

Technology

Powering Tech with Talent

OVERWEIGHT



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Talent management is key to success for the technology sector and this is reflected in companies' sustainability strategy where talent is consistently among the top materiality matters. In this report, we look at how Inari, MPI, ViTrox, UWC, Unisem, KGB, Oppstar, D&O and Pentamaster continuously invest in nurturing, expanding and retaining their pool of talent to ensure a steady pipeline of skilled employees for the long-term survival and success of their business. This is also in line with the National Semiconductor Strategy's focus on talent, and the recent launch of the Arm-led On-Demand Training Programme, a joint initiative between the Advanced Semiconductor Academy of Malaysia (ASEM) and Arm under the Malaysia IC Design Park further underscores the crucial role of talent in the sector. Inari, ViTrox, and UWC are taking the lead in talent management with their structured training programmes and consistent engagements with potential future talents. We maintain ESG ratings across the board and reiterate an OUTPERFORM stance on the tech sector. Top picks remain KGB (OP, TP: RM6.15) and UWC (OP, TP: RM3.82), both well placed to benefit from the current front-end capex upcycle.

Talent management key to success and business continuity of the tech industry. A robust pipeline of talent ensures certainty in companies having the right resources at the right time to fuel both expansion and innovation to stay ahead in the fast-paced sector where innovation is paramount for companies to stay competitive. The nine companies that we looked into have structured training programmes for their existing staff that are tailored to improving both technical and soft skills while investing aggressively in initiatives involving students from the primary to tertiary levels as well as communities to promote STEM (science, technology, engineering and mathematics) education. These companies are committed to excellent ESG practices as demonstrated by their inclusion in the FTSE4Good Index (except Oppstar).

Inari fostering talent on all fronts

Talent cultivation and retention remain core performance indicators for Inari. Anchored in its Industry 4.0 Roadmap, the company places strong emphasis on developing internal talent, embedding structured upskilling initiatives in technical operations, machine handling, big data analytics, coding and programming, technical writing, and database applications.

Externally, Inari continues to play an active ecosystem-building role through close engagement with government agencies, industry associations, universities, and schools, strengthening knowledge-sharing and promoting STEM awareness, career pathways, and internship opportunities in technology and semiconductor-related fields. In 2024 alone, Inari undertook more than 30 collaborations focused on talent development, including Talent Corp's MyMahir programme and the Future Skills Talent Council (FSTC). The company also contributed to curriculum enhancement discussions with ADTEC Taiping (under the Ministry of Human Resources) and the Malaysia Semiconductor Industry Association (MSIA), helping align national training programmes with industry needs.

Inari further expanded its outreach by hosting over 20 school and university visits, both public and private, to inspire future STEM talent and showcase real-world career opportunities in the tech sector. This sustained engagement has reinforced the group's reputation as a preferred internship destination. Since FY15, Inari's structured internship programme has supported 6,141 interns nationwide. In FY25 alone, 304 interns were on boarded, with a conversion rate of about 10%.

Although the company does not publicly disclose budgets for training, community engagement, or internship initiatives, the impact is reflected in a declining employee turnover rate of 20.4%, a steady improvement since FY23. In FY25, Inari delivered 78,694 training hours, averaging 13 hours per employee (excluding on-the-job training), with 75% of total hours dedicated to mandatory, technical, and soft-skill development.

In recognition of its contributions to talent development, Inari has received multiple awards, including acknowledgements from Talent Corp's Future Skills Talent Council, the HRD Awards 2024 for excellence in TVET, the Penang Education Department's appreciation for supporting Program Industri Madani TVET Lestari, and Talent Corp's MySIP 2023 award as one of the top five organisations offering the highest number of internships.

