

**GLOBETRONICS TECHNOLOGY BHD**

Registration No. 199601037932 (410285-W)

(Incorporated in Malaysia)

**MINUTES OF GENERAL MEETING**

MINUTES OF THE 25<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”) OF GLOBETRONICS TECHNOLOGY BHD (“GTB” OR “COMPANY”) HELD VIRTUALLY THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT THE CONFERENCE ROOM OF GTB, PLOT 2, PHASE 4, FREE INDUSTRIAL ZONE, 11900 BAYAN LEPAS, PENANG ON WEDNESDAY, 11 MAY 2022 AT 10.30 A.M.

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Present

: Directors

Mr. Michael Ng Kweng Chong  
Founder & Executive Chairman  
*Present at the Broadcast Venue*

Dato’ Heng Huck Lee  
Chief Executive Officer (CEO)  
*Present at the Broadcast Venue*

Ms. Lam Voon Kean  
Independent Non-Executive Director  
*Present at the Broadcast Venue*

Dato’ Syed Mohamad Bin Syed Murtaza  
Independent Non-Executive Director  
*Joined via video conferencing*

Mr. Ng Kok Khuan  
Non-Independent Non-Executive Director  
*Joined via video conferencing*

Ms. Ong Huey Min  
Independent Non-Executive Director  
*Joined via video conferencing*

By Invitation

Mr. Ng Kok Choon  
Chief Financial Officer (CFO)  
*Present at the Broadcast Venue*

Dato’ Ooi Kok Seng  
External Auditors, Messrs. KPMG PLT  
*Joined via video conferencing*

Ms. Ngai Qiu Ting  
Poll Administrator, Agmo Digital Solutions Sdn Bhd  
*Present at the Broadcast Venue*

Mr. Jason Fong Jian Sheng  
Independent Scrutineers, Aegis Communication Sdn Bhd  
*Present at the Broadcast Venue*

Members/Proxy Holders/Corporate Representatives

Total number of members participated: 147

Total number of proxy holders participated: 21

Total number of corporate representatives participated: 0

In Attendance : Mr. Lee Peng Loon  
Company Secretary  
*Present at the Broadcast Venue*

Ms. P'ng Chiew Keem  
Company Secretary  
*Present at the Broadcast Venue*

**1. COMMENCEMENT**

On behalf of the Board of Directors of GTB, the Company's Chairman, Mr. Michael Ng Kweng Chong welcomed all members, proxies and invited guests to the Company's 25<sup>th</sup> AGM.

The Chairman informed that this AGM had to be conducted virtually via live streaming webcast and online remote voting due to the on-going COVID-19 cases. He then thanked members and proxies for participating in the Company's virtual AGM remotely from their respective locations.

In view of the AGM was conducted virtually, the Chairman highlighted that the Company has taken all efforts to ensure a smooth live streaming, however the quality of the broadcast for the recipients was dependent on the participants' own internet bandwidth connection and stability.

The Chairman then introduced his fellow Board members, the CFO and the Company Secretary who were with him at the Broadcast venue and those who were attending this AGM via video conferencing, which included the Company's external auditors for the financial year ended 31 December 2021, Messrs. KPMG PLT as represented by its partner, Dato' Ooi Kok Seng.

Without further delay, the Chairman called upon the Company Secretary, Mr. Lee Peng Loon to confirm the number of proxy forms received and the presence of a quorum for the Company's 25<sup>th</sup> AGM.

The Company Secretary confirmed that 83 proxy forms were received within the prescribed period.

The Company Secretary also confirmed the presence of the requisite quorum as at the commencement of this meeting.

The requisite quorum being present, the Chairman called the Company's 25<sup>th</sup> AGM to order at 10.30 am.

**2. CHAIRMAN'S ADDRESS**

The Chairman welcomed again all members, proxies and invited guests and thanked them for their kind presence in attending the 25<sup>th</sup> AGM of the Company.

The Chairman then delivered his speech, which was annexed hereto as Appendix I.

**3. NOTICE OF MEETING**

The Chairman informed members and proxies that the notice convening the Company's 25<sup>th</sup> AGM had been sent to all members, Bursa Malaysia Securities Berhad, the Stock Exchange and Messrs. KPMG PLT, the External Auditors of the Company in accordance with the Company's Constitution.

As there were no objections, the notice convening the 25<sup>th</sup> AGM was taken as read.

