of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

Board Duties and Responsibilities (cont'd)

The principal responsibilities of the Board include the following:

- Approving the Group's annual budget and carrying out periodic review of the achievements by the various operating subsidiaries against their respective business targets.
- Overseeing of the Group's business operations and financial performance.
- Ensuring that the operating infrastructure, systems of control, systems for risk identification and management, financial and operational controls, are in place and properly implemented.
- Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures.
- Review, access and ensure all candidates appointed to Senior Management positions are of sufficient calibre, to provide for the orderly succession of Senior Management.
- Undertaking various functions and responsibilities as required from time to time.

In discharging its fiduciary duty, the Board is assisted by Board Committees, namely Audit Committee, Employees' Share Option Scheme ("ESOS") Committee, Remuneration Committee and Nomination 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 108.

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 at the forthcoming AGM are shown in the Notice of Meeting (Ordinary Resolution) on page 108.

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 2012, five Board meetings were held.

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

	Number of Meetings	
	Held	Attended
Ng Kweng Chong	5	5
Heng Huck Lee	5	5
Diong Chin Teck	5	4
Ng Kok Khuan	5	5
Dato' Ng Kweng Moh	5	5
Dato' Norhalim bin Yunus	5	5
Dato' Syed Mohamad Bin Syed Murtaza	5	4
Datuk Iskandar Mizal Bin Mahmood (Since appointment on 16 May 2012)	3	3
Yeow Teck Chai (Since appointment on 16 May 2012)	3	3
Ng Kweng Tong (Since appointment on 16 May 2012)	3	3

Statement on Corporate Governance (cont'd)

(Pursuant to Paragraph 15.25 of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

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 the Companies Act, 1965. Minutes of meetings of each committee are also circulated to the Board Members for review and deliberation.

All directors have unrestricted direct access to the Senior Management on the Company policies and procedures and the services of the Company Secretaries who advise the Board on the 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, the Directors attended the following conference seminars and training programme:-

Organiser	Conference and Seminar
RAM Charan	Flawless Execution of Your Corporate Strategy
Invest Penang	Briefing on Border Carbon Adjustment (BCA)
CNBC	The CNBC Summit: Malaysia
Malaysia Investment Development Authority (MIDA)	The Look East Policy - A New Dimension & Majeca-Jameca 31st Joint Conference
Bursatra Sdn Bhd	Mandatory Accreditation Programme for Directors of Public Listed Companies
Corporatenet Sdn Bhd	Latest Updates of Bursa Malaysia Main Market Listing Requirements
The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)	Annual Conference 2012 with the theme Moving Forward: Changing Perspectives
Suruhanjaya Syarikat Malaysia (SSM)	Corporate Directors Training Programme (CDTP) Fundamental co-organised with The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
Malaysia Investment Development Authority (MIDA)	Seminar On Electronics Industry in Malaysia : Sustaining Competitiveness Through Technology Advancement & Strengthening the Ecosystem
CCH	Transition from Sales Tax to GST: Implications on Business

Statement on Corporate Governance (cont'd)

(Pursuant to Paragraph 15.25 of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

Directors' Remuneration

The Company's framework on Directors' remuneration has the underlying objectives of attracting and retaining the Directors of high caliber 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 attend. Similarly, members to Board Committee are also paid a meeting allowance for each Committee meeting they attend.

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 categorized into appropriate components:

	Fees RM'000	Salaries RM'000	Bonus RM'000	Benefits- In-Kind RM'000	Other Emoluments RM'000	Total RM'000
Executive Directors	160	2,338	2,017	52	760	5,327
Non-Executive Directors	743	-	-	-	-	743
Total	903	2,338	2,017	52	760	6,070

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

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
RM 50,001 to RM 100,000	-	10
RM 1,750,001 to RM 1,800,000	1	-
RM 2,850,000 to RM 2,900,000	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.

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.

Nomination Committee

The Committee's responsibility, among others, is to identify and recommend the right candidate with the necessary skills, experience and competencies to be filled in the Board and Board Committees. Recruitment matters are discussed in depth by the Committee before the entire Board makes the final decision on new appointments.

Re-appointment and re-election of Directors at the AGM are recommended by this Committee to the Board for its approval.

The Committee will also assess and ensure all Directors receive appropriate continuous training programme in order to broaden their perspectives and to keep abreast with developments in the market place and with changes in new statutory and regulatory requirements.

Statement on Corporate Governance (cont'd)

(Pursuant to Paragraph 15.25 of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

Nomination Committee (cont'd)

The Board's Nomination Committee comprises three Non-Executive Directors, the majority of whom are Independent. The members are:

Dato' Syed Mohamad bin Syed Murtaza (Independent Non-Executive Director, Chairman)
Mr. Diong Chin Teck (Independent Non-Executive Director)
Dato' Ng Kweng Moh (Non-Independent Non-Executive Director)

The Nomination Committee was formed on 21 December 2012 and will meet when necessary.

Remuneration Committee

The Remuneration Committee consists of :

Dato' Syed Mohamad bin Syed Murtaza (Independent Non-Executive Director, Chairman)
Datuk Iskandar Mizal bin Mahmood (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' remunerations are linked to their respective performance and 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 2012, 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 :

Datuk Iskandar Mizal bin Mahmood (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 2012, the Committee held two meetings.

RELATIONS WITH SHAREHOLDERS AND INVESTORS

GTB values good communications with shareholders and investors. Its commitment, both in principle and practice, is to maximize 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

Statement on Corporate Governance (cont'd)

(Pursuant to Paragraph 15.25 of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

Annual General Meetings (cont'd)

the opportunity to present their views or to seek more information. Resolutions tabled and passed at the Meeting are released to 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 recognizes 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 have regular dialogue with institutional investors and deliver presentations to analysts periodically.

For the financial year ended 31 December 2012, the management held and/or attended three strategic and successful offshore road-shows / investors meeting and conducted 20 meetings with fund managers and investment bankers in KL and Penang.

The Group's website, www.globetronics.com.my also serves as a forum to communicate with shareholders and investors and to provide information on the Group's business activities. Information such as disclosures made to Bursa Malaysia (including interim and full year financial results, Annual Report and other announcements on relevant transactions undertaken by the Group) and the Group's business activities can be obtained from the website. Requests for information on the Company can be forwarded to same website.

Announcements made by the Company to Bursa Malaysia are also accessible from www.bursamalaysia.com.

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 Group's Statement on Internal Control is set out on pages 30 to 31.

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 is mindful that currently the Chairman and CEO are both Executive Directors but is of the view that there are sufficient Independent Directors on the Board with wide boardroom experience and expertise to provide the necessary check and balance. Nevertheless, the Nomination Committee and the Board is aware of the requirement of the Code and efforts are being made to address this issue.

Statement on Corporate Governance (cont'd)

(Pursuant to Paragraph 15.25 of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

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 2012, 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 are reasonably open to them to safeguard the assets of the Company, to prevent and detect fraud and other irregularities.

This Statement on Corporate Governance was approved by the Board of Directors on 8 April 2013.

Additional Compliance Information

The following information is provided in accordance with paragraph 9.25 of Bursa Malaysia Securities Berhad Main Market Listing Requirements as set out in Appendix 9C thereto.

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

The amount of non-audit fees paid to KPMG Malaysia and its affiliates during the financial year under review was RM24,600.

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 2012 or entered into since the end of the previous financial year.

Statement on Internal Control

Introduction

The Board of Directors of Globetronics Technology Bhd is pleased to provide the following Statement on Internal Control pursuant to paragraph 15.26(b) of the Bursa Malaysia Securities Berhad Main Market 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 2012, 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.

KEY COMPONENTS OF INTERNAL CONTROL ENVIRONMENT

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 across its operating units.

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 twice a year 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.

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 on a regular basis.

Monthly board / business review meetings are carried out at the key subsidiaries with meetings attended by all the Executive Directors, Chief Financial Officer and its various Factory / Finance Managers. The 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 Meetings

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 organization calibration and alignment purposes.

Monthly management 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 with potential risk areas 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, approval 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.

Insurance

There exists sufficient insurance coverage and physical safeguard on major assets to ensure the Group's assets are adequately covered against any mishap that could result in material loss. A yearly policy renewal exercise is undertaken in which the Management reviews the coverage based on the current fixed assets inventory and the respective net book values and 'replacement value', i.e. the prevailing market price for the same or similar item, where applicable. There is also a yearly renewal exercise to ensure adequacy in the Group's professional indemnity coverage.

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.

Review of this Statement

The Internal Auditor has reviewed the Statement on Internal Control for the financial year ended 31 December 2012 and reported to the Audit Committee that all internal control weaknesses identified during the course of its audit assignments for the financial year ended 31 December 2012 have been, or are being, addressed and that none of the weaknesses have resulted in any material losses, contingencies or uncertainties that require disclosure in the Company's Annual Report.

The Board has received assurance from the Chief Executive Officer and the Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

The Board is of the view that the system of internal controls in place for the financial year ended 31 December 2012 and up to the date of approval of this report is sound and sufficient to safeguard the shareholders' investment and the Group's assets.

This statement has been approved by the Board of Directors on 8 April 2013 based on the recommendation of the Audit Committee.

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Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2012

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2012.

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	<u>41,345,245</u>	<u>35,964,684</u>

Reserves and provisions

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

Dividends

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

- i) a final single tier ordinary dividend of 2.0 sen per share totalling RM5,404,887 in respect of the financial year ended 31 December 2011 on 10 July 2012;
- ii) a first interim single tier ordinary dividend of 2.0 sen per share totalling RM5,358,104 in respect of the financial year ended 31 December 2012 on 28 March 2012; and
- iii) a second interim single tier ordinary dividend of 7.0 sen per share totalling RM19,050,524 in respect of the financial year ended 31 December 2012 on 10 November 2012.

A final and special single tier ordinary dividend of 3.0 sen per share has been recommended by the Directors in respect of the year ended 31 December 2012, subject to the approval of the shareholders 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' Ng Kweng Moh	
Diong Chin Teck @ Tiong Chin Sang	
Ng Kok Khuan	
Dato' Norhalim Bin Yunus	
Dato' Syed Mohamad Bin Syed Murtaza	
Datuk Iskandar Mizal Bin Mahmood	(Appointed on 16.05.2012)
Yeow Teck Chai	(Appointed on 16.05.2012)
Ng Kweng Tong	(Appointed on 16.05.2012)
Dato' Dr. Chong Eng Keat @ Teoh Eng Keat	(Resigned on 16.05.2012)
Lim Chien Ch'eng	(Resigned on 16.05.2012)

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

Directors' Interests in Shares

The interests and deemed interests in the shares and options over share of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial 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 1.1.2012/ Date of Appointment	Bought	(Sold)	At 31.12.2012
Interest in the Company				
Ng Kweng Chong				
- own	1,891,471	233,400	-	2,124,871
- others *	1,274,320	21,500	(22,000)	1,273,820
Heng Huck Lee				
- own	1,537,200	557,000	-	2,094,200
Dato' Ng Kweng Moh				
- others *	56,520	36,200	(31,800)	60,920
Diong Chin Teck @ Tiong Chin Sang				
- own	40,000	-	-	40,000
Ng Kok Khuan				
- own	40,000	-	-	40,000
- others *	35,640	-	-	35,640
Yeow Teck Chai				
- own	72,800	-	-	72,800
- others *	390,744	-	-	390,744
Ng Kweng Tong				
- own	111,400	-	-	111,400
- others *	109,400	-	-	109,400
Deemed interests in the Company				
Ng Kweng Chong	78,376,465	4,664,000	(11,425,000)	71,615,465
Dato' Ng Kweng Moh	1,404,762	-	-	1,404,762
Ng Kok Khuan	10,035,073	4,664,000	(3,574,000)	11,125,073

* 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.

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

Directors' Interests in Shares (cont'd)

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

	← Number of options over ordinary shares of → RM0.50 each			At 31.12.2012
	At 1.1.2012	Granted	(Exercised)	
ESOS Scheme III *				
Ng Kweng Chong	702,600	-	(233,400)	469,200
Heng Huck Lee	900,000	45,500	(557,000)	388,500

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

None of the other Directors holding office at 31 December 2012 had any interests in the shares and options over shares of the Company and of its related corporations during the financial year.

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, other than certain Directors who have significant financial interests in a Company which traded with certain companies in the Group in the ordinary course of business.

