

PENTAMASTER CORPORATION BERHAD (“PCB” or the “Company”)

PROPOSED NEW VENTURE IN OPTO-PHOTONICS VIA SUBSCRIPTION OF NEW SHARES IN AHEAD OPTOELECTRONICS (MALAYSIA) SDN BHD BY PENTAMASTER INNOTEQ SDN. BHD., A WHOLLY OWNED SUBSIDIARY OF THE COMPANY (“PROPOSED NEW VENTURE”)

1. INTRODUCTION

The board (the “**Board**”) of directors (the “**Directors**”) of Pentamaster Corporation Berhad (“**PCB**” or the “**Company**”) is pleased to announce that Pentamaster Innoteq Sdn. Bhd. (“**PISB**”), a wholly owned subsidiary of PCB, has on 4th September 2025, entered into a new venture in opto-photonics with Ahead Optoelectronics, Inc (Taiwan) (“**AOI**”) and JC Capital Limited (Cayman) (“**JCC**”) in establishing Ahead Optoelectronics (Malaysia) Sdn. Bhd. (“**AHEAD**”) by investing United States Dollar (USD) 3,000,000 (or equivalent to approximately Ringgit Malaysia 12,685,500.00 only) for an enlarged 14.29% stake in AHEAD (“**Proposed Investment**”).

JCC will invest up to USD 3,000,000 into AHEAD via a Convertible Notes (“**JCC Investment**”) and subject to the condition precedents to be fulfilled by AHEAD from the JCC Investment, AHEAD will subsequently be capitalized with issuance of new fully paid-up ordinary shares of up to United States Dollar (USD) 21,000,000 (or equivalent to approximately Ringgit Malaysia 88,798,500.00 only) (“**Investment Completion**”).

2. DETAILS OF THE PROPOSED INVESTMENT

2.1 Information on AHEAD

AHEAD was incorporated in Malaysia on 4 June 2024 and the principal activity of AHEAD is to export and import of other components for electronic applications.

The current paid-up capital of AHEAD is RM100.00 comprising of 100 ordinary shares.

The directors of AHEAD as at the date of this announcement are as follows:

<u>Name of Directors</u>	<u>Nationality</u>
1. Leng Kean Yong	Malaysia
2. Yen, Chih-Ming	Taiwan

After the Investment Completion, the enlarged paid-up capital of AHEAD will be USD21,000,000 (or equivalent to approximately RM88,798,500.00 only) comprising 88,798,500 ordinary shares with PISB holding 14.29% equity interest in AHEAD.

<u>Name of Shareholders</u>	<u>Amount (USD)</u>	<u>Approximately in RM</u>	<u>No. of Ordinary Shares Held</u>	<u>Percentage (%)</u>
AOI	15,000,000	63,427,500.00	63,419,888	71.42
JCC	3,000,000	12,685,500.00	12,689,306	14.29
PISB	3,000,000	12,685,500.00	12,689,306	14.29
Total	21,000,000	88,798,500.00	88,798,500	100

2.2 Information on AOI

AOI was incorporated in Taiwan, Republic of China on 18th September 1995 and the principal activities of AOI are manufacturer of optical integration solutions and components which specializes in wafer-level lenses, 3D sensing elements / modules, and other holographic related products.

The current paid-up capital of AOI is New Taiwan Dollar (NTD) 50,870,820 comprising of 5,087,082 ordinary shares. The Directors of AOI are Mr Ming-I, Yen, Chih-Ming, Yen and Yao-Hsing, Yen.

2.3 Information on JCC

JCC was incorporated under the laws of the Cayman Islands on 1st August 2014 and the principal activities of JCC are fund management and investment.

The current paid-up capital of JCC is United States Dollar (USD) 100 comprising of 100 ordinary shares. The Director of JCC are Mr Yao-Chin, Chen.

2.4 Information on PISB

PISB was incorporated in Malaysia on 22 September 2021 and the principal activities of PISB are technology and solution investment and to provide testing solution services.

The current paid-up capital of PISB is RM5,000,000 comprising of 5,000,000 ordinary shares. The Directors of PISB are Mr. Chuah Choon Bin, Ms. Gan Pei Joo and Mr. You Chin Teik. PISB is a wholly owned subsidiary of PCB and not a major subsidiary of PCB.

2.5 Basis of arriving at and justification for the Proposed Investment

The investment amount of USD 3,000,000 by PISB into AHEAD was determined with reference to research and development cost as well as material solution cost that will be incurred and budgeted for the Proposed New Venture.

