

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

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE PERIOD ENDED 30 JUNE 2015**

	Individual Quarter 3 Months Ended		Cumulative Year Financial Period Ended	
	30/6/2015 RM'000	30/6/2014 RM'000	30/6/2015 RM'000	30/6/2014 RM'000
Revenue	24,089	26,689	43,440	36,447
Cost of goods sold	(17,503)	(20,473)	(32,264)	(28,203)
Gross profit	6,586	6,216	11,176	8,244
Other income	580	213	897	415
Administrative expenses	(2,628)	(3,142)	(5,215)	(5,493)
Distribution costs	(452)	(603)	(1,301)	(979)
Other expenses	(61)	(38)	(106)	(63)
Operating profit	4,025	2,646	5,451	2,124
Finance costs	(4)	(102)	(6)	(193)
Profit before taxation	4,021	2,544	5,445	1,931
Taxation	(862)	(271)	(863)	(333)
Profit for the period	3,159	2,273	4,582	1,598
Profit attributable to :				
Owners of the Parent	3,251	1,607	5,002	525
Non-controlling interests	(92)	666	(420)	1,073
	3,159	2,273	4,582	1,598
Profit per share attributable to owners of the parent (sen) :-				
- Basic	2.44	1.21	3.75	0.39
- 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 2014.

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE PERIOD ENDED 30 JUNE 2015**

	Individual Quarter 3 Months Ended		Cumulative Year Financial Period Ended	
	30/6/2015 RM'000	30/6/2014 RM'000	30/6/2015 RM'000	30/6/2014 RM'000
Profit for the period	3,159	2,273	4,582	1,598
Other comprehensive income/(loss):				
Translation of foreign operations	-	18	(51)	13
Other comprehensive income/(loss) net of tax	-	18	(51)	13
Total comprehensive income for the period	3,159	2,291	4,531	1,611
Total comprehensive income attributable to:				
Owners of the Parent	3,251	1,625	4,951	538
Non-controlling interests	(92)	666	(420)	1,073
	3,159	2,291	4,531	1,611

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014.

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT 30 JUNE 2015**

	<b>Unaudited As at 30/6/2015 RM'000</b>	<b>Audited As at 31/12/2014 RM'000</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	41,674	41,819
Intangible assets	3,160	3,811
Deferred tax assets	650	650
	<u>45,484</u>	<u>46,280</u>
<b>Current Assets</b>		
Inventories	9,959	11,105
Trade receivables	20,043	20,124
Other receivables, deposits and prepayments	3,268	2,589
Other investments	-	1,360
Tax recoverable	4	3
Deposits, cash and bank balances	9,740	8,382
	<u>43,014</u>	<u>43,563</u>
<b>TOTAL ASSETS</b>	<u><u>88,498</u></u>	<u><u>89,843</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Owners of the Parents</b>		
Share capital	66,622	66,622
Reserves	(213)	(5,164)
	<u>66,409</u>	<u>61,458</u>
<b>Non-Controlling interest</b>	<u>1,064</u>	<u>1,484</u>
<b>Total Equity</b>	<u><u>67,473</u></u>	<u><u>62,942</u></u>
<b>Non Current Liabilities</b>		
Hire-purchase payables	-	56
Deferred income	1,541	1,950
Deferred tax liabilities	2,700	2,050
	<u>4,241</u>	<u>4,056</u>
<b>Current Liabilities</b>		
Trade payables	9,964	9,601
Other payables and accrued liabilities	5,897	11,481
Provision for warranty	127	127
Derivative financial liabilities	494	1,306
Short term bank borrowings	123	132
Provision for taxation	179	198
	<u>16,784</u>	<u>22,845</u>
<b>Total Liabilities</b>	<u><u>21,025</u></u>	<u><u>26,901</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>88,498</u></u>	<u><u>89,843</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 2014.