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) 2,542,300 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) 53,200 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) 640,200 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;
- iv) 107,600 new ordinary shares of RM0.50 each for cash arising from the exercise of employees' share options at an exercise price of RM1.08 per ordinary share;
- v) 1,257,400 new ordinary shares of RM0.50 each for cash arising from the exercise of employees' share options at an exercise price of RM0.90 per ordinary share; and
- vi) 90,000 new ordinary shares of RM0.50 each for cash arising from the exercise of employees' share options at an exercise price of RM1.10 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.

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial 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 Employee 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 year, 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 price are as follows :

Date of offer	Exercise price RM	Number of options over ordinary shares of RM0.50 each				
		At 1.1.2012	Granted	(Exercised)	(Forfeited)	At 31.12.2012
13.04.2009	0.51	4,831,500	-	(2,542,300)	(276,800)	2,012,400
07.10.2009	0.80	131,300	-	(53,200)	(10,100)	68,000
08.04.2010	1.52	484,600	-	-	(68,500)	416,100
12.10.2010	1.09	1,692,400	-	(640,200)	(101,600)	950,600
05.04.2011	1.08	785,600	-	(107,600)	(165,800)	512,200
29.09.2011	0.90	3,024,800	-	(1,257,400)	(119,800)	1,647,600
03.04.2012	1.10	-	845,400	(90,000)	(123,300)	632,100
01.10.2012	1.46	-	1,415,950	-	-	1,415,950
		10,950,200	2,261,350	(4,690,700)	(865,900)	7,654,950

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

Options Granted Over Unissued Shares (cont'd)

The Company applied to the Companies Commission of Malaysia for the exemption of Section 169(11) of the Companies Act, 1965. Approval has been granted from the authority to exclude the disclosure of details of the employees to whom the option has been granted other than the details of the employees who have been granted 19,200 ordinary shares and above of RM0.50 each.

The details of the employees to whom the option of 19,200 or more ordinary shares of RM0.50 are as follows :

	Number of options over ordinary shares of RM0.50 each		Number of options over ordinary shares of RM0.50 each
Lim Boon Soo	96,200	Tee Kay Boon	39,100
Lee Hooi Teik	74,500	Ooi Guat Lean @ Saw Guat Lean	38,300
Wong Boon Hooi	67,400	Sum Weng Chew	33,200
Choong Lai Kwan	63,300	Lim Eng Poh	28,300
Lim Guat Li	63,300	Wong Lai Yin	28,300
Yip Leong Hong	60,000	Sim Gaik Lan	26,500
Ng Kok Choon	57,500	Lian Seng Hoe	23,700
Lee Soon Wooi	56,650	Leong Kim Meng	20,000
Foo Kai Chee	52,800	Chan Gaik Ling	19,200
Lee Cheon Wai	51,900	Chew Keat Chye	19,200
Heng Charng Suh	48,900	Khoo Kim Lee	19,200
Heng Huck Lee	45,500	Leong Chooi Peng	19,200
Tan Kee Woon	42,400	Loh Lean Hock	19,200
Ai Leng @ Tan Ee Lim	39,200	Raja Faizah Binti Raja Petra	19,200
Chan Hooi Theng	39,100	Saraswathy A/P Supumania	19,200
Li Kuang Wee	39,100	Wong Heng Hee	19,200
Ng Kok Choong	39,100	Yap Yien Fong	19,200

Other Statutory Information

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

- all known bad debts have been written off and adequate provision made for doubtful debts; and
- 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:

- 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
- that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- 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
- 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 :

- 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
- 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 financial performance of the Group and of the Company for the financial year ended 31 December 2012 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.

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

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 : 8 April 2013

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2012

	Note	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Assets				
Property, plant and equipment	3	111,067,968	127,137,112	171,822,125
Investment property	4	8,389,134	8,645,944	8,902,754
Investments in an associate	6	4,911,343	4,839,065	4,761,144
Deferred tax assets	13	920,606	-	-
Other investments	7	6,290,019	6,429,527	6,381,303
Total non-current assets		131,579,070	147,051,648	191,867,326
Trade and other receivables	8	70,241,713	40,108,135	49,816,815
Inventories	9	17,832,811	12,086,133	15,129,438
Cash and cash equivalents	10	106,142,019	99,160,402	49,242,217
Total current assets		194,216,543	151,354,670	114,188,470
Total assets		325,795,613	298,406,318	306,055,796
Equity				
Share capital	11	136,135,470	133,790,120	133,149,320
Reserves	12	125,001,759	112,639,814	108,127,232
Total equity		261,137,229	246,429,934	241,276,552
Liabilities				
Borrowings	15	-	-	2,121,792
Deferred tax liabilities	13	-	5,255,394	5,355,394
Deferred income	14	386,343	174,256	970,534
Total non-current liabilities		386,343	5,429,650	8,447,720
Borrowings	15	-	4,004,352	4,243,584
Trade and other payables	17	59,118,279	38,432,661	49,197,569
Current tax payables		5,153,762	4,109,721	2,890,371
Total current liabilities		64,272,041	46,546,734	56,331,524
Total liabilities		64,658,384	51,976,384	64,779,244
Total equity and liabilities		325,795,613	298,406,318	306,055,796

The notes on pages 50 to 98 are an integral part of these financial statements.

Statement of Financial Position

AS AT 31 DECEMBER 2012

	Note	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Assets				
Investments in subsidiaries	5	132,771,966	38,805,241	38,143,734
Investments in an associate	6	784,000	784,000	784,000
Other investments	7	1,072,875	746,408	961,377
Total non-current assets		134,628,841	40,335,649	39,889,111
Trade and other receivables	8	11,871,849	104,369,332	103,537,788
Current tax assets		26,205	23,608	-
Cash and cash equivalents	10	21,227,625	13,925,832	7,943,299
Total current assets		33,125,679	118,318,772	111,481,087
Total assets		167,754,520	158,654,421	151,370,198
Equity				
Share capital	11	136,135,470	133,790,120	133,149,320
Reserves	12	31,103,509	23,211,941	16,796,994
Total equity		167,238,979	157,002,061	149,946,314
Liabilities				
Trade and other payables	17	515,541	1,652,360	1,421,084
Current tax payables		-	-	2,800
Total current liabilities		515,541	1,652,360	1,423,884
Total equity and liabilities		167,754,520	158,654,421	151,370,198

Consolidated Statement of Profit or Loss and Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 RM	2011 RM
Continuing operations			
Revenue	18	290,007,166	265,018,692
Cost of sales		(221,030,654)	(210,459,321)
Gross profit		68,976,512	54,559,371
Administrative expenses		(35,041,832)	(31,869,759)
Other expenses		(217,223)	(337,477)
Other income		14,574,030	7,914,591
Results from operating activities		48,291,487	30,266,726
Finance costs	22	(20,383)	(96,018)
Operating profit		48,271,104	30,170,708
Share of profits of equity-accounted associate, net of tax		72,278	77,921
Profit before tax	19	48,343,382	30,248,629
Tax expense	23	(6,998,137)	(3,556,069)
Profit for the year		41,345,245	26,692,560
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations		(407,058)	334,174
Fair value of available-for-sale financial assets		(467,923)	(468,247)
Total other comprehensive expense for the year	25	(874,981)	(134,073)
Comprehensive income for the year		40,470,264	26,558,487
Profit attributable to:			
Owners of the Company		41,345,245	26,692,560
Comprehensive income attributable to:			
Owners of the Company		40,470,264	26,558,487
Basic earnings per ordinary share (sen) of RM0.50 each (2011 : RM0.50 each)	26	15.31	9.99
Diluted earnings per ordinary share (sen) of RM0.50 each (2011 : RM0.50 each)	26	15.29	9.98

The notes on pages 50 to 98 are an integral part of these financial statements.

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 RM	2011 RM
Continuing operations			
Revenue	18	37,791,358	28,718,197
Administrative expenses		(947,217)	(935,822)
Other expenses		(852,212)	(24,380)
Other income		3,758	690,718
Profit before tax	19	35,995,687	28,448,713
Tax expense	23	(31,003)	(7,192)
Profit for the year		35,964,684	28,441,521
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss			
Fair value of available-for-sale financial assets	25	35,203	19,331
Comprehensive income for the year		35,999,887	28,460,852
Profit attributable to:			
Owners of the Company		35,964,684	28,441,521
Comprehensive income attributable to:			
Owners of the Company		35,999,887	28,460,852

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2012

Group	Note	Attributable to owners of the Company						Total equity RM	
		Share capital RM	Share premium RM	Share option reserve RM	Capital redemption reserve RM	Fair value reserve RM	Translation reserve RM		Retained earnings RM
At 1 January 2011		133,149,320	8,656,134	935,729	-	1,328,399	(2,257,359)	99,464,329	241,276,552
Foreign currency translation differences for foreign operations		-	-	-	-	-	334,174	-	334,174
Fair value of available-for-sale financial asset		-	-	-	-	(468,247)	-	-	(468,247)
Total other comprehensive income/(expense) for the year		-	-	-	-	(468,247)	334,174	-	(134,073)
Profit for the year		-	-	-	-	-	-	26,692,560	26,692,560
Comprehensive income/(expense) for the year		-	-	-	-	(468,247)	334,174	26,692,560	26,558,487
Contributions by and distributions to owners of the Company									
Issuance of new ordinary shares pursuant to ESOS III		640,800	16,412	-	-	-	-	-	657,212
Share-based payment transactions	16	-	-	661,507	-	-	-	-	661,507
Dividends to owners of the Company	24	-	-	-	-	-	-	(22,723,824)	(22,723,824)
Total transactions with owners of the Company		640,800	16,412	661,507	-	-	-	(22,723,824)	(21,405,105)
Transfer from share option reserve for share option exercised		-	130,779	(130,779)	-	-	-	-	-
At 31 December 2011		133,790,120	8,803,325	1,466,457	-	860,152	(1,923,185)	103,433,065	246,429,934

The notes on pages 50 to 98 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

Group	Note	Attributable to owners of the Company						Total equity RM	
		Share capital RM	Share premium RM	Share option reserve RM	Capital redemption reserve RM	Fair value reserve RM	Translation reserve RM		Retained earnings RM
At 1 January 2012		133,790,120	8,803,325	1,466,457	-	860,152	(1,923,185)	103,433,065	246,429,934
Foreign currency translation differences for foreign operations		-	-	-	-	-	(407,058)	-	(407,058)
Fair value of available-for-sale financial asset		-	-	-	-	(467,923)	-	-	(467,923)
Total other comprehensive income/(expense) for the year		-	-	-	-	(467,923)	(407,058)	-	(874,981)
Profit for the year		-	-	-	-	-	-	41,345,245	41,345,245
Comprehensive income/(expense) for the year		-	-	-	-	(467,923)	(407,058)	41,345,245	40,470,264
Contributions by and distributions to owners of the Company									
Issuance of new ordinary shares pursuant to ESOS III		2,345,350	1,038,469	-	-	-	-	-	3,383,819
Share-based payment transactions	16	-	-	666,727	-	-	-	-	666,727
Dividends to owners of the Company	24	-	-	-	-	-	-	(29,813,515)	(29,813,515)
Capital redemption reserve		-	-	-	9,700	-	-	(9,700)	-
Total transactions with owners of the Company		2,345,350	1,038,469	666,727	9,700	-	-	(29,823,215)	(25,762,969)
Transfer from share option reserve for share option exercised		-	628,348	(628,348)	-	-	-	-	-
At 31 December 2012		136,135,470	10,470,142	1,504,836	9,700	392,229	(2,330,243)	114,955,095	261,137,229

The notes on pages 50 to 98 are an integral part of these financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2012

	Attributable to owners of the Company						Total equity RM
	Share capital RM	Share premium RM	Share option reserve RM	Fair value reserve RM	Retained earnings RM	Distributable	
At 1 January 2011	133,149,320	8,656,134	935,729	22,528	7,182,603	149,946,314	
Other comprehensive income for the year	-	-	-	19,331	-	19,331	
- Fair value of available-for-sale financial asset	-	-	-	-	28,441,521	28,441,521	
Profit for the year	-	-	-	19,331	28,441,521	28,460,852	
Comprehensive income for the year							
Contributions by and distributions to owners of the Company							
Issuance of new ordinary shares pursuant to ESOS III	640,800	16,412	-	-	-	657,212	
Share-based payment transactions	-	-	661,507	-	-	661,507	
Dividends to owners of the Company	-	-	-	-	(22,723,824)	(22,723,824)	
Total transactions with owners of the Company	640,800	16,412	661,507	-	(22,723,824)	(21,405,105)	
Transfer from share option reserve for share option exercised	-	130,779	(130,779)	-	-	-	
At 31 December 2011	133,790,120	8,803,325	1,466,457	41,859	12,900,300	157,002,061	

