AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTRODUCTION

Pursuant to Paragraph 15.15 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors ("Board") of Globetronics Technology Bhd. ("the Company") is pleased to present the Audit and Risk Management Committee ("ARMC") Report which lays out the activities held for the financial year ended 30 June 2026 ("FYE 2026").

OBJECTIVES

The primary objective of the ARMC is to assist the Board in discharging its statutory duties and responsibilities, among others, providing additional assurance to the Board by giving an objective and independent review of financial reporting, risk management and internal controls, related-party transactions and conflicts of interest, and the internal and external audit functions.

The Terms of Reference ("TOR") of the ARMC can be accessed from the corporate website of the Company at www.globetronics.com.my.

COMPOSITION AND MEETINGS

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors, in compliance with Paragraphs 15.09 and 15.10 of the MMLR. The ARMC has adopted Practice 9.4 of the Malaysian Code on Corporate Governance ("MCCG"), which recommends that the Audit Committee comprise solely Independent Directors.

The details of ARMC members and record of attendance at the ARMC meetings held during FYE 2026 are as follows:

Name of Committee members	Meeting Attendance
Mr. Chiew Jong Wei	5/5
Dato' Sri Zaini bin Jass *(Appointed on 1 April 2026)*	1/1
Ms. Yap Jia Thong *(Appointed on 15 April 2026)*	1/1
Datuk Puvanesan A/L Subenthiran *(Resigned on 15 April 2026)*	4/4
Ms. Ang Pei Gaik *(Resigned on 31 March 2026)*	3/4

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

Name of Committee members	Designation
Mr. Chiew Jong Wei	Chairman, Independent Non-Executive Director
Dato' Sri Zaini bin Jass	Member, Independent Non-Executive Director
Ms. Yap Jia Thong	Member, Independent Non-Executive Director

The Chairman of the ARMC, Mr. Chiew Jong Wei is a member of the Malaysian Institute of Accountants. Accordingly, the Company complies with Paragraph 15.09(1)(c) of the MMLR. The ARMC Chairman is not the Chairman of the Board, in line with Practice 9.1 of the MCCG.

The Company Secretaries attended all the meetings together with the Chief Executive Officer and Chief Financial Officer, present by invitation. The Internal and External Auditors were also invited at certain meetings. In addition, the ARMC conducted private sessions with the External Auditors to discuss any matters which the ARMC may wish to discuss.

SUMMARY OF ACTIVITIES DURING FYE 2026

The ARMC discharged its duties and responsibilities to the best of their abilities in accordance with its TOR. The summary of the ARMC activities during the FYE 2026 was as follows:

1. Financial Statements and Reporting Review

a) Reviewed and discussed four (4) unaudited quarterly results of the Company and its subsidiaries ("the Group"). The review included comparative quarterly and year-to-date results.

b) Reviewed the adequacy and appropriateness of disclosure of the unaudited quarterly financial statements before recommendation to the Board for consideration, approval and release to Bursa Securities. When reviewing these financial statements, the ARMC obtained reasonable assurance that the condensed interim financial statements were prepared in accordance with the applicable financial reporting standards and the MMLR.

c) Reviewed the audited financial statements of the Group and of the Company as well as the statutory auditors' report thereon prior to the submission to the Board for their consideration and approval, upon being satisfied that, inter alia, the financial statements were drawn up in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016. The ARMC reviewed the statutory financial statements based on analytical approach whilst at the same time obtaining assurance from Management and the External Auditors that the financial statements complied with the relevant statutory requirements, accounting standards and the Malaysian Financial Reporting Standards to ensure that the audited financial statements presented a true and fair view of the Company's financial performance.

d) Reviewed the ARMC Report, Statement on Risk Management and Internal Control, Corporate Governance Overview Statement and Corporate Governance Report to ensure adherence to legal and regulatory reporting requirements before recommending to the Board for approval for inclusion in the Company's Annual Report 2026.

2. Matters Relating to External Audit

a) Reviewed and deliberated the Audit Planning Memorandum covering, amongst others, audit approaches, areas of audit emphasis, significant events during the financial year and timetable, before commencement of the annual statutory audit.

b) Reviewed and deliberated the Progress Report, covering significant audit findings, potential key audit matters, significant deficiencies in internal control, status of audit and the independence and objectivity of the External Auditors.

