

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT



The Board of Directors (“the Board”) of Globetronics Technology Bhd. (“the Company”) is pleased to present the Audit and Risk Management Committee (“ARMC”) Report for the financial period ended 30 June 2025 (“FPE 2025”) in compliance with Paragraph 15.15 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

ARMC was established by the Board to support and assist the Board in fulfilling its oversight responsibilities through a review of the financial reporting process, risk management, internal control systems and overall compliance with the relevant applicable legal and regulatory requirements. The ARMC operates within a defined Terms of Reference (“TOR”) approved by the Board in discharging its duties and responsibilities.

On 29 October 2025, subsequent to FPE 2025, the Board reviewed the TOR of ARMC. The said TOR is available on the Company’s website at www.globetronics.com.my under the “Corporate Governance” section.

COMPOSITION AND MEETINGS

The ARMC comprises three (3) members throughout FPE 2025, all of whom are Independent Non-Executive Directors. This meets the requirements of Paragraphs 15.09(1)(a) and (b) of the MMLR as well as adopted Practice 9.4 of the Malaysian Code on Corporate Governance 2021 (“MCCG”), which recommends the ARMC to comprise solely of Independent Directors.

The details of ARMC members and record of attendance at the ARMC meetings held during FPE 2025 are as follows:

| Name | Number of Meetings | |
|--|--------------------|----------|
| | Held | Attended |
| Ms. Ong Huey Min Chairwoman/Independent Non-Executive Director (Resigned on 21 February 2024) | 1 | 1 |
| Tuan Haji Mohammad Hazani bin Haji Hassan Member/Independent Non-Executive Director (Resigned on 21 February 2024) | 1 | 1 |
| Mr. Khoo Kay Leong Member/Independent Non-Executive Director (Resigned on 21 February 2024) | 1 | 1 |
| Mr. Chiew Jong Wei Chairman/Independent Non-Executive Director (Appointed on 5 April 2024 as ARMC Chairman) | 7 | 7 |
| Dato’ Sri Zaini bin Jass Member/Independent Non-Executive Director (Appointed on 5 April 2024 as ARMC member and subsequently resigned on 16 July 2025 as ARMC member) | 7 | 7 |
| Mr. Tan Teik Hsiung Member/Independent Non-Executive Director (Appointed on 5 April 2024 as ARMC member and subsequently resigned on 16 July 2025 as ARMC member) | 7 | 6 |

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Mr. Chiew Jong Wei, the Chairman of ARMC is a member of Malaysian Institute of Accountants ("MIA") and Association of Chartered Certified Accountants ("ACCA"). Therefore, the composition of ARMC as of 30 June 2025 met the requirements of Paragraph 15.09(1)(c) of the MMLR.

After the FPE 2025, there were changes to the composition of ARMC wherein Dato' Sri Zaini bin Jass and Mr. Tan Teik Hsiung resigned as members of ARMC on 16 July 2025, while Ms. Ang Pei Gaik and Datuk Puvanesan a/l Subenthiran were appointed as ARMC members on even date.

As of the date of this report, the composition of ARMC comprises the following members:

| Name | Designation | Directorate |
|---|-------------|------------------------------------|
| Mr. Chiew Jong Wei | Chairman | Independent Non-Executive Director |
| Ms. Ang Pei Gaik (Appointed on 16 July 2025 as ARMC Member) | Member | Independent Non-Executive Director |
| Datuk Puvanesan a/l Subenthiran (Appointed on 16 July 2025 as ARMC Member) | Member | Independent Non-Executive Director |

The new composition of ARMC fulfilled the requirements of the MMLR and MCCG. All three (3) members of the ARMC are Independent Non-Executive Directors with the Chairman of ARMC is not the Chairman of the Board. Mr. Chiew Jong Wei, the Chairman of ARMC, and Datuk Puvanesan a/l Subenthiran are members of both MIA and ACCA.

There was no alternate director appointed to ARMC throughout the FPE 2025 and as of the date of this report.

SUMMARY OF ACTIVITIES OF THE ARMC

The summary of activities carried out by the ARMC for FPE 2025 is as follows:

Financial Reporting

- Reviewed the Group's unaudited quarterly financial results through discussion with the Management prior to submission to the Board for approval. The review is to ensure the disclosures therein are in compliance with the Malaysian Financial Reporting Standards (MFRS) 134 - Interim Financial Reporting and the latest requirement of the applicable disclosure provisions in the MMLR.
- Reviewed the audited financial statements of the Company and the Group for FPE 2025 before recommending to the Board for their consideration and approval to announce to Bursa Malaysia. The review focused particularly on changes of accounting policies and practices, significant matters

highlighted including financial reporting issues, significant judgements made by the Management, significant and unusual events or transactions and how these matters were addressed, going concern assumption and compliance with applicable approved accounting standards in Malaysia and other legal and regulatory requirements.

External Audit

- Reviewed with the external auditors, the audit plan outlining amongst others, the audit timeline, scope of audit, audit focus areas and key audit matters prior to the commencement of the statutory audit for FPE 2025.
- Reviewed and discussed with the external auditors, the audit report of the financial statements and key audit matters therein.
- 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 wish to discuss and highlight to the ARMC.
- Reviewed the assistance rendered by the Group's officers to the external auditors and the overall conduct of the audit.
- Reviewed and recommended the appointment of Messrs. Morison LC PLT as new auditors of the Company, taking into consideration their competencies, commitment, objectivity and independence.

