

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME**

FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2019

	Individual Quarter 3 Months Ended		Cumulative Year Financial Period Ended	
	30/6/2019 (Unaudited) RM'000	30/6/2018 (Unaudited) RM'000	30/6/2019 (Unaudited) RM'000	30/6/2018 (Unaudited) RM'000
Revenue	120,736	102,296	239,496	201,679
Cost of goods sold	(77,050)	(68,205)	(154,704)	(138,091)
Gross profit	43,686	34,091	84,792	63,588
Other income	4,366	15,579	9,606	11,288
Administrative expenses	(11,634)	(23,968)	(22,974)	(32,430)
Distribution costs	(1,741)	(1,469)	(3,419)	(1,602)
Other operating expenses	(148)	(39)	(198)	(94)
Operating profit	34,529	24,194	67,807	40,750
Finance costs	(65)	(49)	(108)	(98)
Share of results of an associate	(39)	(19)	(126)	(38)
Profit before taxation	34,425	24,126	67,573	40,614
Taxation	(3,278)	(1,196)	(5,689)	(2,630)
Profit and total comprehensive income for the period	31,147	22,930	61,884	37,984
Profit and total comprehensive income for the period attributable to :				
Owners of the Company	19,540	13,946	39,106	21,173
Non-controlling interests	11,607	8,984	22,778	16,811
	31,147	22,930	61,884	37,984
Earnings per share attributable to owners of the Company (sen) :- - Basic and diluted	4.11	2.94	8.23	4.46
<b>One-off and non-recurring costs</b>				
Listing expenses	-	-	-	7,146
Reported profit for the period	31,147	22,930	61,884	37,984
Adjusted profit for the period	31,147	22,930	61,884	45,130

The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the three months and six months ended 30 June 2019 should be read in conjunction with the audited financial statements for the year ended 31 December 2018.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT 30 JUNE 2019**

	As at 30/6/2019 (Unaudited) RM'000	As at 31/12/2018 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	74,143	71,651
Intangible assets	14,372	10,797
Investment property	10,050	10,050
Investment in an associate	3,620	3,046
	<u>102,185</u>	<u>95,544</u>
<b>Current assets</b>		
Inventories	98,184	138,115
Trade receivables	59,178	51,913
Other receivables, deposits and prepayments	32,709	34,829
Tax recoverable	292	984
Cash and cash equivalents	404,502	324,653
	<u>594,865</u>	<u>550,494</u>
<b>Total assets</b>	<u><u>697,050</u></u>	<u><u>646,038</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	79,303	79,303
Reserves	316,040	276,934
	<u>395,343</u>	<u>356,237</u>
<b>Non-controlling interests</b>	<u>136,260</u>	<u>118,220</u>
<b>Total equity</b>	<u><u>531,603</u></u>	<u><u>474,457</u></u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	3,195	3,346
Deferred income	131	288
	<u>3,326</u>	<u>3,634</u>
<b>Current liabilities</b>		
Trade payables	39,731	40,003
Other payables, accruals and provision	18,655	22,470
Dividend payable	4,738	-
Contract liabilities	94,765	99,092
Derivative financial liabilities	128	4,810
Borrowings	363	416
Provision for taxation	3,741	1,156
	<u>162,121</u>	<u>167,947</u>
<b>Total liabilities</b>	<u><u>165,447</u></u>	<u><u>171,581</u></u>
<b>Total equity and liabilities</b>	<u><u>697,050</u></u>	<u><u>646,038</u></u>

The unaudited Condensed Consolidated Statement of Financial Position as at 30 June 2019 should be read in conjunction with the audited financial statements for the year ended 31 December 2018.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2019**

	Equity attributable to owners of the Company			Non-controlling Interests	Total equity
	Share capital	Retained profits	Total		
	RM'000	RM'000	RM'000		
As at 1 January 2019 (Audited)	79,303	276,934	356,237	118,220	474,457
Total comprehensive income for the period	-	39,106	39,106	22,778	61,884
Transaction with owners: Dividend to non-controlling interests	-	-	-	(4,738)	(4,738)
As at 30 June 2019 (Unaudited)	<u>79,303</u>	<u>316,040</u>	<u>395,343</u>	<u>136,260</u>	<u>531,603</u>