The notes on pages 50 to 98 are an integral part of these financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

	Attributable to owners of the Company						Total equity RM
	Share capital RM	Share premium RM	Share option reserve RM	Fair value reserve RM	Retained earnings RM	Distributable	
At 1 January 2012	133,790,120	8,803,325	1,466,457	41,859	12,900,300	157,002,061	
Other comprehensive income for the year	-	-	-	35,203	-	35,203	
- Fair value of available-for-sale financial asset	-	-	-	-	35,964,684	35,964,684	
Profit for the year	-	-	-	35,203	35,964,684	35,999,887	
Comprehensive income for the year							
Contributions by and distributions to owners of the Company							
Issuance of new ordinary shares pursuant to ESOS III	2,345,350	1,038,469	-	-	-	3,383,819	
Share-based payment transactions	-	-	666,727	-	-	666,727	
Dividends to owners of the Company	-	-	-	-	(29,813,515)	(29,813,515)	
Total transactions with owners of the Company	2,345,350	1,038,469	666,727	-	(29,813,515)	(25,762,969)	
Transfer from share option reserve for share option exercised	-	628,348	(628,348)	-	-	-	
At 31 December 2012	136,135,470	10,470,142	1,504,836	77,062	19,051,469	167,238,979	

The notes on pages 50 to 98 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 RM	2011 RM
Cash flows from operating activities			
Profit before tax from continuing operations		48,343,382	30,248,629
Adjustments for:			
Depreciation of property, plant and equipment	3	51,203,102	40,486,950
Depreciation of investment property	4	256,810	256,810
Plant and equipment written off	19	2,800	159,721
Impairment loss :			
-Plant and equipment	19	496,233	1,458,696
Gain on disposal of plant and equipment	19	(7,768,698)	(1,270,994)
Interest income	19	(2,359,869)	(1,584,894)
Amortisation of deferred income	14	(1,158,464)	(796,277)
Share of profits of equity accounted associate, net of tax		(72,278)	(77,921)
Gain on disposal of other investments	19	(894,235)	(57,883)
Share-based payments	16	666,727	661,507
Finance costs	22	20,383	96,018
Operating profit before changes in working capital		88,735,893	69,580,362
Change in trade and other receivables		(30,133,578)	9,708,680
Change in inventories		(5,746,678)	3,043,305
Change in trade and other payables		20,128,867	(9,677,183)
Cash generated from operations		72,984,504	72,655,164
Tax paid		(12,130,096)	(2,436,719)
Net cash from operating activities		60,854,408	70,218,445
Cash flows from investing activities			
Acquisition of property, plant and equipment	A	(37,473,555)	(15,507,511)
Acquisition of other investments		(6,591,687)	(3,060,046)
Proceeds from disposal of plant and equipment		10,166,013	18,270,426
Interest income		2,359,869	1,584,894
Proceeds from disposal of other investments		6,599,336	2,783,030
Net cash used (in)/from investing activities		(24,940,024)	4,070,793
Cash flows from financing activities			
Dividends paid to owners of the Company	24	(29,813,515)	(22,723,824)
Repayment of bank borrowings (net)		(4,004,352)	(2,361,024)
Proceeds from issue of shares		3,383,819	657,212
Finance costs		(20,383)	(96,018)
Grant received	14	1,370,551	-
Net cash used in financing activities		(29,083,880)	(24,523,654)
Net increase in cash and cash equivalents		6,830,504	49,765,584
Effect of exchange rate fluctuations on cash held		151,113	152,601
Cash and cash equivalents at 1 January		99,160,402	49,242,217
Cash and cash equivalents at 31 December	10	106,142,019	99,160,402

The notes on pages 50 to 98 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2012

Note

A. *Acquisition of property, plant and equipment*

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM38,030,306 (2011 : RM14,419,786), of which RM627,040 (2011 : RM70,289) remained unpaid at the reporting period date. The total of RM37,473,555 (2011 : RM15,507,511) was paid by cash.

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 RM	2011 RM
Cash flows from operating activities			
Profit before tax from continuing operations		35,995,687	28,448,713
Adjustments for:			
Dividends from subsidiaries	19	(37,201,950)	(28,368,400)
Loss on disposal of other investments	19	-	28,893
Interest income	19	(589,408)	(349,797)
Operating loss before changes in working capital		(1,795,671)	(240,591)
Change in trade and other receivables		92,497,483	(831,544)
Change in trade and other payables		(1,136,819)	231,276
Cash from/(used in) operations		89,564,993	(840,859)
Interest income	19	589,408	349,797
Dividends received from subsidiaries	19	37,201,950	28,368,400
Income tax paid		(33,600)	(33,600)
Net cash from operating activities		127,322,751	27,843,738
Cash flows from investing activities			
Increase in investments in subsidiaries		(93,299,998)	-
Acquisition of other investments		(291,264)	-
Proceeds from disposal of other investments		-	205,407
Net cash (used in)/from investing activities		(93,591,262)	205,407
Cash flows from financing activities			
Dividends paid	24	(29,813,515)	(22,723,824)
Proceeds from issue of shares		3,383,819	657,212
Net cash used in financing activities		(26,429,696)	(22,066,612)
Net increase in cash and cash equivalents		7,301,793	5,982,533
Cash and cash equivalents at 1 January		13,925,832	7,943,299
Cash and cash equivalents at 31 December	10	21,227,625	13,925,832

The notes on pages 50 to 98 are an integral part of these financial statements.

Notes to the Financial Statements

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

Principal place of business

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

Registered office

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

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2012 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in an associate. The financial statements of the Company as at and for the financial year ended 31 December 2012 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, provision of computer hardware and software, system solutions and investment holding.

These financial statements were authorised for issue by the Board of Directors on 8 April 2013.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the Companies Act, 1965 in Malaysia. These are the Group and the Company's first financial statements prepared in accordance with MFRSs and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards has been applied*.

In the previous financial years, the financial statements of the Group and the Company were prepared in accordance with Financial Reporting Standards ("FRSs") in Malaysia. There is no significant financial impact on transition to MFRSs.

The Group and the Company have early adopted the amendments to MFRS 101, Presentation of Financial Statements which is originally effective for annual periods beginning on or after 1 July 2012. The early adoption of the amendments to MFRS 101 has no impact on the financial statements other than the presentation format of the statement of profit or loss and other comprehensive income.

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- MFRS 10, *Consolidated Financial Statements*
- MFRS 11, *Joint Arrangements*
- MFRS 12, *Disclosure of Interests in Other Entities*
- MFRS 13, *Fair Value Measurement*
- MFRS 119, *Employee Benefits (2011)**
- MFRS 127, *Separate Financial Statements (2011)*
- MFRS 128, *Investments in Associates and Joint Ventures (2011)*
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine**
- Amendments to MFRS 7, *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 1, *First-time Adoption of Financial Reporting Standards - Government Loans**
- Amendments to MFRS 1, *First-time Adoption of Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)*

1. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

- Amendments to MFRS 101, *Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 132, *Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*
- Amendments to MFRS 11, *Joint Arrangements: Transition Guidance*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 132, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- MFRS 9, *Financial Instruments (2009)*
- MFRS 9, *Financial Instruments (2010)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures - Mandatory Effective Date of MFRS 9 and Transition Disclosures*

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

- from the annual period beginning on 1 January 2013 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2013, except for (*) which are not applicable to the Group.
- from the annual period beginning on 1 January 2014 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014 .
- from the annual period beginning on 1 January 2015 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2015.

The initial application of the standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior periods financial statements of the Group and the Company upon their first adoption.

(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 Malaysian Financial Reporting Standards ("MFRS") 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 plant and equipment

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and in preparing the opening MFRS statements of financial position of the Group and of the Company at 1 January 2011 (the transaction date to MFRS framework), unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Company 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.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

(ii) Business combination

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Acquisitions before 1 January 2011

As part of its transition to MFRS, the Group elected not to restate those business combinations that occurred before the date of transition to MFRSs, i.e. 1 January 2011. Goodwill arising from acquisitions before 1 January 2011 has been carried forward from the previous FRS framework as at the date of transition.

(iii) Acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

2. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Associates

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

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the 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 associate, the carrying amount of that interest including any long-term investments is reduced to zero, 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 associate.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of the investment includes transaction costs.

(vi) Non-controlling interests

Non-controlling interests at the end of the reporting year, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vii) 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 associates are eliminated against the investment to the extent of the Group's interest in the associates. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2. Significant accounting policies (cont'd)

(b) Foreign currency

(i) Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

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 2011 which are treated as assets and liabilities of the Company. 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) in equity. When a foreign operation is disposed such that control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

In the consolidated financial statements, 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 in equity.

(c) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position 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.

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(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 a 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 receivables 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(j)(i)).

2. Significant accounting policies (cont'd)

(c) Financial instruments (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 year or, when there is no specified contractual year, 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.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

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" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component 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 based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component are depreciated separately.

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 calculated on a straight-line basis over the estimated useful lives for the current and comparative periods 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 1 year to 7 years.

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate at end of the reporting year.

2. Significant accounting policies (cont'd)

(d) Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

Periodically, the Group will review the estimated useful life of its plant and machinery especially those specific plant and machinery to match the life cycle of the products. Certain plant and equipment which management previously estimated the useful life of 5 and 10 years are now expected to have shorter product life cycle of within a period of 5 years. The impact of the change in depreciation rate has resulted in an increase in the current year depreciation charge of the Group by approximately RM2,435,655 (2011 : RM2,833,790).

In thousands of RM	2012	2013	2014	2015	2016	Later
Increase/(Decrease) in depreciation expense	2,435	80	(263)	(848)	(883)	(521)

(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 year 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.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

(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 on 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.

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 year 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 and to use or sell the asset.

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.

2. Significant accounting policies (cont'd)

(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.

(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, production and conversion costs and other costs incurred in 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) 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 fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(j) Impairment

(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 year, 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)

(j) Impairment (cont'd)

(ii) Other assets

The carrying amounts of other assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting year to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

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 or groups of assets (the "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 or cash-generating unit.

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 years are assessed at the end of each reporting year 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.

(k) 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.

(ii) Ordinary shares

Ordinary shares are classified as equity.

2. Significant accounting policies (cont'd)

(l) 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.

(ii) State plans

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.

(iii) 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 year 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.

(m) 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.

(n) Revenue and other income

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, 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, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

2. Significant accounting policies (cont'd)

(n) Revenue and other income (cont'd)

(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 from investment property 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.

(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.

(o) 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.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year 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.

(p) 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 year, and any adjustment to tax payable in respect of previous financial years.

2. Significant accounting policies (cont'd)

(p) Income tax (cont'd)

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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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 year and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(q) 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, adjusted for own shares held.

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.

(r) 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.

(s) 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.

