

GLOBETRONICS TECHNOLOGY BHD
(Company No. 410285-W)
(Incorporated in Malaysia)

MINUTES OF GENERAL MEETING

MINUTES OF THE 22ND ANNUAL GENERAL MEETING OF GLOBETRONICS TECHNOLOGY BHD (“GTB” OR “THE COMPANY”) HELD AT BALLROOM 2, LOWER GROUND (LG) LEVEL - MAIN WING, HOTEL EQUATORIAL PENANG, 1 JALAN BUKIT JAMBUL, 11900 BAYAN LEPAS, PENANG ON WEDNESDAY, 08 MAY 2019 AT 10.30 AM

- Present : Mr. Ng Kweng Chong
Dato’ Heng Huck Lee
Dato’ Syed Mohamad Bin Syed Murtaza
Dato’ Norhalim Bin Yunus
Mr. Ng Kok Khuan
Mr. Yeow Teck Chai
Ms. Lam Voon Kean
Ms. Ong Huey Min
And 175 other shareholders and proxies as per Attendance List
- Absent with apologies : Dato’ Iskandar Mizal Bin Mahmood
- By Invitation : Ms. Goh Lin Jin (RHBAB)
Dato’ Ooi Kok Seng (KPMG PLT)
Amy Tan Feng Huang (KPMG PLT)
Lim Oon Pin (Metta Consultancy)
- In Attendance : Mr. Lee Peng Loon (Secretary)
Ms. P’ng Chiew Keem (Secretary)

1. COMMENCEMENT

On behalf of the Board of Directors of GTB, the Company’s Chairman, Mr. Ng Kweng Chong welcomed all members, proxy holders and invited guests to the Company’s 22nd Annual General Meeting (“AGM”).

Before the Chairman proceeded with the morning’s agenda, he informed members and proxies present that Dato’ Iskandar Mizal Bin Mahmood had sent his apologies for not being able to attend today’s meeting due to emergency family matters.

The Chairman also informed members and proxies that today’s AGM also acts a principal forum for interaction with members and encouraged members and proxy holders present to participate actively in this AGM.

Without further ado, he called upon the Company Secretary to confirm the number of proxy forms received and the presence of a quorum for the Company’s 22nd AGM.

The Company Secretary, Mr. Lee Peng Loon, confirmed that 100 proxy forms were received within the prescribed period and the said proxy forms were available for members’ inspection at the Registration Desk.

The Company Secretary then informed the Chairman that in accordance with Regulation 81 of the Company's Constitution, 2 members present in person or by proxy shall constitute a quorum at a general meeting and was pleased to confirm the presence of the requisite quorum as at the commencement of the meeting.

The requisite quorum being present, the Chairman called the 22nd AGM to order at 10.30 am.

2. CHAIRMAN'S ADDRESS

The Chairman welcomed again all members, proxy holders and invited guests and thanked them for their kind presence in attending the 22nd AGM of the Company.

The Chairman then gave the following speech:

"Before we move on to the main agenda of today's Annual General Meeting, I feel it is important for me to give to our shareholders a brief recap of how Globetronics Technology Bhd. (or GTB) did in year 2018, and equally importantly, to share with all of you an updated account of Globetronics Technology Bhd's unaudited Q1 2019's financial results as well as my take on our Group's business prospects moving forward.