	Equity attributable to owners of the Company			Non-controlling Interests	Total equity
	Share capital	Retained profits	Total		
	RM'000	RM'000	RM'000		
As at 1 January 2018 (Audited)	79,303	100,917	180,220	20,126	200,346
Total comprehensive income for the period	-	21,173	21,173	16,811	37,984
Transaction with owners: Disposal of equity interest to non-controlling interests	-	118,901	118,901	61,191	180,092
As at 30 June 2018 (Unaudited)	<u>79,303</u>	<u>240,991</u>	<u>320,294</u>	<u>98,128</u>	<u>418,422</u>

The unaudited Condensed Consolidated Statement of Changes in Equity for the six months ended 30 June 2019 should be read in conjunction with the audited financial statements for the year ended 31 December 2018.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE SIX MONTHS ENDED 30 JUNE 2019**

	<b>6 Months ended 30/6/2019 (Unaudited) RM'000</b>	<b>6 Months ended 30/6/2018 (Unaudited) RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	67,573	40,614
Adjustments for:		
Amortisation of intangible assets	369	1,461
Deferred income released	(157)	(66)
Depreciation	1,774	1,143
Gain on disposal of property, plant & equipment	(14)	-
Impairment loss on trade receivables	2,098	-
Interest expense	108	99
Interest income	(4,744)	(839)
(Gain)/loss from changes in fair value of foreign currency forward contracts	(4,683)	9,414
Inventory written downs - addition	2,380	144
Inventory written downs - reversal	(404)	(9)
Inventory written off	303	-
Share of results of an associate	126	38
Unrealised loss/(gain) on foreign exchange	1,070	(10,466)
Operating profit before working capital changes	<u>65,799</u>	<u>41,533</u>
Decrease/(increase) in inventories	37,652	(27,384)
Increase in receivables	(7,042)	(18,030)
(Decrease)/increase in payables	(4,424)	15,187
(Decrease)/increase in contract liabilities	(4,326)	7,880
Cash generated from operations	<u>87,659</u>	<u>19,186</u>
Interest paid	(108)	(99)
Tax paid	(2,800)	(2,093)
Tax refunded	388	25
Net cash generated from operating activities	<u>85,139</u>	<u>17,019</u>
<b>Cash flows from investing activities</b>		
Interest received	4,744	839
Purchase of property, plant and equipment	(4,276)	(9,204)
Purchase of intangible assets	(3,944)	(6,101)
Proceed from disposal of investment in a subsidiary	-	29,500
Proceed from disposal of property, plant and equipment	24	-
Investment in an associate	(700)	(1,400)
Net cash (used in) / generated from investing activities	<u>(4,152)</u>	<u>13,634</u>

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE SIX MONTHS ENDED 30 JUNE 2019**

	<b>6 Months ended 30/6/2019 (Unaudited) RM'000</b>	<b>6 Months ended 30/6/2018 (Unaudited) RM'000</b>
<b>Cash flows from financing activities</b>		
Proceeds from disposal of shares to non-controlling interest of a subsidiary	-	87,102
Proceeds from issuance of shares to non-controlling interest of a subsidiary	-	92,989
Payment of finance lease liabilities	(61)	(92)
Repayment of term loan	(143)	(158)
Net cash (used in) / generated from financing activities	<u>(204)</u>	<u>179,841</u>
<b>Net increase In cash and cash equivalents</b>	80,783	210,494
<b>Cash and cash equivalents at the beginning of the period</b>	324,653	82,202
<b>Effect of foreign exchange rate changes</b>	(934)	5,634
<b>Cash and cash equivalents at the end of the period</b>	<u><u>404,502</u></u>	<u><u>298,330</u></u>

The unaudited Condensed Consolidated Statement of Cash Flows for the six months ended 30 June 2019 should be read in conjunction with the audited financial statements for the year ended 31 December 2018.

**PENTAMASTER CORPORATION BERHAD (572307-U)**  
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**Notes To The Interim Financial Report For Period ended 30 June 2019**

**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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). The figures for the cumulative period in the current quarter to 30 June 2019 have not been audited.

The interim financial report should be read in conjunction with the audited financial statements of the Company and its subsidiaries (“Group”) for the year ended 31 December 2018.