Notes to the Financial Statements (cont'd)

3. Property, plant and equipment - Group

Cost	Freehold land RM	Leasehold land RM	Buildings and factory improvements RM	Plant and equipment RM	Motor vehicles, office equipment, furniture and fixtures RM	Capital work-in-progress RM	Total RM
At 1 January 2011	6,025,188	7,547,057	48,330,437	241,940,284	24,825,255	131,622	328,799,843
Additions	-	-	2,484,876	9,872,110	2,062,273	527	14,419,786
Disposals	-	-	-	(49,899,069)	(652,923)	-	(50,551,992)
Write off	-	-	-	(188,434)	(323,474)	(101,622)	(613,530)
Reclassification	-	-	-	30,000	-	(30,000)	-
At 31 December 2011/1 January 2012	6,025,188	7,547,057	50,815,313	201,754,891	25,911,131	527	292,054,107
Additions	-	-	2,551,921	34,039,914	1,438,471	-	38,030,306
Disposals	-	(360,570)	(1,593,230)	(8,910,779)	(2,027,939)	(527)	(12,893,045)
Write off	-	-	(575,544)	(260,702)	(89,877)	-	(926,123)
At 31 December 2012	6,025,188	7,186,487	51,198,460	226,623,324	25,231,786	-	316,265,245

Notes to the Financial Statements (cont'd)

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

Cost	Freehold land RM	Leasehold land RM	Buildings and factory improvements RM	Plant and equipment RM	Motor vehicles, office equipment, furniture and fixtures RM	Capital work-in-progress RM	Total RM
At 1 January 2011 :							
Accumulated depreciation	-	1,252,646	15,351,091	117,850,785	14,648,386	-	149,102,908
Accumulated impairment loss	-	-	-	7,365,229	509,581	-	7,874,810
	-	1,252,646	15,351,091	125,216,014	15,157,967	-	156,977,718
Depreciation for the year	-	145,067	3,140,088	33,465,849	3,735,946	-	40,486,950
Disposals	-	-	-	(32,906,900)	(645,660)	-	(33,552,560)
Write off	-	-	-	(133,108)	(320,701)	-	(453,809)
Impairment loss	-	-	-	1,413,384	45,312	-	1,458,696
At 31 December 2011/1 January 2012:							
Accumulated depreciation	-	1,397,713	18,491,179	118,276,626	17,417,971	-	155,583,489
Accumulated impairment loss	-	-	-	8,778,613	554,893	-	9,333,506
	-	1,397,713	18,491,179	127,055,239	17,972,864	-	164,916,995

Notes to the Financial Statements (cont'd)

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

	Freehold land RM	Leasehold land RM	Buildings and factory improvements RM	Plant and equipment RM	Motor vehicles, office equipment, furniture and fixtures RM	Capital work-in-progress RM	Total RM
Depreciation and impairment loss (cont'd)							
Depreciation for the year	-	142,542	3,553,338	43,340,771	4,166,451	-	51,203,102
Disposals	-	(67,670)	(286,871)	(8,124,670)	(2,016,519)	-	(10,495,730)
Write off	-	-	(575,529)	(258,423)	(89,371)	-	(923,323)
Impairment loss	-	-	269,663	121,056	105,514	-	496,233
At 31 December 2012:							
Accumulated depreciation	-	1,472,585	21,182,117	155,963,825	19,517,636	-	198,136,163
Accumulated impairment losses	-	-	269,663	6,170,148	621,303	-	7,061,114
	-	1,472,585	21,451,780	162,133,973	20,138,939	-	205,197,277
Carrying amounts							
At 1 January 2011	6,025,188	6,294,411	32,979,346	116,724,270	9,667,288	131,622	171,822,125
At 31 December 2011/1 January 2012	6,025,188	6,149,344	32,324,134	74,699,652	7,938,267	527	127,137,112
At 31 December 2012	6,025,188	5,713,902	29,746,680	64,489,351	5,092,847	-	111,067,968

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

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 financial year ended 31 December 2012, certain product lines were at end of life position and accordingly, the Group has to assess the recoverable amount of a number of assets related to the production of those product lines. Based on the assessment, the recoverable value of the assets were lower than their carrying value, therefore, the carrying amount of the assets have been impaired by RM496,233 (2011 : RM1,458,696) .

The recoverable value was estimated based on the assets' value in use.

4. Investment property

	Note	Group RM
Cost		
At 1 January 2010/31 December 2010		12,839,566
At 1 January 2011/31 December 2011		12,839,566
At 1 January 2012/31 December 2012		12,839,566
Accumulated depreciation		
At 1 January 2011		3,936,812
Depreciation for the year	19	256,810
At 31 December 2011/1 January 2012		4,193,622
Depreciation for the year	19	256,810
At 31 December 2012		4,450,432
Carrying amounts		
At 1 January 2011		8,902,754
At 31 December 2011/1 January 2012		8,645,944
At 31 December 2012		8,389,134

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 RM13.0 million based on a valuation performed by an independent valuer in November 2012 based on an open market value basis.

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

	Group	
	31.12.2012 RM	31.12.2011 RM
Rental income	1,882,740	1,882,740
Direct operating expenses :		
- income generating investment property	<u>795,640</u>	<u>273,445</u>

5. Investments in subsidiaries

	Company		
	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
At cost :			
Unquoted shares	130,774,091	37,474,093	37,474,093
Share-based payments allocated to subsidiaries	2,605,875	1,939,148	1,277,641
Less : Impairment loss	(608,000)	(608,000)	(608,000)
	132,771,966	38,805,241	38,143,734

Details of subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Effective ownership interest			Principal activities
		31.12.2012	31.12.2011	1.1.2011	
Globetronics Sdn. Bhd	Malaysia	100%	100%	100%	Assembly and testing of integrated circuits, optoelectronic products and technical plating services
Globetronics Industries Sdn. Bhd.	Malaysia	100%	100%	100%	Manufacturing of LED lighting system
ISO Technology Sdn. Bhd.	Malaysia	100%	100%	100%	Manufacturing of small outline components and technical plating services for the semiconductor industry
Globetronics Multimedia Technology Sdn. Bhd.	Malaysia	100%	100%	100%	Provision of computer hardware and software, system solutions and consultations
Globetronics International Incorporated	British Virgin Islands	100%	100%	100%	Investment holding
Globetronics (KL) Sdn. Bhd.	Malaysia	100%	100%	100%	Provision of test and assembly of chip carrier quartz crystal products for the electronics industry
Globetronics Manufacturing Sdn. Bhd. (formerly known as Globetronics Distribution Sdn. Bhd.)	Malaysia	100%	100%	100%	Assembly of sensors and optical products for mobile and computer devices applications
Globetronics (HK) Limited *	Hong Kong	100%	100%	100%	Trading of electronics / semiconductor components

* Not audited by member firms of KPMG International

6. Investments in an associate

	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
Group			
At cost :			
Unquoted shares	784,000	784,000	784,000
Share of post-acquisition reserves	4,127,343	4,055,065	3,977,144
	<u>4,911,343</u>	<u>4,839,065</u>	<u>4,761,144</u>
Company			
At cost :			
Unquoted shares	<u>784,000</u>	<u>784,000</u>	<u>784,000</u>

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 before tax (100%) RM	Total assets (100%) RM	Total liabilities (100%) RM
31.12.2012						
Nippon Steel & Sumikin Globetronics Technology Sdn. Bhd. (Formerly known as SMCi Globetronics Technology Sdn. Bhd.)	Malaysia	49%	<u>22,614,827</u>	196,675	11,842,741	<u>1,704,756</u>
31.12.2011						
SMCi Globetronics Technology Sdn. Bhd.	Malaysia	49%	<u>21,014,976</u>	212,030	11,406,805	<u>1,410,325</u>
1.1.2011						
SMCi Globetronics Technology Sdn. Bhd.	Malaysia	49%	<u>27,893,900</u>	325,109	11,625,275	<u>1,838,826</u>

7. Other investments

	Shares ← Bonds/Funds →				
	Total	Outside Malaysia	In Malaysia	Outside Malaysia	
		Quoted	Quoted	Quoted	Unquoted
	RM	RM	RM	RM	RM
Group					
31.12.2012					
Non-current					
Available-for-sale financial assets	6,290,019	3,065,077	1,072,875	-	2,152,067
Representing items : At fair value	6,290,019	3,065,077	1,072,875	-	2,152,067
31.12.2011					
Non-current					
Available-for-sale financial assets	6,429,527	2,061,802	746,408	-	3,621,317
Representing items : At fair value	6,429,527	2,061,802	746,408	-	3,621,317
1.1.2011					
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
Company					
Non-current					
Available-for-sale financial assets		1,072,875	746,408		961,377
Representing items : At fair value		1,072,875	746,408		961,377

8. Trade and other receivables

	Note	31.12.2012	31.12.2011	1.1.2011
		RM	RM	RM
Group				
Trade				
Trade receivables		68,453,184	37,295,391	45,048,663
Non-trade				
Amount due from associate	8.1	52,062	48,594	80,226
Other receivables	8.2	537,148	607,760	3,076,231
Deposits		255,443	262,724	269,041
Prepayments		943,876	1,893,666	1,342,654
		1,788,529	2,812,744	4,768,152
		<u>70,241,713</u>	<u>40,108,135</u>	<u>49,816,815</u>
Company				
Non-trade				
Amount due from subsidiaries	8.3	11,837,549	104,330,165	103,483,038
Other receivables		17,406	22,273	29,243
Deposits		4,500	4,500	4,500
Prepayments		12,394	12,394	21,007
		11,871,849	104,369,332	103,537,788

8.1 Amount due from associate

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

8.2 Other receivables

Included in other receivables is an amount of RM Nil (31.12.2011 : RM Nil, 1.1.2011 : RM1,426,822) representing proceeds received from the buyer for the equity interest in a subsidiary.

8.3 Amount due from subsidiaries

The amount due from subsidiaries is unsecured, interest free and repayable on demand.

9. Inventories

	Group		
	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
At cost :			
Raw materials	10,322,334	5,123,376	6,886,520
Work-in-progress	3,038,995	2,518,612	3,099,222
Manufactured inventories	1,161,844	627,220	1,023,669
Consumables	2,045,289	3,091,038	3,424,758
Trading inventories	1,264,349	725,887	695,269
	<u>17,832,811</u>	<u>12,086,133</u>	<u>15,129,438</u>

10. Cash and cash equivalents

	Note	Group		
		31.12.2012	31.12.2011	1.1.2011
		RM	RM	RM
Group				
Funds placed with financial institutions:				
- Short term investment funds	10.1	41,810,778	46,288,986	12,658,250
- Short term deposits		30,333,982	18,864,943	12,249,401
Cash and bank balances		33,997,259	34,006,473	24,334,566
		<u>106,142,019</u>	<u>99,160,402</u>	<u>49,242,217</u>
Market value				
- Short term investment funds	10.1	42,032,000	46,508,000	12,811,000
Company				
Funds placed with financial institutions:				
- Short term investment funds	10.1	16,373,414	10,058,291	3,941,386
- Short term deposits		4,458,491	3,562,987	3,695,055
Cash and bank balances		395,720	304,554	306,858
		<u>21,227,625</u>	<u>13,925,832</u>	<u>7,943,299</u>
Market value				
- Short term investment funds	10.1	16,532,000	10,177,000	4,058,000

10. Cash and cash equivalents (cont'd)

Included in cash and cash equivalents of the Group and of the Company are amounts which earn interest as follows:

	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
Group			
Cash and cash equivalents	90,127,773	80,684,766	36,144,119
Interest at rates, per annum	0.07% - 5.46%	0.10% - 5.12%	0.10% - 4.64%
Company			
Cash and cash equivalents	20,977,869	13,854,895	7,817,178
Interest at rates, per annum	2.59% - 5.46%	2.37% - 5.12%	2.03% - 4.64%

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.

11. Share capital - Group and Company

	Number of Shares	Par Value	Amount
		RM	RM
Ordinary shares			
Authorised :			
Balance at 1 January 2011/ 31 December 2011/31 December 2012	1,000,000,000	0.50	500,000,000
Issued and fully paid :			
Balance at 1 January 2011	266,298,640	0.50	133,149,320
Exercise of ESOS III	1,281,600	0.50	640,800
Balance at 31 December 2011/1 January 2012	267,580,240	0.50	133,790,120
Exercise of ESOS III	4,690,700	0.50	2,345,350
Balance at 31 December 2012	272,270,940	0.50	136,135,470

During the year, the Company issued 4,690,700 new ordinary shares of RM0.50 each for cash arising from the exercise of employees' share options.

During the previous financial year, the Company issued 1,281,600 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.

12. Reserves

	Note	31.12.2012	31.12.2011	1.1.2011
		RM	RM	RM
Group				
Non-distributable				
Share premium		10,470,142	8,803,325	8,656,134
Translation reserve	12.1	(2,330,243)	(1,923,185)	(2,257,359)
Share option reserve	12.2	1,504,836	1,466,457	935,729
Capital redemption reserve		9,700	-	-
Fair value reserve	12.3	392,229	860,152	1,328,399
		<u>10,046,664</u>	<u>9,206,749</u>	<u>8,662,903</u>
Distributable				
Retained earnings		114,955,095	103,433,065	99,464,329
		<u>125,001,759</u>	<u>112,639,814</u>	<u>108,127,232</u>
Company				
Non-distributable				
Share premium		10,470,142	8,803,325	8,656,134
Share option reserve	12.2	1,504,836	1,466,457	935,729
Fair value reserve	12.3	77,062	41,859	22,528
		<u>12,052,040</u>	<u>10,311,641</u>	<u>9,614,391</u>
Distributable				
Retained earnings		19,051,469	12,900,300	7,182,603
		<u>31,103,509</u>	<u>23,211,941</u>	<u>16,796,994</u>

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 :

12.1 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations in the Company's net investment in a foreign operation.

