

**PENTAMASTER CORPORATION BERHAD (572307-U) ("Company")**  
**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS**

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE PERIOD ENDED 31 MARCH 2013**

	Note	Individual Quarter 3 Months Ended		Cumulative Year Financial Period Ended	
		31/3/2013 RM'000	31/3/2012 RM'000	31/3/2013 RM'000	31/3/2012 RM'000
Revenue		21,192	9,913	21,192	9,913
Cost of goods sold		(17,052)	(9,592)	(17,052)	(9,592)
Gross profit		<u>4,140</u>	<u>321</u>	<u>4,140</u>	<u>321</u>
Other income		822	773	822	773
Administrative expenses		(2,148)	(1,792)	(2,148)	(1,792)
Distribution costs		(1,154)	(451)	(1,154)	(451)
Other expenses		(4)	(6)	(4)	(6)
Operating profit/(loss)		<u>1,656</u>	<u>(1,155)</u>	<u>1,656</u>	<u>(1,155)</u>
Finance costs		(108)	(127)	(108)	(127)
Profit/(Loss) before taxation		<u>1,548</u>	<u>(1,282)</u>	<u>1,548</u>	<u>(1,282)</u>
Taxation		(12)	(30)	(12)	(30)
Profit/(Loss) for the period		<u><u>1,536</u></u>	<u><u>(1,312)</u></u>	<u><u>1,536</u></u>	<u><u>(1,312)</u></u>
Profit/(Loss) attributable to :					
Owners of the Parent		1,682	(1,036)	1,682	(1,036)
Non-controlling interests		(146)	(276)	(146)	(276)
		<u><u>1,536</u></u>	<u><u>(1,312)</u></u>	<u><u>1,536</u></u>	<u><u>(1,312)</u></u>
Earnings/(Loss) per share attributable to owners of the parent (sen) :-					
- Basic		1.26	(0.78)	1.26	(0.78)
- Diluted		N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012.

**PENTAMASTER CORPORATION BERHAD (572307-U) ("Company")**  
**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 MARCH 2013**

	Individual Quarter		Cumulative Year	
	3 Months Ended		Financial Period Ended	
	31/3/2013	31/3/2012	31/3/2013	31/3/2012
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period	1,536	(1,312)	1,536	(1,312)
Other comprehensive income:				
Translation of foreign operations	(9)	16	(9)	16
Other comprehensive income net of tax	<u>(9)</u>	<u>16</u>	<u>(9)</u>	<u>16</u>
Total comprehensive income/(loss) for the period	<u>1,527</u>	<u>(1,296)</u>	<u>1,527</u>	<u>(1,296)</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Parent	1,673	(1,020)	1,673	(1,020)
Non-controlling interests	(146)	(276)	(146)	(276)
	<u>1,527</u>	<u>(1,296)</u>	<u>1,527</u>	<u>(1,296)</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012.

**PENTAMASTER CORPORATION BERHAD (572307-U) ("Company")**  
**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2013**

	<b>Unaudited</b> <b>As at</b> <b>31/3/2013</b> <b>RM'000</b>	<b>Audited</b> <b>As at</b> <b>31/12/2012</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	45,865	46,562
Other investments	1,360	1,360
Intangible assets	4,914	5,884
	<u>52,139</u>	<u>53,806</u>
<b>Current Assets</b>		
Inventories	10,588	11,085
Trade receivables	22,193	19,353
Other receivables, deposits and prepayments	1,927	1,170
Tax recoverable	51	55
Derivative financial assets	-	11
Deposits, cash and bank balances	3,791	5,101
	<u>38,550</u>	<u>36,775</u>
Non current assets held for sale	180	360
	<u>38,730</u>	<u>37,135</u>
<b>TOTAL ASSETS</b>	<u><u>90,869</u></u>	<u><u>90,941</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Owners of the Parents</b>		
Share capital	66,622	66,622
Reserves	(10,387)	(12,060)
	<u>56,235</u>	<u>54,562</u>
<b>Non-Controlling interest</b>	(641)	(495)
<b>Total Equity</b>	<u>55,594</u>	<u>54,067</u>
<b>Non Current Liabilities</b>		
Term loans	-	-
Deferred income	4,776	5,574
	<u>4,776</u>	<u>5,574</u>
<b>Current Liabilities</b>		
Trade payables	14,717	15,672
Other payables and accrued liabilities	6,021	4,986
Derivative financial liabilities	75	-
Short term bank borrowings	9,686	10,642
	<u>30,499</u>	<u>31,300</u>
<b>Total Liabilities</b>	<u>35,275</u>	<u>36,874</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>90,869</u></u>	<u><u>90,941</u></u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012.