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted in the audited financial statements for the year ended 31 December 2018, except for the adoption of the following Malaysian Financial Reporting Standards (“MFRS”) that are effective for annual period beginning on or after 1 January 2019:

MFRS 16 *Leases*

Amendments to MFRS 9 *Financial Instrument: Prepayment Features with Negative Compensation*

Amendments to MFRS 119 *Employee Benefits: Plan Amendment, Curtailment or Settlement*

Amendments to MFRS 128 *Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures*

IC Interpretation 23 *Uncertainty over Income Tax Treatments*

Annual Improvements to MFRS Standards 2015-2017 Cycle

The adoption of the above MFRSs did not result in any significant changes in the accounting policies of the Group.

The Group has not applied the following MFRSs which have been issued as at the end of reporting period but are not yet effective: -

Amendment to *References to the Conceptual Framework in MFRS Standards*<sup>1</sup>

Amendments to MFRS101 *Presentation of Financial Statements*<sup>1</sup>

Amendments to MFRS108 *Accounting Policies, Changes in Accounting Estimates and Errors*<sup>1</sup>

Amendments to MFRS3 *Business Combinations*<sup>4</sup>

MFRS17 *Insurance Contracts*<sup>2</sup>

Amendments to MFRS10 and MFRS128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*<sup>3</sup>

<sup>1</sup> *Effective for annual periods beginning on or after 1 January 2020*

<sup>2</sup> *Effective for annual periods beginning on or after 1 January 2021*

<sup>3</sup> *Effective date not yet determined*

<sup>4</sup> *Effective for acquisition date on or after the beginning of the first annual periods beginning on or after 1 January 2020.*

**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 2018 was not subject to any qualification.

**PENTAMASTER CORPORATION BERHAD (572307-U)**  
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**Notes To The Interim Financial Report For Period ended 30 June 2019**

**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.

**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**

Save as disclosed under Note 20 of this announcement, there were no issuances, cancellations, repurchases and repayments of debt and equity securities for the period under review.

**8 Contingent Liabilities**

There were no contingent liabilities for the Group since 31 December 2018 up to 30 June 2019.

**9 Capital Commitments**

	<b>Amount RM'000</b>
Authorised but not contracted for: - Property, plant and equipment	-
Contracted but not provided for: - Property, plant and equipment	12,775

**10 Related Party Transaction**

There was no related party transaction for the Group since 31 December 2018 up to 30 June 2019.

**PENTAMASTER CORPORATION BERHAD (572307-U)**  
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**Notes To The Interim Financial Report For Period ended 30 June 2019**

**11 Segmental Information**

**Results for the period ended 30 June 2019**

	Automated test equipment	Factory automation solutions	Smart control solutions system	Adjustment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>					
External Revenue	201,749	35,230	2,517		239,496
Inter-segment revenue	6,827	3,932	14	(10,773)	-
<b>Total revenue</b>	<b>208,576</b>	<b>39,162</b>	<b>2,531</b>		<b>239,496</b>
<b>Results</b>					
Segment results	63,204	4,397	(512)	(4,026)	63,063
Interest income	2,558	220	-	1,966	4,744
Interest expense	(108)	-	-	-	(108)
Share of results of an associate	-	-	-	(126)	(126)
<b>Profit/(loss) before taxation</b>	<b>65,654</b>	<b>4,617</b>	<b>(512)</b>		<b>67,573</b>
Taxation	(5,661)	(28)	-		(5,689)
<b>Profit/(loss) after taxation</b>	<b>59,993</b>	<b>4,589</b>	<b>(512)</b>		<b>61,884</b>

**Results for the period ended 30 June 2018**

	Automated test equipment	Factory automation solutions	Smart control solutions system	Adjustment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>					
External Revenue	174,253	25,113	2,313	-	201,679
Inter-segment revenue	5,873	6,245	452	(12,570)	-
<b>Total revenue</b>	<b>180,126</b>	<b>31,358</b>	<b>2,765</b>		<b>201,679</b>
<b>Results</b>					
Segment results	42,145	2,463	(567)	(4,130)	39,911
Interest income	470	23	1	345	839
Interest expense	(97)	-	(1)	-	(98)
Share of results of an associate	-	-	-	(38)	(38)
<b>Profit/(loss) before taxation</b>	<b>42,518</b>	<b>2,486</b>	<b>(567)</b>		<b>40,614</b>
Taxation	(2,628)	(2)	-		(2,630)
<b>Profit/(loss) after taxation</b>	<b>39,890</b>	<b>2,484</b>	<b>(567)</b>		<b>37,984</b>

**PENTAMASTER CORPORATION BERHAD (572307-U)**  
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Note: The Group has redefined its first two reportable segments in the current quarter to enhance the description of the segments to better reflect its range of products and solutions provided by the segments. There are no changes to the classification of the products and solutions by segment and there are no differences between the measurements used in these reporting segment information and those used in the entity’s financial statements, and changes in the measurement of segment amounts from period to period.

