



GLOBETRONICS TECHNOLOGY BHD
Registration No. 199601037932 (410285-W)
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED

SUMMARY OF KEY MATTERS DISCUSSED AT THE 24TH ANNUAL GENERAL MEETING OF GLOBETRONICS TECHNOLOGY BHD ("GTB" OR "THE COMPANY") CONDUCTED VIRTUALLY FROM THE BROADCAST VENUE AT THE CONFERENCE ROOM OF GTB, PLOT 2, PHASE 4, FREE INDUSTRIAL ZONE, 11900 BAYAN LEPAS, PENANG ON THURSDAY, 06 MAY 2021 AT 10.30 AM

Key matters discussed at the 24th AGM are summarised as follows:

- 1) How is the cleanroom expansion progress, can it meet August 2021 completion deadline?**
Answer: Based on weekly update by the contractor, GTB's cleanroom expansion will be completed by August 2021.
- 2) Is there any expansion plan in the coming 3 years and what is the current factory utilisation rate?**
Answer: Current factory utilisation rate is as high as 85%. As for the future expansion plan, GTB is currently actively working on a couple of sensors that fit into autonomous car and some potentially medical devices which GTB had positioned for the space expansion.
- 3) For past 2 prospects mentioned, the Company will have future growth but the past 2 quarterly results were sliding down.**
Answer: Based on past trends, the financial results of GTB had always been affected by seasonal softening of demand. Normally, demands are softer towards end of the year or beginning of each year into the 1st half of the year. As such, the past 2 quarters' financial results (Q4 FY2020 & Q1 FY2021) were consistent with such seasonal cycle. However, if compared with the same quarter of preceding financial year (Q1 FY2020), the financial results for Q1 FY2021 saw a 15% growth.
- 4) Heard that there might be termination of sensor supply chain for AMS AG Switzerland? Might affect company growth? Real?**
Answer: Firstly, GTB is not allowed to disclose neither nor confirm any information or news relating to all GTB's customers pursuant to the Non-Disclosure Agreements signed. Further, the Company is not able to clarify rumour whether real or not real.
- 5) Does the Company involve in any research and development related sensors to automotive?**
Answer: GTB is one of the major manufacturers of VSCSEL related sensors, a major component of LIDAR technology for automotive self-driving car and automotive sensor. GTB is currently involves in some developmental works with some potential customers for this sensor.

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- 6) Is Globetronics performance affected by the recent shortage of chips in the semi-conductor industry?**
Answer: As far as the business segment that GTB is participating along with its relationship with suppliers, there is no shortage of chips so far.
- 7) Please share the expansion progress in manufacturing and when can we expect the revenue contribution?**
Answer: Please refer above answers in relation to the expansion plan. The revenue contribution would be very much dependent on the new projects which GTB has been actively involved in. At this juncture, it is too early to comment on the quantum.
- 8) There were news that GTB would see a softer Q2 FY2021, please explain.**
Answer: Please refer section 3 for the explanation.
- 9) What is current utilisation rate of Globetronics facilities and is there any new CAPEX or new plant?**
Answer: Space expansion and cleanroom expansion had been on track to complete by August 2021. There would be new facilities to modernise current operations as GTB is committed to Industry 4.0 modernisation. The modernisation CAPEX investment would be this year and for, next 2 to 3 years. On top of that, GTB has also committed to invest into new tools to support its next generation's products which are more precise, more advance and more futuristic catering to the need of its customers.
- 10) There are market rumours that Globetronics core customer, AMS AG has potential to lose orders from Apple. Can Management verify whether this rumour is true?**
Answer: Please refer section 4 for the explanation.
- 11) In the latest quarter report, page 13, it stated that 'There have been media and analyst reports on one of our customers recently about competition in their segment, of which has not been confirmed by them.' Who is this customer? Is this news confirmed?**
Answer: Please refer section 4 for the explanation.
- 12) There has been some rumours regarding the US smartphone manufacturer is removing Globetronics customer in its sensor list for its upcoming smartphone of its facial recognition sensors. If this is true, what impact is this to Globetronics?**
Answer: GTB has not been informed by its customer that any of its products will be discontinued. Even though GTB has been a major sensor supplier to the smart phone and peripheral devices, the facial recognition sensor is not one of the sensors GTB is producing right now.
- 13) When it's announce Malaysia pioneer eV project participate. And partnership in automation? Can the Board survive if no new order book? Any new Dividend payout?**
Answer: GTB is not involved in the eV project mentioned above. Nevertheless, GTB would continue to get orders and assess its' cash position to best reward the shareholders.