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE 2015**

	← 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 2015	66,622	4,865	59	(10,088)	61,458	1,484	62,942
Total comprehensive income/(loss) for the period	-	-	(59)	5,002	4,943	(420)	4,523
Foreign currency translation differences on foreign operations	-	-	-	8	8	-	8
As at 30 June 2015	<u>66,622</u>	<u>4,865</u>	<u>-</u>	<u>(5,078)</u>	<u>66,409</u>	<u>1,064</u>	<u>67,473</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 2014	66,622	4,865	39	(14,619)	56,907	(28)	56,879
Total comprehensive income/(loss) for the period	-	-	13	525	538	1,073	1,611
As at 30 June 2014	<u>66,622</u>	<u>4,865</u>	<u>52</u>	<u>(14,094)</u>	<u>57,445</u>	<u>1,045</u>	<u>58,490</u>

Profit per share attributable to

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014.

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2015**

	<b>6 Months ended 30/6/2015 RM'000</b>	<b>6 Months ended 30/6/2014 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	5,445	1,931
Adjustments for -		
Amortisation of intangible assets	729	644
Bad debts written off	297	-
Deferred income released	(409)	(342)
Depreciation	1,276	1,385
Interest expense	6	193
Interest income	(14)	(2)
Inventories written off	-	300
Inventories written down	3	-
Reversal of Impairment loss on receivables	(296)	(5)
Gain on disposal of property, plant and equipment	(71)	(21)
Gain from change in fair value of forward foreign exchange contract	(812)	(190)
Reversal of write down of inventories	-	(932)
Unrealised loss on foreign exchange	(132)	294
Operating profit before working capital changes	<u>6,022</u>	<u>3,255</u>
Decrease/(Increase) in inventories	1,142	(1,507)
Increase in receivables	(477)	(5,479)
(Decrease)/Increase in payables	(5,140)	2,746
Cash generated from/(used in) operations	<u>1,547</u>	<u>(985)</u>
Interest paid	(6)	(193)
Tax paid	(232)	(250)
Net cash generated from/(used in) operating activities	<u>1,309</u>	<u>(1,428)</u>

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2015**

	<b>6 Months ended 30/6/2015 RM'000</b>	<b>6 Months ended 30/6/2014 RM'000</b>
<b>Cash Flows From Investing Activities</b>		
Development expenditure paid	-	(703)
Interest received	14	2
Proceeds from disposal of property, plant & equipment	110	-
Proceed from disposal of Investment in unquoted shares	1,360	-
Purchase of property, plant & equipment	(1,241)	(776)
Purchase of intangible assets	(78)	-
Net cash generated from/(used in) investing activities	<u>165</u>	<u>(1,477)</u>
<b>Cash Flows From Financing Activities</b>		
Short term borrowings obtained	-	1,638
Repayment of hire-purchase liabilities	(65)	(62)
Net cash (used in)/generated from financing activities	<u>(65)</u>	<u>1,576</u>
<b>Net Increase/Decrease In Cash And Cash Equivalents</b>	1,409	(1,329)
<b>Cash And Cash Equivalents Brought Forward</b>	8,382	4,899
Foreign currency exchange differences on opening balance	(51)	13
<b>Cash And Cash Equivalents Carried Forward</b>	<u><u>9,740</u></u>	<u><u>3,583</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 2014.

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**PENTAMASTER CORPORATION BERHAD (572307-U)**  
**(“Company”)**  
**Notes To The Interim Financial Report For Quarter Ended 30 June 2015**

**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 30 June 2015 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 2014.

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 2014 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 30 June 2015**

**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**

	<b>Company</b>	
	<b>As at 30/6/2015</b>	<b>As at 31/12/2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantee given by the Company for banking facilities extended by financial institution to subsidiary companies		
- Limit	26,860	35,000
- Amount utilised	-	-

**9 Capital Commitments**

The Company had on 19 March 2015 announced that its wholly owned subsidiary, Pentamaster Technology (M) Sdn Bhd, had on the same day, entered into a sale and purchase agreement with The Penang Development Corporation (“PDC”) for the proposed acquisition of a piece of leasehold land for a total cash consideration of RM5,015,490 of which an initial payment of 20% of the purchase price, which is equivalent to RM1,003,098, had been paid to PDC.