**PENTAMASTER CORPORATION BERHAD (572307-U) ("Company")**  
**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 MARCH 2013**

	← Attributable to Owners of the Parent →				Total	Non-controlling Interest	Total Equity
	Share Capital	Non Distributable		Distributable			
		Share Premium	Exchange Fluctuation Reserve	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 1 January 2013	66,622	4,865	79	(17,004)	54,562	(495)	54,067
Total comprehensive income/(loss) for the period	-	-	(9)	1,682	1,673	(146)	1,527
As at 31 March 2013	<u>66,622</u>	<u>4,865</u>	<u>70</u>	<u>(15,322)</u>	<u>56,235</u>	<u>(641)</u>	<u>55,594</u>

	← Attributable to Owners of the Parent →				Total	Non-controlling Interest	Total Equity
	Share Capital	Non Distributable		Distributable			
		Share Premium	Exchange Fluctuation Reserve	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 1 January 2012	66,622	4,865	71	(15,671)	55,887	307	56,194
Total comprehensive income/(loss) for the period	-	-	16	(1,036)	(1,020)	(276)	(1,296)
As at 31 March 2012	<u>66,622</u>	<u>4,865</u>	<u>87</u>	<u>(16,707)</u>	<u>54,867</u>	<u>31</u>	<u>54,898</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012.

**PENTAMASTER CORPORATION BERHAD (572307-U) ("Company")**  
**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MARCH 2013**

	<b>3 Months ended 31/3/2013 RM'000</b>	<b>3 Months ended 31/3/2012 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit/(Loss) before taxation	1,548	(1,282)
Adjustments for -		
Amortisation of intangible assets	970	1,038
Impairment loss on receivables	-	(46)
Deferred income released	(798)	(759)
Depreciation	698	722
Interest expense	109	127
Interest income	(3)	(19)
Gain on disposal of property, plant and equipment	(23)	-
Loss/(Gain) from change in fair value of forward foreign exchange contract	86	(249)
Reversal of written down of inventories	(109)	(390)
Unrealised (gain)/loss on foreign exchange	(48)	48
Operating profit/(loss) before working capital changes	<u>2,430</u>	<u>(810)</u>
Decrease/(Increase) in inventories	606	(571)
(Increase)/Decrease in receivables	(3,367)	1,449
Increase/(Decrease) in payables	80	(3,226)
Cash used in operations	<u>(251)</u>	<u>(3,158)</u>
Interest paid	(109)	(127)
Tax paid	(8)	(45)
Net cash used in operating activities	<u>(368)</u>	<u>(3,330)</u>

**PENTAMASTER CORPORATION BERHAD (572307-U) ("Company")  
 QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE PERIOD ENDED 31 MARCH 2013**

	<b>3 Months ended 31/3/2013 RM'000</b>	<b>3 Months ended 31/3/2012 RM'000</b>
<b>Cash Flows From Investing Activities</b>		
Interest received	3	19
Proceeds from disposal of property, plant & equipment	20	-
Net cash generated from investing activities	<u>23</u>	<u>19</u>
<b>Cash Flows From Financing Activities</b>		
Short term borrowings (repaid)/obtained	(587)	1,740
Net term loan repaid	(369)	(361)
Net cash (used in)/generated from financing activities	<u>(956)</u>	<u>1,379</u>
<b>Net Decrease In Cash And Cash Equivalents</b>	(1,301)	(1,932)
<b>Cash And Cash Equivalents Brought Forward</b>	5,101	5,939
Foreign currency exchange differences on opening balance	(9)	16
<b>Cash And Cash Equivalents Carried Forward</b>	<u><u>3,791</u></u>	<u><u>4,023</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2012.

