

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Corporate Governance Overview Statement is prepared pursuant to paragraph 15.25 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and Malaysian Code on Corporate Governance (“MCCG”) 2021 issued by Securities Commission Malaysia. This statement gives the shareholders an overview of the corporate governance practices of the Group in FY2023.

This Corporate Governance Overview Statement is to be read together with the Corporate Governance (“CG”) Report which provides a detailed application for each practice as set out in MCCG 2021. This CG Report is available for reference on the Company’s website at www.globetronics.com.my, as well as on Bursa Malaysia Berhad’s website at www.bursamalaysia.com.

The Board is very conscious of the role that it plays in ensuring that GTB operates in a manner which is consistent with the highest standards of corporate governance. GTB will continue to refine and develop our governance processes, to ensure robustness and efficiency, at Board level and throughout the Group, in a way which enables the creation of sustainable long-term value for our shareholders and other stakeholders.

This statement together with the CG Report demonstrates the Board’s commitment in sustaining high standards of corporate governance and outlines the extent the Group has complied with the principles set out in MCCG 2021 with regards to the recommendations stated under each principle for the year under review.

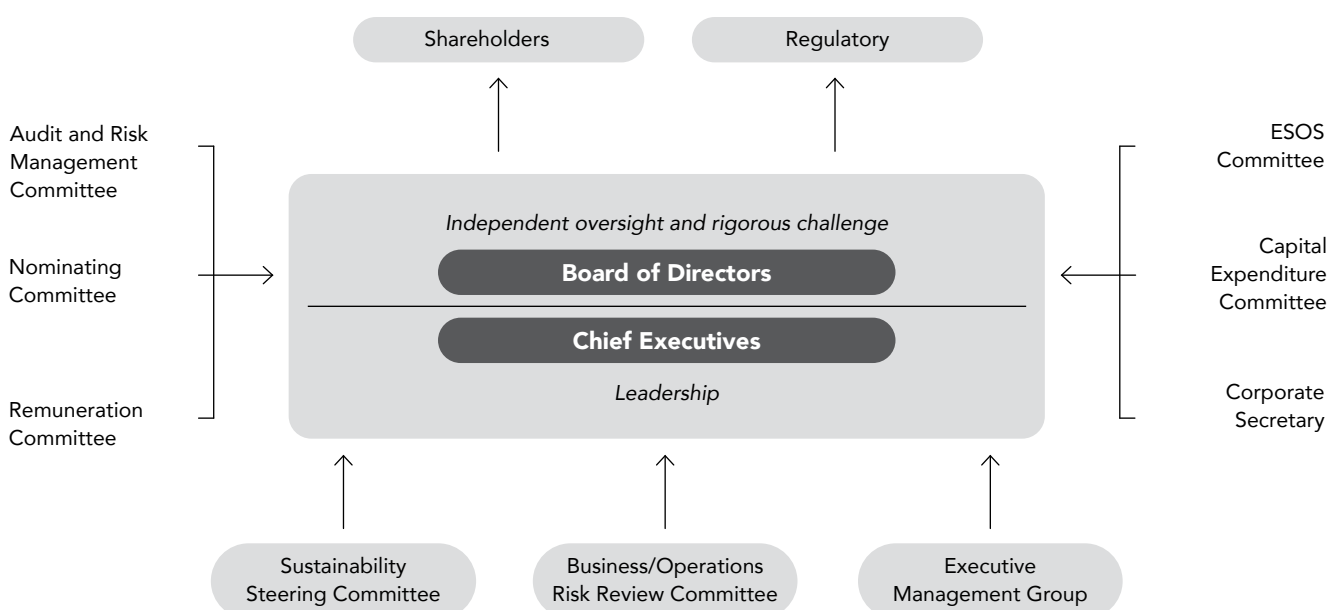
PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board is responsible for delivering shareholder value over the long term, in line with the Group’s culture, strategy, values and governance, while considering the interests of all our stakeholders and contributing to wider society. 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. There is a division of functions between the Board and the management, whereby the former’s focus lies more on the Company’s governance; the latter on management in accordance with the direction of and delegation by the Board. Thus, the Board leads the Group and plays a strategic role in overseeing the overall activities of the management in carrying out the delegated duties in achieving the Group’s corporate objectives and long-term strategic plans of the business.