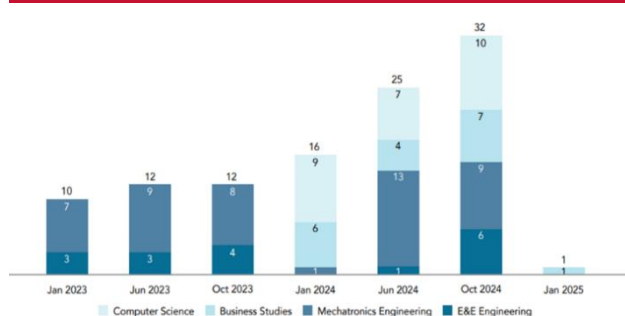
ViTrox's continuous talent pipeline building

ViTrox focuses on **industry-academia collaboration** to strengthen its talent pipeline, extending its recruitment efforts by leveraging new hiring platforms, collaborating with talent agencies, and participating in national initiatives like *KerjayaMadani* and the Northern Corridor Economic Region (NCER). It continuously holds career talks/fairs, industrial visits, scholarship offerings, university student club activity sponsorships and work-based learning as part of its future talent development.

One of the most significant steps was establishing **ViTrox College** in December 2022 to deepen Malaysia’s STEM talent pipeline. ViTrox College is the first education institution in Malaysia to implement **work-based learning at the diploma level** that offers engineering, computer science and business studies. TVET programmes are also available in industrial automation, E&E and semiconductor. By 2024, diploma enrolment more than tripled from 34 to 108 students, while the group maintained a steady **intern-to-employee** funnel with rolling **conversion rates of 20.9% (2022), 18.8% (2023) and 13.8% (2024)**. Complementing this, ViTrox Academy has enrolled 75 apprentices under the National Dual Training System since 2023. Of these, 36 are already employed, and 67 apprentices (SPM leavers and industry trainees) are progressing towards Level 2–3 certifications. Participation has expanded to 12 industry partners from the semiconductor and electronics sectors, with a further 12 targeted in 2025—reinforcing ViTrox’s contribution to Malaysia’s TVET ecosystem and the development of skilled talent across the semiconductor value chain.

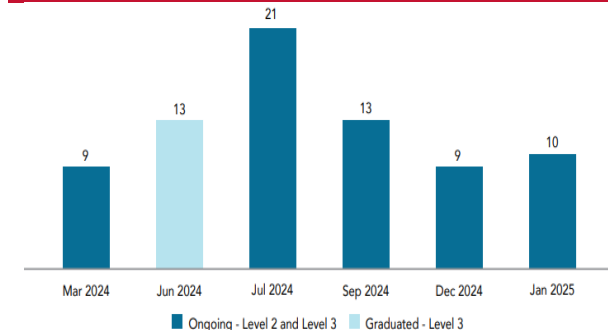
Internally, ViTrox has developed well-rounded internship programmes i.e. the ViTrox Tech X Programme and the ViTrox Padawan Programme, to effectively align students with the professional requirements of the industry. ViTrox hired 193 interns in 2024 from local and overseas universities and colleges, with UUM and USM among them. ViTrox spent RM442,000 for training, providing 40 training hours per employee, giving an average of RM471 per employee. Meanwhile, employee turnover rate hit 14.6%, higher than its 10% target.

Exhibit 1: Vitrox Academy Diploma Enrolment by Programme



Source: Vitrox, Kenanga

Exhibit 2: Vitrox Academy TVET Apprentice Participation and Graduation



Source: Vitrox, Kenanga

UWC’s demand-driven approach

UWC is strengthening Malaysia’s semiconductor talent pipeline through its Education Centre at Politeknik Seberang Perai, launched in April 2022 to produce industry-ready graduates with strong technical and practical competencies. As at November 2025, the programme has enrolled 97 participants, with 35 students slated to graduate in 2025 and a further 30 diploma graduates projected by end-2026. The curriculum emphasises applied learning, comprising 220 hours at the Certificate level and 500 hours at Diploma level.

Beyond this, UWC’s internal talent framework features a six-month Mentoring Programme, extensive technical skills training, and more than 400 in-house courses delivered via a mobile, always-on platform. It also offers scholarships through the UWC Scholarship Fund to provide eligible students pursuing diploma courses in the engineering fields at the Penang Skills Development Centre (up to RM100,000 per year). Other scholarships are also given to UOW Malaysia KDU Penang University College, University of Malaya and Wawasan Open University.

