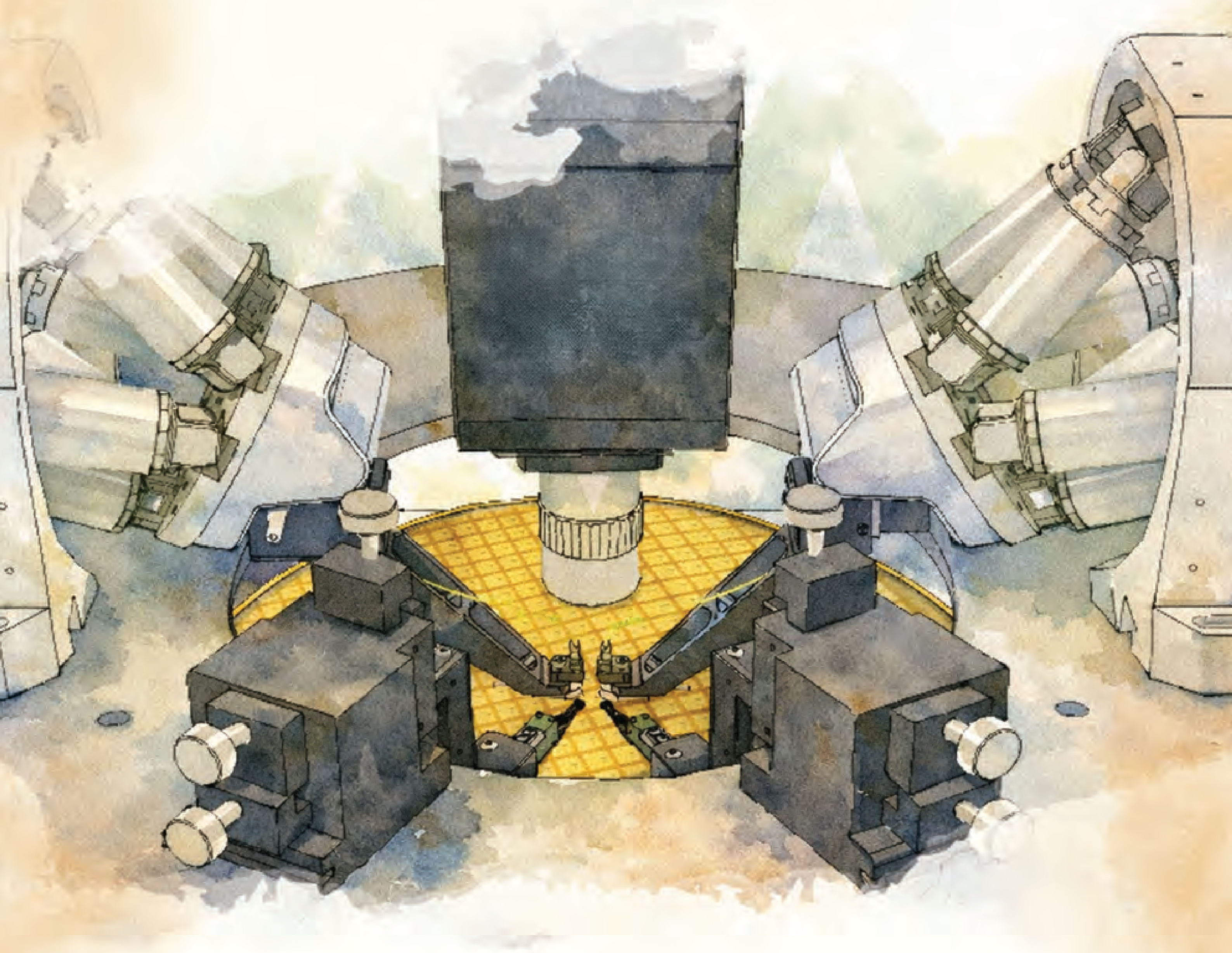
PENTAMASTER

PENTAMASTER CORPORATION BERHAD

200201004644 (572307-U)



Engineering Tomorrow's Technology

ANNUAL REPORT 2025

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VISION

"To be the leader and world class automation solutions provider in the global market"

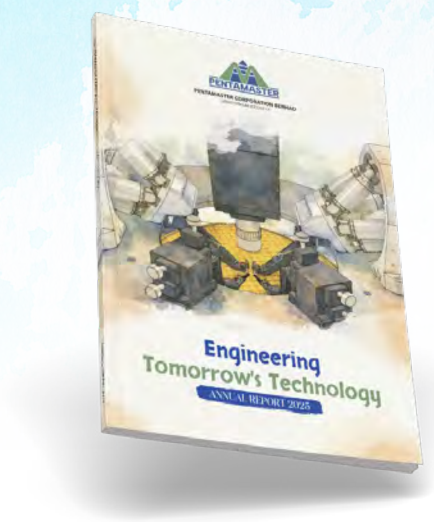
MISSION

"We are committed to delivering high quality and cost-effective solutions with latest technology as well as providing value-added services to our customers and benefits to our vendors, employees and the community as a whole"

ENGINEERING TOMORROW'S TECHNOLOGY

The cover art titled "Engineering Tomorrow's Technology" presents a refined visual narrative that aligns seamlessly with Pentamaster Corporation Berhad's positioning as a leading global automation solutions provider. At its centre, the wafer prober and robotic arms symbolise the Group's technological precision and core strength in automated test equipment. Their poised interaction above the silicon wafer reflects controlled accuracy, efficiency and consistency, the very qualities that underpin high-performance automation across critical industries.

More notably, the watercolour-style background introduces a softer, almost narrative dimension to the composition. Unlike rigid industrial imagery, the diffused brush textures suggest evolution, adaptability and an ongoing journey of innovation. The generous use of negative space further enhances the cover's impact. By allowing the central elements to breathe, the design achieves a clean, uncluttered and professional aesthetic. Collectively, the composition communicates a brand that powers performance through automation with precision, maturity and thoughtful innovation.



CORPORATE INFORMATION

BOARD OF DIRECTORS

CHUAH CHOON BIN
Executive Chairman

GAN PEI JOO
Executive Director

LEE KEAN CHEONG
Independent Non-Executive Director

ROSLINDA BINTI AHMAD
Independent Non-Executive Director

DATO' LOH NAM HOOI
Non-Independent Non-Executive Director

LENG KEAN YONG
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Chairman
LEE KEAN CHEONG
Independent Non-Executive Director

Members
DATO' LOH NAM HOOI
Non-Independent Non-Executive Director

ROSLINDA BINTI AHMAD
Independent Non-Executive Director

COMPANY SECRETARIES

KONG SOWN KAEY (MAICSA 7047655)
SSM PC No: 202008001434

NUR ASMIDA BINTI ROSLI (MAICSA 7069974)
SSM PC No: 202308000678

AUDITORS

GRANT THORNTON MALAYSIA PLT
Level 5
Menara BHL
51, Jalan Sultan Ahmad Shah
10500 Penang, Malaysia

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS

Plot 18 & 19, Technoplex
Medan Bayan Lepas
Taman Perindustrian Bayan Lepas, Phase IV
11900 Penang, Malaysia
Tel : 04-646 9212
Fax : 04-646 7212
Website : www.pentamaster.com

REGISTERED OFFICE

35, 1st Floor, Jalan Kelisa Emas 1
Taman Kelisa Emas
13700 Seberang Jaya, Penang, Malaysia
Tel : 04-397 6672
Fax : 04-397 6675

SHARE REGISTRAR

SECURITIES SERVICES (HOLDINGS) SDN. BHD.
Suite 18.05, MWE Plaza
No. 8, Lebuh Farquhar
10200 Penang, Malaysia
Tel : 04-263 1966
Fax : 04-262 8544

BANKERS

AHAM Asset Management Berhad
AmBank (M) Berhad
Bank of China (Hong Kong) Limited
Bank of China (Malaysia) Berhad
Citibank Berhad
Citibank (Hong Kong) Limited
Hong Leong Bank Berhad
Malayan Banking Berhad
Phillip Mutual Berhad
Public Bank Berhad
RHB Asset Management Sdn. Bhd.
Standard Chartered Bank Malaysia Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD
("BURSA MALAYSIA")
Sector: Technology
Stock Name : Penta
Stock Code : 7160

CORPORATE STRUCTURE
AS AT 28 APRIL 2026

PENTAMASTER CORPORATION BERHAD
200201004644 (572307-U)
(Malaysia)
("Company")

71%
Pentamaster International Limited 檳傑科達國際有限公司
(MC-323853)
(Cayman Islands)
("Pentamaster International")

100%
Pentamaster InnoTeq Sdn. Bhd.
202101030723 (1431023-V)
(Malaysia)
("Pentamaster InnoTeq")

100%
Pentamaster Smart Solution Sdn. Bhd.
200301023077 (625497-H)
(Malaysia)
("Pentamaster Smart Solution")

100%
Origo Ventures (M) Sdn. Bhd.
201401027996 (1104082-X)
(Malaysia)
("Origo")

100%
Pentamaster Technology (M) Sdn. Bhd.
199501007290 (336488-H)
(Malaysia)
("Pentamaster Technology")

- **38.08%** **Penang Automation Cluster Sdn. Bhd.** 201601021441 (1192380-V) (Malaysia) ("PAC")
- **100%** **Pentamaster Technology (M) Sdn. Bhd.** (Singapore Branch) (T18FC0094F) (Singapore) ("Pentamaster Singapore (Branch)")
- **100%** **Pentamaster Technology (Jiangsu) Limited** (91320507MA25TXWQXP) (China) ("Pentamaster Jiangsu")
- **100%** **Pentamaster Automation (Japan) Co., Ltd.** (0200-03-020389) (Japan) ("Pentamaster Japan")
- **100%** **Pentamaster Automation (Germany) GmbH** (HRB 283547) (Germany) ("Pentamaster Germany")