In order to facilitate the flow of this virtual AGM, the Chairman informed members and proxies that Ms. Loo Wen Chyi and Ms. Ho Khai Ling who are members of the Company had offered themselves to be the Proposer and Secunder for all the motions to be tabled for approval by members at this AGM.

He then informed that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Company's Constitution, all the resolutions set out in the Notice of the 25<sup>th</sup> AGM had to be voted upon by poll electronically.

The Chairman then declared a poll to be carried out on all the resolutions set out in the Notice of the 25<sup>th</sup> AGM.

**4. PROCEEDINGS OF FULLY VIRTUAL MEETING**

The Company Secretary was invited to brief members on the proceedings of the virtual AGM.

The Company Secretary explained on how questions may be raised during the meeting including the voting on the resolutions that could be done at any time throughout the meeting virtually until the closure of the voting session.

The Company Secretary also informed members that the Company had appointed Agmo Digital Solutions Sdn Bhd as the Poll Administrator and Aegis Communication Sdn Bhd as the Independent Scrutineers to verify the poll results.

Further to the Company Secretary's explanation, a video clip of the online voting process was shared to members again.

After the video clip sharing, the Chairman presented the agendas of the 25<sup>th</sup> AGM and informed members and proxies present virtually that any questions relating to the agendas, they have to type in the query box. The directors and/or the external auditors would then address the questions during the Q&A session later.

**5. AUDITED FINANCIAL STATEMENTS**

The first agenda was to receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon (“AFS 2021”).

The Chairman informed that the AFS 2021 was for discussion only as it does not require members’ approval under Section 340(1)(a) of Companies Act 2016.

It was recorded that the AFS 2021 together with the Reports of Directors and Auditors thereon had been duly tabled and received by members of the Company.

**6. RESOLUTION NO. 1 – RE-ELECTION OF MR. NG KWENG CHONG**

The Resolution No. 1 was to re-elect Mr. Ng Kweng Chong, a director who retires by rotation in accordance with Article 105 of the Company’s Constitution and who, being eligible, offers himself for re-election.

Resolution No. 1 was proposed by Ms. Loo Wen Chyi and seconded by Ms. Ho Khai Ling.

**7. RESOLUTION NO. 2 – RE-ELECTION OF ENCIK HJ. MOHAMMAD HAZANI BIN HJ. HASSAN**

The Resolution No. 2 was to re-elect Encik Hj. Mohammad Hazani Bin Hj. Hassan, a director who retires in accordance with Article 112 of the Company’s Constitution and who, being eligible, offers himself for re-election.

Resolution No. 2 was proposed by Ms. Loo Wen Chyi and seconded by Ms. Ho Khai Ling.

**8. RESOLUTION NO. 3 – PAYMENT OF DIRECTORS’ FEES**

The Resolution No. 3 was to approve the payment of directors’ fees amounting to RM1,104,292.00 for the financial year ended 31 December 2021.

Resolution No. 3 was proposed by Ms. Loo Wen Chyi and seconded by Ms. Ho Khai Ling.

**9. RESOLUTION NO. 4 – PAYMENT OF DIRECTORS’ BENEFITS**

The Resolution No. 4 was to approve the payment of directors’ benefits up to an amount not exceeding RM40,000.00 to non-executive directors of the Company from 25<sup>th</sup> AGM to 26<sup>th</sup> AGM of the Company.

The Chairman informed that the Resolution No. 4, if passed, would enable the Company to pay meeting allowances and other benefits to non-executive directors of the Company in accordance with Section 230(1) of the Companies Act 2016. The total amount of directors’ benefits payable was estimated based on the

number of non-executive directors involved as well as the number of scheduled meetings of the Board and Board Committees.

Resolution No. 4 was proposed by Ms. Loo Wen Chyi and seconded by Ms. Ho Khai Ling.

**10. RESOLUTION NO. 5 – RE-APPOINTMENT OF AUDITORS**

The Resolution No. 5 was to re-appoint Messrs. KPMG PLT as auditors of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the directors to fix their remuneration.

The Chairman informed that Messrs. KPMG PLT, the retiring auditors had indicated their willingness to accept re-appointment and to hold office until the conclusion of the next AGM of the Company.

Resolution No. 5 was proposed by Ms. Loo Wen Chyi and seconded by Ms. Ho Khai Ling.

**11. ANY OTHER BUSINESS**

The last item of the agenda was to transact any other business of which due notices shall have been given to the Company.

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.