The Board is committed to the highest standards of corporate governance and risk management, which is demonstrated in its established corporate governance framework, illustrated below.

The below Group Governance Framework is established to ensure that the responsibilities and duties are discharged effectively.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. BOARD RESPONSIBILITIES (Cont'd)

The Board has delegated certain functions and responsibilities to the following Board Committees:

- Nominating Committee (“NC”);
- Remuneration Committee (“RC”);
- Audit and Risk Management Committee (“ARMC”); and
- Employee Share Options Scheme (“ESOS”) Committee.

The Chairman is responsible for leadership of the Board and is pivotal in creating the conditions for the overall Board, Board Committees and individual director effectiveness. There is a clear separation of the role of Chairman and CEO which has been clearly established in the Board Charter to ensure the effective functioning of the Board and appropriate balance of power and authority. The Board Charter sets out the roles and responsibilities of the Board, composition and matters related to Board. The Board Charter was reviewed and revised in July 2023 to embody the latest changes in corporate governance and amendments to MMLR requirements. It is available for reference on the Company’s website at www.globetronics.com.my.

In the ordinary course, five Board meetings are planned throughout the calendar year to consider important corporate events and actions, for example, quarterly results announcements; the development and approval of our strategy; oversight of the performance of the business; review of the risk framework; declaration of dividends; review of the financial plan; succession planning; review of the functioning of the Board and its Committees; sustainability matters and review of corporate responsibility. In FY2023, the Board met physically for all five meetings.

All Board Committees meetings were conducted separately from Board meetings to enable objective and independent discussion during the meetings. All Board Committees report to the Board on matters deliberated and the Board is ultimately responsible for the decision making. Each Committee operates within its respective defined Terms of Reference (“TOR”) which have been approved by the Board. The details of TOR for the respective Board Committees are reviewed periodically and updated if needed. They are available for reference on the Company’s website at www.globetronics.com.my. Reference can also be made to the CG Report for their application of the practices encapsulated in the MCCG.

The Chairman of the Board is not a member of any board committees. However, the Chairman of the Board is invited to attend the board committees’ meetings to be the guide on the side to observe the presiding and conduct of the board committees’ meetings. He does not participate in any decision-making process of the board committees. This ensures objectivity of the observations and recommendations put forth by the board committees to the Board.

The table showing the attendance of past and current directors at Board and Board Committees meetings in FY2023 can be found on page 82.

To assist in fulfilling their duties, procedures are in place for the board members to seek independent advice and services of the Company Secretaries who are responsible for advising the Board on any updates relating to statutory and regulatory requirements pertaining to duties and responsibilities of directors and governance matters. The Company Secretaries have years of working experience with sufficient skills, knowledge and resources in advising the Board on governance and regulatory matters.

In relation to Malaysian Anti-Corruption Commission 2009 (Amendment 2018) (“MACC Act”), the Group emphasises its zero-tolerance position on bribery and corruption in ensuring good standards of ethical behaviour flowing through all levels of the Group to prevent unethical practices and consequently, support the delivery of long-term sustainable success of the Group. All employees participated in online refresher course on anti-corruption and bribery conducted internally this year and all new employees that joined GTB Group in FY2023 have also attended the training on Anti-Corruption and Bribery as part of their induction programme.

During the financial year, the Group also conducted online refresher review of the Principles of Business Conduct policy to the relevant non-direct employees to ensure the employees are in compliance with its standard of integrity in conducting the business of GTB Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. BOARD RESPONSIBILITIES (Cont'd)

The Board also provides an avenue for employees to report their genuine concerns of any unlawful or unethical situations or any suspected violation of the Principles of Business Conduct through its Whistleblowing Policy and Procedures. The Group treat all reports confidentially and genuine whistleblower will be protected from any reprisal within GTB Group as a direct consequence of the disclosure. There were no whistleblowing cases reported during FY2023.