100%
Pentamaster Instrumentation Sdn. Bhd.
200301034952 (637373-M)
(Malaysia)
("Pentamaster Instrumentation")

- **100%** **Pentamaster Instrumentation (Taiwan) Pte. Ltd.** (59031) (Taiwan) ("Pentamaster Taiwan") Incorporated on 3 March 2026

100%
Pentamaster Equipment Manufacturing Sdn. Bhd.
200601029409 (749166-A)
(Malaysia)
("Pentamaster Equipment")

- **100%** **Pentamaster Equipment Manufacturing, INC.** (82-4120867) (United States) ("Pentamaster US")
- **100%** **TP Concept Sdn. Bhd.** 201001040387 (924312-H) (Malaysia) ("TP Concept")
- **85%** **Pentamaster EVA Sdn. Bhd.** 202401012789 (1558639-W) (Malaysia) ("Pentamaster EVA")
- **100%** **Pentamaster Equipment Manufacturing Pte. Ltd.** (202530151K) (Singapore) ("Pentamaster Singapore")

100%
Pentamaster MediQ Sdn. Bhd.
202001017008 (1373328-W)
(Malaysia)
("Pentamaster MediQ")

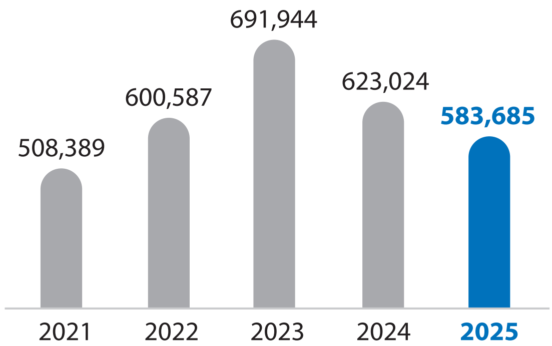
- **100%** **Mirak Medica Sdn. Bhd.** 202501003027 (1604440-W) (Malaysia) ("Mirak Medica")

Pentamaster Corporation Berhad and its subsidiaries are collectively referred to as "Pentamaster Group" or the "Group"

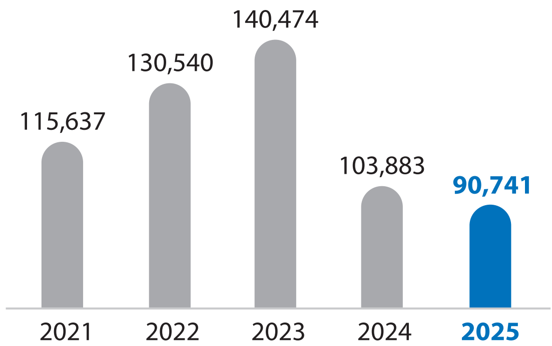
FINANCIAL SUMMARY

	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	**2025 RM'000**
Revenue	508,389	600,587	691,944	623,024	**583,685**
Profit before tax	119,466	132,084	141,426	105,418	**95,827**
Profit after tax	115,637	130,540	140,474	103,883	**90,741**
Profit attributable to:					
Owners of the Company	72,911	82,419	89,128	65,211	**61,972**
Non-controlling interests	42,726	48,121	51,346	38,672	**28,769**
ASSETS AND LIABILITIES					
Total assets	984,514	1,158,169	1,317,890	1,351,720	**1,256,481**
Total liabilities	188,895	265,428	312,332	270,688	**195,335**
Net assets	795,619	892,741	1,005,558	1,081,032	**1,061,146**

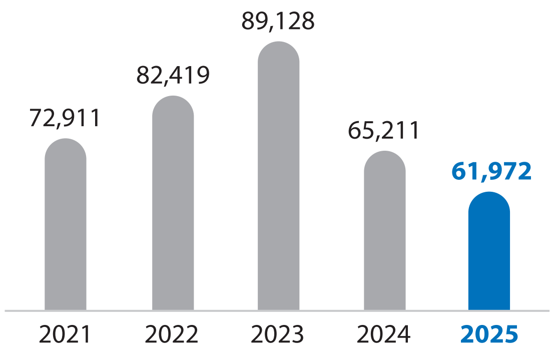
REVENUE
(RM'000)



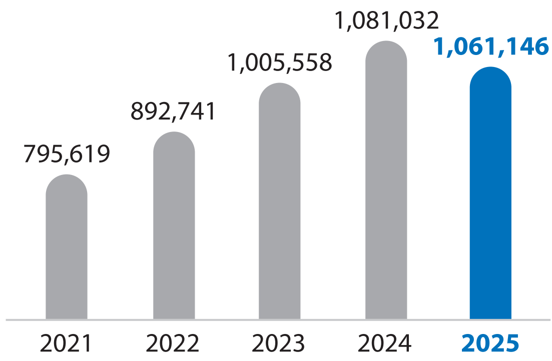
PROFIT AFTER TAX
(RM'000)



PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)



NET ASSETS
(RM'000)



CHAIRMAN'S STATEMENT

CHUAH CHOON BIN
Executive Chairman

Dear Shareholders,

In 2025, we witnessed an extremely volatile year marked by sweeping tariff measures, intensifying technological competition and artificial intelligence ("AI") dominance, coupled with renewed bipolarisation of economic superpowers in the global landscape. This has somewhat led to a profound economic impact on the global economy and Pentamaster was not spared. During the year, Pentamaster recorded revenue of RM583.7 million as compared to RM623.0 million recorded in 2024, representing a decline of approximately 6.3% year-on-year. This was not unexpected as more cautious capital expenditure and delays in project rollouts by our customers were experienced during the year, while the Group was laying its foundation through research and development ("R&D") in its Advanced Packaging equipment and solutions.

Notwithstanding the softer full-year performance, the Group observed a recovery in momentum during the second half of 2025, with fourth quarter revenue increasing by 21.8% year-on-year to RM159.1 million. This improvement is noteworthy as the Group's Factory Automation Solutions division successfully executed projects that are AI and medical-related, reflecting our optimism towards the Group's growth momentum heading into 2026.

From our perspective, while the global economy remains increasingly erratic and unpredictable, the technology and industrial landscape continue to be reshaped by rapid advancements in AI. Within the semiconductor sector, demand for high-performance, high-speed transmission and energy-efficient computing solutions is accelerating, with advanced semiconductor packaging technologies emerging as the "common" platform in the AI ecosystem. These dynamics have led to supply-demand imbalances in key components, initially in logic chips, followed by memory chips and extending to power semiconductor integrated chip and packages incorporating wide-bandgap materials such as silicon carbide ("SiC") and gallium nitride ("GaN"). In this context, Pentamaster has positioned 2025 as a year of planning and foundation building to anchor itself for this AI supercycle.

CHAIRMAN'S STATEMENT

At the same time, the healthcare and medical devices sector continues to demonstrate resilient structural growth, supported by aging populations and rising healthcare standards globally. This has reinforced demand for high-precision, high-quality and regulatory-compliant manufacturing solutions, particularly in medical device production and related healthcare technologies. Labour-intensive manufacturing is gradually being phased out, as industries worldwide increasingly prioritise quality, consistency and speed to market. In this regard, the Group has strongly positioned itself as a total automation solution partner for its customers for their manufacturing automation needs.

Looking ahead, we expect the FAS segment to remain the primary revenue contributor in 2026, accounting for more than 50.0% of total Group's revenue. This outlook is supported by sustained demand from customers in the United States, Europe and Asia, particularly in the medical, industrial and consumer product segments. Growth in these segments is primarily driven by rising healthcare expenditure, accelerated adoption of digital health technologies, and the global expansion of AI infrastructure. In addition, ongoing supply chain diversification, including reshoring initiatives and "China+1" strategies adopted by multinational manufacturers, is increasing demand for high-precision outsourced manufacturing solutions that require advanced factory automation systems.

These structural trends are expected to support long-term demand for automation solutions. Pentamaster is well-positioned to benefit from opportunities across AI-driven industries, semiconductor manufacturing and medical technology. The Group remains focused on strengthening its technological capabilities, enhancing operational execution and delivering sustainable long-term value to stakeholders.

Strategic Initiatives for Growth

For 2026, the Group will focus on commercialising and advancing its R&D initiatives developed in 2025. Internally referred to as the "9 Samurai" projects, Pentamaster will actively advance these Advanced Packaging equipment and solutions for customer qualification and co-development. The "Samurai Projects" encompass equipment and solutions covering 2D and 3D wafer inspection, silicon photonics co-package testing, chiplet and die testing, panel and substrate testing, X-ray 3D inspection, system-level testing with active thermal control, as well as High Performance Computing ("HPC") burn-in. These solutions are in demand by the overall advanced semiconductor manufacturing and testing in addressing the precision, scalability and reliability requirements for the AI supply chain ecosystem.

With the industry transitioning towards heterogeneous integration, chiplet architectures and AI-driven HPC, Pentamaster's roadmap will be laid for execution in 2026 with the aim of achieving mass production readiness by 2027. Meanwhile, the Group is also preparing for the recovery of the power semiconductor segment with its full suite of solutions for testing and assembling packages involving wide-bandgap material such as SiC and GaN.

In parallel, the Group's Factory Automation Solutions division latest automation platform – "i-FLEX" will be rolled out to support the Group's transition towards Industry 5.0 incorporating AI-enabled micro-precision automation processes. Designed for high-mix, low-volume manufacturing environments, i-FLEX enhances data-driven decision-making, predictive quality control and flexible system reconfiguration. These capabilities support customers' needs in improving production yield, traceability and operational efficiency amid increasing product and manufacturing complexity.

Collectively, these initiatives developed within the AI context will strengthen the Group's capabilities in advanced semiconductor manufacturing and precision factory automation, including applications in the medical device segment and other high-value manufacturing sectors, which in itself, present long-term structural growth trends.

