

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The ARMC of GTB is pleased to present the ARMC Report for the financial year ended 31 December 2023 in compliance with Paragraph 15.15 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

ARMC was established to serve as a committee of the Board and is guided by its terms of reference in performing their duties and discharging their responsibilities. The terms of reference of ARMC can be viewed at the Company’s website at www.globetronics.com.my.

Composition and Meetings

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

Members	Number of Meetings	
	Held	Attended
Ms. Ong Huey Min Chairwoman/Independent Non-Executive Director (Resigned on 21 February 2024)	6	6
Tuan Hj. Mohammad Hazani Bin Hj. Hassan Independent Non-Executive Director (Resigned on 21 February 2024)	6	6
Mr. Khoo Kay Leong Independent Non-Executive Director (Appointed on 8 June 2023 and resigned on 21 February 2024)	4	4
Ms. Lam Voon Kean Independent Non-Executive Director (Resigned on 15 May 2023)	2	2

The composition of ARMC as of 31 December 2023, comprises of three (3) members, all of whom are Independent Non-Executive Directors, which meets the requirements of 15.09(1)(a) and (b) of the MMLR and Practice 9.4 under Principle B of the Malaysian Code on Corporate Governance 2021.

Ms Ong Huey Min and Mr. Khoo Kay Leong are members of the Malaysian Institute of Accountants and therefore, the composition of ARMC as of 31 December 2023 meets the requirements of Paragraph 15.09(1)(c) of the MMLR.

As of the date of this report, the members of ARMC are as follows:

Members
Mr. Chiew Jong Wei Chairman/Independent Non-Executive Director (Appointed on 5 April 2024)
Dato’ Sri Zaini Bin Jass Independent Non-Executive Director (Appointed on 5 April 2024)
Mr. Tan Teik Hsiung Independent Non-Executive Director (Appointed on 5 April 2024)

The current composition of ARMC comprises of three (3) members, all of whom are Independent Non-Executive Directors, which meets the requirements of 15.09(1)(a) and (b) of the MMLR and Practice 9.4 under Principle B of the Malaysian Code on Corporate Governance 2021.

The ARMC Chairman is an Independent Director who is not the Chairman of the Board and there is no alternate director appointed as a member of the ARMC.

Mr. Chiew Jong Wei is a member of Malaysian Institute of Accountants and therefore the current composition of ARMC is also in compliance with the requirements of Paragraph 15.09 (1)(c) of the MMLR.

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Summary of the work of the ARMC

In line with the terms of reference of the ARMC, the work carried out by the ARMC in the discharge of its functions and duties for the FY2023 are as follows:

Financial Procedures and Financial Reporting

- Reviewed the following Group financial statements and made recommendations to the Board for approval of the same, as detailed below:

Date of ARMC Meeting Group Quarterly Results/Financial Statements Review

21 February 2023	Unaudited fourth quarter results for the financial year ended 31 December 2022
02 May 2023	Unaudited first quarter results for the period ended 31 March 2023
25 July 2023	Unaudited second quarter results for the period ended 30 June 2023
24 October 2023	Unaudited third quarter results for the period ended 30 September 2023

The review of the unaudited quarterly financial results is to ensure the disclosures are in compliance with the Malaysian Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting and latest requirement of applicable disclosure provisions in the MMLR.

- Reviewed the audited financial statements of the Company and the Group for the financial year ended 31 December 2023 which covers the financial position and performance for the year to ensure that they presented a true and fair view and complied with all disclosures and regulatory requirements and recommended the audited financial statements to the Board for approval.

In the review of the audited financial statements of the Company/Group and quarterly financial results of the Group, ARMC focuses particularly on the below areas:

- Changes in accounting policies and practices;
- Significant adjustments arising from the audit;
- The going concern assumption;
- Significant and unusual events; and
- Management judgements and estimations made on the recognition, measurement and presentation of financial statements.

Internal Audit

- Reviewed and approved the internal audit plan;
- Reviewed and reported the adequacy of the scope, functions and resources of the internal audit function and that it had the necessary authority to carry out its duties;
- Reviewed the results of the Group's internal audit procedures and the adequacy of actions taken by the management based on the reports;
- Reviewed any appraisal or assessment of the performance of the internal audit function; and
- Reviewed any whistleblowing cases, if any and management responses and resolutions.