The details of Anti-Corruption and Bribery Policy, Principles of Business Conduct and Whistleblowing Policy and Procedures are available for reference on the Company's website at www.globetronics.com.my.

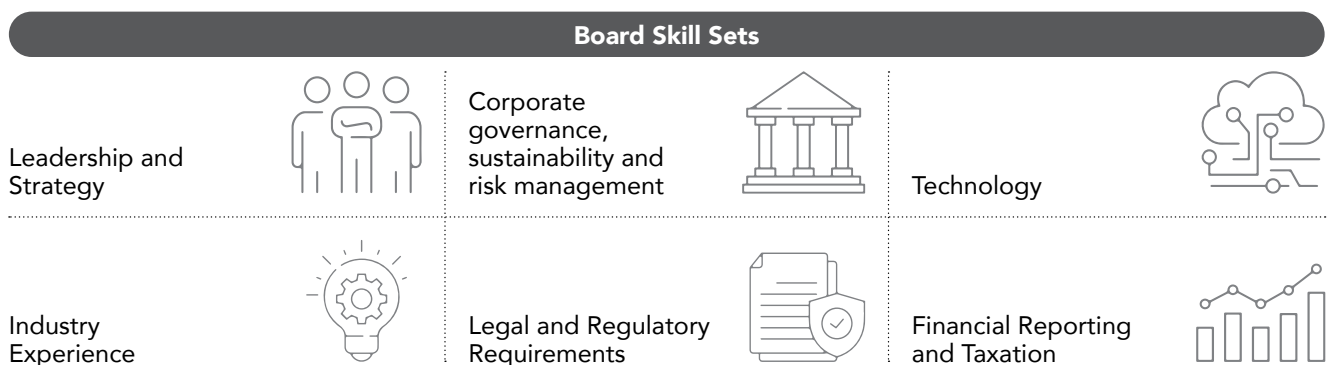
In terms of sustainability, the Board acknowledges the importance of delivering durable and sustainable value as well as maintaining the confidence of its stakeholders. The Board together with the management is responsible for the oversight and strategic management of the Group's sustainability matters. The work that we have done over this financial year included strengthening the sustainability governance framework by having a Sustainability Steering Committee which comprise of senior key management to lead and oversee the implementation of sustainability matters especially on climate related matters. The Chief Financial Officer has been designated as an interim leader to lead sustainability matters together with the key management team. The Group communicates its sustainability strategies and priorities to stakeholders via the Sustainability Statement on pages 22 to 70 of this Annual Report.

II. BOARD COMPOSITION

The Board of GTB Group has ultimate responsibility for the general affairs, direction, culture, performance and long-term success of our business as a whole. The Independent Non-Executive Directors essentially have a supervisory role, providing constructive challenges, strategic guidance and advice.

The Board recognizes the importance of boardroom diversity and the practice of the MCCG pertaining to the establishment of a diversity policy in skills, experiences, knowledge, age, gender, ethnicity and educational background. The Board has in place its Diversity Policy and it is available for reference on the Company's website at www.globetronics.com.my. Having an appropriate mix of experience, expertise, diversity and independence is essential for GTB's Board. Such diverse attributes enable the Board as a whole to provide informed opinions and advise on strategy and relevant topics, thereby discharging its duty of oversight. The Board skills matrix helps to identify the experience and expertise of existing directors, required skill sets or competencies, and the strategic requirements of the Group.

There were eight (8) members on the Board of Directors as of 31 December 2023, comprising three (3) Executive and five (5) Non-Executive Directors, four (4) of whom are Independent. Due to a change in shareholdings structure in February 2024, there was a reshuffling of Board composition. As of the date of this Report, the Board consists of nine (9) members, of whom five (5) are Executive Directors and four (4) are Non-Executive Independent Directors. This complies with Paragraph 15.02 of the MMLR, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be independent directors and one (1) out of nine (9) members is a woman director. The details of directors' background, experiences and qualifications are set out on pages 6 to 14 under the Profile of Directors of the Annual Report. The skills set of the Board is as depicted below:



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION (Cont'd)

Nominating Committee ("NC")

NC is assisting the Board by primarily being responsible for periodically assessing the structure, size and composition of the Board; evaluating the balance of skills, experience, independence, diversity and knowledge of the Board; ongoing succession planning; drawing up selection criteria and appointment procedures for Directors; reviewing the feedback in respect of the role and functioning of the Board Committees arising from Board and Board Committee evaluations. For FY2023, one (1) NC meeting was held.