At the same time, the semiconductor industry continues to attract sustained capital investment, supported by growing demand for advanced chips across AI, automotive electronics and cloud computing applications. This reinforces a positive long-term outlook for the Group's Samurai Projects, which focus on enabling advanced packaging solutions.

Appreciation

We would like to sincerely thank our employees for their dedication, commitment and resilience, which continue to drive the Group forward. We also extend our appreciation to our vendors and partners for their continued support in ensuring operational excellence. To our Board members, we thank you for your guidance and oversight in navigating a dynamic business environment. Above all, we are grateful for the continued strength and support that have guided us through every challenge.

CHUAH CHOON BIN
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2025, the global operating landscape continued to be shaped by a complex interplay of macroeconomic factors, geopolitical developments and policy interventions. Notably, the tariff measures introduced by the United States in the first half of the year added further complexity to global trade dynamics, intensifying tensions and contributing to increased market volatility. These developments prompted businesses to reassess supply chain configurations, capital allocation and cross-border investment strategies. Against this backdrop, the operating environment was increasingly influenced by structural shifts within the global technology ecosystem as industry players continued to prioritise long-term transformation over short-term cyclical considerations.

Across the semiconductor and automation value chain, capital allocation continued to pivot towards high-growth applications such as AI, data centres, advanced packaging and next-generation computing architectures. This shift has accelerated demand for more complex, high-precision testing and automation solutions, particularly in areas supporting higher integration density, chiplet designs and power-efficient devices. At the same time, supply chain diversification and localisation initiatives continued to gain traction, prompting manufacturers to reassess production strategies and invest in automation to enhance operational resilience, scalability and supply chain resilience. These trends have collectively reshaped the competitive dynamics of the industry and created new avenues for growth across the Group's key business segments.

Against this backdrop, 2025 marked a transitional yet strategically important year for the Group as it navigated cyclical headwinds while laying the foundation for its next phase of its growth trajectory. For the financial year under review, the Group recorded revenue of RM583.7 million, representing a decline of approximately 6.3% from RM623.0 million in 2024. The softer performance was largely attributable to moderation within the Factory Automation Solutions ("FAS") segment following its strong performance in the preceding year. While the Automated Test Equipment ("ATE") segment recorded a year-on-year increase in revenue, the magnitude of growth in the ATE segment was insufficient to offset the larger moderation observed in the FAS segment, resulting in a net decline in the Group's overall revenue. Notwithstanding the lower revenue, the Group remained profitable, recording a profit after tax of RM90.7 million, albeit lower by 12.7% as compared to RM103.9 million in the previous year. The decline in profitability was mainly attributable to the lower revenue base, compounded by one-off expenses incurred in relation to the privatisation and delisting exercise of Pentamaster International as well as higher depreciation and amortisation charges following the full commencement of operations at Campus 3 in 2025. In addition, the increased utility costs and maintenance costs arising from the expanded operational footprint further contributed to the overall increase in operating expenses during the year.

A key highlight of 2025 was the rebalancing of the Group's revenue composition across its industry segments while developing its advanced packaging solutions, reflecting improved diversification, supporting its growth strategy and reducing reliance on any single segment. The medical segment, despite a year-on-year decline of 37.2% following its strong performance in the preceding year, remained the largest contributor to the Group's revenue. Encouragingly, all other industry segments recorded growth during the year, reflecting broader demand recovery and diversification. The automotive segment expanded by 5.7% while the electro-optical segment grew by 8.4%. The consumer and industrial products segment, on the other hand, grew significantly by 116.8% and the semiconductor segment recorded a growth of 19.4%. In addition, the Group also recorded its first contribution from the renewable energy segment, which accounted for 1.9% of total revenue in 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (CONT'D)

For the Group's medical segment, it continued to represent the largest share of the Group's overall revenue in 2025, albeit moderating to 33.4% as compared to 49.9% in 2024, reflecting a year-on-year decline of 37.2%. The softer performance was primarily attributable to a normalisation in demand following two consecutive years of exceptional growth, as customers transitioned from a phase of rapid capacity expansion towards a phase focused on optimisation, efficiency enhancement and process refinement. Notwithstanding the moderation, the medical segment continued to remain a key pillar of the Group's business, underpinned by the continued emphasis on precision healthcare solutions amid ongoing manufacturing localisation trends. The rapid evolution of medical technology continues to reshape the industry, with automation playing a critical role in enhancing manufacturing efficiency, consistency and scalability. Technological advancements such as robotic-assisted production and smart manufacturing processes are driving higher precision and reducing variability in medical device production, in line with increasingly stringent regulatory requirements and the need for geographically diversified manufacturing capabilities with quality uniformity. While demand has normalised in the near term, the long-term growth fundamentals of the medical segment remain intact. The Group continues to expand its global customer base and strengthen its capabilities to meet evolving industry requirements. Strategic investments in advanced manufacturing technologies and process automation position the Group to support customers in their next phase of growth and to capture opportunities arising from the increasing complexity and sophistication of healthcare manufacturing.

Following the significant slowdown experienced in 2024, the Group's automotive segment showed some signs of stabilisation in 2025, registering a modest year-on-year growth of 5.7%. The improvement reflects a gradual recovery in customer demand after a period of cautious capital expenditure, particularly within the electric vehicle ("EV") ecosystem. While policy uncertainties and evolving regulatory frameworks in key markets continued to influence investment decisions, the pace of decline observed in the previous year has eased, with customers progressively resuming selective spending. This recovery was also supported by demand in power semiconductor applications, particularly those involving wide-bandgap materials such as SiC and GaN, which are increasingly adopted in energy-efficient power management systems and infrastructure besides EV. At the same time, the continued integration of advanced electronics and sensing capabilities in vehicles has further reinforced the need for more sophisticated testing and validation solutions. Overall, the stabilisation in demand reflects a more measured and disciplined approach by automotive manufacturers as they navigate cost pressures, supply chain adjustments and shifting market dynamics.

Notwithstanding the modest recovery, the automotive segment remained the second largest contributor to the Group's revenue, underpinned by the Group's comprehensive suite of test and assembly solutions supporting power semiconductor applications covering automotive electronics, power management systems and next-generation vehicle technologies. During the year, the Group's automotive test solutions saw demand primarily from China (32.8%), followed by Singapore (24.8%), Malaysia (19.2%), Japan (5.9%), the United States (5.0%), Vietnam (4.9%), Europe (3.7%) and Taiwan (2.2%). As the industry continues to evolve towards electrification and efficient power management, hybrid adoption and higher semiconductor content per vehicle, demand for reliable and high-precision testing solutions is expected to remain structurally supported, positioning the Group to participate in the segment's longer-term growth trajectory.

The Group's electro-optical segment continued its growth momentum in 2025, recording a year-on-year increase of 8.4% and contributing 15.0% to the Group's total revenue. The sustained performance of this segment reflects the increasing adoption of advanced optical sensing technologies across a wide range of consumer electronic devices, particularly in smartphones and AI-enabled applications. The evolution of device form factor and functionalities, including more compact hardware integrated with enhanced camera systems, facial recognition, augmented reality and ambient light sensing, has driven the need for higher precision and more complex testing and assembly requirements. These advancements are further supported by the convergence of AI, HPC and next-generation connectivity, which continue to elevate the role of optical sensing technologies within modern electronic devices. According to industry reports by Canalys, the global smartphone market experienced a modest recovery in 2025, with low to moderate single-digit growth primarily driven by the premium segment and the increasing adoption of AI-enabled features. While overall demand remained uneven across regions, these developments continued to support the need for higher performance optical sensors and in turn, reinforced demand for more advanced and reliable testing solutions.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (CONT'D)

The Group's consumer and industrial products segment recorded a significant year-on-year growth of 116.8% in 2025, contributing 13.0% to the Group's total revenue. After experiencing a period of contraction from 2022 to 2024, during which the segment's contribution remained at a single-digit level, the segment rebounded strongly in 2025 and returned to a double-digit contribution, reflecting a meaningful recovery in demand across selected end markets. The growth of this segment was primarily driven by increasing adoption of automation solutions for data centre hardware and peripherals as manufacturers respond to evolving geopolitical tensions and production localisation requirements, alongside rising labour costs and the need for greater operational efficiency and consistency. In particular, the acceleration of digitalisation and smart manufacturing initiatives has led to higher demand for flexible and scalable automation systems capable of supporting more complex production processes while maintaining consistent quality across different locations.

As for the Group's semiconductor segment, it recorded a year-on-year growth of 19.4% in 2025, contributing 10.8% to the Group's total revenue. The improvement was mainly supported by increasing demand in higher-value and technology-driven applications, reflecting a gradual recovery in the semiconductor value chain following the industry's inventory adjustment cycle in the preceding periods. This, in turn, has led to increased demand for the Group's semiconductor test handling equipment. However, the semiconductor industry continues to exhibit an uneven recovery across segments, with segments linked to AI, HPC and advanced logic demonstrating stronger momentum, while traditional end markets such as consumer electronics and certain industrial applications remain comparatively subdued. This divergence has driven a shift in capital expenditure towards advanced technologies, particularly in advanced packaging solutions such as 2.5D and 3D integrated circuit ("IC") packaging, chiplet-based architectures and high-bandwidth processors and memory ICs, which are increasingly critical in enabling higher performance, improved power efficiency and greater design flexibility in next-generation devices. In addition, the emergence of co-packaged optics ("CPO") and high-speed optical interconnect technologies such as silicon photonics ("SiPh") within data centre infrastructure has further increased the complexity of semiconductor design and manufacturing processes. These developments are driving the need for more sophisticated testing, inspection and handling solutions, particularly across wafer-level, die-level to package-level processes, where precision and reliability are critical to ensuring product performance and yield. In response, the Group has continued to align its capabilities with these evolving industry requirements, including the development of solutions supporting wafer-to-die-to-package-level testing, advanced inspection systems and handling equipment tailored for next-generation semiconductor devices.