12.2 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 16.

12.3 Fair value reserve

The fair value reserve comprises the cumulative net changes in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

13. Deferred tax (assets) / liabilities

Deferred tax assets and liabilities are attributable to the following :

	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
Property, plant and equipment			
- capital allowances	392,394	5,781,394	5,579,028
Provisions	(1,313,000)	(526,000)	(223,634)
	<u>(920,606)</u>	<u>5,255,394</u>	<u>5,355,394</u>

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:

	Recognised in the profit or loss		Recognised in the profit or loss		At 31.12.2012
	At 1.1.2011	(Note 23)	At 31.12.2011	(Note 23)	
	RM	RM	RM	RM	RM
Group					
Property, plant and equipment					
- capital allowances	5,579,028	202,366	5,781,394	(5,389,000)	392,394
Provisions	(223,634)	(302,366)	(526,000)	(787,000)	(1,313,000)
	<u>5,355,394</u>	<u>(100,000)</u>	<u>5,255,394</u>	<u>(6,176,000)</u>	<u>(920,606)</u>

Unrecognised deferred tax assets

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

	31.12.2012	31.12.2011
	RM	RM
Tax loss carry-forwards	(233,000)	(142,000)
Provisions	(337,863)	(330,637)
Property, plant and equipment		
- capital allowance	(1,247,145)	(2,304,684)
Unutilised investment tax allowance	(7,648,195)	(9,005,537)
Other deductible temporary differences	(155,000)	(158,000)
	<u>(9,621,203)</u>	<u>(11,940,858)</u>

The tax loss carry-forwards and unutilised investment tax 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 unutilised investment tax allowances available to the Group.

14. Deferred income

	Group	
	31.12.2012	31.12.2011
	RM	RM
Government grant :		
Balance at 1 January	174,256	970,533
Add: Addition during the year	1,370,551	-
Less : Amortised during the year (Note 19)	(1,158,464)	(796,277)
Balance at 31 December	<u>386,343</u>	<u>174,256</u>

15. Borrowings

	Group		
	31.12.2012	31.12.2011	1.1.2011
	RM	RM	RM
Non-current			
Secured term loan	-	-	2,121,792
Current			
Secured term loan	-	4,004,352	4,243,584
	<u>-</u>	<u>4,004,352</u>	<u>6,365,376</u>

The term loan was secured by a corporate guarantee from the Company.

16. 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 was 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
5 April 2011	889
29 September 2011	3,031
3 April 2012	845
1 October 2012	1,416

16. Employee benefits - Group (cont'd)

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 :

	2012		2011	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
ESOS III				
Outstanding at 1 January	0.80	10,950,200	0.70	9,482,400
Issued	1.33	2,261,350	0.94	3,946,500
Exercised	0.72	(4,690,700)	0.51	(1,281,600)
Forfeited	0.91	(865,900)	0.84	(1,197,100)
Outstanding at 31 December	0.99	<u>7,654,950</u>	0.80	<u>10,950,200</u>
Exercisable at 31 December	1.17	<u>2,893,138</u>	0.92	<u>3,110,332</u>

The options outstanding at 31 December 2012 have an exercise price of RM0.51, RM0.80, RM1.52, RM1.09, RM1.08, RM0.90, RM1.10 and RM1.46 respectively and a weighted contractual life of 2 years.

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	
	2012	2011	2012	2011
Fair value of share option and assumptions				
Fair value at grant date	<u>0.2305</u>	0.1646	<u>0.2175 - 0.2305</u>	0.1646 - 0.1705
Weighted average share price	1.46	0.90	1.10 & 1.46	0.90 & 1.08
Exercise price	1.46	0.90	1.10 & 1.46	0.90 & 1.08
Expected volatility (weighted average volatility)	33.07%	33.07%	33.07%	33.07%
Option life (expected weighted average life)	2 years	3 years	2 years	3 years
Expected dividends	7.53%	9.14%	10% & 7.53%	7.87% & 9.14%
Risk-free interest rate (based on Malaysian government bonds)	3.12%	3.12%	3.12%	3.12%

Value of employee services received for issue of share options

16. Employee benefits - Group (cont'd)

	Group	
	2012 RM	2011 RM
Share options granted in 2009	108,417	179,575
Share options granted in 2010	57,696	95,833
Share options granted in 2011	138,039	386,099
Share options granted in 2012	362,575	-
Total expense recognised as share-based payments	<u>666,727</u>	<u>661,507</u>

17. Trade and other payables

	Note	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Group				
Trade				
Trade payables		25,846,618	12,357,303	17,049,307
Non-trade				
Other payables	17.1	17,978,042	14,932,007	20,271,728
Accruals		15,293,619	11,143,351	11,876,534
		<u>33,271,661</u>	<u>26,075,358</u>	<u>32,148,262</u>
		<u>59,118,279</u>	<u>38,432,661</u>	<u>49,197,569</u>
Company				
Non-trade				
Amount due to subsidiaries	17.2	-	1,107,000	867,000
Accruals		515,541	545,360	554,084
		<u>515,541</u>	<u>1,652,360</u>	<u>1,421,084</u>
		<u>515,541</u>	<u>1,652,360</u>	<u>1,421,084</u>

17.1 Other payables

Included in other payables is an amount of RM550,000 (31.12.2011 : RM550,000; 1.1.2011 : 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.

17.2 Amount due to subsidiaries

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

18. Revenue

	2012	2011
	RM	RM
Group		
Sales of goods	287,320,329	262,793,213
Services	1,952,003	1,787,649
Dividends	31,251	28,776
Interest income	703,583	409,054
	<u>290,007,166</u>	<u>265,018,692</u>
Company		
Dividends	37,201,950	28,368,400
Interest income	589,408	349,797
	<u>37,791,358</u>	<u>28,718,197</u>

19. Profit before tax

Profit before tax is arrived at after charging :

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Auditors' remuneration:				
Statutory audit				
- KPMG	118,500	86,300	15,000	12,000
- Other auditors	6,405	3,345	-	-
Other services				
- KPMG	24,600	9,900	6,600	3,900
Depreciation of property, plant and equipment (Note 3)	51,203,102	40,486,950	-	-
Depreciation of investment property (Note 4)	256,810	256,810	-	-
Directors' emoluments				
Directors of the Company				
- fees	823,000	795,166	453,000	460,583
- others	4,674,150	3,744,000	-	-
Other Directors				
- fees	80,000	73,000	-	-
- others	440,736	380,052	-	-
Impairment loss :				
- Plant and equipment (Note 3)	496,233	1,458,696	-	-
Bad debt written off	915,000	-	-	-
Rental of office equipment	518,047	316,081	-	-
Rental of premises	653,039	627,683	-	-
Plant and equipment written off	2,800	159,721	-	-
Loss on foreign exchange				
- Realised	138,690	-	-	24,380
- Unrealised	127,205	-	852,212	-
Research and development expenditure	4,181	761,617	-	-
Loss on disposal of other investments	-	-	-	28,893
and crediting :				
Gain on disposal of plant and equipment	7,768,698	1,270,994	-	-
Gross dividends from subsidiaries	-	-	37,201,950	28,368,400
Gain on disposal of other investments	894,235	57,883	-	-
Interest income	2,359,869	1,584,894	589,408	349,797
Reversal of impairment loss on trade receivables	273,712	226,288	-	-
Amortisation of deferred income (Note 14)	1,158,464	796,277	-	-
Gain on foreign exchange				
- Unrealised	-	451,893	-	673,191
- Realised	-	837,798	-	-
Inventories written back	296,867	20,264	-	-

20. Employee information

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Staff costs (including Executive Directors)	69,375,426	59,900,338	-	-

- i) The estimated monetary value of Directors' benefits-in-kind of the Group is RM51,950 (2011 : RM51,950).
- ii) Staff costs include contributions to the Employees' Provident Fund of RM3,061,160 (2011 : RM3,154,060).
- iii) Staff costs include share-based payments of RM666,727 (2011 : RM661,507).

21. Key management personnel compensation

The key management personnel compensation is as follows :

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Directors				
- Fees	903,000	868,166	453,000	460,583
- Remuneration	4,354,832	3,539,300	-	-
- Other short term employee benefits (including estimated monetary value of benefits-in-kind)	812,004	636,702	-	-
Total short-term employee benefits	6,069,836	5,044,168	453,000	460,583
- Share-based payment	83,053	127,346	-	-
	6,152,889	5,171,514	453,000	460,583

22. Financing costs

	Group	
	2012	2011
	RM	RM
Interest expense on term loan	20,383	96,018

23. Income tax expense

Recognised in the profit or loss

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Income tax expense on continuing operations	6,998,137	3,556,069	31,003	7,192
Share of tax of equity accounted associate	24,093	25,974	-	-
Total income tax expense	<u>7,022,230</u>	<u>3,582,043</u>	<u>31,003</u>	<u>7,192</u>

Major components of tax expense include :

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Current tax expense				
<i>Malaysian</i>				
- Current year	11,170,897	5,246,476	33,600	33,600
- Prior year	2,003,240	(1,590,407)	(2,597)	(26,408)
Total current tax recognised in the profit or loss	<u>13,174,137</u>	<u>3,656,069</u>	<u>31,003</u>	<u>7,192</u>
Deferred tax expense				
Origination and reversal of temporary differences	(2,920,000)	(100,000)	-	-
Prior year	(3,256,000)	-	-	-
Total deferred tax recognised in the profit or loss	<u>(6,176,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>
	<u>6,998,137</u>	<u>3,556,069</u>	<u>31,003</u>	<u>7,192</u>
Share of tax of equity accounted associate	24,093	25,974	-	-
Total income tax expense	<u>7,022,230</u>	<u>3,582,043</u>	<u>31,003</u>	<u>7,192</u>

Reconciliation of effective tax expense

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Profit for the year	41,345,245	26,692,560	35,964,684	28,441,521
Total income tax expense	7,022,230	3,582,043	31,003	7,192
Profit excluding tax	<u>48,367,475</u>	<u>30,274,603</u>	<u>35,995,687</u>	<u>28,448,713</u>

23. Income tax expense**Reconciliation of effective tax expense (cont'd)**

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Income tax calculated using Malaysian tax rate of 25% (2011 : 25%)	12,091,869	7,568,651	8,998,922	7,112,178
Non-deductible expenses	1,455,642	610,520	446,784	66,584
Non-taxable income	(387,841)	(216,300)	-	-
Tax exempt income	(807,746)	(260,243)	(9,413,548)	(7,147,848)
Tax incentives	(1,823,026)	(2,720,523)	-	-
Effect of deferred tax assets not recognised	(2,319,655)	63,027	-	-
Other items	65,747	127,318	1,442	2,686
	8,274,990	5,172,450	33,600	33,600
Over provided in prior years	(1,252,760)	(1,590,407)	(2,597)	(26,408)
Tax expense	7,022,230	3,582,043	31,003	7,192

24. Dividends

Dividends recognised in the current year by the Company are :

	Sen per share (net of tax)	Total amount RM	Date of payment
2012			
Final payment for 2011	2.00	5,404,887	10 July 2012
First interim 2012 ordinary	2.00	5,358,104	28 March 2012
Second interim 2012 ordinary	7.00	19,050,524	10 November 2012
Total amount		<u>29,813,515</u>	
2011			
Final payment for 2010	2.00	5,349,537	6 July 2011
First interim 2011 ordinary	1.50	3,995,715	6 April 2011
Second interim 2011 ordinary	5.00	13,378,572	1 November 2011
Total amount		<u>22,723,824</u>	

	Group/Company	
	2012 RM	2011 RM
Net dividend per ordinary share (sen)	<u>12.0</u>	<u>8.5</u>

A final and special single tier dividend of 3.0 sen per share has been recommended by the Directors. This dividend will be recognised in subsequent financial year upon approval by the shareholders of the Company.