For the year under review, there was no whistle blowing cases reported.

External Audit

- Reviewed with the external auditors, the audit plan, scope of the audit and the areas of audit of the Company/Group;
- Reviewed with the external auditors, their evaluation of the internal control systems and audit findings;
- Discussed problems and observations arising from the audit, and any other matters the auditors had wished to discuss;
- Reviewed the auditors' report;
- Met with the external auditors twice without the presence of the Management to review and discuss on key issues within their duties and responsibilities. There were no major concerns raised by the external auditors at the meetings;
- Reviewed and reported the assistance given by the Company's/Group's Officers to the external auditors and the overall conduct of the audit;
- Reviewed and approved the audit and non-audit fees on services provided by external auditors. The amount of audit and non-audit fees are disclosed in the Additional Compliance Information on page 82;

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External Audit (Cont'd)

- Assessed the independence of the external auditors and obtained statement of assurance from them confirming their independence throughout the audit in accordance with all relevant professional and regulatory requirements; and
- Performed an evaluation on the suitability and independence of the external auditors. ARMC was satisfied with the work performed based on the firm's capabilities, professional team assigned, proposed methodology, independence and timeline. Accordingly, it had affirmed the suitability and independence of the external auditors and recommended to the Board to re-appoint KPMG PLT as the Auditors as well as proposed audit fees for approval.

Risk Management

- Reviewed the adequacy and effectiveness of risk management and internal control systems instituted within the Group which includes corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), the appropriateness of anti-corruption mitigating measures, corruption risk management as well as the Group's Anti-Corruption policy and procedures; and
- Provided oversight and direction to the risk management process, specifically to:
 - ensure that appropriate risk management policies, guidelines and processes are implemented;
 - consider whether response strategies (and contingency plans) to manage or mitigate material risks are appropriate and effective given the nature of the identifiable risks; and
 - evaluate the risk profile and risk tolerance of the Group.

Other Functions

Reviewed related party transactions and conflict of interest or potential conflict of interest based on the declaration by directors and senior management.

Reviewed the ARMC Report, Statement on Risk Management and Internal Control, Corporate Governance Overview Statement and Corporate Governance Report in the spirit of the new corporate governance framework to promote greater internalisation of corporate governance culture and greater transparency before submitting for the Board's approval and inclusion in the Annual Report.

Summary of the work of the Internal Audit Function

The ARMC is assisted by an in-house Internal Audit function in discharging its duties and responsibilities. The Internal Audit function reports directly to the ARMC. The Internal Audit function conducts regular and systematic reviews of the key controls and processes in the operating units of the Group and assesses compliance with the established policies and procedures. This provides reasonable assurance that such systems would continue to operate satisfactorily and effectively in the Group. In addition, the Internal Audit function also conducts investigations and special reviews at the request of the Management and ARMC.

On a quarterly basis, the Internal Audit function submits the audit reports on their activities to the ARMC for its review and deliberation. The internal audit findings are presented in the ARMC meetings and appropriate recommendations are made on any areas of concern within the Company and the Group for the ARMC's deliberation.

The following were the activities carried out by the internal audit function for the financial year ended 31 December 2023:

- Reviewed and updated risk management framework, action plans and activities performed especially on those defined as key principal risks;
- Reviewed Board Charter, Terms of Reference and existing policies to incorporate latest amendments of MMLR before submitting for the ARMC and Board's approval;
- Reviewed the progress update on the Sustainability and EESG Reporting based on enhanced sustainability reporting framework by Bursa Malaysia;
- Reviewed business activity based and financial ratio benchmarks on Shariah Compliant Securities;
- Reviewed compliance to Employment Act 2022 (Amendment);
- Reviewed Limit of Authority of the Group;
- Reviewed the allocation and vesting of ESOS option(s) to the Eligible person are in compliance with the criteria set out in the By-Laws;
- Reviewed conditions of Globetronics factories in Kuala Lumpur; and
- Reviewed the updated progress status on Information Technology infrastructure and security enhancement of the Company and the Group.

The total cost incurred for the internal audit function was RM222,000 for FY2023.