As there was no other business to be transacted, the Chairman proceeded to the Q&A session.

**12. QUESTIONS AND ANSWERS SESSION**

The Chairman adjourned the meeting at 11.00 am for the directors, senior management and/or the external auditors to respond to the live questions received from members and proxies present. The live questions received would be moderated to avoid repetition and may also be summarised for reasons of brevity.

The meeting was resumed on 11.10 am, the Group's CEO, Dato' Heng Huck Lee read the live questions and responded accordingly. For the live questions that the Group's CEO had not been able to address during the allocated time, he informed that the responses to those questions would be made available on the Company's website after the AGM.

A summary of the questions together with the Company's responses was annexed hereto as Appendix II.

**13. ONLINE POLL VOTING**

In view of the online voting was made accessible at the commencement of the meeting for members and proxies to cast and submit their votes in order to facilitate the polling process, members and proxies were then allowed another 5 minutes to cast and submit their votes online.

After all members and proxies had completed their voting during the stipulated time, the Chairman declared the voting closed.

The Chairman adjourned the meeting at 11.37 am for the Poll Administrative and Independent Scrutineers to carry out their tasks.

**14. RESULTS OF THE VOTES**

The Company's 25<sup>th</sup> AGM resumed at 11.50 am and the results of votes as confirmed and certified by the Independent Scrutineers, Aegis Communication Sdn Bhd were as follows:-

Resolutions	No. of shares and % voted	
	For	Against
Ordinary Resolution 1 – To re-elect Mr. Ng Kweng Chong as a director of the Company	340,064,250 (99.3866%)	2,098,986 (0.6134%)
Ordinary Resolution 2 – To re-elect Encik Hj. Mohammad Hazani Bin Hj. Hassan as a director of the Company	341,985,345 (99.9513%)	166,791 (0.0487%)
Ordinary Resolution 3 – To approve the payment of director' fees	341,894,806 (99.9418%)	198,997 (0.0582%)
Ordinary Resolution 4 – To approve the payment of directors' benefits to non-executive directors	341,892,358 (99.9422%)	197,612 (0.0578%)
Ordinary Resolution 5 – To re-appoint Messrs. KPMG PLT as auditors of the Company	342,034,492 (99.9622%)	129,444 (0.0378%)

Based on the poll results, the Chairman declared all the resolutions put to the 25<sup>th</sup> AGM carried.

**15. TERMINATION**

The 25<sup>th</sup> AGM was declared closed at 11.50 am with a vote of thanks to the Chair.

CONFIRMED CORRECT,

  
**NG KWENG CHONG**  
Chairman

## APPENDIX I

### Chairman's 25<sup>th</sup> AGM Address

Good morning once again, Dato' Dato' & Datin Datin, Ladies & Gentlemen! On behalf of Globetronics Technology Bhd. or GTB's Board of Directors, I would like to thank you all once again for your kind participation this morning in our 25<sup>th</sup> Annual General Meeting ("AGM") held virtually through live streaming from our Broadcast Venue at the Conference Room of Globetronics Technology Bhd.

Before we move on to the main agenda of today's Annual General Meeting, I would like to take a few moments of our time together this morning in addressing our Group's upcoming CEO and boardroom changes, as well as in paying our highest tributes to our Group's retiring CEO & Executive Director Dato' Heng and to our long-serving Independent, Non-Executive Director Dato' Aidid at this auspicious occasion of our 25<sup>th</sup> AGM.

Dato' Heng after having devoted 25 years of his most valuable and productive life into leading our Group and delivering endless outstanding contributions and transformational accomplishments to our Group together with a streak of stellar and unbroken profit-track record and breakthroughs, has decided to seek retirement as GTB Group's Executive Director after today's AGM and will subsequently retire as GTB Group's CEO on 30 June 2022.

On behalf of our Board of Directors, management and staff, I would like to thank Dato' Heng from the bottom of my heart for having devoted a quarter century of his most valuable and productive life into leading our Group with stellar accomplishments. Way beyond just being an outstanding CEO for our Group, Dato' Heng has also become the soul of our organization as well as the most trusted and dedicated friend to each and every one of us, on top of being a highly admired and adored CEO in our industry and community!! I would thus like to place on record our heartfelt gratitude and appreciation to Dato' Heng for all of his 25 years' of outstanding and glorious contributions to the GTB Group and we wish him the very best in his well-earned, well-deserved retirement. Thank you very much for everything, Dato' Heng.