**PENTAMASTER CORPORATION BERHAD (572307-U)**  
**(“Company”)**  
**Notes To The Interim Financial Report For Quarter Ended 31 March 2013**

**1 Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). The figures for the cumulative period in the current quarter to 31 March 2013 have not been audited.

The interim financial statements should be read in conjunction with the audited financial statements of the Company and its subsidiaries (“Group”) for the year ended 31 December 2012.

The Group has adopted the Malaysian Financial Reporting Standard (MFRS) framework issued by MASB with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia’s existing Financial Reporting Standards (“FRS”) framework with the International Financial Reporting Standards (“IFRS”) framework issued by the International Accounting Standards Board. The transition from the previous FRSs to the new MFRSs has no impact on the Group financial position, financial performance, cash flows and the notes to the financial statements.

The Group has also adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2012. The adoption of these new and revised MFRSs and IC Interpretations have not resulted in any material impact on the financial statements of the Group.

**2 Audit Report of Preceding Annual Financial Statements**

The audit report of the Group’s most recent annual audited financial statements for the year ended 31 December 2012 was not subject to any qualification.

**3 Seasonal and Cyclical Factors**

The Group sells its products and services to customers from various sub-sectors of the semiconductor and manufacturing industries. As such, the Group’s performance will, to a certain extent, depend on the outlook and cyclical nature of the semiconductor and manufacturing industries.

**4 Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

**5 Changes in Estimates**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

**PENTAMASTER CORPORATION BERHAD (572307-U)**

**(“Company”)**

**Notes To The Interim Financial Report For Quarter Ended 31 March 2013**

**6 Valuations of Property, Plant and Equipment**

The carrying values of property, plant and equipment have been brought forward, without amendment from the previous audited financial statements.

**7 Changes in Share Capital and Debt**

There were no issuances, cancellations, repurchases and repayments of debt and equity securities for the period under review.

**8 Contingent Liabilities**

As at 31 March 2013, the Company has issued corporate guarantees amounting to RM24.5 million (31.12.12: RM24.5 million) as security for banking facilities granted to the Company and its subsidiaries of which RM9.69 million (31.12.12 : RM10.6 million) were utilized.

**9 Capital Commitments**

There were no major capital commitments for the Group as at the date of this report.



**PENTAMASTER CORPORATION BERHAD (572307-U)**  
**(“Company”)**  
**Notes To The Interim Financial Report For Quarter Ended 31 March 2013**

**10 Segmental Information**

**Results for the period ended 31 March 2013**

	<b>Automated Equipment &amp; Contract Manufacturing</b>	<b>Information Technology &amp; Intelligent Sortation System</b>	<b>Adjustment</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>				
External Revenue	20,852	339	-	21,192
Inter-segment revenue	632	-	(632)	-
<b>Total revenue</b>	<b>21,484</b>	<b>339</b>	<b>(632)</b>	<b>21,192</b>
<b>Results</b>				
Segment results	1,654	99	(97)	1,656
Finance cost	(70)	(38)	-	(108)
<b>Profit/(Loss) before taxation</b>	<b>1,584</b>	<b>61</b>	<b>(97)</b>	<b>1,548</b>
Taxation	(10)	(1)	(1)	(12)
<b>Profit/(Loss) after taxation</b>	<b>1,574</b>	<b>60</b>	<b>(98)</b>	<b>1,536</b>

**Results for the period ended 31 March 2012**

	<b>Automated Equipment &amp; Contract Manufacturing</b>	<b>Information Technology &amp; Intelligent Sortation System</b>	<b>Adjustment</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>				
External Revenue	8,767	1,147	-	9,914
Inter-segment revenue	281	26	(307)	-
<b>Total revenue</b>	<b>9,048</b>	<b>1,173</b>	<b>(307)</b>	<b>9,914</b>
<b>Results</b>				
Segment results	(324)	(724)	(102)	(1,150)
Finance cost	(37)	(96)	-	(133)
<b>Loss before taxation</b>	<b>(361)</b>	<b>(820)</b>	<b>(102)</b>	<b>(1,283)</b>
Taxation	(25)	(3)	(1)	(29)
<b>Loss after taxation</b>	<b>(386)</b>	<b>(823)</b>	<b>(103)</b>	<b>(1,312)</b>