In FY24, UWC sponsored 36 students with TVET scholarships totalling RM281,700, further reinforcing a structured pathway from education into high-value manufacturing roles. UWC is also one of the pioneer academies in the country that has been accredited the National Dual Training System where 20 apprentices, two trainers and two coaches led the programme.

Internally, UWC has set up four specialized academies (Assembly Academy, Machining Academy, Metrology Academy and Sheet Metal Academy) under the UWC Academy to equip its staff with technical skills as well as soft skill competencies to complement their respective job functions. In FY24, UWC achieved total training hours of 28,243 hours with 18.6 average training hour per employee during the year. Employee turnover rate of 23.2% is higher than the previous two years.

Expanding the talent pool

At **MPI**, training initiatives focus on upskilling, cross-functional collaboration, and fostering a culture of continuous learning. The Group’s Graduate Development Programme (GDP) remains a key pipeline strategy, targeting fresh-graduate recruitment. In FY25, 15 graduates were on boarded into critical functions across the organisation and are being developed for progression into mid- and senior-level leadership roles.

MPI continues to partner closely with the Malaysian Investment Development Authority (MIDA) and ADTEC Taiping under the National Dual Training System. The programme has already exceeded its initial 2025 target of 20 certified apprentices, with 43 enrolled to date. In FY25, MPI achieved 77,431 training hours with an average of 11.9 hours per employee (excluding on-the-job training) where 42% of the time was allocated for technical skills.

Separately, **Unisem**'s talent agenda is anchored by structured trainee programmes run in partnership with local universities and polytechnics. Spanning 3–6 months across Assembly, Final Test, Quality Assurance, Engineering, Maintenance, Finance, MIS, and HR, these placements provide hands-on exposure to real production and support environments, strengthening industry readiness.

In FY24, Unisem hosted 419 trainees, identifying 49 high-potential candidates who were subsequently offered full-time roles—reinforcing our pipeline while supporting community skill development. Complementing this, the group's Graduate Engineer Programme, launched with its fourth intake in FY2024, rotates fresh graduates through shop-floor operations, engineering and cross-functional assignments. Each participant is paired with an experienced mentor to accelerate learning and readiness for critical roles.

In FY24, it achieved 1280,821 training hours with an average of 44 hours, spending of RM172 per employee, investing over RM1m in training programmes for its workforce. Excluding operators, 81.2% of Unisem's workforce completed at least six hours of training, highlighting its commitment to supporting professional growth and skill development. It is also showing an improving trend of annual turnover rate with 14.5% for Unisem Malaysia and 30.2% at Unisem Chengdu against targets of 25.0% and 45.0%, respectively

Meanwhile, **KGB**'s intern pipeline is modest but improving. There are total 43 interns were accepted in FY20–FY24, with four subsequently hired. Training investment has risen meaningfully from RM72k in FY22 to nearly RM300k in FY24. Management follows a phased talent roadmap built on four pillars:- (1) leadership pipelines via competency maps, HiPo pathways and manager capability uplift; (2) technical depth through role-based certifications and advanced training for UHP/semiconductor/industrial-gas project delivery, EHS and QA/QC via digital and on-site modalities; (3) early-talent engines through structured graduate and internship intakes and industrial attachments, including a new pipeline with UKM and an evaluated scholarship pathway; and (4) mobility and knowledge transfer via project and cross-border rotations. Progress is tracked against internal scorecards rather than external numeric KPIs, with emphasis on succession readiness, broader certification attainment, scalable early-talent intake and retention in critical roles.

In FY24, KGB's total investment in training was RM442,258 with total training hours of 11,721, averaging 14.8 hours/employee. Its overall employee turnover rate improved to 14.26%, down from 18.1% in FY23.