By the same token, I would like to take this opportunity to convey our Group's heartfelt gratitude and sincerest appreciation to Dato' Syed Mohamad Bin Syed Murtaza (Dato' Aidid) who after devoting 11 years as our Group's Independent Non-Executive Director with the highest degree of professionalism and faithful services, will also be retiring from the GTB Board after today's AGM. We shall miss Dato' Aidid dearly and would like to wish him the very best in everything going forward!

Kudos to our Group's proactive succession planning system, I now take pleasure to report that our Group have ensured an impeccable top-executive-succession-plan years in advance. It is thus an opportune time for me to make an auspicious announcement that our current Group COO Ms Heng Charng Yee will succeed Dato' Heng as GTB's Executive Director on 12 May 2022 and as GTB's Group CEO on 1 July 2022. Our heartfelt congratulations and warmest welcome-on-board are due here to Ms Heng Charng Yee.

Following my sharing of our Group's impending CEO and boardroom changes, I would now like to present an overview of our Group's FY2021 results and also from my personal perspective, give an updated account of our Group's business prospects going forward.

Upon reflection, FY2021 was even more challenging than FY2020 particularly due to another yearlong border closures, sporadic lockdowns, supply chain interruptions, etc caused by the Covid-related restrictions which impeded our Group's business and revenue growth for the second year running.

Thanks to our Group's highly motivated workforce under the meticulous and outstanding stewardship of CEO Dato' Heng Huck Lee, CFO Mr Ng Kok Choon and COO Ms Heng Charnng Yee, our whole organization took the bull by the horns by converting many crises into gainful opportunities while delivering a reasonable bottom-line result for FY2021 in spite of the above mentioned Covid-restrictions and interruptions.

Compared to our Group's FY2020 financial results, FY2021's profit-after-tax ("PAT") of RM52.9 million improved by 4% whilst the revenue softened by 9% at RM206 million. It is noteworthy that a line-up of four new projects or businesses had been actively worked on in FY2021 and are ready to start contributing towards the second half of FY2022 together with another two new businesses ready for contribution in early FY2023. On top of that, our Group continued to deliver strong dividend payout of RM50.2 million which translates into 95% of the net profit for the year to our shareholders while closing FY2021 with a healthy RM195.1 million in cash and bank balances.

Notwithstanding the multiple challenges posed to our Group throughout FY2021, our Group's Sensors Division continued to deliver 100% delivery-commitment to our customer's products and service demands while successfully qualified three new projects ready to go into mass production in FY 2022/23 timeframe.

Our quartz crystal timing devices Division on the other hand faced severe price competition as well as technology replacement, which made us decide to exit the legacy product-lines while consolidating other businesses into our Penang operations to reduce overhead costs.

As for our Group's LED / laser / optical devices' Division, improved product loadings from certain key customers coupled with tight operational cost controls translated into a year with strong growth in both revenue and PAT vs FY2020's financial results.

Moving on next to our Group's Sustainability-drive with special focuses on Environmental, Social & Governance ("ESG") initiatives, our Group had initiated quarterly review sessions with our Group's Board of Directors as well as with our Audit and Risk Management Committee ("ARMC") in providing leadership, guidance as well as resources towards our Group's major ESG-revamping drives whereby it is mandatory for all the top operations & management teams together with all relevant ESG team-leaders to participate in pre-scheduled monthly reviews with a set of well-defined and comprehensive strategies and plans that would steer our Group towards a carbon neutral future.



Our Group had also initiated dialogue and briefing sessions with Bursa Malaysia to understand our latest score and standing on our Group's Sustainability and ESG-efforts in order to benchmark the best while achieving our Group's desired outcomes soonest. At the same time, our Group continued its work towards proactive compliances to a host of revamped statutory, regulatory and reporting requirements in the Malaysian Corporate scene where the key activities included the completion of risk assessment studies and analysis of 'adequate procedures' set out in the Ministerial Guidelines on Adequate Procedures issued pursuant to Section 17(A) of Malaysian Anti-corruption Commission or MACC Act 2009 (Amendment 2018) to enhance the overall transparency of GTB Group.

On the Social front, one of the key focuses for our Group has been to ensure that all our employees have all been fully vaccinated through our vaccination drive while overseeing satisfactory living conditions for our workers' accommodations. On top of that, our efforts to continue upskilling our employees with expanded training budget focusing on Digital Technology programs had come in handy in our drive towards Industrial Revolution 4.0 ("IR 4.0") initiatives and readiness towards advanced manufacturing technologies in our industry.

