CHAIRMAN'S MESSAGE

STRENGTHENING THE FOUNDATIONS FOR WHAT'S NEXT



> The financial year ended 30 June 2026 ("FYE 2026") was a demanding year for Globetronics Technology Bhd. ("Globetronics" or "the Company") and its subsidiaries (collectively, "the Group"). While the global semiconductor industry expanded strongly, driven largely by artificial intelligence, memory and advanced computing demand, the recovery remained uneven across product categories and end-markets. The Group's existing business experienced weaker customer orders which in turn placed pressure on operating performance, while new programmes had yet to contribute materially to revenue.

Mr. Ta Shun Dher
Non-Executive Chairman

FYE 2026 was also the Group's first 12-month financial year following the preceding 18-month financial period ended 30 June 2025 ("FPE 2025"). The two reported periods are therefore not directly comparable. For FYE 2026, the Group recorded revenue of RM80.4 million and gross profit of RM13.3 million, while loss after tax amounted to RM57.3 million. The full-year result reflected the effect of lower customer loadings together with impairment charges on preference shares and financial assets, share-based payments and the Group's share of losses from its associate.

The financial outcome reflects the challenges facing the Group and the importance of improving operating performance. During the year, Management concentrated on controlling semi-variable costs, preserving manufacturing capability, progressing customer and product qualifications, and reviewing capital deployment against the Group's longer-term priorities. The objective has been to strengthen the quality of the operating base rather than pursue volume without adequate returns.

> The development of new products and technologies remains an important part of Globetronics' longer-term direction.

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The final quarter showed an improvement in operating performance. Revenue increased by 24% quarter-on-quarter to RM21.0 million from RM16.9 million in the third quarter, while gross profit increased to RM4.1 million from RM1.3 million. Gross profit margin recovered to 19.6% from 8.0%, supported by higher contributions from manufacturing and chemical activities. While the Group remained loss-making, the improvement in revenue and gross profit provides an encouraging basis for continued efforts to strengthen operating performance.

Against this backdrop, the Group continued to strengthen its foundations for future opportunities. This involved maintaining the manufacturing capabilities required by customers today while progressing new products, technologies and strategic collaborations that can broaden Globetronics' opportunities over time.

EMPOWERING WHAT'S NEXT: DEVELOPING FUTURE CAPABILITIES

The development of new products and technologies remains an important part of Globetronics' longer-term direction. Progress varies across the portfolio, with selected products already in mass production and others continuing through research and development, process refinement, testing and customer qualification. This includes medical endoscopy light-emitting diode ("LED") modules, automotive laser LEDs, new sensor components as well as LiDAR sensor filters that entered mass production in 2025 and 2026, alongside ongoing development in health sensing, automotive memory packages and advanced data communication products.

Progressing a new product from development towards commercial production requires more than establishing manufacturing capability. Products and processes must meet stringent requirements for quality, reliability, yield and consistency before they can progress towards customer approval and volume production. Accordingly, Management continued to refine processes, undertake testing and address technical requirements during FYE 2026 as these programmes moved through their respective development and qualification stages.

The Board of Directors ("Board") recognises that this process can take time and that the pace of progress will vary between programmes. Our priority is therefore not to accelerate commercialisation at the expense of quality, but to ensure that the capabilities being developed can meet customer requirements and support sustainable production when the relevant programmes are ready to progress.

Alongside these development efforts, strategic collaborations provide opportunities to extend the Group's manufacturing capabilities and customer reach.

The collaboration with an Automotive Memory Products Company remained an important part of these efforts. During FYE 2026, capital expenditure continued to be deployed for operational and technology requirements related to the programme. The work supports the Group's intention to deepen its participation in semiconductor backend services and broaden the range of customers served by its manufacturing platform.

Progress was also made under the Group's collaboration with an Advanced Data Communication Products Company, which has disclosed that its wafer-level processing equipment has been installed a dedicated cleanroom with an approximately 10,000-square-foot at Globetronics' Penang facility, providing installed capacity for up to one million optical engines annually. The programme gives Globetronics exposure to optical engines used in high-speed data communications and artificial intelligence infrastructure.

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Importantly, installed capacity and technical readiness do not themselves guarantee commercial contribution. In its update on 30 June 2026, the Advanced Data Communication Products Company indicated that it expected volume shipments of optical engines to begin in the second half of calendar 2026, beyond the Group's reporting year. This provides context for the collaboration's next phase, the timing and scale of contribution will depend on factors including successful qualification, customer demand, order conversion and production ramp schedules. Our focus is therefore on progressing these programmes towards their respective milestones while maintaining the quality, process discipline and investment oversight expected of an established semiconductor manufacturing partner.

Together, these development activities and collaborations support Globetronics' efforts to broaden its manufacturing capabilities and pursue new product and customer opportunities. "Empowering What's Next" reflects the continuing work of translating technical capability into reliable manufacturing and, ultimately, commercial opportunities for the Group.

STRATEGIC INVESTMENT AND CAPITAL ALLOCATION

During the year, the Group broadened its investment exposure through the acquisition of a 30.85% equity interest in Greentronics Technology Berhad, together with warrants, for approximately RM45.0 million. The investment was funded from internally generated funds and is accounted for as an associate. The Group's reported result for FYE 2026 included its share of losses from an associate.