Let me start off by sharing our Group's business performance in financial-year-2018 (FY2018). On reflection, FY2018 was indeed a year filled with uncertainties and volatilities for the global technology industry which was experiencing very negative reactions from the US-China trade war, which had resulted in a series of economic slowdowns across the world especially in China but with the exception of the U.S. Under such treacherous business environment where uncertainties and volatilities were rampant, our Group under the unmatched leadership and business acumen of our CEO Dato' Heng dedicated his heart-and-soul into role modelling, leading, guiding, grooming and motivating our entire workforce through another yearlong 7x24 weeks in delivering another set of breakthroughs in co-developed-products as well as financial results while fulfilling all our customer-orders with 100% on-time-delivery record in the midst of unprecedented demand-and-delivery swings. New product co-developments were meticulously planned and seamlessly executed resulting in a series of newly co-developed-products or components for adoption by our world renowned customers in the immediate or near future. I am happy to report to our shareholders that our Group has continued to renew, reinvent and reengineer our Group's product portfolio, processes & capabilities to stay relevant and cost competitive in readying new products or components for our world renowned customers' short & long term needs. Through all these outstanding efforts, our Group managed to triumphantly close FY2018 with a set of stellar business and operational results with sales & profit-after-tax (P.A.T.) at RM328million & RM70.1million respectively, representing 8% and 37% improvements respectively over our FY2017's financial results. In staying true to our commitment to share our Group's gains meaningfully with our shareholders, our Group paid out RM57.2million in dividend payout which translates into approximately 82% of our Group's net profit for FY2018 to our beloved shareholders. Cash-on-hand remained healthy at RM121million after incurring RM35million in capital expenditures (or CAPEX) at the close of FY2018.

In the business sustainability front, milestones have been reached in our Group's economic, social as well as environmental (ESG) initiatives. Excellent progress was also achieved in our Group's succession planning process at our Board level with majority of our board directors being non-executive, independent directors with good board

diversity. Our Group's top & middle management levels including our identified CEO/COO succession candidate also gained strong traction and momentum throughout FY2018. Our Corporate Finance & Planning team had also done an impeccable job in their continuous education, research and execution towards compliances to a host of revamped statutory, regulatory and reporting requirements in the Malaysian Corporate scene. On top of these, our Corporate team had also successfully executed a couple of major changes like the abolishment of Goods & Service Tax (GST) while implementing Sales & Service Tax (SST) as well as the 2 for 1 subdivision of Gtronic stocks and the 1 for 6 bonus issue exercises. From the investor relations perspective, our Corporate team again partnered well in connecting with many regional and Malaysian investors, leading to the interest in Gtronic stocks remaining active despite the market capitalization dropping to RM1.17billion in FY2018 from RM1.88billion in FY2017 due to the unprecedented volatility caused by global sell-down of technology stocks arising mainly from the prolonged and oft-times hostile US-China trade war.

While we are now on this topic of the unprecedented business volatility created by the prolonged and oft-times hostile US-China trade war, it is probably a good time for me to shift gear now to talk about events that drastically impacted our Group's Q1'19's revenue and profitability. The protracted US-China trade war which resulted in a noticeable slowdown in China's economic growth which in turn cascaded into a global economic slowdown worldwide, caused the Malaysian Electrical & Electronics (E&E) industry into its worst doldrums of the past decade. Our Group were not exempted from the miseries caused by this protracted trade war which manifested itself into unprecedented weaknesses in business and volume loadings in our sensors and timing devices sectors since the fourth quarter of FY2018. On top of the lack of optimal volume loadings with the resultant lack of economies of scale in our operations, our Group needed to incur additional costs in retaining and maintaining our human and overheads resources for the expected strong recovery and product-ramps in our businesses starting in June and throughout the second half of FY2019 and beyond. Additionally, for the last one year till the end of Q1'19 our Group had also been executing another strategic rationalization exercise to transfer out some of the matured timing devices' product-lines which required high labour content but low margins back to our customer - all of which had resulted in deepened negative impacts to our Group's top and bottom lines throughout Q1 of FY2019. Other additional factors affecting our Q1'19 performance had been due to our customers imposing aggressive cost cutting measures in reducing their inventory carrying costs through their own in-house "zero inventory policy" by throttling volume loadings to our Group to near zero levels, plus "zero shipment of our finished goods" to them to achieve their desired quarter-end closing objectives.