**PENTAMASTER CORPORATION BERHAD (572307-U)**

**(“Company”)**

**Notes To The Interim Financial Report For Quarter Ended 31 March 2013**

**11 Profit Before Tax**

	<b>Current Quarter</b>	<b>Current Year to Date</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before tax is arrived at after crediting/(charging):		
Interest income	3	3
Interest expense	(109)	(109)
Depreciation and amortisation	(718)	(718)
Reversal of written down of inventories	109	109
Foreign exchange gain	39	39
Loss on derivatives	(86)	(86)

**12 Events Subsequent to the End of the Period**

There are no material events subsequent to the end of the period under review that have not been reflected in the interim financial statements.

**PENTAMASTER CORPORATION BERHAD (572307-U)**  
**(“Company”)**  
**Notes To The Interim Financial Report For Quarter Ended 31 March 2013**

**13 Review of Performance**

The Group recorded higher revenue at RM21.2 million in the current quarter as compared to RM9.9 million registered in the corresponding quarter last year. The higher revenue achieved was due to the increase in sales orders from the automated equipment and contract manufacturing operating segment which was slightly offset by the lower revenue contribution from information technology and intelligent sortation system operating segment. Consequently, the Group achieved a profit before tax of RM1.5 million in the current quarter as compared to the loss before tax of RM1.3 million in the previous corresponding quarter mainly due to the increase in sales and better product mix in this reporting quarter.

Performance of the respective operating segments for the current quarter as compared to the previous corresponding quarter is analysed as follows:-

**1) Automated equipment and contract manufacturing**

The increase in revenue by RM12.1 million (>100%) to RM20.9 million as compared to the previous corresponding quarter was mainly due to the higher demand for automated equipment from semiconductor market and increase in sales volume from contract manufacturing business in current quarter. With the increase in revenue and better product mix in this reporting quarter, this segment recorded a profit before tax of RM1.6 million in the current quarter as compared to the loss before tax of RM0.4 million in the previous corresponding quarter.

**2) Information technology and intelligent sortation system**

Revenue from this segment was RM0.8 million (70.5%) lower than the previous corresponding quarter mainly due to the scaling down of operation that has been registering low margin. Arising from the business restructuring, this segment recorded a marginal profit before tax of RM60,000 in the current quarter as compared to the loss before tax of RM0.9 million in the previous corresponding quarter.

## **PENTAMASTER CORPORATION BERHAD (572307-U)**

### **(“Company”)**

#### **Notes To The Interim Financial Report For Quarter Ended 31 March 2013**

#### **14 Material Changes in the Quarterly Results as Compared with the Preceding Quarter**

For the first quarter ended 31 March 2013, the Group achieved higher revenue at RM21.2 million as compared to the revenue of RM16.2 million in the preceding quarter. The higher revenue achieved was due to the increase in sales orders from the automated equipment and contract manufacturing operating segment which was slightly offset by the lower revenue contribution from information technology and intelligent sortation system operating segment. Consequently, the Group recorded a profit before tax of RM1.5 million as compared to the loss before tax of RM1.8 million in the preceding quarter.

Performance of the respective operating segments for the first quarter ended 31 March 2013 as compared to the preceding quarter is analysed as follows:-

##### **1) Automated equipment and contract manufacturing**

The increase in revenue by RM5.6 million (37.1%) to RM20.9 million was mainly due to the increase in sales orders from semiconductor market and contract manufacturing business as compared to the preceding quarter. This segment achieved a profit before tax of RM1.6 million as compared to the loss before tax of RM0.9 million in the preceding quarter due to the effects of different product mix in the current quarter and the impairment of trade debtors made in the preceding quarter.

##### **2) Information technology and intelligent sortation system**

Revenue from this segment was RM0.6 million (64.2%) lower than the preceding quarter mainly due to the scaling down of operation that has been registering low margin. Arising from the business restructuring, this segment recorded a marginal profit before tax of RM60,000 in the current quarter as compared to the loss before tax of RM0.9 million in the previous corresponding quarter.