The renewable energy segment emerged as a new revenue contributor to the Group in 2025, accounting for 1.9% of the Group's total revenue. While still at an early stage, this segment represents the Group's initial participation in the evolving energy ecosystem, particularly in applications related to energy efficiency, power management and sustainable technologies. Although the contribution from this segment remains modest, it provides an additional avenue for diversification and positions the Group to participate in the longer-term growth potential of the renewable energy industry, especially with the current energy disruption crisis and heightened geopolitical uncertainties.

Overall, the Group's performance in 2025 reflected its resilience in navigating a transitional operating environment while continuing to strengthen its positioning across key growth segments. With a more balanced revenue profile and deepening technological capabilities, the Group is well positioned to capitalise on structural industry trends and to deliver sustained growth in the years ahead.

MANAGEMENT DISCUSSION AND ANALYSIS

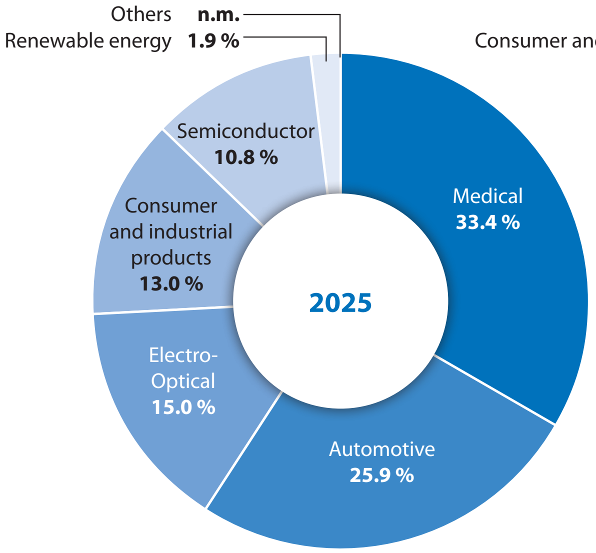
BUSINESS REVIEW (CONT'D)

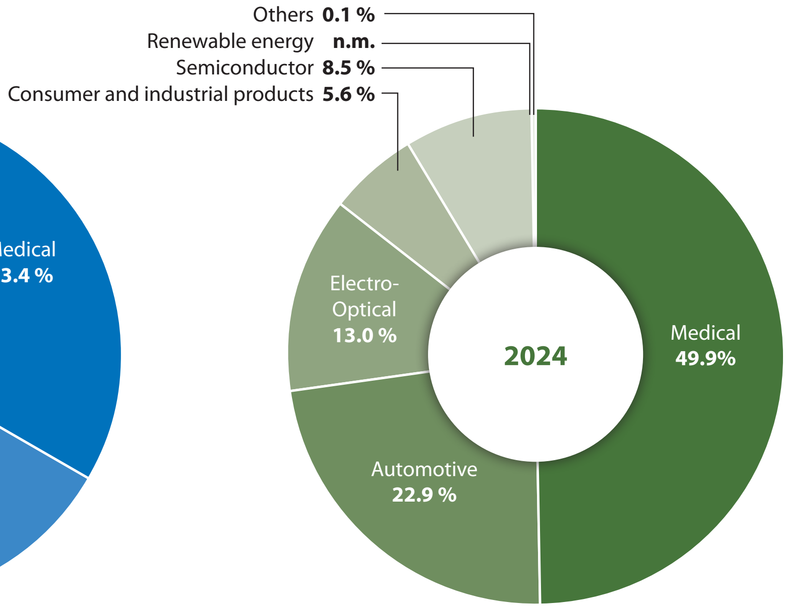
The following table sets out revenue breakdown by customers' segment for both the ATE and FAS segments:

By industry

For the year ended 31 December

	2025		2024	
	RM'000	**%**	RM'000	%
Medical	**195,184**	**33.4**	311,013	49.9
Automotive	**150,948**	**25.9**	142,828	22.9
Electro-Optical	**87,472**	**15.0**	80,703	13.0
Consumer and industrial products	**75,792**	**13.0**	34,966	5.6
Semiconductor	**63,191**	**10.8**	52,923	8.5
Renewable energy	**11,098**	**1.9**	-	n.m.
Others	**-**	**n.m.**	591	0.1
	583,685	**100.0**	623,024	100.0





MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (CONT'D)

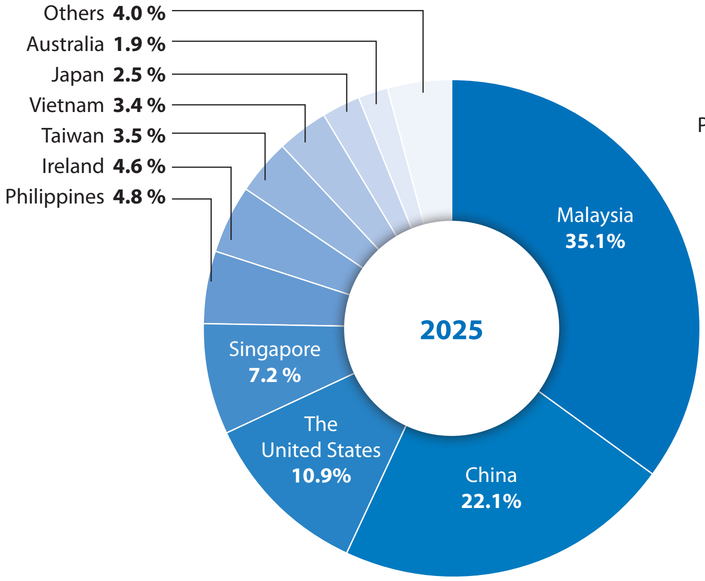
During the year, the Group's revenue was geographically diversified across its key markets, reflecting the global nature of its customer base and operations. Malaysia remained the largest shipment destination, accounting for 35.1% of total revenue, followed by China, the United States, Singapore and the Philippines.

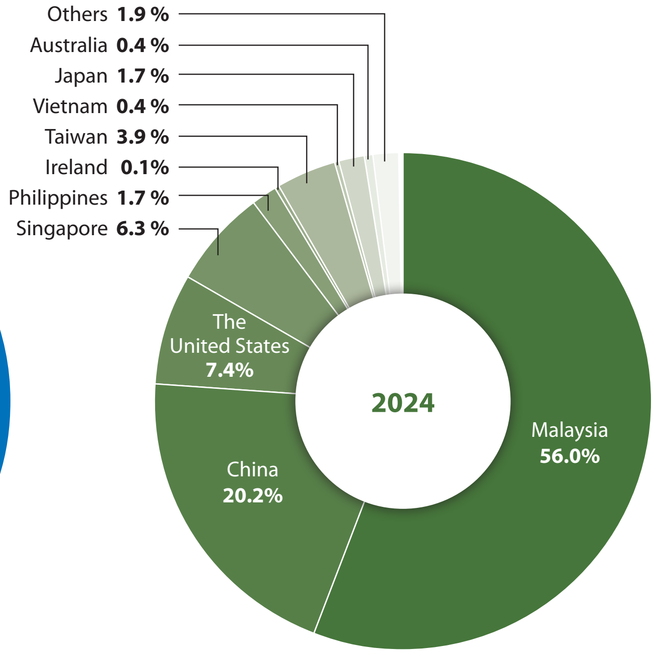
Notably, the Group observed a more balanced distribution of revenue across the regions as compared to the previous year, with reduced concentration in its top markets. The top five shipment destinations collectively accounted for 80.1% of total revenue in 2025, as compared to 93.8% in 2024, reflecting a broader geographical distribution of project deliveries.

By shipment

For the year ended 31 December

	2025		2024	
	RM'000	**%**	RM'000	%
Malaysia	**205,081**	**35.1**	348,993	56.0
China	**128,760**	**22.1**	126,009	20.2
The United States	**63,492**	**10.9**	46,120	7.4
Singapore	**41,877**	**7.2**	39,337	6.3
Philippines	**27,908**	**4.8**	10,803	1.7
Ireland	**26,755**	**4.6**	281	0.1
Taiwan	**20,796**	**3.5**	24,264	3.9
Vietnam	**19,851**	**3.4**	2,748	0.4
Japan	**14,611**	**2.5**	10,275	1.7
Australia	**11,047**	**1.9**	2,481	0.4
Others	**23,507**	**4.0**	11,713	1.9
	583,685	**100.0**	623,024	100.0





MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

During the year, the Group's revenue performance reflected a rebalancing between its ATE and FAS segments. The ATE segment recorded a year-on-year growth of 17.2%, supported by increased sales across its key industries, namely automotive, electro-optical and semiconductor. In contrast, the FAS segment experienced a moderation of 22.4% in 2025, primarily due to the normalisation of demand within the medical segment. As a result, the Group's total revenue for the year stood at RM583.7 million, representing a decline of 6.3% as compared to RM623.0 million in 2024. The overall reduction in revenue was mainly attributable to the moderation in the FAS segment, which outweighed the growth recorded in the ATE segment. Notwithstanding this, the Group's revenue composition was more evenly distributed in 2025, with the ATE segment contributing 45.0% of total revenue, while the FAS segment accounted for 52.9%, as compared to 36.0% and 63.9% respectively in 2024.

The table below outlined the revenue of the respective operating segments, including elements of inter-segment transactions during the year.