**12 Profit Before Taxation**

	<b>Current Quarter</b>	<b>Current Year to Date</b>
	<b>RM’000</b>	<b>RM’000</b>
Profit before taxation is arrived at after crediting/(charging):		
Depreciation and amortisation	(1,083)	(1,986)
Foreign exchange gain/(loss)	1,160	(4,268)
Gain from changes in fair value of foreign currency forward contracts	490	4,683
Gain on disposal of property, plant and equipment	14	14
Interest income	2,645	4,744
Interest expense	(65)	(108)
Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-
Investment income	-	-
Inventory written off	(303)	(303)
Inventory written down – addition	(2,360)	(2,380)
Inventory written down – reversal	395	404
Impairment loss on trade receivables	(2,098)	(2,098)
Impairment of other assets	-	-

**13 Events Subsequent to the End of the Year**

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

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**Notes To The Interim Financial Report For Period ended 30 June 2019**

**14 Review of Performance**

	Individual Quarter 3 Months Ended			Cumulative Financial Period Ended		
	30/6/2019	30/6/2018	Variance	30/6/2019	30/6/2018	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	120,736	102,296	18.0	239,496	201,679	18.8
Operating profit	34,529	24,194	42.7	67,807	40,750	66.4
Profit before taxation	34,425	24,126	42.7	67,573	40,614	66.4
Profit and total comprehensive income for the period	31,147	22,930	35.8	61,884	37,984	62.9

The Group recorded higher revenue at RM120.7 million in the current quarter as compared to RM102.3 million registered in the corresponding quarter last year, representing an increase of 18.0%. The higher revenue recorded was mainly due to increase in sales from both the automated test equipment (“ATE”) and factory automation solutions (“FAS”) operating segment.

The Group recorded a higher revenue at RM239.5 million for the six months ended 30 June 2019 as compared to RM201.7 million recorded in the previous corresponding period, representing an increase of 18.7%. The Group’s revenue was contributed by the increase in demand from both the ATE and FAS segments, which constituted approximately 84.2% and 14.7% of the Group’s total external revenue during the financial period ended 30 June 2019 respectively.

The following table sets out revenue breakdown by customers’ segment for the Group:

	Individual Quarter 3 Months Ended				Cumulative Financial Period Ended			
	30/6/2019		30/6/2018		30/6/2019		30/6/2018	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Telecommunications	81,724	67.7	73,386	71.6	156,837	65.5	142,586	70.7
Automotive	20,043	16.6	16,120	15.8	31,736	13.3	24,849	12.3
Consumer and industrial products	12,649	10.5	4,688	4.6	27,725	11.6	7,940	3.9
Semiconductor	5,247	4.3	6,716	6.6	19,989	8.3	21,708	10.8
Medical devices	645	0.5	404	0.4	692	0.3	404	0.2
Others	428	0.4	982	1.0	2,517	1.0	4,192	2.1
<b>Total</b>	<b>120,736</b>		<b>102,296</b>		<b>239,496</b>		<b>201,679</b>	

Due to higher revenue achieved during the three months ended 30 June 2019, the Group consequently recorded a higher profit before taxation of RM34.4 million in the current quarter as compared to the profit before taxation of RM24.1million in the previous corresponding quarter, representing an increase of 42.7%.

The Group recorded a profit before taxation of RM67.6 million for the financial period ended 30 June 2019, an increase of 41.4% as compared to the adjusted profit before taxation of RM47.8 million for the financial period ended 30 June 2018, after excluding the one-off listing expenses incurred in 2018. The increase in the profit before taxation for the financial period ended 30 June 2019 is mainly due to improvement in the Group's operating efficiency.

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Performance of the respective operating segments which includes inter-segment transactions for the current quarter as compared to the previous corresponding quarter is analysed as follows:

**1) Automated test equipment**

The ATE segment remains as the Group’s major revenue source. The products and solutions under this segment consist of designing, development and manufacturing of standard and non-standard ATE.