The above factors were key reasons to our very weak Q1 2019 unaudited financial results. Thankfully the dreadfully weak and treacherous quarter is now behind us and now we can look forward to entering the second quarter of 2019 with the knowledge that our key customers' in-house inventory levels have depleted to their near-zero levels and urgent replenishment of their safety stocks and work-in-progress inventories should result in strong volume loadings to us starting June 2019 and beyond. We are thus optimistic and expect a strong recovery in our Group's business and financial performance throughout the second half of FY2019.

In closing, it is imperative for me on behalf of our board of directors to once again convey our hearties gratitude to our outstanding CEO, Dato' Heng Huck Lee, as well as to each and everyone of our workforce for their selfless and passionate dedication towards delivering the stellar results for our Group in FY2018. By the same token, our

Group's Management team would like to put on record our heartfelt gratitude to each and everyone of our Board members for their meticulous guidance, timely support and invaluable motivation provided to our Management team all through the past successful years. Last but not least, on behalf of Globetronics Technology Bhd and our group of companies, I would like to thank each and everyone of our shareholders and stakeholders for your unfailing encouragement and support all through our Group's exciting and challenging journey over the past years and for many more years to come.

Thank you all very much indeed."

3. NOTICE OF MEETING

The notice convening the Company's 22nd AGM had been sent to all members, Bursa Malaysia Securities Berhad, the Stock Exchange and Messrs. KPMG PLT, the auditors of the Company in accordance with the Company's Constitution.

The Chairman proposed that the notice convening the AGM be taken as read. His proposal was seconded by Mr. Khong Seng Kih.

As there were no objections from the floor, the notice convening the 22nd AGM was taken as read.

4. POLL VOTING AND SCRUTINEERS

The Chairman proceeded to inform members and proxies present that a total of 7 resolutions would be tabled for approval by members at this AGM and accordingly, all the 7 resolutions would be voted upon by poll.

The Chairman then informed members and proxies present that an electronic poll voting would be carried out after he had completed each resolution to be tabled for approval by members or proxies present at this AGM.

He also notified members and proxies present that GTB had appointed Agriteum Share Registration Services Sdn Bhd as the polling agent and Value Creator Consultancy, as the independent scrutineers for the polling process and votes verification.

The polling agent then briefed members and proxies present on the live poll voting procedures.

5. AUDITED FINANCIAL STATEMENTS

The first agenda was to receive the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon (AFS 2018).

One shareholder, Mr. King Hao Kai noted the huge depreciation in the accounts and wanted to know whether this depreciation is one off? To this, the Chairman responded that the machineries were depreciated over a period of time and not one off.

6. RESOLUTION 1 – RE-ELECTION OF MR. NG KWENG CHONG

The first resolution was on the re-election of the Chairman himself as a Director of the Company, he then called upon the Company Secretary to take over the Chair for the said resolution.

Mr. Lee Peng Loon, the Company Secretary took over the Chair and informed members and proxies present that the Company's Executive Chairman, Mr. Ng Kweng Chong was retiring by rotation as a Director of the Company in accordance with Regulation 105 of the Company's Constitution and being eligible, had offered himself for re-election.

He then welcomed questions from the floor.

As there were no questions, the Resolution 1 was put to the vote of the meeting by poll.

The results of the poll were as follows:-

Voted For	-	277,197,564 (98.7030%)
Against	-	3,642,364 (1.2970%)

Based on the results, the Chairman declared the Resolution 1 carried.

7. RESOLUTION 2 – RE-ELECTION OF DATO' HENG HUCK LEE

The next resolution was to re-elect Dato' Heng Huck Lee who was retiring by rotation as a Director of the Company in accordance with Regulation 105 of the Company's Constitution and being eligible, had offered himself for re-election.

The Chairman welcomed questions from the floor and there was none.

The Resolution 2 was then put to the vote of the meeting by poll.

The results of the poll were as follows:-

Voted For	-	281,238,461 (99.9967%)
Against	-	9,166 (0.0685%)

Based on the results, the Chairman declared the Resolution 2 carried.