Oppstar's talent funnel is sizeable and conversion-driven. The group has hosted 135 interns between FY20 and FY24 with 62 hires (46%). Training is largely delivered in-house by function-specific trainers and not managed against a ring-fenced budget. The company has strengthened academia links via two MoUs (Wawasan University and UTeM), provided monetary awards to two UniMAP students who are also employees, and donated RM1m over 2024–2025 to USM for EDA tools to broaden access to current design technology. Separately, Oppstar signed a more than RM1m contract with Talent Corp to train 30 IC-design graduates with 33 graduates' completers to date. While formal roadmap KPIs are not disclosed, the emphasis remains on partnerships, in-house capability building, and selective hiring from high-conversion internship cohorts. FY25 saw its total training totalling 5,235 hours.

D&O's, meanwhile, talent funnel is recovering post-Covid, with 48/56/68 interns in 2022/2023/2024 and hires of 9 (19%), 8 (14%), and 2 (3%), respectively (zero activity in 2020–2021). Training investment has stepped up meaningfully alongside the cycle - from RM82k (2020) and RM56k (2021) to RM254k (2022), RM268k (2023), and RM364k (2024) - underscoring a renewed focus on capability building. Management's roadmap centres on: (i) leadership succession and a structured pipeline, (ii) continuous upskilling aligned to fast-evolving tech needs (e.g. ransomware prevention, Altium Design basics, data analysis with JMP), (iii) clear career paths supported by an academia partnership with UTeM/FTKKEE for work-based learning, postgraduate research assistants, professional certificate courses, and SKM certification via Recognition of Prior Learning, and (iv) cross-training at operator level to improve workforce agility. Employee development remains a priority, with the company delivering 55 training programmes in 202, covering technical skills, leadership and compliance and achieving 10,512 training hours. Staff turnover rate was 10.6% in FY24, down from 28.5% a year ago.

Pentamaster actively nurtures young talent and their interest in technical fields through sponsorships and workshops among primary, secondary, and tertiary students totalling over RM400,000. Among the notable initiatives in FY24 were the RM60,000 sponsorship of the STEM Future-Proofing Programme (SEP) at SMJK Chung Ling High School, Penang for 20 to 30 students, which is an annual event, where they gain practical skills and a deeper understanding in critical fields such as engineering and computer science through workshops and boot camps, conducted by expert lecturers; a RM350,000 sponsorship to set up Techspace at SMJK Heng Ee Cawangan Baru, a STEM learning space for the school's 1,500 students to foster creativity, problem-solving, and technological skills; and a RM10,000 contribution for Tech Dome Robomania 2024, a football-themed STEM competition of robotic skills for 200 students from Penang, Kedah, Sarawak, Pahang, Selangor, Kuala Lumpur, Negeri Sembilan and Kelantan. In FY24, the group achieved a total turnover rate of 14%, representing a slight increase from the rate of 11% recorded in FY23. It achieved 5,456 training hours, averaging 6.2 hours per employee with a total investment of RM397,782. It recorded a turnover rate of 14.0%, a slight increase from 11.0% in FY23.






These companies' emphasis on talent is aligned with NSS's strategy and demonstrated by Advanced Semiconductor Academy of Malaysia's (ASEM) partnership with Arm to boosting the nation's talent supply to support Malaysia's ambition of becoming a semiconductor powerhouse.

National Semiconductor Strategy (NSS) – Talent focus

Malaysia’s National Semiconductor Strategy (NSS) is a 2024 government blueprint to lift the industry beyond its OSAT-heavy base into high-end manufacturing, IC design, advanced packaging, and sophisticated equipment, while positioning Malaysia as a global R&D hub. It is executed in three phases: **Phase 1** modernises OSAT and expands trailing-edge capacity (especially power chips) while cultivating local design champions; **Phase 2** draws in cutting-edge logic/memory design, fabrication and test, integrating local designers with advanced fabs; and **Phase 3** develops world-class Malaysian firms in design, advanced packaging and equipment, while attracting major advanced-chip buyers to manufacture locally.