Going forward, in the process of assessing our Group's business outlook and prospects for FY2022, it is noticed that with the rise in use of sensors in IoT applications, surges in the use of IoT-sensors in automotive and industrial sectors and a high demand for connected and wearable devices have all boosted the growth of the global IoT-sensors' market. Based on Allied Market Research's recently published report, the global IoT-sensor industry was pegged at USD12.4 billion in year 2020 and is expected to reach USD141.8 billion by year 2030, growing at a compound annual growth rate of 28.1% from year 2021 to year 2030.

We similarly expect increase in demand for IoT-sensors in the development of smart cities and the beneficial applications of smart sensors in automobiles, consumer electronics, healthcare sector all of which would propel the growth of the global smart sensor market with new opportunities for the market players in the future.

With intense focuses on our Group's business portfolio especially on a wide range of sensors, LED, laser and optical devices together with other emerging technologies in the pipeline, we expect exponential growth in the demand of such a wide range of business-portfolio especially due to the continual adoption of IoTs, automation in processes, homes and factories, electric vehicles, gaming and smart devices with new applications.

The movement toward integrating the multifacets of these new technologies into a new medium called the Metaverse would require the acceleration of 5G and maybe even 6G technology in assisted applications like smart health-care networks through an amalgamation of IoT-devices that require improved network performance and enhanced cellular coverage coupled with all the previously mentioned applications. All these will result in astronomical demand for components that we are currently manufacturing as well as those which we will potentially be manufacturing in the near future.

In the most recent development within the technology industry, there have been strong evidence that the prolonged US-China trade war have resulted in the U.S. now offering incentives for big US and EU multinational corporations towards repatriating their manufacturing capacities out of China back to their homeland. Along with this out-of-China migration-trend, we have also noticed a surge of enquiries for potential relocation of manufacturing activities especially out of China to Malaysia as well. We are hopeful that all these enquiries will translate into new growth drivers for us in the coming years.

However, our Group is also cognizant of the global economic uncertainties as well as the supply-chain interruptions arising out of the war in Ukraine and China's zero-Covid policy where sporadic lockdowns in major Chinese cities persist. As far as our Group is concerned though, we are much more resilient now after overcoming two full years' of Covid-19 related interruptions and volatilities and are thus more ready now to tackle similar challenges by closely monitoring the situation with our customers, business circles and relevant governmental agencies to stay proactive at all times. We shall remain agile in navigating the evolving environment and remain committed to our core businesses.

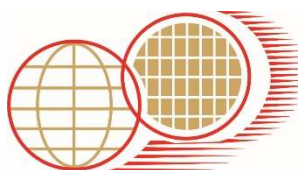
With the dwindling effects of Covid-19 pandemic on our Group's business operations now that almost 100% of our employees are fully vaccinated, our Group will continue to focus on escalating up the value chain and riding on the research and development initiatives in new products design and development with our key customers moving forward. While the Group's financial performance is expected to be satisfactory for year 2022, we are optimistic of our new growth opportunities going forward.

At this juncture, it is incumbent upon me on behalf of GTB's Management, staff and stakeholders to take this opportunity to convey our heartfelt gratitude and sincere appreciation to each and everyone of our highly respected Board of Directors for their meticulous guidance, timely support and invaluable motivation provided to our teams and workforce throughout all these past years.

Last but not least, on behalf of Globetronics Technology Bhd and Group of companies, I would like to thank each and every one of our shareholders and stakeholders for your unfailing encouragement and support to us over the past years.

Thank you all very much!

## **APPENDIX II**



**GLOBETRONICS TECHNOLOGY BHD**  
Registration No. 199601037932 (410285-W)  
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### **SUMMARY OF KEY MATTERS DISCUSSED**

SUMMARY OF KEY MATTERS DISCUSSED AT THE 25<sup>TH</sup> 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 WEDNESDAY, 10 MAY 2021 AT 10.30 AM

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Key matters discussed at the 25<sup>th</sup> AGM are summarised as follows:

- 1)
  - What is the reason/rationale for discontinuing the quartz crystal timing device business in financial year 2021 (FY2021)? Kindly share what is the revenue and net profit contribution by this project over year 2020 and 2021.
  - The Top Line was earning RM206 million in FY2021 which was lowest in the 5 years, may I know what is the reason?
  - The electronics/semiconductors sector has shown continued strong growth over the last few years but GTB's business/revenues have been declining.