	Revenue		
	2025	2024	Fluctuation
	RM'000	RM'000	%
ATE			
External customers	**262,895**	224,390	17.2%
Inter-segment revenue	**3,217**	9,929	
Total revenue	**266,112**	234,319	
FAS			
External customers	**308,970**	398,043	-22.4%
Inter-segment revenue	**1,685**	7,328	
Total revenue	**310,655**	405,371	
Smart Control Solution System			
External customers	**-**	591	-100.0%
Inter-segment revenue	**-**	779	
Total revenue	**-**	1,370	

ATE segment

In 2025, revenue from the ATE segment recorded a year-on-year growth of 17.2%, with revenue from external customers increasing to RM262.9 million from RM224.4 million in 2024. Within the ATE segment, the automotive sector remained the largest contributor, contributing approximately 54.4% to the ATE segment as compared to 59.3% in 2024, with revenue from this sector increased by 7.4% year-on-year. Overall, the ATE segment continued to demonstrate signs of demand recovery supported by the Group's full spectrum of test and assembly solutions for the power semiconductor market, which is witnessing a recovery due to renewed power semiconductor applications covering automotive electronics, power management systems and next-generation vehicle. This recovery was underpinned by sustained contributions from key customers across China, Singapore, Malaysia, Japan, the United States, Vietnam, Europe and Taiwan, reflecting improving customer investment sentiment and confidence in capital expenditure cycles.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (CONT'D)

ATE segment (Cont'd)

The semiconductor industry continued to provide a relatively stable revenue contribution to the Group's ATE segment. During the year, the semiconductor sector contributed 23.5% to the ATE segment as compared to 15.8% in 2024, representing an increase of 74.1% year-on-year. The sustained contribution from the semiconductor sector was supported by ongoing structural growth in advanced semiconductor applications, including HPC and AI which in turn reinforced demand for the Group's semiconductor test handling equipment. Despite broader macroeconomic uncertainties, customer investments in test and handling solutions remained resilient, underpinned by capital expenditure cycles related to AI and its infrastructure.

Meanwhile, the share of wallet contributed by the electro-optical segment stood at 21.8% with revenue from this sector recording an overall increase of 6.1% year-on-year. The performance was driven by continued demand for the Group's flagship smart sensor test solutions, which support upgraded versions of ambient light and proximity sensors used in smartphones and wearable devices during the first half of the year. In the second half of the year, activities were primarily centred on module upgrades and the delivery of ancillary components, contributing to the segment's overall performance.

In general, the Group expects its ATE segment to remain on a positive trajectory supported by a gradual improvement in industry conditions, strengthening customer investment sentiment and the Group's penetration into advanced packaging test and handling solutions. Structural demand drivers across advanced semiconductor applications, CPO and SiPh, power semiconductor development and increasing test complexity are expected to sustain demand for its test and handling solutions. Leveraging its established presence and broad technology coverage across automotive, semiconductor and electro-optical applications, the Group is well positioned as an integrated ATE solutions provider to support customers across key markets as customers resume capacity expansion and technology upgrades in 2026, while remaining mindful of ongoing macroeconomic uncertainties.

FAS segment

The FAS segment recorded a year-on-year decline of 22.4%, with revenue from external customers decreasing to RM309.0 million from RM398.0 million in 2024, representing a moderation from the exceptional performance achieved in 2024. This decline was primarily driven by a normalisation in demand within the medical segment, following a period of accelerated expansion in the preceding year.

Notwithstanding this, the FAS segment continued to demonstrate its strategic importance to the Group, with a noticeable shift in its revenue composition towards a more diversified base. While the medical segment remained the largest contributor, its share of revenue declined to 59.4% from 78.1% in 2024, reflecting a moderation in project activity as customers progressed into subsequent phases of their production lifecycle.

At the same time, other industry segments gained greater prominence within the FAS portfolio. The consumer and industrial products segment emerged as a key growth driver, contributing 24.2% of the segment's revenue, up from 8.3% in 2024, resulting in a striking growth of 126.3% year-on-year. This increase was primarily supported by strong demand for the Group's proprietary automation solutions from a leading global technology company within the server and data centre infrastructure space. This was complemented by improved contributions from the electro-optical segment, which accounted for 9.8% of revenue, as compared to 6.7% in 2024, driven mainly by prototype projects relating to smartphone assembly and testing applications for new form factor.

Other industry segments such as renewable energy and semiconductor segments accounted for the remaining portion of the FAS segment's revenue. The renewable energy segment, which began contributing to the FAS segment in 2Q2025, contributed a total of 3.6% within the FAS segment.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (CONT'D)

FAS segment (Cont'd)

Overall, while the FAS segment recorded lower revenue during the year, it successfully diversified its revenue mix, transitioning from a previously more concentrated medical segment. Looking ahead, growth opportunities are expected to be supported by the increasing deployment of automation solutions driven mainly by geopolitical factors, greater process complexity and a growing emphasis on supply chain localisation and consistency, which collectively continue to shape customers' automation investment decisions.

Gross margin

For the financial year ended 31 December 2025, the Group recorded an overall gross margin of 29.4%, as compared to 28.6% recorded in 2024. Notwithstanding the improvement in margin, the Group's gross profit declined by 3.8% in absolute terms, primarily attributable to the overall reduction in revenue of 6.3% during the year.

Overall, the ATE segment recorded an improvement in gross margin as compared to 2024, mainly supported by increased sales volume and a more favourable product mix, particularly within higher-value and technology-driven applications. This reflects the gradual recovery of the segment and improved operational efficiency arising from better utilisation levels.

Meanwhile, the FAS segment maintained a relatively stable and consistent margin despite a decline in revenue during the year. The resilience in margin was underpinned by effective cost management and the Group's continued focus on delivering value-added automation solutions.

Looking ahead, the Group remains focused on strengthening its margin profile by aligning its product offerings with structural industry trends, particularly in advanced packaging solutions and automation. While margin pressures from elevated input costs and intensified pricing competition are expected to persist, the Group will continue to enhance operational efficiency and optimise its cost structure. These efforts position the Group to translate the foundations established in 2025 into improved profitability and sustained growth as it moves into its next phase of execution.

Other income and finance income

The Group's other income primarily comprised movements arising from foreign exchange and miscellaneous income. During the year, the Group recognised a gain of RM5.2 million from changes in fair value of foreign currency forward contracts ("derivative gain") which was offset by a loss on foreign exchange of RM15.7 million recorded under administrative expenses. This resulted in a net foreign exchange loss of approximately RM10.5 million for the year.

Finance income, which represented interest income earned on bank deposits, amounted to RM6.4 million (2024: RM12.8 million). The lower finance income was mainly due to a reduction in the Group's average cash and cash equivalent balances following the utilisation of funds for the privatisation exercise of Pentamaster International, as well as the continued capital expenditure incurred for the Campus 3 production facility. This was further impacted by a moderating interest rate environment during the year.

There were no elements of foreign exchange captured under other income in 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (CONT'D)

Administrative expenses

Administrative expenses of the Group mainly comprised foreign exchange movements, R&D costs, professional fees, administrative staff costs and maintenance related expenses. During the year, administrative expenses increased by RM5.3 million from RM73.5 million in 2024 to RM78.8 million. The increase was mainly due to the following factors:

(i) foreign exchange loss of RM15.7 million during the year as compared to RM12.5 million in 2024, arising from losses on foreign currency forward contracts ("derivative loss") and loss on foreign exchange. These fluctuations, driven by changes in the Group's foreign currency positions, were typically recognised within the administrative expenses and other income categories, as discussed above, to reflect their net overall impact. The foreign exchange loss recorded during the year was mainly due to the strengthening of the Ringgit against the U.S. dollar in 2025, which gave rise to unfavourable foreign exchange movements on the Group's U.S. dollar-denominated transactions and monetary balances. This was broadly in line with the stronger performance of the Ringgit during the year amid continued capital inflows and a generally weaker U.S. dollar environment;

(ii) increased maintenance and upkeep costs of RM5.0 million (2024: RM3.2 million) associated with the Group's expanded operational footprint as well as an increase in staff headcount during the year; and

(iii) higher professional fees of RM5.0 million (2024: RM4.0 million) partly attributable to professional fees incurred in connection with the privatisation and delisting exercise of Pentamaster International.

The above increase in administrative expenses was partially offset by:

(i) lower administrative staff cost of RM26.0 million during the year (2024: RM27.8 million) due to the decrease in staff incentive and employee benefit expenses.

Profit for the year

Profit for the year stood at RM90.7 million, a decrease of 12.7% from RM103.9 million in 2024. The decline in profitability was primarily attributable to the lower revenue base during the year, as well as higher operating costs, including one-off expenses incurred in relation to the privatisation and delisting exercise of Pentamaster International, and increased depreciation and amortisation following the full commencement of operations at Campus 3. In addition, higher utility and maintenance costs arising from the expanded operational footprint further impacted overall profitability.

Accordingly, the Group's EBITDA (earnings before interest, tax, depreciation and amortisation) for 2025 stood at RM124.1 million as compared to RM127.0 million recorded in 2024, representing a decrease of 2.3%. The more modest decline at the EBITDA level reflected the Group's ability to maintain operational efficiency despite the softer revenue performance.

Basic earnings per share declined from 9.17 sen in 2024 to 8.71 sen in 2025, in line with the overall reduction in profit for the year.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (CONT'D)

Liquidity, financial resources and capital structure

During the year, the Group generated net cash from operations totalling RM2.4 million, representing a significant decrease from RM139.5 million recorded in the previous year. The lower net cash generated from operations during the year was primarily attributable to movements in working capital, particularly higher trade and other receivables as well as contract assets arising from the timing of project deliveries and billings for larger automation projects. Notwithstanding the above, the Group continues to maintain a healthy liquidity position, supported by its strong cash reserves and prudent capital management with no bank borrowings.

As at 31 December 2025, the Group's cash and cash equivalents stood at RM248.2 million (2024: RM448.7 million), after taking into account the utilisation of internal funds to finance the privatisation exercise of Pentamaster International, which included the settlement of the total cancellation price and special dividend to scheme shareholders amounting to approximately HKD220.0 million (equivalent to approximately RM125.0 million).