To enable the successful implementation of the three phases of the NSS, the government has identified five headline targets

Exhibit 1: Five targets for National Semiconductor Strategy

 <p>Have RM500b of combined Investment (focused on Advanced Packaging, IC Design, Manufacturing Equipment) and FDI (focused on Wafer Fabs and Manufacturing Equipment)</p>	 <p>Create 10 Malaysian companies in Design and Advanced Packaging (RM1b to USD1b revenue) and 100+ high revenue (RM1b or more) companies, who will in turn create higher wages for Malaysian workers</p>	 <p>Become a global semiconductor R&D hub with world-class universities, corporate R&D, centers of excellence</p>	 <p>Train and upskill 60,000 high-skilled Malaysian engineers</p>	 <p>Allocate at least RM25 billion, for a start, to implement the NSS</p>
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Source: The Edge, Kenanga Research

The fourth target of the NSS focuses on trading and upskilling. It targets training/upskilling 60,000 high-skilled engineers by 2030 at an estimated RM20k per engineer, delivered via MOHE/KESUMA and supported by sectoral upskilling through HRDF as part of a broader “Training & R&D hub” track within an overall fiscal envelope of at least RM25b to operationalise the strategy. This focus on human capital development will not only enhance the capabilities of the local workforce but also attract multinational companies looking for skilled professionals, thereby boosting Malaysia position as a hub for semiconductor excellent.

The pipeline is accelerated by a national Advanced Packaging Centre (capex of RM0.5b in 2025–2026 plus RM30m annual OPEX for 2026–2035) and the MyChipStart IC programme (2025–2029) to cultivate design founders and engineering talent, while Semiconductor and Wafer Fab Industrial Parks co-locate employers, labs and training to improve on-the-job learning, utilisation and retention.

To unlock near-term capability and knowledge transfer, the NSS also incentivises returning Malaysians, streamlines expatriate immigration, and deploys the Invest Malaysia Facilitation Centre (IMFC) to reduce friction for investors whose projects commit to high-skill job creation and training.

Collectively, these measures which are anchored by R&D hubs and empowered institutions such as MIMOS/CREST are intended to build local champions in design and advanced packaging (including a goal to establish 10 Malaysian design/advanced-packaging firms at RM1b–RM4.7b revenue each), while providing listed OSAT/ATE/automation names clear disclosure levers around trainees certified, internship-to-hire conversion, gender mix in engineering roles, and 12/24-month retention tied to NSS-aligned programmes and parks.

ASEM launches flagship Arm training.

In July 2025, the Advanced Semiconductor Academy of Malaysia (ASEM), in partnership with Arm, launched the Arm-led On-Demand Training Programme under the Malaysia IC Design Park initiative, enrolling an inaugural cohort of 400 engineers. The three-month programme begins with a three-day, in-person boot camp delivered by Arm experts, then transitions to on-demand modules spanning Cortex-A/R/M, embedded systems, SoC development, Mali GPUs, camera systems, Ethos NPUs, system IP, development tools and Fast Models - targeting job-ready IC-design skills. Participation from 40+ universities and 80+ companies, alongside partnership MOUs with 20 Malaysian universities, signals a scalable pipeline model that blends campus training, industry content and placement pathways.

ASEM’s flagship Arm On-Demand programme launched on 28–30 July 2025 with an inaugural 400-engineer cohort and a Strategically, the initiative sits within Malaysia’s USD250m, 10-year Arm partnership to train 10,000 local engineers, aligning with the NSS/IC Design Park agenda to seed domestic chip-design capability over the next 5–10 years and improve internship-to-hire conversion for listed EMS/OSAT/ATE names as they build higher-margin engineering benches.

05 December 2025

Conclusion

Inari, **ViTrox** and **UWC** are leading the way in talent management with their structured training programmes and consistent engagements with potential future talents. These companies together with **Unisem**, **MPI**, **KGB**, **D&O** and **Pentamaster** are committed to excellent ESG practices as demonstrated by their inclusion in the **FTSE4Good Index**.

We maintain ESG ratings across the board and reiterate an **OUTPERFORM** stance on the tech sector. Top picks remain **KGB (OP, TP: RM6.15)** and **UWC (OP, TP: RM3.82)**, both well placed to benefit from the current front-end capex upcycle.