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Trainings Attended by the ARMC

During the year under review, the ARMC attended the following conferences and seminars:

Name of Director	Organizer	Conference/Seminar/Workshop/Webinar	Date
Ms. Ong Huey Min	Chartered Tax Institute of Malaysia ("CTIM")	2023 Budget	20 March 2023
	Institute of Corporate Directors Malaysia ("ICDM")	PowerTalk Series: Navigating ESG Data into Decisions	21 March 2023
	Boardroom Pte Ltd and Certified Practising Accountant ("CPA") Australia	Understanding ESG Data	1 June 2023
	KPMG	KPMG Board Leadership Center Exclusive Navigating through the Evolution of Corporate Governance with the Introduction of Tax Corporate Governance Framework ("TCGF")	13 July 2023
	Boardroom Pte Ltd	Bursa's Sustainability Reporting Requirements for Listed Companies	20 July 2023
	Rosli Dahlan Saravana ("RDS") Partnership	Taxation of Land Transactions	20 July 2023
	CTIM	National Tax Conference 2023	1 to 2 August 2023
	Ernst & Young Consulting Sdn. Bhd.	Management of Cyber Risk	3 October 2023
	ICDM	Mandatory Accreditation Programme Part II: Leading for Impact	29 to 30 November 2023
Tuan Hj. Mohammad Hazani Bin Hj. Hassan	Federation of Malaysian Business Associations ("FMBA")	Business Forum 2023 - Endemic Opportunities & Peril for Businesses	8 March 2023
	The Association of Development Finance Institutions of Malaysia ("ADFIM")	International CEO Forum 2023	9 to 10 March 2023
	Companies Commission of Malaysia	Understanding Joint Ventures, Legal Considerations	6 April 2023
	ICDM	Navigating The ESG Risk in The Supply Chain	11 April 2023
	The Malaysian Venture Capital and Private Equity Association ("MVCA")	MVCA Forum: Capital Gains Tax	12 April 2023
	Universiti Teknologi MARA Technoventure	Campus Talk: Preparing Malaysia Beyond 2023-Mobility	31 May 2023
	Universiti Teknologi Malaysia	Conference on Artificial Intelligence and Robotics for Industry 4.0 2023	17 July 2023

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Trainings Attended by the ARMC (Cont'd)

During the year under review, the ARMC attended the following conferences and seminars: (Cont'd)

Name of Director	Organizer	Conference/Seminar/Workshop/Webinar	Date
Tuan Hj. Mohammad Hazani Bin Hj. Hassan	Securities Industry Development Corporation	Business Foresight Forum 2023	13 September 2023
	Khazanah Nasional Berhad	Khazanah Megatrends Forum 2023	2 to 3 October 2023
	Sarawak Digital Economy Corporation	The World Congress of Innovation and Technology 2023	4 to 6 October 2023
	Suruhanjaya Pencegahan Rasuah Malaysia ("SPRM")	Program Public-Private Partnership ("PPP") bersama Ketua Pesuruhjaya SPRM	12 October 2023
	Ernst & Young Consulting Sdn. Bhd.	Management of Cyber Risk	25 October 2023
	RAM Holdings Berhad	Forum: Emerging Risks – How Can Malaysia Steer Ahead?	31 October 2023
	Asian Science Park Association ("ASPA")	The 26th ASPA Annual Conference: Science and Technology Parks ("STP") in Times of Global Crisis · Connecting Asian through the Silk Road Modal – Information & Data Flow in Modern Day	13 to 15 November 2023
	Guangdong Robotics Association ("GDRA")	Guangdong Bilateral Cooperation Conference on Robotics and Smart Manufacturing	17 to 19 December 2023
Mr. Khoo Kay Leong	MIA	A Comprehensive Review of Latest Development in MFRS	13 to 14 March 2023
	Bursa Malaysia	Bursa Malaysia Mandatory Accreditation Programme ("MAP")	26 to 27 June 2023
	MIA	Technical Update 2023 on IFRS Accounting Standards including IFRS Sustainability Standards	4 October 2023
	Ernst & Young Consulting Sdn. Bhd.	Management of Cyber Risk	25 October 2023
	MIA	2024 Budget Seminar	8 November 2023

Annual Performance Assessment

The performance of the ARMC which was evaluated as part of the broader Board evaluation, concluded that the ARMC performance over the past year had continued to be excellent and has the right composition of the relevant skills and expertise. The Board is satisfied that the ARMC has effectively discharged its duties in accordance with its terms of reference.