Answer: The quartz crystal timing device business is one of the main components of the Group's business contributing about 20% of the Group's total revenue at one point and 50% of the of the Group's total headcounts. This business is very labour intensive and has low margin. In anticipation of cost-up coupled by the end-of-life cycle of this product, the Group managed to compromise decision to exit from this business.

Revenue growth and business related question will be answered in subsequent response.

- 2)
  - What is the strategy in going forward?
  - How would the group differentiate from other OSTAT peers like INARI, MPI? What is the Group's growth strategy to be implemented in future?
  - What strategies the management has applied to drive to company to next level high?
  - Among the four major OSAT companies listed in the Bursa Securities (Inari, MPI, Unisem and GTB), GTB is the obvious under performer (both in term of share price and financial results on performance wise) in the past two years. What are the steps taken or planned to take by the company going forward in order to mitigate such situation?
  - What strategies the management has applied to drive to company to next level high?
  - Which new areas are going to be GTB's focus going forward?
  - On the smart sensors side, as global smart phone sales are softening as cited by IDC, will there be any impact to your business? Can we expect a better earnings as compared to last year?

Answer: Over the years, GTB has been in niche product in terms of OSAT. We never try to pursue commodity platform similar to some of the established OSAT. The reason for this is because we want to maintain our strategy of better margin controls, better product life cycle as well as better allocation of CAPEX. With that we have also gain strong foothold in key

**SUMMARY OF KEY MATTERS DISCUSSED**

technology. Additionally, the Company's direction has always been consistent with focus on new growth area. This strategy continues to help sustain our margin while efforts are being focus to grow the revenue areas.

We will continue to be a major player in smart sensor and to drive our growth in 3 other areas namely automotive, Internet-of-Things (IoT) and health devices. We may not see an immediate effect as the gestation period for new business would take about 1 to 2 years. We however look forward towards the future contributions in the pipeline.

- 3) There is a change of guard at key executive position; what new direction and initiatives are the new focus with new blood for our Co.? What will be our company's prospects in the coming years given likely disruptions?

Answer: New exploratory areas like nano technology and expansion of laser optics related applications will be the other initiatives in laying the foundation for growth in the upcoming years. We also will focus to grow our customer base.

- 4)
- o The Annual Report for FY2022 did mention that the GTB is working on 4 to 5 new projects and expected to start contributing to the Company's revenue in the 2<sup>nd</sup> half of 2022. Please share the details of these projects.
  - o Is there any upcoming project or exciting progress that you would like to share with shareholders?
  - o Regarding the Chairman's statement in page 19 of the Annual Report for FY2021 stated "secure 4 to 5 potential new projects that will create significant diversification and growth opportunities in the next 2 to 3 years" can the management elaborate more on these projects?
    - i. Are these projects going to impact the revenue contribution % from GTB existing major customers?
    - ii. Will the projects have significant impact in the seasonality of GTB earnings?
    - iii. What is the end customer application of the products produced under the projects?
    - iv. Are the processes for the projects significantly different from GTB existing processes?
  - o How is the business prospect?
  - o Is that any new products will be unveil to the market for this financial year?
  - o Do Globetronics have any new products that will provide further growth to the business?
  - o Hi, any new expansion in future?
  - o What is the latest progress for laser lighting and bio sensor project?
  - o May I know, what is the company's future outlook?
  - o How fast are GTB's products/segments obsolescence occurring and will need newer higher value products to take up the slag?
  - o Could you please provide more details on your projects, like what type of products, for what kind of applications and customers?
  - o How to overcome the problem of company that unstable of the revenue?

Answer: There are 2 projects into smart sensors for wearable and smart phones that had started mass production this month. Along in the pipeline, there are 3 other sensors' projects for IoT, autonomous self-driving car as well as certain automotive segment. Additional new

### **SUMMARY OF KEY MATTERS DISCUSSED**

project would be the biosensor project which is at finalisation stage. Going forward, the new projects in the pipeline are going to generate exciting contribution to the Group.

Some of the new products would be the production of next generation smart sensors which would be a replacement of our existing products. Others will be new projects with new customers that will undergo the various development stages before mass production, thus will have minimal impact to earnings in 2022 but expected to be stable contributors in 1-2 years.

In the pipeline, we are also working with another new customer to enter the nano optics component operation. This will start operation in 2023.