**PENTAMASTER CORPORATION BERHAD (572307-U)**  
**(“Company”)**  
**Notes To The Interim Financial Report For Quarter Ended 31 March 2013**

**15 Current Year Prospect**

The management will continue to focus on the standard technology equipment whilst emphasising business growth in the green and energy saving automation areas which requires similar automation technology platform. We will continue to strengthen the market position and expand the customer base and simultaneously continue to adopt the outsourcing model for purpose of effective cost management. With better controllable cost structure in place and a wider sales market base, management is cautiously optimistic of the overall business performance of the Group.

**16 Profit Forecast or Profit Guarantee**

There was no profit forecast or profit guarantee issued by the Group.

**17 Taxation**

The taxation charge for the current quarter and year to date is as follows –

	<b>Current Quarter</b>	<b>Current Year to</b>
	<b>RM'000</b>	<b>Date</b>
	<b>RM'000</b>	<b>RM'000</b>
Income tax payable	(12)	(12)
	<hr/>	<hr/>
	(12)	(12)

**18 Changes in the Composition of the Group**

There were no changes in the composition of the Group.

**19 Corporate Proposals**

There were no corporate proposals announced but not completed as at the date of this announcement.

**PENTAMASTER CORPORATION BERHAD (572307-U)**  
**(“Company”)**  
**Notes To The Interim Financial Report For Quarter Ended 31 March 2013**

**20 Borrowings**

The Group’s borrowings as at the end of the reporting quarter are as follows:-

	RM'000
<u>Short term borrowings (unsecured)</u>	
Receivable factoring	3,997
<u>Short term borrowings (secured)</u>	
Banker's acceptance and revolving credit	5,300
Term loan	389
	5,689
Total	9,686
 Total utilisation	 9,686

All borrowings are denominated in Ringgit Malaysia.

**21 Derivative Financial Instruments**

As at the date of the statement of financial position 31 March 2013, the Group has the following outstanding derivative financial instruments:

Derivatives	Contract or Notional amount (RM)	Fair value Net gain/(loss) (RM)	Purpose
Currency forward contracts: -Less than 1 year	11,993,148	(75,344)	For hedging currency risk arising from sales proceeds in foreign currencies

For the quarter ended 31 March 2013, there have been no significant changes to the Group’s exposure to credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group’s risk management objectives, policies and processes since the previous financial year end. Financial instruments are viewed as risk management tools by the Group and are not used for trading or speculative purposes.

**PENTAMASTER CORPORATION BERHAD (572307-U)**  
**(“Company”)**  
**Notes To The Interim Financial Report For Quarter Ended 31 March 2013**

**22 Disclosure of Realised and Unrealised Profits/Losses**

	<b>As at 31/3/2013</b> <b>(RM'000)</b>	<b>As at 31/12/2012</b> <b>(RM'000)</b>
Total accumulated losses of Pentamaster Corporation Berhad and its subsidiaries:		
- Realised	(45,777)	(47,455)
- Unrealised	-	142
	(45,777)	(47,313)
Add: Consolidation adjustment	30,455	30,309
Accumulated losses as per financial statements	(15,322)	(17,004)

**23 Material Litigations**

There was no material litigation since the last annual balance sheet date until the date of this announcement.

**24 Dividends**

The Board of Directors does not recommend any dividend in respect of the quarter ended 31 March 2013.

**25 Profit/(Loss) Per Share**

(a) Basic Profit/(Loss) Per Share

The calculation of basic profit/(loss) per share for the period is based on the net profit/(loss) attributable to ordinary shareholders for the quarter and the financial period divided by the weighted average number of ordinary shares in issue during the period of 133,243,050 (2012 : 133,243,050).

(b) Diluted Profit/(Loss) Per Share

The basic and diluted profit/(loss) per share for the current financial period are the same as there is no dilutive potential ordinary shares during the period.

The effect on the basic loss per share for the previous corresponding financial period arising from the assumed exercise of employees share options was anti-dilutive. Accordingly, the diluted loss per share in the previous corresponding period is equal to the basic loss per share.

**PENTAMASTER CORPORATION BERHAD (572307-U)**  
**(“Company”)**  
**Notes To The Interim Financial Report For Quarter Ended 31 March 2013**

BY ORDER OF THE BOARD

**LIM KIM TECK**  
Secretary  
29 April 2013