The net dividend per ordinary share as disclosed above take into account the total interim and final dividend declared for the financial year.

25. Other comprehensive income

	Before tax RM	Tax (expense)/ benefit RM	Net of tax RM
Items that may be reclassified subsequently to profit or loss			
Group			
2012			
Foreign currency translation differences for foreign operations	(407,058)	-	(407,058)
Fair value of available-for-sale financial assets	(467,923)	-	(467,923)
	<u>(874,981)</u>	<u>-</u>	<u>(874,981)</u>
2011			
Foreign currency translation differences for foreign operations	334,174	-	334,174
Fair value of available-for-sale financial assets	(468,247)	-	(468,247)
	<u>(134,073)</u>	<u>-</u>	<u>(134,073)</u>
Items that may be reclassified subsequently to profit or loss			
Company			
2012			
Fair value of available-for-sale financial assets	<u>35,203</u>	<u>-</u>	<u>35,203</u>
2011			
Fair value of available-for-sale financial assets	<u>19,331</u>	<u>-</u>	<u>19,331</u>

26. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the year ended 31 December 2012 is based on profit attributable to the ordinary shareholders of RM41,345,245 (2011 : RM26,692,560) and on the weighted average number of ordinary shares outstanding during the year of RM270,075,318 (2011 : RM267,123,942) calculated as follows :

	Group	
	2012 RM	2011 RM
Issued ordinary shares at beginning of year	267,580,240	266,298,640
Effect of shares issued during the year	2,495,078	825,302
Weighted average number of ordinary shares	<u>270,075,318</u>	<u>267,123,942</u>

26. Earnings per ordinary share (cont'd)

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at 31 December 2012 is based on profit attributable to the shareholders of RM41,345,245 (2011 : RM26,692,560) and on the weighted average number of ordinary shares outstanding during the year of RM270,439,455 (2011 : RM267,559,324) calculated as follows :

	Group	
	2012	2011
Weighted average number of shares as above	270,075,318	267,123,942
Effect of ESOS III	364,137	435,382
Weighted average number of ordinary shares (diluted)	<u>270,439,455</u>	<u>267,559,324</u>

27. Capital commitments - Group

	2012	2011
	RM	RM
Property, plant and equipment		
Contracted but not provided for	<u>3,732,133</u>	<u>2,171,395</u>

28. Operating segment

The Group has one operating segment comprises manufacture, assembly, testing and sales of integrated circuits, chip carrier quartz crystal products, optoelectronic products, printed circuit boards, small outline components and technical plating services for the semiconductor and electronics industries. Accordingly, information by operating segment on the Group's operation 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.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets.

Geographical information

	Malaysia	United States	People's Republic of China	Singapore	Others	Consolidated
	RM	RM	RM	RM	RM	RM
2012						
Revenue from external customers	214,001,189	20,051,261	3,224,966	52,584,325	145,425	290,007,166
Non-current assets	<u>125,669,529</u>	-	-	-	4,988,935	<u>130,658,464</u>
2011						
Revenue from external customers	197,390,796	33,735,369	9,791,204	23,962,064	139,259	265,018,692
Non-current assets	<u>141,596,740</u>	-	-	-	5,454,908	<u>147,051,648</u>

28. Operating segment (cont'd)

Major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue :

	2012	2011
	RM	RM
Customers A	77,048,549	75,537,056
Customers B	47,742,297	48,123,114
Customers C	33,536,368	*
Customers D	33,428,937	*
Customers E	*	40,596,396
Customers F	*	34,475,287

* The revenue for these customers does not equal or more than 10% of the Group's total revenue.

29. 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.

29.1 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

29. Related parties (cont'd)

Identity of related parties (cont'd)

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

	2012	2011
	RM	RM
Group		
i) Transactions with an associate <i>Nippon Steel & Sumikin Globetronics Technology Sdn. Bhd.</i> <i>(Formerly known as SMCi Globetronics Technology Sdn. Bhd.)</i>		
Sales	18,256	103,939
Rental of premises	1,882,740	1,882,740
Provision of management support services	192,000	192,000
	<u>192,000</u>	<u>192,000</u>
Company		
i) Transactions with subsidiaries		
<i>Globetronics Sdn. Bhd.</i>		
Allocation of employee share option	405,993	434,242
Dividend receivable	18,076,950	16,068,400
Management fee expenses	276,000	240,000
<i>Globetronics Multimedia Technology Sdn. Bhd.</i>		
Allocation of employee share option	25,424	26,332
Dividend receivable	-	300,000
<i>ISO Technology Sdn. Bhd.</i>		
Allocation of employee share option	183,614	151,219
Dividend receivable	18,000,000	12,000,000
<i>Globetronics Industries Sdn. Bhd.</i>		
Intra-group transfer of employee share option	3,137	19,643
Dividend receivable	625,000	-
<i>Globetronics (KL) Sdn. Bhd.</i>		
Allocation of employee share option	21,219	30,071
<i>Globetronics Manufacturing Sdn. Bhd.</i>		
Allocation of employee share option	33,614	-
Dividend receivable	500,000	-
	<u>500,000</u>	<u>-</u>

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 Directors and key management personnel of the Group as disclosed in the Directors' Report of the Company and its related companies.

30. Financial instruments

30.1 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”); and
- (c) Financial liabilities measured at amortised cost (“FL”).

	Carrying amount	L&R	AFS
	RM	RM	RM
Group			
31.12.2012			
Financial assets			
Other investments	6,290,019	-	6,290,019
Trade and other receivables (exclude prepayments and deposits)	69,042,394	69,042,394	-
Cash and cash equivalents	106,142,019	106,142,019	-
	<u>181,474,432</u>	<u>175,184,413</u>	<u>6,290,019</u>
Group			
31.12.2011			
Financial assets			
Other investments	6,429,527	-	6,429,527
Trade and other receivables (exclude prepayments and deposits)	37,951,745	37,951,745	-
Cash and cash equivalents	99,160,402	99,160,402	-
	<u>143,541,674</u>	<u>137,112,147</u>	<u>6,429,527</u>
Group			
1.1.2011			
Financial assets			
Other investments	6,381,303	-	6,381,303
Trade and other receivables (exclude prepayments and deposits)	48,205,120	48,205,120	-
Cash and cash equivalents	49,242,217	49,242,217	-
	<u>103,828,640</u>	<u>97,447,337</u>	<u>6,381,303</u>

30. Financial instruments (cont'd)

30.1 Categories of financial instruments (cont'd)

	Carrying amount	L&R	AFS
	RM	RM	RM
Company			
31.12.2012			
Financial assets			
Other investments	1,072,875	-	1,072,875
Trade and other receivables (exclude prepayments and deposits)	11,854,955	11,854,955	-
Cash and cash equivalents	21,227,625	21,227,625	-
	<u>34,155,455</u>	<u>33,082,580</u>	<u>1,072,875</u>
Company			
31.12.2011			
Financial assets			
Other investments	746,408	-	746,408
Trade and other receivables (exclude prepayments and deposits)	104,352,438	104,352,438	-
Cash and cash equivalents	13,925,832	13,925,832	-
	<u>119,024,678</u>	<u>118,278,270</u>	<u>746,408</u>
1.1.2011			
Financial assets			
Other investments	961,377	-	961,377
Trade and other receivables (exclude prepayments and deposits)	103,512,281	103,512,281	-
Cash and cash equivalents	7,943,299	7,943,299	-
	<u>112,416,957</u>	<u>111,455,580</u>	<u>961,377</u>

	Carrying amount	L&R
	RM	RM
31.12.2012		
Financial liabilities		
Group		
Trade and other payables	<u>59,118,279</u>	<u>59,118,279</u>
Company		
Trade and other payables	<u>515,541</u>	<u>515,541</u>
31.12.2011		
Financial liabilities		
Group		
Trade and other payables	38,432,661	38,432,661
Borrowings	4,004,352	4,004,352
	<u>42,437,013</u>	<u>42,437,013</u>
Company		
Trade and other payables	<u>1,652,360</u>	<u>1,652,360</u>
1.1.2011		
Financial liabilities		
Group		
Trade and other payables	49,197,569	49,197,569
Borrowings	6,365,376	6,365,376
	<u>55,562,945</u>	<u>55,562,945</u>
Company		
Trade and other payables	<u>1,421,084</u>	<u>1,421,084</u>

30. Financial instruments (cont'd)

30.2 Net gains and losses arising from financial instruments:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Net (loss)/gain arising on :				
Available-for-sale financial assets				
- recognised in other comprehensive income	(528,788)	(468,247)	35,203	19,331
- reclassified from equity to profit or loss	60,865	-	-	-
- gain/(loss) on disposal of other investment	894,235	57,883	-	(28,893)
- Loans and receivables	1,718,581	1,811,182	589,408	349,797
- Finance liabilities measured at amortised cost	(20,383)	(96,018)	-	-

30.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

30.4 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, investment in securities and financial guarantees given to banks for credit facilities granted to a subsidiary.

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 year, 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 year by geographic region was:

	Group			Company		
	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Domestic	39,321,639	30,533,774	40,340,778	17,406	22,273	29,243
Asia Pacific	26,045,983	2,471,986	6,757,511	-	-	-
U.S.A	3,139,336	4,945,985	1,106,831	-	-	-
Others	535,436	-	-	-	-	-
	69,042,394	37,951,745	48,205,120	17,406	22,273	29,243

30. Financial instruments (cont'd)

30.4 Credit risk (cont'd)

Receivables (cont'd)

Impairment losses

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

	Gross	Individual impairment	Collective impairment	Net
	RM	RM	RM	RM
Group				
31.12.2012				
Not past due	61,473,687	-	-	61,473,687
Past due 1-30 days	6,594,277	-	-	6,594,277
Past due 31-60 days	481,138	-	-	481,138
Past due more than 60 days	752,559	(259,267)	-	493,292
	<u>69,301,661</u>	<u>(259,267)</u>	<u>-</u>	<u>69,042,394</u>
31.12.2011				
Not past due	32,300,087	-	-	32,300,087
Past due 1-30 days	5,684,491	(52,087)	-	5,632,404
Past due 31-60 days	19,254	-	-	19,254
Past due more than 60 days	480,892	(480,892)	-	-
	<u>38,484,724</u>	<u>(532,979)</u>	<u>-</u>	<u>37,951,745</u>
1.1.2011				
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)	-	-
	<u>48,964,387</u>	<u>(759,267)</u>	<u>-</u>	<u>48,205,120</u>

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

	Group	
	31.12.2012	31.12.2011
	RM	RM
At 1 January	(532,979)	(759,267)
Impairment loss reversed	273,712	226,288
At 31 December	<u>(259,267)</u>	<u>(532,979)</u>

At 31 December 2012, a significant individual impairment loss of RM259,267 relates to customers that were facing financial difficulties with cash flow constraint. 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.

30. Financial instruments (cont'd)

30.4 Credit risk (cont'd)

Receivables (cont'd)

Exposure to credit risk, credit quality and collateral

At the end of the reporting year, 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.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM Nil (2011: RM4.0 million) representing the outstanding banking facilities of the subsidiary as at the end of the reporting year.

As at the end of the reporting year, there was no indication that the 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 year, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

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

Impairment losses

As at the end of the reporting year, 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 are not overdue.

30.5 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 and borrowings.

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

Notes to the Financial Statements (cont'd)

30. Financial instruments (cont'd)

30.5 Liquidity risk (cont'd)

Maturity analysis

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

	Carrying amount	Contractual interest rate	Contractual cash flows	Under 1 year	1-2 years	2-5 years	More than
	RM	%	RM	RM	RM	RM	RM
Group							
31.12.2012							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	59,118,279	-	59,118,279	59,118,279	-	-	-
31.12.2011							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	38,432,661	-	38,432,661	38,432,661	-	-	-
Borrowings	4,004,352	1%	4,070,795	4,070,795	-	-	-
	42,437,013		42,503,456	42,503,456	-	-	-
1.1.2011							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	49,197,569	-	49,197,569	49,197,569	-	-	-
Borrowings	6,365,376	1%	6,470,995	4,326,217	2,144,778	-	-
	55,562,945		55,668,564	53,523,786	2,144,778	-	-
Company							
31.12.2012							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	515,541	-	515,541	515,541	-	-	-
31.12.2011							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	1,652,360	-	1,652,360	1,652,360	-	-	-
1.1.2011							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	1,421,084	-	1,421,084	1,421,084	-	-	-

30. Financial instruments (cont'd)

30.6 Market risk

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

30.6.1 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)*.