- 5)
  - Has GTB experienced any supply chain disruption and order reduction risk and how will GTB deal with these problems?
  - Given that chips shortage prolonged for quite some time and materials cost increased, is there any major impact to your business.
  - Could the Board share some insights on the short-term and mid-term impact of Ukraine-Russia crisis to the company's performance?

Answer: We are the major supplier to some major global brands. So far GTB's performance had been quite consistent when compared with previous years. We believe this year would be challenging given the conflicts between Russia and Ukraine and the lockdown in China that had affected the supply chain. We are happy to announce that in the last few months, there were some inventories built-up hence in the near term, we do not foresee the supply chain is going to impact the Group. Going forward, we believe the supply chain would continue to be challenging, material situation would continue to be volatile because of uncertainties of the Russia-Ukraine war and the lockdown in China. We have been working closely with our supplier and customer for additional inventories pull in, hence the impact to us is minimal.

- 6) As for the class 100 and class 1K cleanrooms, when does GTB expect the facilities to be ready?

Answer: This is going to be another exciting project which required us to have the Class 100 facilities to be on line by 2022. If this project is to take off as per what we have in finalising with customer, this would bring GTB into a leadership OSAT in dealing with Nano technology processes.

- 7) Currently what is the contribution from the Top 5 customers? Is that the group vulnerable the risk of concentration of customers?

Answer: The top 5 customers had contributed about 90% of the Group's total revenue and while there is customer concentration risk, we are confident with reputation, product offerings and leadership of our customers in their respective segments, we should continue to gain and growth correspondingly.

**SUMMARY OF KEY MATTERS DISCUSSED**

- 8) Currently the group has products to be offered like LED, gesture sensor, motion sensor. May i know how these products in terms of market shares? Is that any plan to develop more variety of products?

Answer: For many of our products, we are either the sole source or one of the 2 sources to our global customers. There are many applications being co-develop with our customers and new customers now, for these new products, we continue to focus on smart sensors and the expanded applications into areas like autonomous driving, IOT and health devices. With some gestation period, these new products should become exciting new growth drivers for us in the next 1-2 years.

- 9) May i know what is cost to be spent for group R&D? Is the group has any patency for existing products?

Answer: We co-develop products for our customers where the IP / patents typically belong to our customer while we contribute by developing processes to take products to mass production to ensure a good time to market. R&D costs are a combination of customer sponsored and our own costs, where we typically spend about 1-2% of sales on R&D. IP from all our development efforts belongs to our global customers.

- 10) How confident is GTB is able to secure orders from US and EU multinational businesses to repatriate manufacturing capacity from China to their home countries, and when will this begin to contribute to revenue?

Answer: We are of the view that the continuing trade war between China-US would result in more outflow opportunities from China. We believe this is one of the avenues that would benefit the Group. However, to be consistent with our strategy in securing future customers, margin and sustainability is an important consideration. We continue to be cautious in our selection and investment decision on these new opportunities.

- 11)
  - o The coming RM 1500 at least working wages does it will cause much impact expenses for group?
  - o Is Globetronics profit affected by the recent rise in the lowest basic salary and raw materials? Are Globetronics able to absorb these costs?

Answer: Yes, but it would worst for those companies with more labour-intensive operation. We foresee very minimum impact as our decision to exit from timing devices business (item 1 above) had helped to save quite a substantial amount caused by the minimum wage starting from May 2022. We believe, from the overall strategy that we had taken in terms of cost savings management, we able to offset some of the impact arising from the minimum wage requirement. One of the major efforts is to drive for more industry 4.0 implementation.

**SUMMARY OF KEY MATTERS DISCUSSED**

- 12) Any real positive contribution to the bottom line of the company from ESG related efforts and initiatives?

Answer: We are very committed to drive strong ESG compliances, which is a very important sustainability practice to us as well as to the investor community and other stakeholders of the Company. From most recent initiatives of ESG, we have seen quite a bit of contribution financially. The energy efficiency replacement of some air-conditioner compressors, temperature control on relevant processes and scheduled shutdown of operations had reduced our utility cost.

- 13) Any plans to expand to other region of Malaysia?

Answer: No. We continue to build our efficiency from single site and leverage on optimisation of our overheads as well.