NC reviewed the size and composition of the Board, and the skills and core competencies of its members, to ensure an appropriate balance and diversity of skills and experience. The Board, through its NC, have upon their annual assessment, concluded that the current Board comprises of a balanced mix of skills, knowledge and experience in the relevant areas to enable the Board to carry out its responsibilities in an effective and efficient manner.

In terms of the tenure of independence, the Board recognizes the MCCG's recommendation that the service tenure of an Independent Director does not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's resignation as a Non-Independent Director or the Board shall justify and seek annual shareholders' approval through a two-tier voting process in the event the director is retained as an Independent Director. All Independent Directors have served less than cumulative term limit of nine years.

NC reviewed and assessed the independence of Independent Directors and their tenure of service. In terms of independence, it was concluded that all the Independent Directors continue to display the essential characteristics of independence and each of them also fulfills the definition and criteria of independence per the MMLR.

The appointment of new directors by NC is based on the Directors' Fit and Proper Policy which has a set of approved criteria to assess the potential candidate. Potential candidates are to fill up information like their professional qualifications and working experience; past and present directorship details; declarations related to corporate ownership; past convictions and bankruptcy as well as political involvement. NC will assess the potential candidate based on the set criteria and can conduct reference check if necessary. NC can also request to hold engagement sessions with the potential candidate.

NC also recommended the re-appointment and re-election of Directors at the AGM to the Board for its approval. Directors are subject to retire by rotation at least once every three (3) years. Retiring Directors, being eligible, offer themselves for re-election at the forthcoming AGM. No director is retiring by rotation in accordance with Article 105 of the Company's Constitution at this forthcoming AGM.

The Company's Constitution also provides that any Director appointed during the year is subject to retirement and seek re-election by the shareholders at the forthcoming AGM immediately after his appointment. Therefore, the following Directors who are appointed due to the change in shareholdings structure in February 2024 will be subject to retirement and will be seeking re-election in the forthcoming AGM. They are Mr. Liaw Way Gian, Mr. Ku Chong Hong, Mr. Kang Wei Luen, Mr. Chiew Jong Wei, Dato' Sri Zaini bin Jass, Mr. Gan Sheng Yih and Mr. Tan Teik Hsiung.

In terms of training needs, NC together with the Board will continue to evaluate and determine the training needs of Directors by identifying and encouraging Board members to attend various external professional training programs relevant and useful in contributing to the effective discharge of their duties. The details of trainings attended by each individual Director are as per disclosed in Practice 1.1 of CG Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION (Cont'd)

Nominating Committee ("NC") (Cont'd)

The Board, through NC, conducted an annual evaluation of the Board's effectiveness and composition, including the effectiveness of the Board Committees which were undertaken internally by way of written questionnaire. The results indicated that the Board is of the view that the composition of the Board and respective Committees are well balanced and able to operate effectively in discharging its duties and responsibilities. Going forward, the Board would like to have more focus on the Group's short and long term strategic plans in terms of business sustainability, growth and expansion in view of lower customers demand, challenging operating environment and the uncertainties in year 2024. Further to this, the Group will continue to enhance its governance and performance framework as well as review the Group's sustainability priorities in relation to the Group's business decisions and strategies. It is the Board's intention to continue to review annually its performance and that of its committees.

III. REMUNERATION

Remuneration Committee ("RC")

The RC is responsible for recommending to the Board the remuneration packages for Directors as well as senior management. The RC has in place a Remuneration Policy on Directors and senior management with the aim to provide remuneration packages to attract, retain and motivate Directors and senior management of the quality required to manage the business of the Group and to align the interest of the Directors and senior management with those of the shareholders.