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 year was:

	Denominated in
	USD RM
Group	
31.12.2012	
Cash and cash equivalents	11,857,886
Trade receivables	20,757,333
Trade payables	(5,083,241)
Borrowings	-
Exposure in the statement of financial position	<u>27,531,978</u>
Group	
31.12.2011	
Cash and cash equivalents	10,770,910
Trade receivables	11,026,558
Trade payables	(4,789,350)
Borrowings	(4,004,352)
Exposure in the statement of financial position	<u>13,003,766</u>
Group	
1.1.2011	
Cash and cash equivalents	10,773,012
Trade receivables	19,402,718
Trade payables	(6,751,597)
Borrowings	(6,365,376)
Exposure in the statement of financial position	<u>17,058,757</u>

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 year 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	
31.12.2012	
USD	<u>1,032,449</u>
Group	
31.12.2011	
USD	<u>487,641</u>
Group	
1.1.2011	
USD	<u>639,703</u>

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

30. Financial instruments (cont'd)

30.6 Market risk (cont'd)

30.6.2 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 and interest-earning financial instruments, based on carrying amounts as at the end of the reporting year was:

	Group			Company		
	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Fixed rate instruments						
Financial assets						
Quoted bond funds	1,072,875	746,408	961,377	1,072,875	746,408	961,377
Quoted bonds outside Malaysia	-	-	208,515	-	-	-
Unquoted bonds funds investments and fixed income funds outside Malaysia	2,152,067	3,621,317	2,959,147	-	-	-
Cash and cash equivalents	90,127,773	80,684,766	36,144,119	20,977,869	13,854,895	7,817,178
	<u>93,352,715</u>	<u>85,052,491</u>	<u>40,273,158</u>	<u>22,050,744</u>	<u>14,601,303</u>	<u>8,778,555</u>
Floating rate instruments						
Financial liabilities						
Borrowings	-	4,004,352	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 year 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 year would have increased/(decreased) post tax profit or loss by RM Nil (31.12.2011 : RM15,016; 1.1.2011 : RM23,870). This analysis assumes that all other variables, in particular foreign currency rates remain constant.

30.6.3 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

This 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 year would not affect profit or loss.

30. Financial instruments (cont'd)

30.7 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.

The fair value of other financial assets and liabilities, together with the carrying amount shown in the statement of financial position, are as follows:

Group	31.12.2012		31.12.2011		1.1.2011	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Financial assets						
In Malaysia :						
- Quoted bond funds	1,072,875	1,073,875	746,408	746,408	961,377	961,377
Outside Malaysia :						
- Quoted bonds	-	-	-	-	208,515	208,515
- Quoted shares	3,065,077	3,065,077	2,061,802	2,061,802	2,252,264	2,252,264
- Unquoted bond funds investments	2,152,067	2,152,067	3,621,317	3,621,317	2,175,445	2,175,445
- Fixed income fund	-	-	-	-	783,702	783,702
	6,290,019	6,290,019	6,429,527	6,429,527	6,381,303	6,381,303
Financial liability						
- Borrowings – term loan	-	-	4,004,352	4,004,352	6,365,376	6,365,376
Company						
Financial assets						
- Quoted bond funds	1,072,875	1,072,875	746,408	746,408	961,377	961,377

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 year. 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 year.

30.7.1 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows :

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30. Financial instruments (cont'd)

30.7 Fair value of financial instruments (cont'd)

30.7.1 Fair value hierarchy (cont'd)

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
Group				
31.12.2012				
Financial assets				
In Malaysia :				
- Quoted bond funds	-	1,072,875	-	1,072,875
Outside Malaysia :				
- Quoted shares	3,065,077	-	-	3,065,077
- Unquoted bond funds investments	-	2,152,067	-	2,152,067
	<u>3,065,077</u>	<u>3,224,942</u>	<u>-</u>	<u>6,290,019</u>
Company				
31.12.2012				
Financial assets				
In Malaysia :				
- Quoted bond funds	-	1,072,875	-	1,072,875
Group				
31.12.2011				
Financial assets				
In Malaysia :				
- Quoted bond funds	-	746,408	-	746,408
Outside Malaysia :				
- Quoted shares	2,061,802	-	-	2,061,802
- Unquoted bond funds investments	-	3,621,317	-	3,621,317
	<u>2,061,802</u>	<u>4,367,725</u>	<u>-</u>	<u>6,429,527</u>
Company				
31.12.2011				
Financial assets				
In Malaysia :				
- Quoted bond funds	-	746,408	-	746,408

31. 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.

32. Explanation of transition to MFRSs

As stated in Note 1(a), these are the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

The accounting policies set out in Note 2 have been applied in preparing the financial statements of the Company for the financial year ended 31 December 2012, the comparative information presented in these financial statements for the financial year ended 31 December 2011 and in the preparation of the opening MFRS statement of financial position at 1 January 2011 (the Group's date of transition to MFRSs).

The transition to MFRSs does not have financial impact to the separate financial statements of the Group and of the Company.

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

The breakdown of the retained earnings of the Group and of the Company as at 31 December, into realised and unrealised profits, pursuant to the paragraph 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows :

	2012		2011	
	Group RM	Company RM	Group RM	Company RM
Total retained earnings of the Company and its subsidiaries :				
- realised	109,521,713	19,903,681	104,147,903	12,227,109
- unrealised	1,334,536	(852,212)	(3,888,825)	673,191
	110,856,249	19,051,469	100,259,078	12,900,300
Add : Consolidation adjustments	4,098,846	-	3,173,987	-
Total retained earnings	114,955,095	19,051,469	103,433,065	12,900,300

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.

Statement by Directors

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

In the opinion of the Directors, the financial statements set out on pages 39 to 98 are drawn up in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia and with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2012 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 33 on page 98 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 : 8 April 2013

Statutory Declaration

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

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 39 to 98 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 above named in Georgetown in the State of Penang on 8 April 2013.

.....
Ng Kok Choon

Before me :

Independent Auditors' Report

TO THE MEMBERS OF GLOBETRONICS TECHNOLOGY BHD

Report on the Financial Statements

We have audited the financial statements of Globetronics Technology Bhd., which comprise the statements of financial position as at 31 December 2012 of the Group and of the Company, and the statements 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 information, as set out on pages 39 to 98.

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 Malaysian Financial Reporting Standards, International Financial Reporting Standards and requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such, internal control as the Directors determine is 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 the 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 give a true and fair view of the financial position of the Group and of the Company as of 31 December 2012 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act, 1965 in Malaysia.

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 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 a subsidiary 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 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 report of the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Independent Auditors' Report (cont'd)

TO THE MEMBERS OF GLOBETRONICS TECHNOLOGY BHD

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 33 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Malaysian Financial Reporting Standards or International Financial Reporting Standards. 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 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.

Other Matters

As stated in Note 1(a) to the financial statements, Globetronics Technology Bhd. adopted Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011, and the statements of comprehensive income, changes in equity and cash flows for the year ended 31 December 2011 and related disclosures. We were not engaged to report on the comparative information that is prepared in accordance with MFRS and IFRS, and hence it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the year ended 31 December 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 31 December 2012 and financial performance and cash flows for the year then ended.

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
1857/02/14 (J)
Chartered Accountant

Date : 8 April 2013

Penang,

Statistics on Shareholdings

AS AT 29 MARCH 2013

Analysis by size of holding

Authorised share capital	: RM500,000,000
Issued and paid-up capital	: RM136,767,520
Class of shares	: ordinary shares of RM0.50 Each
Voting right	: one vote per ordinary share

	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
Less than 100	141	2.167	5,561	0.002
100 - 1,000	1,411	21.681	961,877	0.352
1,001 - 10,000	3,649	56.069	15,488,831	5.662
10,001 - 100,000	1,085	16.672	31,726,313	11.599
100,001 - 13,676,751	219	3.365	131,936,182	48.234
13,676,752 and above	3	0.046	93,416,276	34.151
GRAND TOTAL	6,508	100.000	273,535,040	100.000

Statistics on Shareholdings (cont'd)

AS AT 29 MARCH 2013

Top 30 Shareholders - Consolidated

	Name	Number of Shares	% of Shares
1	WISERITE SDN. BHD.	50,337,868	18.403
2	LEMBAGA TABUNG HAJI	22,598,000	8.261
3	GENERAL PRODUCE AGENCY SDN. BERHAD	20,480,408	7.487
4	NG KWENG CHONG HOLDINGS SDN BHD	10,152,524	3.712
5	GLENCARE SDN. BHD.	8,310,073	3.038
6	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (NORGES BK)	7,469,100	2.731
7	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	3,980,000	1.455
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AMERICAN INTERNATIONAL ASSURANCE BERHAD	2,898,000	1.059
9	CARTABAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR EASTSPRING INVESTMENTS BERHAD	2,643,700	0.966
10	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR LIM CHIEN CH'ENG (PBCL-0G0010)	2,584,000	0.945
11	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG SILING (CEB)	2,500,000	0.914
12	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LBF)	2,350,300	0.859
13	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG YONG KEAT	2,345,800	0.858
14	ADDEEN CONSULTANCY & MANAGEMENT SDN.BHD	2,243,900	0.820
15	NG KWENG CHONG	2,124,871	0.777
16	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	1,817,500	0.664
17	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	1,669,600	0.610
18	TANG CHUN YONG	1,500,000	0.548
19	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MAAKL AL-FAUZAN (5170)	1,478,800	0.541
20	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD CIMB-PRINCIPAL BALANCED INCOME FUND	1,471,600	0.538

Statistics on Shareholdings (cont'd)

AS AT 29 MARCH 2013

Top 30 Shareholders - Consolidated (cont'd)

	Name	Number of Shares	% of Shares
21	ENGEE HOLDINGS SENDIRIAN BERHAD	1,404,762	0.514
22	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ZURICH INSURANCE MALAYSIA BERHAD (DANA MAS MAJU)	1,391,600	0.509
23	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD MIDF AMANAH ASSET MANAGEMENT BERHAD FOR TAKAFUL IKHLAS SDN BHD (JS487)	1,250,000	0.457
24	CITIGROUP NOMINEES (ASING) SDN BHD CIPLC FOR PHEIM SICAV-SIF	1,200,000	0.439
25	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (SHF)	1,167,320	0.427
26	HENG HUCK LEE	1,137,200	0.416
27	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD CIMB ISLAMIC SMALL CAP FUND	1,134,100	0.415
28	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR HWANG AIIMAN GROWTH FUND (4207)	1,100,000	0.402
29	LIM SEAT TING	1,058,520	0.387
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR CIMB ISLAMIC BALANCED GROWTH FUND(230122)	1,018,700	0.372
	TOTAL	162,818,246	59.524

Statistics on Shareholdings (cont'd)

AS AT 29 MARCH 2013

Substantial Shareholdings as at 29 March 2013

Substantial Shareholders	No. of ordinary shares of RM0.50 each held			
	Direct Interest	%	Indirect Interest	%
Ng Kweng Chong	2,124,871	0.78	70,075,485 ^{N1}	25.62
Gooi Mei Hoon	902,000	0.33	68,800,465 ^{N2}	25.15
Ng Kweng Chong Holdings Sendirian Berhad	10,152,524	3.71	58,647,941 ^{N3}	21.44
General Produce Agency Sdn Bhd	20,480,408	7.49	58,647,941 ^{N3}	21.44
Malaysian Technology Development Corporation Sdn Bhd	121,199	0.04	58,647,941 ^{N3}	21.44
Wiserite Sdn Bhd	50,337,868	18.40	8,310,073 ^{N4}	3.04
Lembaga Tabung Haji	22,892,000	8.37	-	-

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 Sendirian Berhad of 10,152,524 ordinary shares in GTB, Wiserite Sdn Bhd of 50,337,868 ordinary shares in GTB and Glencare Sdn Bhd of 8,310,073 ordinary shares in GTB.
- (N2) Deemed interested by virtue of Section 6A of the Companies Act, 1965 held through Ng Kweng Chong Holdings Sendirian Berhad of 10,152,524 ordinary shares in GTB, Wiserite Sdn Bhd of 50,337,868 ordinary shares in GTB and Glencare Sdn Bhd of 8,310,073 ordinary shares in GTB.
- (N3) Deemed interested by virtue of Section 6A of the Companies Act, 1965 held through Wiserite Sdn Bhd of 50,337,868 ordinary shares in GTB and Glencare Sdn Bhd of 8,310,073 ordinary shares in GTB.
- (N4) Deemed interested by virtue of Section 6A of the Companies Act, 1965 held through Glencare Sdn Bhd of 8,310,073 ordinary shares in GTB.