SUMMARY OF ACTIVITIES DURING FYE 2026 (Cont'd)

2. Matters Relating to External Audit (Cont'd)

c) Private sessions with the External Auditors without the presence of the Executive Directors and Management to discuss any issues arising from the annual statutory audit or any other matters the External Auditors may wish to discuss. There was no major issue raised during the meeting.

d) Considered and recommended the re-appointment of Messrs Morison LC PLT as the External Auditors and their audit fee to the Board for consideration based on competency, efficiency and independence as demonstrated by the External Auditors during their audit.

3. Matters Relating to Internal Audit

a) Reviewed and approved the Internal Audit Review Plan for the FYE 2026 presented by the outsourced Internal Auditor to ensure adequate scope and resources of the internal audit function and coverage on the activities of the Group taking into consideration the assessment of key risk areas.

b) Reviewed and discussed the Internal Audit Report which consists of the findings, recommendations and Management responses to ensure that all key risks will be addressed, and adequate controls are in place on a timely basis.

c) Reviewed and assessed the adequacy of the scope, functions, independence, framework and methods, employed, competency as well as resources of the outsourced Internal Auditors and that they have the necessary authority to carry out their work.

4. Related Party Transactions

The ARMC also reviewed any related party transactions and situations involving conflict of interest or potential conflict of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity and ensure that any such transaction is carried out at arm's length, on terms that are not detrimental to the Group and in the best interest of the Group and report the same to the Board.

5. Risk Management

a) 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.

b) 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.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

The Group recognised that an internal audit function is essential to provide independent assurance on the adequacy and effectiveness of the Group's system of internal control and is an integral part of the risk management process.

1. Outsourced Internal Auditor

JKO Capital Sdn. Bhd. ("Internal Auditor") is the appointed Internal Auditor since August 2024. The Internal Auditors conduct independent, regular and systematic reviews of the key controls and processes in the operating units and assess compliance with the established policies and procedures. The Internal Auditor report directly to the ARMC and assist the Board in monitoring the adequacy and effectiveness of the Group's internal controls and risk management. The outsourced internal audit function is free from any relationship or conflict of interest that could impair its objectivity and independence.

The Internal Auditor is guided by the Global Internal Audit Standards under the International Professional Practices Framework issued by the Institute of Internal Auditors. Observations and findings from the audit reviews, including the recommended corrective actions were discussed with the Management.

The ARMC also reviewed the adequacy of the scope, functions, resources and competency of the internal audit functions and assessed the performance of the Internal Auditors in terms of their technical competencies and the manpower resources sufficiency and they have the necessary authority to carry out their work. The ARMC was of the opinion that the outsourced professional firm is independent and able to objectively carry out its role as internal auditors.

2. Summary of Internal Audit work for the FYE 2026

During the financial year under review, the Internal Auditor carried out the following key activities:

a) Formulated a risk-based annual internal audit plan and presented the plan to the ARMC for review and endorsement.
b) Performed internal audit reviews in accordance with the approved internal audit plan.
c) Reviewed Human Resource Management processes relating to recruitment and resignation.
d) Reviewed the sales compliance review processes.
e) Reviewed the safety, health and environmental processes.
f) Reviewed and revised the risk-based internal audit plan, where necessary, to address changes in the Group's operations and risk profile.
g) Recommended improvements to the internal control systems and work processes reviewed, where necessary.
h) Presented the internal audit findings, Management's responses, agreed action plans and implementation status to the ARMC.
i) Developed and presented the proposed internal audit plan and enterprise risk management scope for FYE 2027 to the ARMC for review and endorsement.

The internal audit reports together with the Management's response and proposed corrective action plans were then presented to the ARMC for their review during the ARMC meetings. The follow-up review was also conducted by the Internal Auditors to monitor the implementation status of agreed corrective actions by management.

The total costs incurred for the internal audit function for FYE 2026 were RM244,000.

This ARMC Report was approved by the Board on 22 October 2026.