This segment recorded an increase in revenue by RM17.3 million or 19.4% to RM106.3 million in the current quarter as compared to the previous corresponding quarter last year, and an increase in revenue by RM28.5million or 15.8% to RM208.6 million for the financial period ended 30 June 2019 as compared to the previous financial period ended 30 June 2018. The growth in revenue under the ATE segment for the financial period ended 30 June 2019 was driven predominantly by the continuous strong demand for the Group’s smart sensor test equipment and solutions especially its flagship test solutions in ambient and proximity sensors, given the continuous and increasing prevalence of smart sensors arising from the improvement in smartphone trends and accelerating growth from wearable items. Furthermore, the growth in revenue during the same financial period was attributable to the Group’s exposure to 3D sensing technology through its supply of dot projector assembly and test equipment catering mainly for the telecommunications sector.

As a result of higher revenue achieved, changes in sales mix and improvement in the Group’s operating efficiency, this segment recorded higher profit before taxation by RM14.2 million or 74.3% in the current quarter under review as compared to profit before taxation of RM19.1 million in the corresponding quarter last year. For the financial period ended 30 June 2019, The Group recorded higher profit before taxation by RM23.1 million or 54.4%.

**2) Factory automation solutions**

The products and solutions in this segment entail designing, development and installation of integrated automated manufacturing solutions.

This segment recorded revenue of RM21.5 million in the current quarter as compared to revenue of RM18.9 million in the corresponding quarter last year, representing an increase of approximately 13.8%. For the financial period ended 30 June 2019, the Group recorded revenue of RM39.2 million as compared to the revenue of RM31.4 million in the corresponding period in 2018, representing an increase of RM7.8 million or 24.8%. The increase in revenue from the FAS segment was mainly due to higher demand for the Group’s proprietary i-ARMS (intelligent Automated Robotic Manufacturing System) solutions as well as its integrated manufacturing solutions and modules that caters for a wide spectrum of customers in various industries.

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In tandem with higher revenue and favorable changes in sales mix, profit before taxation in this segment is higher by RM0.8 million in the current quarter under review as compared to profit before taxation of RM1.5 million in the previous corresponding quarter. For the financial period ended 30 June 2019, the Group recorded profit before taxation of RM4.6 million as compared to profit before taxation of RM2.5 million for the financial period ended 30 June 2018, representing an increase of RM2.1 million or 84.0%.

**3) Smart control solution system**

The smart control solution system segment recorded revenue of RM0.4 million in the current quarter as compared to revenue of RM1.3 million in the corresponding quarter last year. For the financial period ended 30 June 2019, the Group recorded revenue of RM2.5 million as compared to RM2.8 million for the financial period ended 30 June 2018 due to lower volume of project delivery. This segment recorded a loss before taxation of RM0.3 million in the current quarter as compared to loss before taxation of RM0.2 million in the corresponding quarter last year. This segment recorded loss before taxation of RM0.5 million for the financial period ended 30 June 2019 as compared to loss before taxation of RM0.6 million for the financial period ended 30 June 2018.

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

	<b>3 Months Ended</b>	<b>3 Months Ended</b>	<b>Variance</b>
	<b>30/6/2019</b>	<b>31/3/2019</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	120,736	118,760	1.7
Operating profit	34,529	33,277	3.8
Profit before taxation	34,425	33,146	3.9
Profit and total comprehensive income for the period	31,147	30,735	1.3

For the second quarter ended 30 June 2019, the Group recorded higher revenue at RM120.7 million as compared to the revenue of RM118.8 million in the preceding quarter, representing an increase of 1.7%. The higher revenue recorded in the current quarter under review was due to increase in sales from both the ATE and FAS operating segments.

The following table sets out revenue breakdown by customers' segment for the Group:

	<b>3 Months Ended</b>		<b>3 Months Ended</b>	
	<b>30/6/2019</b>		<b>31/3/2019</b>	
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
Telecommunications	81,724	67.7	75,112	63.3
Automotive	20,043	16.6	11,693	9.8
Consumer and industrial products	12,649	10.5	15,076	12.7
Semiconductor	5,247	4.3	14,742	12.4
Medical devices	645	0.5	47	n.m.
Others	428	0.4	2,090	1.8
<b>Total</b>	<b>120,736</b>		<b>118,760</b>	

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The Group recorded a higher profit before taxation of RM34.4 million in the current quarter as compared to the profit before taxation of RM33.1 million in the preceding quarter, representing an increase of 3.9% which was in tandem with the increase in revenue during the three months ended 30 June 2019.