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- 14) When can the customers who competition in their segment be confirmed? And how much it will affect company's revenue if so?**
Answer: GTB is a contract manufacturer thus, GTB is unable to comment on the competition of its customers in their segment / space.
- 15) Please share the status of the co-development of new generation sensors with the key Austrian customer and the development of new key programmes with other customers.**
Answer: These are in progress. GTB expects to have some new generation sensors produced in 2H FY2021. For new programs with other customers, it is progressing but experiencing some delays due to border closures and inability of plant visit by customers.
- 16) Can management team of Globetronics explain about the outlook of the company? In your view, how would Globetronics benefited from the current booming demand for chips?**
Answer: Please refer section 3 and 6.
- 17) According to AmInvestment Bank Research, the key sensor segment is expected to see overall soft volume loading for the next quarter, why?**
Answer: This is seasonal or cyclical adjustment that occurs annually, as the customer normally has a steep ramp of volume when the consumer product is launched (usually end Q3) and tapers off with demand after 1 to 2 quarters.
- 18) What is the earnings prospect of the company going forward? Are there any qualifications of new project in the pipeline to boost the earnings prospect in the future?**
Answer: GTB would start to product the next generation sensors in 2H FY2021 and also in process of developing new products like bio sensor and ramping our laser light components for earnings growth.
- 19) Is the company involve in Sic or GaN packaging business from CREE Woldspeed ?**
Answer: GTB is not involved in the mentioned business.
- 20) The Semicon/electronic sector had unprecedented growth in recent years and many companies have recorded all time high profits and share price; however, while our company does reasonably well, it is not capturing this sector's growth to its full potential. What is our company doing to realise this more fully, what are the new key high margin products being produced or planned? How do you see our company's profit growth going forward and what could spoil it? Can our company benefit from the current chips shortage and how long more will this shortage continue?**
Answer: GTB currently is in the development stage of developing new products along the lines of bio sensor, 5G related components and new VSCSEL applications like LIDAR as part of efforts in business sustainability to continue the growth of the Company. The chips shortage is a neutral impact to GTB so far.

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- 21) How is the company's chip supply condition? Who are our suppliers?**
Answer: GTB currently have the necessary raw material supplies for its production needs.
- 22) Are we still storing 2 - 3 months of chip supply?**
Answer: No.
- 23) How competitive is our sensor product? What is our value-add for our customer, versus our competitors? If any, is the advantage sustainable?**
Answer: GTB has been in production of its first sensor product since Year 2012 and it is quite competitive. Since then GTB expanded to a few more sensors products catering to the consumer electronics segment and has been actively involved in upgrades or new generations as well. The value add would be co-development of new components from scratch, ability to move quickly from prototype to mass production, and the ability to provide good yielding, high quality components to its customers that are critical to successful launch of the end consumer electronic products.
- 24) Congratulations on the company's great financial performance. Does the company intend to separate audit and risk management committees in the near future in line with good governance practices?**
Answer: Thank you for the input, GTB will review and assess.
- 25) Will the company able to increase the dividend pay-out for the coming year?**
Answer: GTB would assess the Group's situation periodically to its best and to reward shareholders with increased dividends whenever possible.
- 26) Will the board of directors consider rewarding the shareholders with a bonus issue and e-vouchers for the shareholders who attend this AGM. Our company share price remains low and trending downwards compare with our peers? What are the initiatives the company will take to ensure the share price to perform better?**
Answer: GTB will look into the matter or e-vouchers. For business, GTB has been continually looking for new customers and products to grow the Company. GTB however is unable to control share price movement.
- 27) Board with savings from holding the AGM via RPV facilities, kindly consider to reward shareholders with e-wallet reload or e-vouchers. Thanks**
Answer: GTB will look into this matter.
- 28) Please consider giving e-voucher to participating shareholders. Thank you.**
Answer: GTB will look into this matter.
- 29) I hope the Board would consider giving all participants of this virtual meeting some vouchers, e-vouchers or e-wallet top ups to brighten up our day during this Covid-19 pandemic. Thank you.**
Answer: GTB will look into this matter.

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- 30) Will the company be giving any door gifts/e vouchers to shareholders/proxies attending this live streaming AGM and remote voting? Hope the answer is YES.**

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Answer: GTB will look into this matter.

- 31) How many shareholders attended this virtual AGM?**

Answer: 120 shareholders

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