**PENTAMASTER CORPORATION BERHAD (572307-U)**  
**(“Company”)**  
**Notes To The Interim Financial Report For Quarter Ended 30 June 2015**

**10 Segmental Information**

**Results for the period ended 30 June 2015**

	<b>Automated Equipment</b>	<b>Automated Manufacturing Solution</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	27,803	15,637	-	43,440
Inter-segment revenue	1,040	50	(1,090)	-
<b>Total revenue</b>	<b>28,843</b>	<b>15,687</b>	<b>(1,090)</b>	<b>43,440</b>
<b>Results</b>				
Segment results	4,483	1,466	(498)	5,451
Finance cost	(6)	-	-	(6)
<b>Profit/(Loss) before taxation</b>	<b>4,477</b>	<b>1,466</b>	<b>(498)</b>	<b>5,445</b>
Taxation	(863)	-	-	(863)
<b>Profit/(Loss) after taxation</b>	<b>3,614</b>	<b>1,466</b>	<b>(498)</b>	<b>4,582</b>

**Results for the period ended 30 June 2014**

	<b>Automated Equipment</b>	<b>Automated Manufacturing Solution</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	27,043	9,404	-	36,447
Inter-segment revenue	686	1,032	(1,718)	-
<b>Total revenue</b>	<b>27,729</b>	<b>10,436</b>	<b>(1,718)</b>	<b>36,447</b>
<b>Results</b>				
Segment results	4,467	(1,760)	(583)	2,124
Finance cost	(116)	(77)	-	(193)
<b>Profit/(Loss) before taxation</b>	<b>4,351</b>	<b>(1,837)</b>	<b>(583)</b>	<b>1,931</b>
Taxation	(333)	-	-	(333)
<b>Profit/(Loss) after taxation</b>	<b>4,018</b>	<b>(1,837)</b>	<b>(583)</b>	<b>1,598</b>

**PENTAMASTER CORPORATION BERHAD (572307-U)**  
**(“Company”)**  
**Notes To The Interim Financial Report For Quarter Ended 30 June 2015**

**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):		
Bad debts written off	(296)	(297)
Depreciation and amortization	(758)	(1,507)
Foreign exchange loss	(104)	(74)
Gain on derivatives	499	812
Gain on disposal of property, plant and equipment	-	71
Interest income	8	14
Interest expense	(4)	(6)
Reversal of impairment loss on Receivables	296	296
Written down of inventories	-	(3)

**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 30 June 2015**

**13 Review of Performance**

The Group recorded lower revenue at RM24.1 million in the current quarter as compared to RM26.7 million registered in the corresponding quarter last year. The lower revenue recorded was mainly due to the decrease in sales from the automated manufacturing solution operating segment which was slightly offset by the higher revenue contribution from the automated equipment operating segment. Despite the lower revenue recorded, the Group achieved higher profit before tax of RM4.0 million in the current quarter as compared to RM2.5 million in the previous corresponding quarter mainly due to the better product mix with higher margin achieved 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**

This segment recorded a slight increase in revenue by RM0.9 million (4.4%) to RM20.3 million as compared to the previous corresponding quarter mainly due to higher demand for automated equipment from semiconductor market. Consequently, this segment recorded a higher profit before tax of RM5.2 million against RM3.3 million in the previous corresponding quarter mainly attributable to the better product mix with higher margin achieved.

**2) Automated manufacturing solution**

Revenue from this segment was RM3.5 million lower than the previous corresponding quarter mainly due to lower demand for the integrated manufacturing solution from customers in the current quarter. As a result, this segment recorded a higher loss before tax of RM0.9 million in the current quarter as compared to RM0.5 million in the previous corresponding quarter.

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

## **(“Company”)**

### **Notes To The Interim Financial Report For Quarter Ended 30 June 2015**

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

For the second quarter ended 30 June 2015, the Group recorded higher revenue at RM24.1 million as compared to the revenue of RM19.4 million in the preceding quarter. The higher revenue recorded was due to the increase in sales from the automated equipment operating segment which was partially offset by the drop in revenue contribution from the automated manufacturing solution operating segment. Consequently, the Group achieved a higher profit before tax of RM4.0 million as compared to RM1.4 million in the preceding quarter.