Simultaneously, the Group continued to maintain a healthy working capital of RM485.2 million as of 31 December 2025, as compared to RM550.2 million reported in the corresponding period of 2024.

Foreign exchange exposure

The Group is exposed to foreign currency risk arising from its normal trading activities as a significant portion of its revenue, as well as certain costs and operating expenses, are denominated in U.S. dollar. This gives rise to both transaction and translation exposures, particularly in relation to trade receivables and payables that are denominated in currencies other than the functional and reporting currencies of the respective entities within the Group.

As part of its treasury policy, the Group adopts a combination of natural hedging and financial hedging strategies to manage its foreign exchange exposure. This includes matching currency inflows and outflows where possible, maintaining U.S. dollar-denominated bank accounts and entering into foreign exchange forward contracts to mitigate the effects of adverse exchange rate fluctuations on its financial position and performance. The Group continuously monitors its foreign currency exposures and reviews its hedging strategies to ensure alignment with market conditions and operational requirements.

Contingent liabilities

As at 31 December 2025, the Group had no material contingent liabilities.

Pledge of asset

As at 31 December 2025, the Group had no pledge of asset.

Employees and remuneration

The Company recognises its employees as one of the Group's most important assets. The Company strongly believes in hiring the right talent, nurturing and retaining these talented employees with competitive remuneration packages. Besides, the Group is committed to organising regular external and internal training programs to upgrade the employees' skill set, knowledge and job experience.

As at 31 December 2025, the total number of full-time employees of the Group increased to 1,031 (31 December 2024: 959).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (CONT'D)

Significant investments held, material acquisitions and disposal of subsidiaries, and future plans for material investments or capital asset

There were no other significant investments held with a value of 5% or above of the Group's total assets, nor were there material acquisitions or disposals of subsidiaries during the year. Apart from those disclosed in this report, there was no plan authorised by the Board for other material investments or additions of capital assets at the date of this report.

OPERATIONAL AND FINANCIAL RISKS

Operational risks

Macroeconomic, geopolitical and trade policy risks

The Group operates in a global environment that is increasingly influenced by evolving macroeconomic conditions, geopolitical developments and international trade policies. Tariff measures and ongoing trade tensions among major economies have introduced additional complexity to global supply chains, cost structures, pricing strategies and customer investment decisions. These developments may affect the timing and scale of capital expenditure by customers, particularly in the semiconductor and electronics sectors, thereby impacting demand for the Group's products and solutions.

In addition, the continued push towards supply chain localisation and regionalisation may require adjustments to the Group's operational footprint, sourcing strategies and customer engagement models. To mitigate these challenges, the Group continuously monitors global developments, strengthens its regional presence and maintains close engagement with customers to adapt to shifting market dynamics.

Talent and human capital risk

The Group's ability to design, develop and deliver complex engineering solutions is highly dependent on its ability to attract, develop and retain skilled technical personnel, particularly within its engineering and R&D functions. The Chairman's strategic direction, together with the experience and expertise of the Group's key senior management team, remains integral to its overall performance and long-term growth. The inability to attract and retain suitably qualified talent may adversely affect the Group's operational capabilities and project execution.

In addition, the semiconductor and automation industries continue to face intense competition for skilled technical talent, particularly in areas related to advanced packaging, AI-driven solutions and high-precision automation. This competitive landscape may result in higher employee turnover, increased remuneration pressures and challenges in scaling the Group's engineering capabilities in line with its growth plans.

To mitigate these risks, the Group adopts a comprehensive human capital strategy. This includes offering competitive remuneration packages and continuously benchmarking compensation structures against industry standards to remain attractive to top talent. The Group is also committed to the continuous development of its employees through structured internal and external training programmes aimed at enhancing technical competencies, industry knowledge and job experience.

The Group places strong emphasis on succession planning and talent development by actively nurturing younger members of its management team and encouraging broader participation in leadership and decision-making processes. In addition, the Group promotes a team-based operating structure to reduce over-reliance on any single individual. Backup personnel are identified for key roles and critical projects to ensure continuity of operations and effective knowledge transfer. Through these measures, the Group aims to build a sustainable talent pipeline and strengthen organisational resilience in a competitive and rapidly evolving industry landscape.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL AND FINANCIAL RISKS (CONT'D)

Operational risks (Cont'd)

Technology transition and innovation risk

The Group operates in industries characterised by rapid technological advancements and continuous innovation, particularly in areas such as AI, advanced semiconductor technologies and high-precision automation. Ongoing technology transitions are reshaping the semiconductor and electronics landscape. These developments require the Group to continuously evolve its product offerings and solutions to remain relevant and competitive.

Failure to keep pace with technological advancements, delays in product development or the inability to successfully commercialise new solutions may adversely affect the Group's market positioning, customer relevance and long-term growth prospects. The risk of technological obsolescence is inherent, as the emergence of new or substitute technologies may render existing solutions less competitive or redundant over time.

To mitigate these risks, the Group remains committed to continuous innovation and technological advancement through sustained investment in R&D activities. The Group allocates dedicated resources and budgets towards new product development, while implementing strategic initiatives to enhance the efficiency and effectiveness of its R&D processes. In addition, the Group actively pursues industry best practices and explores strategic collaborations and business alliances to strengthen its technological capabilities and address increasingly sophisticated customer requirements. Concurrently, the Group also places emphasis on continuous staff development to ensure its engineering and technical workforce remains equipped with up-to-date knowledge and skills aligned with evolving industry requirements.

Regular participation in international exhibitions and industry engagements enables the Group to stay abreast of emerging technology trends, market developments and customer expectations. These insights support the Group's product development strategies and ensure alignment with industry direction. Through these initiatives, the Group aims to maintain its technological competitiveness, enhance its innovation capabilities and ensure that its solutions remain relevant in a rapidly evolving and highly dynamic industry environment.

Competition risk

The Group operates in highly competitive and rapidly evolving industries, where it faces competition from both international and regional players across the semiconductor test and automation solutions landscape. Key areas of competition include technological capabilities, product performance, pricing, proximity to customers, service quality and the breadth of integrated solutions offered. The Group's customer base comprises multinational companies across various geographical locations, where product selection is based on stringent criteria such as precision, reliability, scalability and the ability to meet increasingly complex manufacturing requirements.

In the ATE segment, the Group competes with established global equipment manufacturers, particularly in areas such as semiconductor test handling, electro-optical test solutions and emerging advanced packaging applications. The growing adoption of technologies such as AI, chiplet architectures, CPO and SiPh has intensified competition, requiring continuous innovation and the ability to deliver high-precision, next-generation testing and handling solutions.

Within the FAS segment, competition arises from both specialised automation providers and integrated manufacturing solution providers. As manufacturing processes become more complex, particularly in high-value sectors such as medical devices, data centre infrastructure and precision electronics, customers are increasingly seeking flexible, scalable and high-precision automation systems. In this regard, the Group continues to enhance its proprietary automation capabilities, including the recent development of its next-generation i-FLEX platform, which integrates AI-driven features with micro precision automation to address evolving industry requirements.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL AND FINANCIAL RISKS (CONT'D)

Operational risks (Cont'd)

Competition risk (cont'd)

To maintain its competitive edge, the Group continues to prioritise R&D, focusing on high-value, technology-driven solutions aligned with structural industry trends. Its in-house software development capabilities further enhance its ability to deliver customised and integrated solutions, enabling faster response to customer requirements and greater flexibility in product development. In addition, the Group's strategy of diversifying across multiple industries and expanding its solution offerings helps to mitigate concentration risks and enhance resilience against market fluctuations.

The Group also leverages its expanding global footprint to strengthen customer proximity and support capabilities. Through its established presence in key markets, including the United States, Germany, Japan and its newly established Taiwan entity, the Group is able to provide timely sales engagement, on-site technical support and closer collaboration with customers, thereby enhancing responsiveness and reinforcing long-term customer relationships.

Notwithstanding these efforts, the Group remains exposed to competitive pressures, including pricing competition, technological disruption and evolving customer expectations. The Group will continue to strengthen its technological capabilities, enhance its value proposition and deepen customer engagement to sustain its competitive position in the market.

Intellectual property

Safeguarding the rights to the Group's technology, proprietary knowledge and manufacturing processes is paramount to ensuring the Group's continuous success and ongoing business development and operation in the highly competitive business landscape. Any unauthorised copying, use or imitation of technology poses a significant risk and potential impacts on the competitive advantage, sales performance and overall reputation of the Group.

To mitigate the risk, the Group has submitted several trademark registration applications to secure legal protection for its intellectual property assets and affirmed the relevant statutory declarations in respect of the copyrights of certain software products. All the employees are required to sign a non-disclosure agreement ("NDA") to protect the Group's interest and safeguard the Group's proprietary information, trade secrets and confidential data. These NDAs are critical to safeguard against unauthorised disclosure, theft or misuse of sensitive information.

Additionally, the Group provides ongoing training and awareness programs to educate its employees about the importance of intellectual property protection, compliance with NDAs and recognising and reporting potential infringement risks. The Group continuously reviews and enhances its intellectual property protection strategies and procedures to adapt to changing business environments, emerging technologies and evolving threats.

Financial risks

The Group's financial risks are set out in Note 37 under the notes to the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

"Success is where preparation and opportunity meet"

2025 marked a transition year for the Group as it laid its foundation for its next super growth cycle in the AI space across both its ATE and FAS business segments. During the year, the Group focused on strengthening its technological readiness and deepening its engineering capabilities in products and solutions that are currently in demand for the AI development ecosystem. Looking ahead, 2026 is expected to be an execution year, particularly for the ATE segment, where the Group is actively developing and delivering several prototype machines related to next-generation semiconductor test and assembly solutions supporting advanced ICs and packages, including SiPh and CPO. These prototype deliveries are intended to support solution qualification, application readiness and operational maturity, thereby paving the way for broader adoption and potential mass production in 2027. This planned approach positions the Group to participate meaningfully as the entire technology capital investment cycle and semiconductor upcycle surrounding the AI ecosystem continues to remain robust in the near future.