8. RESOLUTION 3 – RE-ELECTION OF DATO' ISKANDAR MIZAL

The Chairman moved on to the next resolution and that was to re-elect Dato' Iskandar Mizal Bin Mahmood who was also retiring by rotation as a Director of the Company pursuant to Regulation 105 of the Company's Constitution and being eligible, had offered himself for re-election.

The Chairman welcomed questions from the floor and there was none.

The Resolution 3 was then put to the vote of the meeting by poll.

The results of the poll were as follows:-

Voted For	-	280,330,331 (99.9315%)
Against	-	192,055 (0.0685%)

Based on the results, the Chairman declared the Resolution 3 carried.

9. RESOLUTION 4 – PAYMENT OF DIRECTORS’ FEES

The next item of the morning’s agenda was to approve the payment of Directors’ fees amounting to RM1,204,250.00 for the financial year ended 31 December 2018.

The Chairman welcomed questions from the floor and there was none.

The Resolution 4 was then put to the vote of the meeting by poll.

The results of the poll were as follows:-

Voted For	-	281,013,339 (99.9503%)
Against	-	139,597 (0.0497%)

Based on the results, the Chairman declared the Resolution 4 carried.

10. RESOLUTION 5 – PAYMENT OF DIRECTORS’ BENEFITS

The Chairman moved on to the next item of the morning’s agenda and that was to approve the payment of Directors’ benefits up to an amount not exceeding RM40,000 to non-executive directors of the Company from 08 May 2019 until the conclusion of the next AGM of the Company.

As there were no questions, the Resolution 5 was put to the vote of the meeting by poll.

The results of the poll were as follows:-

Voted For	-	281,130,540 (99.9855%)
Against	-	40,796 (0.0145%)

Based on the results, the Chairman declared the Resolution 5 carried.

11. RESOLUTION 6 – RE-APPOINTMENT OF AUDITORS

The next resolution was to re-appoint Messrs. KPMG PLT as auditors of the Company to hold office until the conclusion of the next AGM and to authorise the Directors of the Company to fix their remuneration.

The Chairman informed members and proxies present that the current auditors, Messrs. KPMG PLT, was retiring as auditors of the Company at this AGM and they had indicated their willingness to accept re-appointment to hold office until the conclusion of the next AGM of the Company.

He then welcomed questions from the floor.

As there were no questions, the Resolution 6 was put to the vote of the meeting by poll.

The results of the poll were as follows:-

Voted For	-	276,446,049 (99.7896%)
Against	-	582,888 (0.2104%)

Based on the results, the Chairman declared the Resolution 6 carried.

12. SPECIAL RESOLUTION 1 – PROPOSED AMENDMENTS OF THE COMPANY’S CONSTITUTION

The final resolution was to amend the Constitution of the Company for administrative and clarification purposes.

One shareholder, Mr. King Hao Kai wanted to know whether the annual report would still be sent to shareholders after the passing of this resolution.

The Group’s Chief Financial Controller, Mr. Ng Kok Choon responded that the Company would not dispatch annual report in hard copy or soft copy in CD format to members of the Company with effect from the passing of this Special Resolution 1. However, any members who wish to have a copy of the annual report, they could either download from the Company’s website or Bursa’s website or to request a hard copy from the Company to be sent to them. In the future, the Company would send out the notice of AGM together with proxy form only to all members of the Company.

As there were no more questions, the Special Resolution 1 was put to the vote of the meeting by poll.

The results of the poll were as follows:-

Voted For	-	280,755,833 (99.8995%)
Against	-	282,430 (0.1005%)

Based on the results, the Chairman declared the Special Resolution 1 carried.

13. ANY OTHER BUSINESS

The Company Secretary confirmed to the Chairman that the Company did not receive any due notices to transact any other business at today’s AGM.

14. TERMINATION

The 22nd AGM was declared closed at 11.30 am with a vote of thanks to the Chair.