2.6 Source of funding

The source of funding is derived from internal working capital of the Group.

2.7 Liabilities to be assumed

There are no liabilities, including contingent liabilities and guarantees, to be assumed by PISB or PCB Group arising from the Proposed Investment.

2.8 Additional financial commitment required

There are no additional financial commitments which the Company is expected to incur in relation to the Proposed Investment.

3. RATIONALE AND BENEFITS OF THE PROPOSED INVESTMENT

The Proposed New Venture is part of PCB Group's business expansion into the new advance technology market, especially in the opto-electronics and silicon photonics segments. This is also in line with the Government of Malaysia's National Semiconductor Strategy (NSS) framework in developing high-value activities in advanced packaging and advanced manufacturing equipment. The silicon photonics interconnect market will experience a compounded annual growth rate exceeding 20% from 2025 to 2030, from USD2.65 billion in 2025 to USD9.65 billion in 2030. As AI chip manufacturers aim to achieve connectivity speed of up to one terabyte per second, the silicon photonics market should see a boom with next generation Artificial Intelligence ("AI") servers.

With the Proposed New Venture, it would propel and advance the Group's capabilities towards meeting such market potentials timely.

Barring unforeseen circumstance, the Board believes that the Proposed Investment would contribute positively to PCB's financial performance in the medium to long term.

4. OUTLOOK AND PROSPECTS

Silicon photonics has also been explored as a solution for optical interconnects, replacing traditional copper-based interconnects in data centers and high-performance computing systems. A key advantage of silicon photonics is its compatibility with existing silicon-based electronic technologies, enabling the integration of photonic components with electronic circuits on a single silicon chip.

The global silicon photonics market size was estimated at USD 1.29 billion in 2022 and is projected to reach USD 8.13 billion by 2030, growing at a CAGR of 25.8% from 2023 to 2030. Silicon Photonics is an emerging technology experiencing growing demand due to the need for higher data transfer rates and bandwidth-intensive applications.

5. RISK FACTORS

The potential risks that may have an impact on the PCB Group, which may not be exhaustive pertaining to the Proposed Investment, are set out below:

5.1 Non-completion of the Investment Completion

Under the terms, the completion of the Proposed New Venture is subject to the condition precedents and completion terms of the JCC Investment as set out in Paragraph 1 of this announcement.

There is no assurance that all the conditions precedent and completion terms of the JCC Investment will be satisfied and that the completion will occur within the stipulated timeframe.

Notwithstanding the foregoing, PISB shall endeavour to ensure that the conditions precedent and completion terms set out in the JCC Investment are fulfilled in a timely manner to facilitate the completion of the Proposed New Venture.

5.2 Investment risks

The Proposed New Venture is expected to contribute positively to the future performance of the PCB Group. However, there is no assurance that the anticipated benefits of the Proposed New Venture will be realised after the completion of the Proposed Investment.

6. EFFECTS OF THE PROPOSED INVESTMENT

6.1 Issued share capital

The Proposed Investment will not have any effect on the share capital of PCB as the Proposed Investment does not involve any issuance of new ordinary shares in PCB.

6.2 Financial Effects

The Proposed Investment is funded through internally generated funds, in the form of share subscription contribution from PISB. It is not expected to have any material effect on the earnings per share, net assets per share, and gearing of PCB Group for the financial year ending 31 December 2025. The Proposed Investment will not have any effect on the share capital and substantial shareholders' shareholding of PCB.

7. APPROVALS REQUIRED

The Proposed Investment is not subject to the approval of any governmental authorities or the shareholders of PCB.

8. CONDITIONALITY

The Proposed Investment is not conditional upon any other corporate proposals undertaken or to be undertaken by PCB.

9. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Investment Completion is expected to be completed by fourth quarter of 2025.

10. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save for Mr. Leng Kean Yong, a director of PCB who is also a director of AHEAD, none of the directors and/or major shareholders of PCB and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Investment.

11. DIRECTORS' STATEMENT

In view of the rationale and benefits set out in Paragraph 3 above, save for Mr. Leng Kean Yong, the Board after having considered all relevant aspect of the Proposed Investment, justification and financial effects of the Proposed Investment, is of the opinion that the Proposed Investment is in the best interests of the PCB and the shareholders of the PCB as a whole.

12. HIGHEST PERCENTAGE RATIOS

The highest percentage ratio applicable to the Proposed Investment pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 1.70% based on the latest audited consolidated financial statements of PCB for the financial year ended 31 December 2024.