Towards this end and to become more entrenched in key AI technology markets, the Group has established a new subsidiary in Taiwan following the approval obtained from the Ministry of Economic Affairs (MOEA) in September 2025. The new Taiwan entity represents the Group's latest expansion of its global footprint in providing local sales and technical support, besides being a dedicated R&D centre focusing on electronics-related design, particularly in instrumentation and test development under the ATE segment. This initiative reflects the Group's commitment to deepening its R&D capabilities in key technology domains and positioning itself closer to the semiconductor and electronics ecosystem in Taiwan.

Overall, the Group is encouraged by the improvement in the performance of its ATE segment during 2025 and remains optimistic about its continued growth trajectory, with the ATE segment expected to be a significant contributor in 2026. Growth is anticipated to be supported by three key areas, namely the power semiconductor, electro-optical and advanced packaging segments within the overall semiconductor ecosystem.

Within the power semiconductor segment, high-growth applications are evident in EV, charging infrastructure, smart grids and power efficiency with advanced wide-bandgap materials. Such structural trend continues to drive demand for more sophisticated testing and quality assurance solutions across the manufacturing process. Based on Mordor Intelligence market report, the power semiconductor market is projected to expand at a CAGR of 4.1%–6.3%, potentially reaching over USD90-130 billion by the mid-2030s. With the Group's comprehensive suite of automotive test solutions, ranging from front-end wafer-level burn-in and test systems for wide-bandgap materials to back-end assembly and test solutions, this development augurs well for the Group in its position to capitalise and sustain itself in these industry growth trends.

In parallel, the Group expects to see meaningful opportunities in the electro-optical segment, driven by the increasing adoption of more advanced and complex optical sensing technologies with a more complex form factor. With its in-depth experience in the electro-optical segment, the Group is progressively expanding into pioneer testing and handling solutions that support additional stages of this segment's value chain which were previously beyond the Group's solution scope, including final stage assembly and testing for selected form factor for the smartphone application.

Within the FAS segment, the Group expects performance to stabilise with a more diversified segmental contribution following years of exceptionally strong contribution from the medical sector. While revenue from the medical segment has moderated to a more sustainable level, the Group continues to expect meaningful contributions from this segment, as customers transition from a phase of rapid capacity expansion towards optimisation, efficiency enhancement and process refinement. In addition, the Group has expanded its customer base within the medical segment, which is expected to provide ongoing demand for the Group's proprietary automation solutions and contribute to a more resilient and sustainable revenue profile over time. At the same time, the Group continues to see growing traction in other FAS verticals, particularly consumer and industrial products, supported by increasing investments in AI servers and data centre infrastructure. This trend is expected to support demand for automation solutions that enhance throughput, consistency and quality, areas where the Group has established its capabilities. Collectively, a more diversified industry mix within the FAS segment is expected to support more resilient performance and complement the Group's growth trajectory alongside the ATE business.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS (CONT'D)

In addition, the Group is advancing its next-generation automation platform, i-FLEX, an AI-powered micro precision automation solution developed under the FAS segment. The i-FLEX platform integrates ultra-precision micro automation with an AI-driven control layer to enable intelligent decision-making, real-time adaptation and high-speed autonomous operations. Designed with a modular architecture, it allows scalable deployment from prototype to high-mix production with reduced engineering time and improved operational efficiency. Targeted at high-value industries such as medical devices, semiconductor advanced packaging and precision electronics, i-FLEX enhances manufacturing flexibility, quality consistency and productivity, particularly in high-mix, high-precision environments. This initiative reflects the Group's continued push towards Industry 5.0 manufacturing, strengthening its proprietary technology capabilities and positioning the FAS segment to support increasingly complex next-generation production requirements.

As the Group enters 2026, the focus shifts decisively from preparation to execution. With a growing pipeline of project-based engagements, customer qualification activities and improving visibility across key end markets that include local presence and supply chain management, the Group expects operating momentum to build progressively over the course of the year. While the external environment remains volatile and subject to macroeconomic and geopolitical uncertainties, the management remains cautiously optimistic that the foundations established in 2025 will translate into more tangible contributions, particularly within the ATE segment, as projects advance through development and deployment phases.

The Group's pioneer status tax incentives for certain qualifying activities have recently reached their expiry. The pioneer status granted for the Group's smart device test solutions under the ATE segment expired on 30 March 2026, while the pioneer status for the i-ARMS solutions under the FAS segment expired on 13 April 2026. In line with its ongoing strategic development, the Group has submitted applications for new tax incentives covering its next-generation products and solutions across both the ATE and FAS segments. The Group is currently in active engagement with the Malaysian Investment Development Authority (MIDA) in relation to these applications. The outcome of these applications is expected to support the Group's continued investment in high-value, technology-driven solutions and enhance its long-term competitiveness.

The Group will continue to prioritise disciplined execution and resource allocation, while maintaining flexibility in responding to evolving customer requirements and market conditions as the industry cycle progresses.

PROFILE OF DIRECTORS

CHUAH CHOON BIN
Executive Chairman

Chuah Choon Bin (male), aged 65, a Malaysian citizen, was appointed to the Board of the Company on 30 November 2002 and is currently the Executive Chairman. Mr. Chuah also holds directorship in subsidiary companies of the Group. He is a professional engineer and co-founder of Pentamaster Group.

Prior to setting up the Group, he served as an automation engineer for National Semiconductor and Intel Technology Malaysia. With his vast experience in the design and manufacturing of automation equipment and vision inspection system, he has developed the Group to its present level of success, from a simple automation house to a high technology group specialising in providing factory automation equipment and systems and information communication technology solutions to industrial and commercial customers.

Under his leadership, the Company achieved the following recognitions:

(i) inclusion into the constituents of the FTSE4Good Bursa Malaysia ("F4GBM") Index since 2021 where such F4GBM Index measures the performance of public listed companies demonstrating strong environmental, social and governance practices;

(ii) ranked in the top 200 in the Forbes 2020, 2019, 2018 & 2017 Best Under a Billion list of companies that are publicly listed in the Asia Pacific region;

(iii) awarded The Edge Billion Ringgit Club, under the category of the Highest Returns to Shareholders Over Three Years for technology sector in 2020 and 2019 and the Highest Growth in Profit After Tax Over Three Years for technology sector in 2019;

(iv) awarded the Focus Malaysia Best Under Billion Awards 2018 for the Best Revenue Growth, Best Enterprise Value Growth and Overall Winner category, and Focus Malaysia Best Under Billion Awards 2017 for the Best Return on Assets category;

(v) recipient of the Enterprise 50 Award 2002 organised by Accenture and SMIDEC and Quality Management Excellence Award 2003 for the category of local company with annual sales turnover exceeding RM25 million to RM200 million at the Industry Excellence Award 2003 organised by Ministry of International Trade and Industry; and

(vi) awarded the Best Employer Award 2023 by Employee Provident Fund (EPF), Malaysia.

For his personal recognition, he won the First Malaysian Ernst & Young Emerging Entrepreneur of the Year Award Malaysia 2002.

Currently, he is the board member of Penang Charis Hospice Home and Penang Automation Cluster Sdn. Bhd.. Mr. Chuah also sits as the board member of SJK Kwang Hwa school and he is also appointed to the school board as director for Chung Ling High School, Heng Ee High School and Phor Tay High School. In 2021, he was appointed as the Penang Wawasan Open University Education Foundation Member. Mr. Chuah is also a board member of Penang STEM Sdn. Bhd., a non-governmental, non-profit organisation that promotes and educates students in Penang in the field of Science, Technology, Engineering and Mathematics.

Mr. Chuah graduated with a bachelor's degree in engineering with honours in May 1985 and a master's degree in engineering majoring in electrical and electronics in May 1989, both from the University of Auckland, New Zealand.

He does not have any family relationship with any directors and/or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences in the past five years.

PROFILE OF DIRECTORS

GAN PEI JOO
Executive Director

Gan Pei Joo (female), aged 50, a Malaysian citizen, was appointed to the Board of the Company on 19 March 2021 and is currently the Executive Director of the Company. She is also the Chief Financial Officer ("CFO") and holds directorship in all the subsidiaries of the Group.

She commenced her career at PricewaterhouseCoopers in 2000 and was last served as a senior associate in 2003 after having acquired extensive auditing and consulting exposure to companies in various industries. She joined Pentamaster Group as the group accountant in 2003 and held various positions prior to her promotion as the group financial controller in 2009 and CFO in 2016. Ms. Gan is primarily responsible for the overall management, corporate affairs, finance, treasury, control functions and budgeting of the Group. She also sits on the ESG committee as well as risk management committee of the Group.

She graduated with a bachelor's degree of commerce majoring in accounting from Curtin University of Technology, Perth, Australia in February 1999. She was admitted as a member of the Certified Practising Accountants, Australia and a Chartered Accountant from the Malaysian Institute of Accountants in July and November 2002, respectively.

She does not have any family relationship with any directors and/or major shareholder of the Company and has no conflict of interest with the Company. She has not been convicted of any offences in the past five years.

PROFILE OF DIRECTORS

LEE KEAN CHEONG
Independent Non-Executive Director

Lee Kean Cheong (male), aged 59, a Malaysian citizen, was appointed to the Board of the Company on 19 December 2017, and is currently the Chairman of the Audit Committee. He is also a member of the Remuneration Committee and the Nominating Committee.

He graduated with a Master of Commerce (Management Accounting) from University of New South Wales, Australia and a Bachelor of Commerce from Murdoch University, Australia. He is currently a member of Malaysian Institute of Accountants and Certified Practising Accountants, Australia.