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External Audit (Cont'd)

- Reviewed the nature and extent of the non-audit services provided by external auditors to ensure the independence and objectivity of the external auditors are not impaired with the provision of the said services to the Company and/or the Group.
- Reviewed and recommended the audit and non-audit fees for the services rendered by the external auditors to the Board for approval. The amount of the said fees is disclosed in the Additional Compliance Information section of the Annual Report.
- Held one (1) private session with the external auditors without Management's presence for discussion of audit-related matters. There were no major concerns raised by the external auditors in this respect.
- Assessed the independence and quality of audit provided by the external auditors and obtained a statement of assurance from the external auditors confirming their independence throughout the audit in accordance with all relevant professional and regulatory requirements. ARMC was satisfied with the work performed based on the firm's capabilities, professional team assigned, proposed methodology, independence and timeline. Accordingly, ARMC affirmed the suitability and independence of the external auditors and recommended to the Board to re-appoint Messrs. Morison LC PLT as the auditors of the Company and the proposed audit fees for approval.
- Reviewed any whistleblowing cases and management responses and resolutions. There was no whistleblowing case reported during FPE 2025.
- Reviewed and recommended the appointment of JKO Capital Sdn. Bhd. as new internal auditors of the Company for the Board's approval.
- Reviewed and assessed the effectiveness and performance of internal audit function in respect of audit quality, scope, sufficiency of resources and competency.

Risk Management

- Reviewed the adequacy and effectiveness of risk management and internal control systems instituted within the Group which include 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.

Internal Audit

- Reviewed and approved the annual internal audit plan to ensure adequacy of audit scope, coverage, budget, resources and authority for the internal audit function to carry out its works effectively and independently.
- Reviewed and deliberated on the internal audit reports tabled, which highlighted key control issues together with audit recommendations for improvement, Management's responses and adequacy of Management's action plans to address the control deficiencies.
- Reviewed and monitored the progress and status of action plans or corrective actions undertaken by Management to ensure audit issues highlighted in the internal audit reports are being addressed and rectified in a timely manner.

Other Activities

- Reviewed related party transactions and situations involving conflict of interest or potential conflict of interest that may arise within the Group based on the declaration by Directors and Senior Management.
- Reviewed tax proposal for the appointment of Morison LC Tax Sdn. Bhd. as the new tax agent of the Company.
- 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 within the Group and greater transparency before submission to the Board for approval and inclusion in the Annual Report.

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INTERNAL AUDIT FUNCTION

The Internal Audit function supports the Board through ARMC in discharging its duties and governance responsibilities in maintaining a sound internal control system within the Group. At the beginning of the FPE 2025, the internal audit was performed by the in-house Internal Audit function. Following the resignation of the internal auditor in May 2024, the Internal Audit function was outsourced to a professional service firm namely, JKO Capital Sdn. Bhd.

The outsourced Internal Audit function is free from any relationships or conflicts of interest in respect of the Company and the Group which could impair their objectivity and independence as internal auditors of the Company. It reports directly to ARMC.

The primary responsibility of the Internal Audit function is to conduct regular and systematic reviews of the key controls and processes in the operating units of the Group and assess compliance with the established policies and procedures, so as to provide reasonable assurance that such systems will continue to operate satisfactorily and effectively in the Group. In addition, the Internal Audit function also performs ad hoc investigations and special reviews as may be requested by the Management and ARMC, from time to time.

The following are the key activities carried out by the Internal Audit function for FPE 2025:

- Formulated a risk-based annual internal audit plan and presented the plan for ARMC's review and endorsement.
- Performed audit reviews in accordance with the approved internal audit plan.
- Reviewed on Malaysian Anti-Corruption Commission ("MACC") Compliance Section 17A MACC (Amendment) Act 2018.
- Reviewed on Fixed Assets Management.
- Reviewed on Human Resource Management: Recruitment & Resignation.
- Reviewed Enterprise Risk Management Report for FPE 2025.
- Reviewed and revised the Risk Management Framework.
- Made recommendation to the Management for improvement to the existing system of internal controls and work processes being audited, where necessary.

- Discussed with the Management on audit findings, recommendations and Management's response pertaining to any weaknesses noted from the audit.
- Presented the audit findings and action plans to be taken by the Management to the ARMC.

The total cost incurred for Internal Audit function in respect of FPE 2025 amounted to RM319,667.

ANNUAL PERFORMANCE ASSESSMENT OF ARMC

The performance and effectiveness of the ARMC for FPE 2025 were assessed by the Nominating Committee as part of the broader Board evaluation and was tabled for the Board's notation. The Board is satisfied that the ARMC has the right composition of the relevant skills and expertise and has been able to discharge its functions, duties and responsibilities in accordance with its TOR in supporting the Board in ensuring that the Group upholds appropriate Corporate Governance standards.

This ARMC Report was approved by the Board on 29 October 2025.