CONFIRMED CORRECT,



NG KWENG CHONG
Chairman

GLOBETRONICS TECHNOLOGY BHD
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DIALOGUES WITH SHAREHOLDERS AFTER 22ND ANNUAL GENERAL MEETING HELD AT HOTEL EQUATORIAL PENANG ON WEDNESDAY, 08 MAY 2019

Questions from a shareholder, Mr. David Poh:

- Q1. He noted that the cover of this year's annual report has 5G and 3D and wanted to know whether these are the new businesses of the Group.
- A1. All the smart phones were now in 4G transmission. From generic perspective, 5G is the direction to solve the speed and breakdown issues of today's 4G. GTB is expected to benefit as its sensor is compatible and scalable to the 5G smartphones and peripherals. We are also working on a 5G product that will support the 5G infrastructure segment.
- Q2. For FY2017, the Group had invested around RM100 million in capital expenditure ("CAPEX") and for FY2018, the CAPEX was around RM35 million. What would be the CAPEX earmarked for FY2019?
- A2. The approach undertaken has been to enhance and modify the CAPEX invested in FY2017 and deploy them to support new capacity-demand especially where there is 100% volume growth in gesture sensor. Nevertheless, some new CAPEX are anticipated for new businesses in the pipeline for FY2019 which the Group would diversify into 3 exciting segments namely automotive, telecommunication infrastructure and 3D.
- Q3. David noted that the high value smart phones' market had reached saturation point where new demand had shifted to more affordable range particularly to Chinese Android-based smart phones, and wanted to know whether GTB sensor could incorporate into this platform?
- A3. From technology standpoint, there is no issue as GTB sensor could fit into both iOS and Android operating systems. The issue is more towards proprietary control over the design and whether the proprietary owner would allow the sensor into other platform.
- Q4. What is the margin for sensors?
- A4. GTB is guided by its own set of policies and guidelines hence is cautious in monitoring its margin, CAPEX risks and return-of-Investment (ROI) are other considerations.
- Q5. He noted that GTB had passed back the low margin timing devices back to its customer and wanted to know the future direction for the factory in P.J.
- A5. GTB has been actively pursuing new customers and currently is in finalisation stage into medical device industry. Barring any unforeseen circumstances, some production may commence within the next 3-6 months.

Question from a shareholder, Mr. Gerald:

- Q6 What are the challenges encountered by GTB in the trade war between US and China and how does GTB mitigate the challenges?
- A6 The Group CEO presents his personal opinion that the trade war between US and China had some impact on GTB but not severe. However, there has been no direct impact on GTB as the components manufactured by GTB go into the final products which are manufactured outside of China. Although there has been no direct impact, GTB has embarked on a different segment of customers and products over the past 5 to 6 months. Currently GTB is in the final stage of a new product's research & development that will reduce our dependency on existing set of customers.

Question from a shareholder, Mr. King Hao Kai

- Q7 Does the biosensor under ISO Tech relate to optical and what are the 3D products by GTB?
- A7 The biosensor produced by ISO Tech is not related to optical and they are 1st in Malaysia if we do successfully develop them later. We are using electrodes together with IC chips and make it into SIP (system-in-package) which is used for environment scanning. Mass production of the 3D product is targeted for end of the year.

Questions from a shareholder, Mr. Chng Beng Kian

- Q8 What is the growth of existing products relative to peak years?
- A8 In terms of quarterly sales, our end customers have projected some percentage of growth as the products GTB developed which are in stable market segment. But we are not too sure on the overall global sale eventually.
- Q9 What are the prospects of bio sensor and the laser headlamp?
- A9 The prospects of bio sensor are good as this sensor has the ability to detect in the environment within certain level of healthiness and could be even more sensitive than our nose in this detection. It also has a wide market application for smart devices, industrial and automotive industry.

The design of the laser headlamp into US had been tested and the safety standard for this headlamp has been endorsed and accepted by the US safety regulatory body. One of the premium German-brand cars has committed to launch this headlamp in their next year's higher range model and all other models to adopt this laser headlamp technology a year after.