He started his career with Ernst & Young and later moved to commercial sector involving public listed companies and multinational corporations. He has more than 20 years of experience in the commerce and financial field, having previously held various senior managerial positions in the commercial sector.

Currently, he is one of the Partners in an accounting firm and a Director for a management consultancy firm. Mr. Lee is one of the Independent Non-Executive Director of SLP Resources Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad. He is also the Independent Non-Executive Director of MSM International Ltd, a company listed on Singapore Exchange Securities Trading Limited.

He does not have any family relationship with any directors and/or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences in the past five years.

PROFILE OF DIRECTORS

ROSLINDA BINTI AHMAD
Independent Non-Executive Director

Roslinda Binti Ahmad (female), aged 62, a Malaysian citizen, was appointed to the Board of the Company on 7 April 2023 and as the Chairman of the Nominating Committee, member of the Audit Committee and the Remuneration Committee on the same date.

Pn. Roslinda is a well-known figure in the Islamic Investment Banking space. She is currently assuming the position of Head of Islamic Products & Services with Crowd Sense Sdn. Bhd. (a peer-to-peer financing Recognised Market Operator, registered with the Securities Commission Malaysia) as well as Consultant / Trainer for a well-known Islamic financial training provider. Prior to her current role, Pn. Roslinda started her career with Arab Malaysian Merchant Bank Bhd as Equity Analyst before making her way to James Capel & Co, the Stockbroking arm of HSBC Group and RHB Research Institute. Subsequently, she was attached with CIMB group and played a significant role in the Islamic Wholesale Banking Division; spearheading the Group in opening and developing the Islamic Finance markets in Hong Kong, Singapore, Thailand and Indonesia. During that time, she sat on the Treasury Market Association (TMA) of the Hong Kong Monetary Authority (HKMA) representing CIMB in assisting the country to set up the framework for Islamic Finance. Her last position with CIMB Islamic is Director & Head, Product Distribution And Strategy for Wholesale Banking and reported directly to the CEO's office on Thought Leadership. She has a Professional Qualification as Accredited Competency Professional (ACP) from the Finance Accreditation Agency (FAA).

She has a Master of Business Administration (MBA) from University of Miami, Florida, the United States and a Bachelor of Science in Business Administration (Finance) & a Minor in Japanese Language from University of the Pacific, California, the United States.

She does not have any family relationship with any directors and/or major shareholder of the Company and has no conflict of interest with the Company. She has not been convicted of any offences in the past five years.

PROFILE OF DIRECTORS

LENG KEAN YONG
Non-Independent Non-Executive Director

Leng Kean Yong (male), aged 51, a Malaysian citizen, was appointed to the Board of the Company on 1 August 2014 and is currently the Chairman of the Remuneration Committee.

Mr. Leng has been in the finance and marketing field for over 20 years. He is highly experienced in the areas of business strategy, ranging from financial matters to business planning and marketing. He has successfully executed projects for small-medium sized companies to listed companies on Bursa Malaysia Securities Berhad, the Australian Securities Exchange and The Stock Exchange of Hong Kong Limited as well as projects for multinational corporations. Such projects encompass IPO exercise, industry research report, the development of a 5-year business plan, marketing strategy blueprint, customer relationship management implementation, market entry and feasibility studies, and mergers and acquisitions evaluations.

Mr. Leng was appointed to the Board of ASM Automation Berhad ("ASM") on 20 April 2026, and he also serves as the Chairman of Nomination Committee of ASM, besides being a member of its Audit Committee and Remuneration Committee. Additionally, Mr. Leng is also one of the Directors at Crowd Sense Sdn. Bhd. (which operates under the brand name of Cofundr), a recognised market operator for peer-to-peer financing registered with the Securities Commission Malaysia. He was previously a Director at L3 Consulting Sdn. Bhd. and Project Director for Synovate Sdn. Bhd., and prior to that, a senior manager for ACNielsen Malaysia Sdn. Bhd. ("ACNielsen"). During his tenure at ACNielsen, he was awarded with three ACNielsen awards for his contribution in successfully implementing and executing key strategies for the firm's local operations. He started his career with BBMB Securities Sdn. Bhd. and he has also advised and managed discretionary fund for private companies and high net worth individuals.

He graduated from Western Michigan University (cum laude), the United States, with a bachelor's in business administration in April 1996. He also holds various other certifications through training and updates in the fields of marketing obtained throughout his career with the various global marketing research consultancy firms.

He does not have any family relationship with any directors and/or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences in the past five years.

PROFILE OF DIRECTORS

DATO' LOH NAM HOOI
Non-Independent Non-Executive Director

Dato' Loh Nam Hooi (male), aged 65, a Malaysian citizen, was appointed to the Board of the Company on 30 November 2002. He is also a member of the Audit Committee and the Nominating Committee.

He holds a Bachelor of Commerce (Honours) degree from Carleton University, Ottawa, Canada. Upon his graduation in 1984, he has since been working in a property development company as a manager. He was a board member of the Penang Water Authority from 1997 to 1999. Prior to that, he was appointed as a Director in Kwong Wah Yit Poh Press Bhd in 1996. Dato' Loh also sits on the board of Hospital Lam Wah Ee and several private companies. For his contribution towards the Penang and Kedah state, Dato' Loh was conferred by the Penang state government with Darjah Setia Pangkuan Negeri (DSPN) on 28 July 2022 which carries the title "Dato", and he was conferred the Bintang Kebaktian Masyarakat (BKM) by the Sultan of Kedah in 1993. In 2003, Dato' Loh obtained the Royal Malaysian Award of Ahli Mangku Negara (A.M.N) that was conferred by Seri Paduka Baginda Yang di-Pertuan Agong to dedicated Malaysian who has done good and sacrifices for the society.

He does not have any family relationship with any directors and/or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences in the past five years.

PROFILE OF KEY SENIOR MANAGEMENT

HON TUCK WENG
Chief Executive Officer

TEH ENG CHUAN
Chief Operating Officer
automated test equipment division

Mr. Hon Tuck Weng ("Mr. Hon") (male), aged 55, a Malaysian citizen, was appointed as the Chief Executive Officer ("CEO") of Pentamaster Corporation Berhad on 9 May 2025. He had previously served as the Operations Director since May 2007 where he was primarily responsible for overseeing the daily operations of the Group's management information system, quality assurance and control, facilities and internal control functions. He also sits on the ESG committee as well as risk management committee of the Group. He started his career as a software programmer of Pentamaster Technology, a direct wholly-owned subsidiary of Pentamaster International in March 1995. Mr. Hon has more than 25 years of experience in automation solutions industry.

Mr. Hon graduated with a higher diploma in computer studies, moderated and assessed by the University of Humberside in United Kingdom, in September 1993. He later obtained a postgraduate certificate in engineering business management from the University of Warwick, United Kingdom, in June 2011 through a distance learning course.

Mr. Teh Eng Chuan ("Mr. Teh") (male), aged 52, a Malaysian citizen, has been the Chief Operating Officer of Pentamaster Technology since January 2015. Mr. Teh is primarily responsible for overseeing the daily operations of Pentamaster Technology. He joined as a vision software engineer of Pentamaster Technology in January 1996 and has over 20 years of experience in the machine vision, design and control. Mr. Teh completed a course of higher diploma in computer science in Kolej Damansara Utama (currently known as KDU Penang University College), Malaysia, in April 1995.

PROFILE OF KEY SENIOR MANAGEMENT

NG CHIN KENG
Chief Operating Officer
factory automation solutions division

ONG THEAN LYE
Chief Operating Officer
medical devices division

Mr. Ng Chin Keng ("Mr. Ng") (male), aged 47, a Malaysian citizen, has been the Chief Operating Officer of Pentamaster Equipment since January 2015. Mr. Ng is primarily responsible for overseeing the daily operations of Pentamaster Equipment, a direct wholly-owned subsidiary of Pentamaster International. He joined as an automation software programmer in January 2000. Mr. Ng obtained a bachelor's degree of science in computing and information systems with honours from University of Lincolnshire & Humberside, United Kingdom, in July 2001.

Mr. Ong Thean Lye ("Mr. Ong") (male), aged 66, a Malaysian citizen, is currently the Chief Operating Officer of Pentamaster MediQ, a direct wholly-owned subsidiary of Pentamaster International since its inception in 2020. He is primarily responsible for overseeing the daily operations of Pentamaster MediQ in the development of the medical devices business.

Mr. Ong started with Intel Technology Sdn. Bhd. as quality and reliability engineer from 1986 to 1990 before venturing into information technology business. He was a director of TP Concept Sdn. Bhd. from 2018 to 2020, a private company in the business of designing and manufacturing of automated assembly machine for medical products. Currently, Mr. Ong is the director of Walta Centre of Excellence (WCOE) Sdn. Bhd.

Mr. Ong graduated with a first-class honours in his bachelor's degree in applied science majoring in electronic technology in 1986 and later a master's degree in the business administration (MBA) in 1996, where both the degrees are from University Science of Malaysia (USM).

PROFILE OF KEY SENIOR MANAGEMENT

YOU CHIN TEIK
Chief Operating Officer
automated test equipment division

Mr. You Chin Teik ("Mr. You") (male), aged 49, a Malaysian citizen, is appointed as the Chief Operating Officer of Pentamaster Instrumentation since January 2024. Mr. You is primarily responsible for overseeing the daily operations of Pentamaster Instrumentation, a direct wholly-owned subsidiary of Pentamaster International. He joined our Group as a vision engineer in January 1998.

Mr. You obtained a higher diploma in computer studies from Kolej Damansara Utama (currently known as KDU Penang University College), Malaysia, in February 1998. He later obtained a degree of master of business administration from University of South Australia, Australia, in March 2009 through a distance learning course.