The Remuneration Policy is available for reference on the Company's website at www.globetronics.com.my.

During the year, RC has reviewed and recommended to the Board the remuneration packages for Executive Directors and senior management as well as fees for Non-Executive Directors.

None of the Executive Directors and senior management 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 an annual basis based on the recommendation of the RC and subject to the approval of shareholders in the AGM.

Specific disclosure of Directors' remuneration and senior management's remuneration in relation to Practice 8.1 and 8.2 of the MCCG 2021 are provided in the CG report.

The RC meets when necessary. For FY2023, one (1) RC meeting was held.

Employee Share Options Scheme ("ESOS") Committee

The ESOS Committee was established to assist the Board in their responsibilities to implement and administer the ESOS scheme in accordance with the By-laws of the ESOS. During the financial year under review, two (2) ESOS meetings were held whereby the Committee met and deliberated on the allocation of shares under ESOS scheme 2020 to eligible employees of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

The Board is responsible for assessing the integrity of the Group's financial information and the adequacy and effectiveness of the Group's internal control and risk management processes. The Board delegates these specific matters to the ARMC to assist in the discharge of its responsibilities.

I. AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC")

The ARMC comprises of three (3) Independent Non-Executive Directors. During FY2023, six (6) ARMC meetings were held, and a summary of the activities of the ARMC including the internal audit function during the year under review is set out in the ARMC Report on pages 71 to 75 of this Annual Report.

None of the ARMC members were former audit partners who are required to observe a cooling-off period of at least three (3) years before being appointed in accordance with the terms of reference of ARMC.

Based on the External Auditors Policy, ARMC also reviewed the suitability, objectivity and independence of the external auditors. The review process covered the assessment and evaluation of their performance, quality of work, non-audit services provided and timeliness of service deliverables.

The Board performed an annual assessment of the Committee's effectiveness in carrying out its duties as set out in the terms of reference. The Board is satisfied that the Committee has effectively discharged its duties in accordance with its terms of reference. All members of the ARMC are financially literate and are able to understand matters under the purview of the ARMC including the financial reporting process.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board recognizes the importance of risk management and internal controls in the overall management process. An ongoing process has been established for identifying, evaluating and managing risks faced by the Group. During the year, the Board considered the nature and extent of the risks it was willing to take to achieve its strategic goals. The Statement on Risk Management and Internal Control which provides an overview of the Group's risk management and internal control framework is set out on pages 83 to 87 of this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

The Company remains committed to delivering high standards of corporate disclosure and transparency in our communications with shareholders, investors and stakeholders, except where commercial confidentiality dictates otherwise. The Company provides timely, regular, relevant and complete information regarding the Group's businesses and corporate developments. In this aspect, the Company follows the Corporate Disclosure Guide and Best Practices as proposed by Bursa Malaysia. The GTB Corporate Disclosure Policy and Procedures is available for reference at the Company's website, www.globetronics.com.my.

The Board's primary contact with all shareholders is via the Chief Financial Officer ("CFO"), who have regular dialogue and meetings with institutional investors, analysts and fund investors periodically. The Chairman and the Chief Executive Officer, as appropriate, also meet with various institutional shareholders from time to time. The outcomes of the meetings that required attention of the board are reported to the Board to ensure that the Board keeps in touch with shareholders views. In FY2023, CFO attended various meetings with fund managers and analysts including conference calls and/or video conferences. He had attended more than 50 meetings with regional and Malaysian investors and analysts. These meetings continue to keep the investment community abreast of the Group's strategic developments and financial performance.

The information published at the Company's website, www.globetronics.com.my and announcements made to Bursa Malaysia's website, www.bursamalaysia.com are the key sources of information for the shareholders and stakeholders. Announcements and release of financial results on a quarterly basis are posted on the Company's website, which will provide the shareholders and stakeholders with an overview of the Group's performance and operations. The Company's website also serves as a forum for the shareholders and stakeholders to communicate with the Company. Requests for information or feedback on the Company can be forwarded to its dedicated Corporate Finance team through the same website.