05 December 2025

Malaysian Technology Peers Comparison

Name	Rating	Last Price @ 4 Dec (RM)	Target Price (RM)	Upside	Mkt Cap (RM m)	Shariah Compliant	Current FYE	Core EPS (sen)		Core EPS Growth		PER (x) – Core Earnings		PBV (x)	ROE	Net. Div. (sen)	Net. Div. Yld
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.
D&O GREEN TECHNOLOGIES BHD	MP	0.790	0.810	2.5%	979.2	Y	12/2025	1.1	2.7	-66.1%	149.3%	73.0	29.3	1.3	-19.5%	1.0	1.3%
INARI AMERTRON BHD	MP	1.85	2.45	32.4%	7,039.5	Y	06/2026	6.8	7.6	1.5%	10.9%	27.1	24.4	2.5	9.3%	7.0	3.8%
KELINGTON GROUP BHD	OP	5.20	6.15	18.3%	4,043.2	Y	12/2025	20.4	20.4	25.3%	21.4%	25.5	25.4	5.9	27.1%	13.0	2.5%
LGMS BHD	MP	0.590	0.730	23.7%	269.0	Y	12/2025	2.2	2.7	-18.7%	23.0%	26.9	21.9	2.7	10.3%	2.0	3.4%
MALAYSIAN PACIFIC INDUSTRIES	MP	32.08	31.70	-1.2%	6,396.7	Y	06/2026	100.8	115.3	30.5%	14.4%	31.8	27.8	2.9	9.4%	35.0	1.1%
NATIONGATE HOLDINGS BHD	OP	0.945	1.14	20.6%	2,138.2	Y	12/2025	6.7	6.0	-13.7%	-9.8%	14.2	15.7	2.1	15.9%	2.0	2.1%
OPPSTAR BHD	MP	0.360	0.400	11.1%	230.9	Y	03/2026	(1.3)	1.1	-166.9%	-12.0%	N.A.	31.6	1.8	-6.3%	0.0	0.0%
PIE INDUSTRIAL BHD	MP	2.85	2.80	-1.8%	1,094.5	Y	12/2025	7.9	14.8	-42.7%	86.5%	36.0	19.3	1.6	4.7%	0.0	0.0%
SKP RESOURCES BHD	OP	0.645	1.18	82.9%	1,007.7	Y	03/2026	7.2	8.2	-4.2%	14.5%	9.0	7.9	0.9	10.1%	0.0	0.0%
UNISEM (M) BHD	UP	3.36	1.90	-43.5%	5,419.9	Y	12/2025	3.6	6.5	-3.6%	78.1%	92.6	52.0	2.5	2.6%	8.0	2.4%
UWC BHD	OP	3.74	3.82	2.1%	4,124.8	Y	07/2026	10.0	13.9	172.6%	38.8%	37.3	26.9	7.0	20.7%	0.0	0.0%
PENTAMASTER CORP BHD	OP	3.76	4.25	13.0%	2,674.6	Y	12/2025	8.7	12.1	-4.9%	38.9%	43.1	31.1	3.4	8.0%	2.0	0.5%
SECTOR AGGREGATE					35,418.2					6.5%	23.2%	30.7	24.9	2.9	7.7%		1.4%

Source: Kenanga Research

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Stock Ratings are defined as follows:**Stock Recommendations**

OUTPERFORM	: A particular stock's Expected Total Return is MORE than 10%
MARKET PERFORM	: A particular stock's Expected Total Return is WITHIN the range of -5% to 10%
UNDERPERFORM	: A particular stock's Expected Total Return is LESS than -5%

Sector Recommendations***

OVERWEIGHT	: A particular sector's Expected Total Return is MORE than 10%
NEUTRAL	: A particular sector's Expected Total Return is WITHIN the range of -5% to 10%
UNDERWEIGHT	: A particular sector's Expected Total Return is LESS than -5%

*****Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

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