Performance of the respective operating segments which includes inter-segment transactions for the second quarter ended 30 June 2019 as compared to the preceding quarter is analysed as follows:

**1) Automated test equipment**

During the three months ended 30 June 2019, revenue from the ATE segment increased by RM4.1 million to RM106.3 million as compared to the revenue of RM102.2 million achieved in the preceding quarter. The increase was driven predominantly by the continuous strong demand for the Group’s smart sensor test equipment and solutions especially its flagship test solutions in ambient and proximity sensors. This segment achieved a higher profit before taxation of RM33.3 million as compared to RM32.4 million in preceding quarter mainly attributable to higher revenue achieved during the three months ended 30 June 2019.

**2) Factory automation solutions**

Revenue from this segment in the current quarter was RM3.8 million higher against revenue of RM17.7 million in the preceding quarter. This was mainly due to higher demand for the Group’s proprietary i-ARMS (intelligent Automated Robotic Manufacturing System) solutions as well as its integrated manufacturing solutions and modules that caters for a wide spectrum of customers in various industries. This segment recorded a profit before taxation of RM2.3 million in the current quarter, similar to the profit before taxation recorded in the preceding quarter.

**3) Smart control solution system**

Revenue from this segment was RM1.7 million lower than the preceding quarter. Due to lower revenue in the current quarter, this segment recorded a higher loss before taxation of RM0.3 million as compared to the loss before taxation of RM0.2 million in the preceding quarter.

**16 Prospect**

Despite a challenging year in the overall technology sector in 2019, the Group is prudently optimistic for the second half of 2019 due to the rising demand for its test equipment and solution given the wider adoption of smart sensors as well as the increasing need for its factory automation solutions with the prevalence of Industry 4.0. Against this backdrop, the Group anticipates a positive growth momentum given (i) its deeper involvement and participation with its customers in both its ATE and FAS segments; (ii) its broadening exposure in the optical and optoelectronics segments; (iii) its active diversification into other sectors, particularly the automotive and medical sectors; and (iv) the vast potential and opportunities for its i-ARMS solutions with factory automation becoming increasingly ubiquitous.

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**17 Profit Forecast or Profit Guarantee**

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

**18 Taxation**

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

	<b>Current Quarter</b>	<b>Current Year to Date</b>
	<b>RM'000</b>	<b>RM'000</b>
Income tax payable	3,278	5,689

The effective tax rate is lower than the statutory tax rate as certain subsidiaries of the Group have been granted pioneer status under the Promotion of Investments Act, 1986 by the Malaysian Industrial Development Authority which exempts 100% of statutory income in relation to production of certain products and solutions.

**19 Changes in the Composition of the Group**

During the quarter under review, there were no changes in the composition of the Group.

**20 Corporate Proposals**

The Company had on 2 April 2019, announced a proposal to undertake a proposed bonus issue of up to 158,292,712 new ordinary shares in the Company ("Bonus Shares") on the basis of one (1) Bonus Share for every two (2) existing PCB shares held on an entitlement date to be determined and announced later ("Bonus Issue"). The Bonus Issue was approved by shareholders at the Extraordinary General Meeting held on 10 June 2019 and the exercise was completed on 28 June 2019 with the listing of 158,292,675 Bonus Shares.

Except for the above mentioned proposal, there were no corporate proposals announced but not completed as at the date of this announcement.

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**21 Status of Utilisation of Proceeds Raised From Any Corporate Proposal**

**1) Share Award Scheme**

The utilisation of proceeds of RM29.5 million raised from the share award scheme, in conjunction with the Listing Exercise of PIL, as at the end of the reporting quarter is as follows:

<b>Purpose</b>	<b>Proposed Utilisation (RM'000)</b>	<b>Gross Proceeds Received (RM'000)</b>	<b>Actual Utilisation (RM'000)</b>	<b>Intended Timeframe for Utilisation</b>	<b>Balance (RM'000)</b>
Payment of staff salaries and benefits	4,500	4,500	4,500	Within one (1) year	-
Purchase of raw materials such as sensors, control panels, input/output control and computer field bus system and other services such as subcontracting work	20,000	20,000	-	Within two (2) years	20,000
General administrative and operating expenses	5,000	5,000	5,000	Within one (1) year	-
<b>Total</b>	<b>29,500</b>	<b>29,500</b>	<b>9,500</b>		<b>20,000</b>

**2) Listing Exercise of PIL**

The utilisation of proceeds of RM87.1 million from the offer for sale of PIL shares by the Company, in conjunction with the Listing Exercise of PIL, as at the end of the reporting quarter is as follows:

<b>Purpose</b>	<b>Proposed Utilisation</b>		<b>Gross Proceeds Received<sup>(2)</sup> (RM'000)</b>	<b>Actual Utilisation (RM'000)</b>	<b>Intended Timeframe for Utilisation</b>	<b>Balance (RM'000)</b>
	<b>Minimum Scenario<sup>(1)</sup> (RM'000)</b>	<b>Maximum Scenario<sup>(1)</sup> (RM'000)</b>				
Business expansion through investment and acquisition	33,972	37,775	32,741	-	Within two (2) years	32,741
Investment into technology related solutions and business applications	29,726	33,059	28,648	9,074	Within five (5) years	19,574
Working capital	21,172	23,549	20,405	20,405	Within five (5) years	-
Defray estimated expenses in relation to Listing Exercise, bonus issue and share split, collectively	5,508	5,508	5,306	5,306	Within six (6) months	-
<b>Total</b>	<b>90,378</b>	<b>99,891</b>	<b>87,100</b>	<b>34,785</b>		<b>52,315</b>

*Notes:*

- (1) *The minimum and maximum scenario under the proposed utilisation was based on the indicative offer price in relation to the Listing Exercise of HKD0.95 and HKD1.05 respectively.*
- (2) *The actual gross proceeds received was based on the actual offer price in relation to the Listing Exercise of HKD1.00. The difference between the gross proceeds received and the proposed utilisation was due to the difference in the conversion rate.*

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**22 Borrowings**

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

	RM'000
<u>Short term borrowings (secured)</u>	
Finance lease liabilities	21
Term loan	342
<u>Long term borrowings (secured)</u>	
Finance lease liabilities	
Term loan	3,195
<b>Total</b>	<b>3,558</b>

All borrowings are denominated in Ringgit Malaysia.

The finance lease liabilities are secured over the leased assets.

The term loan is secured by way of legal charge over a leasehold land of a subsidiary of the Company.

**23 Derivative Financial Instruments**

As at the date of the statement of financial position 30 June 2019, the Group has the following outstanding derivative financial instruments:

<b>Derivatives</b>	<b>Contract or Notional amount (RM'000)</b>	<b>Fair value Net gain/(loss) (RM'000)</b>	<b>Purpose</b>
Currency forward contracts: -Less than 1 year	132,642	(128)	For hedging currency risk arising from sales proceeds in foreign currencies

For the quarter ended 30 June 2019, 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, accounting 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.

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**24 Fair Value of Financial Liabilities**

For the quarter ended 30 June 2019, there is no fair value gain or loss on the financial liabilities. The carrying amounts of the financial liabilities as at date of the end of the statement of financial position date approximate to their fair value due to their short-term nature.

**25 Material Litigations**

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

**26 Dividends**

As at the date of this announcement, the Board of Directors (“Board”) does not recommend any dividend in respect of the quarter ended 30 June 2019.

**27 Earnings Per Share**

The calculation of basic earnings per share for the period is based on the profit and total comprehensive income attributable to owners of the Company for the quarter and the financial period divided by the weighted average number of ordinary shares in issue during the quarter and the financial period.

	3 Months Ended 30/6/2019 RM'000	3 Months Ended 30/6/2018 RM'000	6 Months Ended 30/6/2019 RM'000	6 Months Ended 30/6/2018 RM'000
Profit and total comprehensive income attributable to owners of the Company	19,540	13,946	39,106	21,173
Weighted average number of ordinary shares	474,878,099	474,878,099	474,878,099	474,878,099
Earnings per share attributable to owners of the Company (sen)	4.11	2.94	8.23	4.46

BY ORDER OF THE BOARD

**LIM KIM TECK**  
**Secretary**  
**16 August 2019**