Statistics on Shareholdings (cont'd)

AS AT 29 MARCH 2013

Directors' Shareholdings as at 29 March 2013

Substantial Shareholders	No. of ordinary shares of RM0.50 each held			
	Direct Interest	%	Indirect Interest	%
Ng Kweng Chong	2,124,871	0.78	70,075,485 ^{N1} 23,200 ^{N5}	25.62 0.01
Heng Huck Lee	2,116,900	0.77	-	-
Dato' Ng Kweng Moh	-	-	1,455,682 ^{N2} 5,000 ^{N5}	0.53 -
Ng Kweng Tong	111,400	0.04	15,200 ^{N4} 94,200 ^{N5}	0.01 0.03
Ng Kok Khuan	40,000	0.01	8,345,713 ^{N3}	3.05
Diong Chin Teck	40,000	0.01	-	-
Dato' Norhalim Bin Yunus	-	-	-	-
Dato' Syed Mohamad Bin Syed Murtaza	-	-	-	-
Datuk Iskandar Mizal Bin Mahmood	-	-	-	-
Yeow Teck Chai	72,800	0.03	388,744 ^{N4} 2,000 ^{N5}	0.14 -

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 Sendirian Berhad of 10,152,524 ordinary shares in GTB, Wiserite Sdn Bhd of 50,337,868 ordinary shares in GTB and Glencare Sdn Bhd of 8,310,073 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 8,310,073 ordinary shares in GTB.
- (N4) Deemed interested by virtue of his spouse's direct interest in GTB.
- (N5) Held in the name of child/children and treated as interest of the director in accordance with Section 134(12)(c) of the Companies Act, 1965

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixteenth 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, 15 May 2013 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 2012 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 resolutions in accordance with Section 129(6) of the Companies Act, 1965 :	
	“That Dato’ Ng Kweng Moh, 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
	“That Mr. Ng Kweng Tong, 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 2
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) Mr. Ng Kweng Chong	Resolution 3
	ii) Mr. Heng Huck Lee	Resolution 4
4.	To re-elect the following directors who retire in accordance with Article 87 of the Company’s Articles of Association and who, being eligible, offer themselves for re-election :	
	i) Datuk Iskandar Mizal Bin Mahmood	Resolution 5
	ii) Mr. Yeow Teck Chai	Resolution 6
5.	To approve the increase in directors’ fees and the payment of directors’ fees for the financial year ended 31 December 2012.	Resolution 7
6.	To approve the payment of a Single Tier Final Dividend of 4% per ordinary share of RM0.50 each and a Special Dividend of 2% per ordinary share of RM0.50 each for the financial year ended 31 December 2012.	Resolution 8
7.	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 9

Special Business		
8.	To consider and if thought fit, to pass with or without modifications, the following special resolution :	
	PROPOSED AMENDMENTS TO THE COMPANY’S ARTICLES OF ASSOCIATION “That the amendments to the Company’s Articles of Association as set out in the Annual Report for the financial year ended 31 December 2012 be hereby approved and that the Directors be hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all steps as may be considered necessary to give full effect to the Proposed Amendments to the Company’s Articles of Association.”	Resolution 10
9.	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.	

Notice of Annual General Meeting (cont'd)

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend the Sixteenth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 08 May 2013. Only a depositor whose name appears on the Record of Depositors as at 08 May 2013 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

By Order of the Board,

LEE PENG LOON (MACS 01258)
P'NG CHIEW KEEM (MAICSA 7026443)
Secretaries

Penang

Date : 23 April 2013

NOTES ON APPOINTMENT OF PROXY

- (1) A proxy may but need not be a member of the Company.
- (2) For a proxy to be valid, the proxy form, duly completed must be deposited at the registered office of the Company at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time for holding the meeting.
- (3) A member shall be entitled to appoint one (1) or more proxies to attend and vote instead of him at the same meeting and where a member appoints two (2) or more proxies to vote at the same meeting, such appointment shall be invalid unless he specify the proportion of his shareholding to be represented by each proxy.
- (4) Where a member is an exempt authorized nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies it may appoint in respect of each omnibus account it holds.
- (5) In the case of a corporate member, the proxy form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.

NOTES 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) Mr. Diong Chin Teck who retires as a director pursuant to Section 129(2) of the Companies Act, 1965 at the forthcoming Annual General Meeting 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, Mr. Diong Chin Teck shall cease to be the Chairman of the Audit Committee and a member of the Nomination Committee.

The Board would like to thank Mr. Diong Chin Teck for his support, commitment and invaluable contributions to the Group.

EXPLANATORY NOTES ON SPECIAL BUSINESS

- (8) Resolution 10, if passed, will allow the directors to improve/enhance the existing proxy form of the Company for better administration purposes.

ANNUAL REPORT 2012

- (9) The Annual Report 2012 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 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 of Dividend Entitlement

NOTICE IS ALSO HEREBY GIVEN that a Single Tier Final Dividend of 4% per ordinary share of RM0.50 each and a special dividend of 2% per ordinary share of RM0.50 each for the financial year ended 31 December 2012, if approved, will be paid on 03 July 2013 to shareholders registered in the Record of Depositors of the Company on 21 June 2013 .

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 21 June 2013 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,

LEE PENG LOON (MACS 01258)
P'NG CHIEW KEEM (MAICSA 7026443)
Joint Secretaries

Penang
Date : 23 April 2013

Statement of the Proposed Amendments to the Articles of Association of Globetronics Technology Bhd

INTRODUCTION

On 8 April 2013, the Board of Directors of Globetronics Technology Bhd (“the Company” or “GTB”) announced that the Company proposed to amend Article 75 of the Company’s Articles of Association for the directors to improve/enhance the existing proxy form of the Company for better administration purposes.

The Board wishes to seek the shareholders’ approval for the special resolution pertaining to the proposed amendments to Article 75 of the Articles of Association of the Company (“Proposed Article Amendments”) to be tabled at the forthcoming Sixteenth Annual General Meeting (“AGM”).

You are advised to read and carefully consider the contents of the amendments before voting on the special resolution relating to the Proposed Article Amendments at the forthcoming Sixteenth AGM.

DETAILS OF THE PROPOSED ARTICLES AMENDMENTS

The Company proposes to amend the Article 75 of its Articles of Association as follows :

THAT the existing Article 75 of the Company’s Articles of Association which read as follows :-

The instrument appointing a proxy shall be in the following form with such variation as circumstances may require by the Acts or in such other forms as the Exchange may approve :

GLOBETRONICS TECHNOLOGY BHD

I/We, of being a member/members of the abovenamed Company, hereby appoint of or failing whom,ofas my/our proxy to vote for me/us on my/our behalf at the [Annual or Extraordinary, as the case may be] General Meeting of the Company, to be held at (place of meeting)day of..... at..... (time of meeting) and, at every adjournment thereof for/against the resolution(s) to be proposed thereat.*

As Witness my hand this.....day of.....

No. of shares held

.....
Signature of Member (s)

**Strike out whichever is not desired. (Unless otherwise instructed, the proxy may vote as he thinks fit)*

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Statement of the Proposed Amendments to the Articles of Association of Globetronics Technology Bhd (cont'd)

be deleted in its entirety and substituted with the following new Article 75 :-

The instrument appointing a proxy shall be in the following form with such variations as circumstances may require by the Act or the Directors may approve :

GLOBETRONICS TECHNOLOGY BHD

I/We,(*I/C No./Passport No./Company No.....) of being a member/members of the abovenamed Company, hereby appoint(*I/C No./Passport No.....) of or failing whom, the Chairman as *my/our proxy to vote for *me/us on *my/our behalf at the [Annual or Extraordinary, as the case may be] General Meeting of the Company, to be held at (place of meeting) on theday of.....at..... (time of meeting) and at any adjournment thereof.

Resolution(s)	
For	
Against	

Please indicate with an "x" in the appropriate space(s) 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.

Signed this.....day of.....

No. of shares held

For appointment of two(2) proxies, percentage of shareholdings to be represented by the proxies :		
	No. of shares	%
Proxy 1		
Proxy 2		
		100

.....
Signature of Member (s)

RATIONALE FOR THE PROPOSED ARTICLE AMENDMENTS

The Proposed Article Amendments is for the directors to improve/enhance the existing proxy form of the Company for better administration purposes.

EFFECTS OF THE PROPOSED ARTICLE AMENDMENTS

The Proposed Article Amendments will not have any effect on the share capital and major shareholders' shareholdings of GTB, net assets per share, earnings per share and gearing of the GTB Group.

CONDITIONS OF THE PROPOSED ARTICLE AMENDMENTS

The Proposed Article Amendments are conditional upon the approval of the shareholders of GTB at the forthcoming Sixteenth AGM.

DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors and/or major shareholders of GTB and/or persons connected to them have any interest, direct or indirect, in the Proposed Article Amendments.

DIRECTORS' RECOMMENDATION

The Board, having considered the rationale of the Proposed Article Amendments, is of the opinion that the Proposed Article Amendments is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the special resolution in relation to the Proposed Article Amendments to be tabled at the forthcoming Sixteenth AGM.

List of Properties

Registered Owner/ Location	Description	Land Area (acres)	Build-up area (sq ft)	Tenure (Expiry date)	Age (Years)	Net Book Value as at 31.12.2012 (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		1,190,383	01.08.1990
	Factory Building		70,000	(14-05-2051)	20	4,157,620	
	Factory Building		110,000		18	8,389,134	
	Factory Building		40,000		17	3,489,732	
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		39	2,002,600	
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)		1,711,274	28.7.2009
	Leasehold Land	0.31		Leasehold 99 years (11-10-2105)		718,389	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		40	4,857,856	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		779,090	05.01.1999
	Factory Building		50,000	(06-03-2050)	22	4,220,350	
ISO Technology Sdn Bhd 24w2 & 243, Lebuh Kampung Jawa, Sungai Kluang, Phase 3, FIZ, 11900 Bayan Lepas Penang.	Leasehold Land	2.26		Leasehold 60 years	39	1,314,766	20.11.2002
	Factory Building		67,515	Lot 1959 (21.11.2033) H.S.(D)13853 (02.03.2040)	32	4,389,283	

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PROXY FORM

GLOBETRONICS TECHNOLOGY BHD. (Company No. 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 Sixteenth 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, 15 May 2013 at 10.30 a.m. and at any adjournment thereof.

NO.	RESOLUTIONS	FOR	AGAINST
1	To re-appoint Dato' Ng Kweng Moh as a director.		
2	To re-appoint Mr. Ng Kweng Tong as a director.		
3	To re-elect Mr. Ng Kweng Chong as a director		
4	To re-elect Mr. Heng Huck Lee as a director		
5	To re-elect Datuk Iskandar Mizal Bin Mahmood as a director		
6	To re-elect Mr. Yeow Teck Chai as a director		
7	To approve the increase in directors' fees & payment of directors' fees.		
8	To approve the payment of a single tier final dividend & special dividend.		
9	To re-appoint Messrs. KPMG as auditors of the Company.		
10	To approve the Articles Amendments		

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 ,2013.

No. of shares held

Signature of Member(s)

Notes :

- (1) A proxy may but need not be a member of the Company.
- (2) For a proxy to be valid, this form, duly completed must be deposited at the registered office of the Company at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time for holding the meeting.
- (3) A member shall be entitled to appoint one (1) or more proxies to attend and vote instead of him at the same meeting and where a member appoints two (2) or more proxies to vote at the same meeting, such appointment shall be invalid unless he specify the proportion of his shareholding to be represented by each proxy.
- (4) Where a member is an exempt authorized nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies it may appoint in respect of each omnibus account it holds.
- (5) In the case of a corporate member, this form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.

* Strike out whichever is not desired.

fold here

fold here

**STAMP
HERE**

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

fold here



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