At the time of the acquisition, the Group explained that the investment formed part of its diversification efforts, providing exposure to fleet management and related services. The stated rationale included potential connections with Globetronics' capabilities in electronics integration, sensor packaging and microelectronics. These represented opportunities envisaged at the point of investment, with their commercial contribution dependent on subsequent business development and execution.

The Group also completed a free warrants issue during the year. A total of 357.4 million warrants were listed in May 2026 on the basis of one warrant for every two existing ordinary shares, with an exercise price of RM0.13 and a three-year tenure. The exercise did not generate immediate proceeds upon issuance, but provides an avenue for future equity funding should warrant holders elect to exercise their rights during the tenure.

In June 2026, the Company proposed a private placement of up to 10% of its issued shares to third-party investors. As at the end of FYE 2026, the proposal remained subject to completion. Together with the warrant exercise, the proposal forms part of the Group's efforts to retain financial flexibility as it manages investment requirements and the timing of new product and customer ramps.



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At 30 June 2026, the Group recorded total assets of RM264.0 million and total equity attributable to owners of the Company of RM239.1 million. No dividend was declared for FYE 2026. In the current operating environment, the Board's priority is to preserve adequate financial flexibility, maintain the assets required to support the core business and ensure that future capital commitments are matched to clear commercial and operational milestones.

BOARD STEWARDSHIP AND GOVERNANCE

I joined the Board and assumed the role of Non-Executive Chairman on 14 January 2026. I am grateful for the confidence placed in me as the Group navigates a challenging operating environment and continues its efforts to develop new business and manufacturing capabilities.



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The Board's role is to oversee Management, the deployment of capital, risk management and corporate governance while ensuring that strategic initiatives are followed by measurable execution. This becomes particularly important as Globetronics develops new technologies and customer programmes where the eventual commercial outcome may depend on qualification, market demand, investment requirements and execution.

During FYE 2026, the Board continued to oversee the Group's risk management and internal control framework, regulatory obligations and corporate governance practices. We remain mindful of the risks associated with economic and geopolitical uncertainty, customer concentration and demand, operational continuity, supply-chain disruptions, technology developments and strategic investments. The Group will continue to assess these risks alongside the opportunities it pursues.

As the Group expands its technology collaborations and investment activities, the standard of review required for capital commitments, counterparty exposure and financial reporting becomes increasingly important. These areas will remain a priority for the Board in the year ahead.

SUSTAINABILITY: A PRACTICAL PROGRESS

The Group continued to integrate sustainability considerations into day-to-day operations and investment decisions closely connected to Globetronics' manufacturing business, including efficient resource use, workplace safety, employee development and responsible business conduct. The Group's initiatives in energy efficiency, solar generation and waste management provide a foundation for its approach to these matters. Product quality, process consistency and the capabilities of our people are also important to supporting dependable operations and customer relationships.

Our approach to sustainability remains practical. We will continue to identify improvements that are relevant to the way Globetronics operates, including energy and resource efficiency, responsible waste management and stronger governance. These priorities support operational resilience as well as the expectations placed on companies participating in increasingly sophisticated global semiconductor supply chains.

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EMPOWERING WHAT'S NEXT: PROSPECTS AND PRIORITIES FOR FINANCIAL YEAR ENDING 2027

The wider semiconductor market remains supported by structural demand in artificial intelligence, data infrastructure, communications, automotive electronics and other advanced applications. At the same time, the experience of FYE 2026 demonstrated that industry growth does not flow evenly across every product category or supplier.

Globetronics therefore enters financial year ending 2027 focused on its operational and commercial priorities: progressing product and customer qualifications, rebuilding customer loading, maintaining cost discipline, broadening the customer and product portfolio, and advancing technology collaborations towards their respective commercial milestones.

Malaysia's continued development within the global semiconductor value chain provides a supportive backdrop. The country's policy direction under the National Semiconductor Strategy and New Industrial Master Plan 2030, together with continued investment in advanced packaging, design and smart manufacturing, is aligned with the capabilities that Globetronics is seeking to develop through its backend semiconductor expertise, automation base and photonics-related manufacturing activities.

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Nevertheless, we remain measured in our expectations. The pace at which these opportunities translate into improved operating performance will depend on customer demand, qualification outcomes, order conversion, manufacturing readiness, production schedules and broader market conditions. These factors are not entirely within the Group's control.

Our task is therefore to ensure that Globetronics is increasingly prepared as opportunities materialise. We will continue to strengthen manufacturing capabilities, progress customer programmes, exercise discipline in capital allocation and maintain the standards of quality and reliability required by our customers.

On behalf of the Board, I would like to thank our customers, business partners and suppliers for their continued support. I also thank our employees for their commitment during a difficult year, particularly those who continued to support customer programmes, product development and manufacturing improvements despite lower loadings.

Here, I would also like to thank our shareholders for their patience and continued interest in Globetronics. We recognise the importance of improving the Group's performance and providing a clear updates of its progress. As we move forward, our efforts remain directed towards strengthening the business and pursuing opportunities that can support long-term shareholder value.