- 14)
  - o Recently there are analyst reports mentioned that GTB Tax incentive "Pioneer Status" will be expiring the coming June 2022, question, will the management be applying from MIDA again for another 5yrs extension?
  - o Can the management update on the status on the Company's MIDA tax incentive is set to expire on 30 June 2022 and has not been extended?
  - o Are tax incentives "Pioneer Status" expiring? How it affects Group's profit?
  - o Can you elaborate more on industry 4.0 related to our group? Any grant? Any tax benefits?

Answer: There is no extension of our pioneer status at this moment. However, we do have another grant (Industry 4.0) running in parallel at now.

- 15)
  - o The Company's cash and cash equivalent position has increased throughout the years, standing at RM195 million as at FYE2021. What are the Company's planned usages for the high cash amount?
  - o Are there any major planned CAPEX for the upcoming 1-3 years?

Answer: We continue to build a strong and stable financial position especially with our cash, this is to enable to make prompt decision to invest in new business opportunities. We will have quite a big CAPEX in the pipeline (i) to support all the new projects and new technology; (ii) Industry 4.0 utilisation; (iii) new technology for R&D; and (iv) new CAPEX for increase the capacity for building cleanroom and class 100 facilities.

**SUMMARY OF KEY MATTERS DISCUSSED**

- 16) ○ What is the company doing to increase the share price?  
○ Share price has worsened over the years. Please consider door gift for shareholder, at least a food voucher in view of this.  
○ GTB has underperformed in the case of the record high performance rate of all technology stocks in the previous two years.  
○ Noted EPF seems invested in the company during the peak share price of the company prior to Covid-19. Thereafter, the share price of the company seems not performing well until today. Did the company actively engage with institution investment communities to gain positive support?  
○ Any reason(s) for the share price downwards since 2021?

**Answer:** We have no control over the share price, we being the management team however would continue to work extremely hard to get the fundamental and performance of the Group to remain solid as what we had prevailed over the last 25 years.

- 17) ○ Will the company be able to pay more dividends to the shareholders for the coming year?  
○ Probably increase dividend as to circumvent slide in share price.  
○ Can you guide on the dividend payout this year? Thanks

**Answer:** We have a good track record with our dividend payout over the past years. The board and management will continue to carefully balance the requirement for new business investment and dividend payout. Our commitment is to continue to allocate the highest percentage of our annual earning for dividend. Most probably, this is of the reasons, EPF and other institutions continued to strengthen their portfolio with GTB.

- 18) ○ Will the Board consider giving door gifts such e-voucher or e-wallets for those participating in this AGM as a token & of appreciation?  
○ I wish to request for Touch-n-Go E-wallet as a token of appreciation to shareholders who attending this AGM. Tqvm in advance for your kind consideration.  
○ It has been 2 years we did not have a physical AGM since the pandemic. Hope everything good is in the line-up. Also, don't forget to reward the shareholders attending this virtual AGM by distributing Door Gifts or E-Voucher.  
○ Please consider giving e voucher to participating shareholder.  
○ Hope the Company will reconsider its decision of not giving any door gifts/e vouchers to all its shareholders and proxies attending this RPV.  
○ Hi, Board of Directors are allocated allowance to attend meetings. We, as shareholders likewise, be allocated E-Voucher for attending this virtual AGM.  
○ Kindly consider to reward shareholders with e-wallet reload, e-voucher etc.  
○ Virtual meeting is good but since the Company decided not giving any door gift, the Directors also should not be given any meeting allowance! Do u agree?

**Answer:** GTB will look into this matter.



**SUMMARY OF KEY MATTERS DISCUSSED**

- 19) Why is the company's management holding only miniscule stake in the company when future prospect is as bright as claimed by CEO?

Answer: Company ESOS is offered to management, it is dependent on them on timing of when to exercise their options

- 20) Should we have the new CEO present to us her business strategy?

Answer: Yes, there will be more sharing on the new CEO's strategy once she officially takes over the position in July 2022.

- 21) Are we exploring any forms of M&A opportunities, including being taken over?

Answer: Yes we are always open to and will explore M&A opportunities that will enhance the value of the Group.

- 22) Who are your competitors and are they a threat to Gtronic business going forward?

Answer: Our current strategy is pursuing niche products and businesses that are non-commodity and thus have better margins and less competition. Competitors will come in the form of other OSAT of our customers or players trying to come into the space of our customer, they are all global in nature and we have to continue to be agile and innovative to position ourselves against the competition

- 23) Any plan for bonus issue in the near future, since last was 2018.

Answer: No plans at the moment.