Performance of the respective operating segments for the second quarter ended 30 June 2015 as compared to the preceding quarter is analysed as follows:-

##### **1) Automated equipment**

The increase in revenue by RM12.7 million in the current quarter to RM20.3 million as compared to the preceding quarter was mainly due to higher demand for automated equipment from semiconductor market coupled with the delivery of projects which were deferred in the preceding quarter. Consequently, this segment turned around by achieving a profit before tax of RM5.2 million against the loss before tax of RM0.7 million in the preceding quarter.

##### **2) Automated manufacturing solution**

Revenue from this segment was RM8.0 million lower than the preceding quarter mainly due to lower demand for the integrated manufacturing solution from customers in the current quarter. Due to the drop in revenue, this segment recorded a loss before tax of RM0.9 million in the current quarter as compared to the profit before tax of RM2.4 million in the preceding quarter.

**PENTAMASTER CORPORATION BERHAD (572307-U)**  
**(“Company”)**  
**Notes To The Interim Financial Report For Quarter Ended 30 June 2015**

**15 Current Year Prospect**

The Group generally possess an optimistic view of the market in the second half of the year especially with the emergence of Internet of Things which has arisen on the back of the growing interconnectedness of things. Smart electronic devices are the key driving force behind the semiconductor growth in 2015 and therefore, more sophisticated test solution is required for the manufacturing of these smart devices. Within this context, new product introduction will continue to be an important agenda to enhance customers’ accessibility to more innovative and quality product offerings.

Subject to the external market conditions and macroeconomic factors, the Company believes that its performance will continue to grow positively with these prospects in the horizon.

**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	(212)	(213)
Deferred tax resulting from the origination and reversal of temporary differences	(650)	(650)
	<u>(862)</u>	<u>(863)</u>

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

There were no changes in the composition of the Group.

# PENTAMASTER CORPORATION BERHAD (572307-U)

## ("Company")

### Notes To The Interim Financial Report For Quarter Ended 30 June 2015

#### 19 Corporate Proposals

The Company had on 10 July 2015 and 14 July 2015 announced that the Company is proposing to dispose its wholly owned subsidiaries namely Pentamaster Engineering (M) Sdn Bhd ("PESB") and Pentamaster Solutions Sdn Bhd ("PSSB") to GEMS-Asia Emerging Technology Fund LP for a total cash consideration of RM5 million.

All the conditions for completion of the disposal of PESB shares and PSSB shares stated in the sale and purchase agreement have been satisfied and the corporate proposal has been deemed completed as of 23 July 2015.

#### 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>	
Hire purchase creditor	123
Total utilisation	123

All borrowings are denominated in Ringgit Malaysia.

#### 21 Derivative Financial Instruments

As at the date of the statement of financial position 30 June 2015, the Group has the following outstanding derivative financial instruments:

Derivatives	Contract or Notional amount (RM'000)	Fair value Net gain/(loss) (RM'000)	Purpose
Currency forward contracts: -Less than 1 year	6,045	(491)	For hedging currency risk arising from sales proceeds in foreign currencies

For the quarter ended 30 June 2015, 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 30 June 2015**

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

	<b>As at 30/6/2015</b> <b>(RM'000)</b>	<b>As at 31/3/2015</b> <b>(RM'000)</b>
Total accumulated losses of Pentamaster Corporation Berhad and its subsidiaries:		
- Realised	693	(2,927)
- Unrealised	(1,534)	(1,073)
	(841)	(4,000)
Add: Consolidation adjustment	(4,237)	(4,329)
Accumulated losses as per financial statements	(5,078)	(8,329)

**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 30 June 2015.

**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 30 June 2015**

BY ORDER OF THE BOARD

**LIM KIM TECK**  
Secretary  
30 July 2015