

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

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

	Individual Quarter 3 Months Ended		Cumulative Year Financial Period Ended	
	30/9/2015 RM'000	30/9/2014 RM'000	30/9/2015 RM'000	30/9/2014 RM'000
Revenue	20,908	22,307	64,348	58,754
Cost of goods sold	(14,992)	(16,644)	(47,256)	(44,847)
Gross profit	5,916	5,663	17,092	13,907
Other income	2,890	317	3,787	732
Administrative expenses	(1,328)	(2,667)	(6,543)	(8,160)
Distribution costs	(431)	(791)	(1,732)	(1,770)
Other expenses	(220)	(21)	(326)	(84)
Operating profit	6,827	2,501	12,278	4,625
Finance costs	(1)	(62)	(7)	(255)
Profit before taxation	6,826	2,439	12,271	4,370
Taxation	(766)	(394)	(1,629)	(727)
Profit for the period	6,060	2,045	10,642	3,643
Profit attributable to :				
Owners of the Parent	5,469	2,011	10,471	2,536
Non-controlling interests	591	34	171	1,107
	6,060	2,045	10,642	3,643
Profit per share attributable to owners of the parent (sen) :-				
- Basic	4.10	1.51	7.86	1.90
- 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 SEPTEMBER 2015**

	Individual Quarter 3 Months Ended		Cumulative Year Financial Period Ended	
	30/9/2015 RM'000	30/9/2014 RM'000	30/9/2015 RM'000	30/9/2014 RM'000
Profit for the period	6,060	2,045	10,642	3,643
Other comprehensive (loss)/income: Translation of foreign operations	-	(1)	(51)	12
Other comprehensive (loss)/income net of tax	-	(1)	(51)	12
Total comprehensive income for the period	6,060	2,044	10,591	3,655
Total comprehensive income attributable to:				
Owners of the Parent	5,469	2,010	10,420	2,548
Non-controlling interests	591	34	171	1,107
	6,060	2,044	10,591	3,655

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 SEPTEMBER 2015**

	<b>Unaudited As at 30/9/2015 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	41,757	41,819
Intangible assets	11,185	3,811
Deferred tax assets	-	650
	<u>52,942</u>	<u>46,280</u>
<b>Current Assets</b>		
Inventories	4,559	11,105
Trade receivables	18,790	20,124
Other receivables, deposits and prepayments	5,083	2,589
Other investments	-	1,360
Tax recoverable	2	3
Deposits, cash and bank balances	11,944	8,382
	<u>40,378</u>	<u>43,563</u>
<b>TOTAL ASSETS</b>	<u><u>93,320</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	5,256	(5,164)
	<u>71,878</u>	<u>61,458</u>
<b>Non-Controlling interest</b>	1,655	1,484
<b>Total Equity</b>	<u>73,533</u>	<u>62,942</u>
<b>Non Current Liabilities</b>		
Hire-purchase payables	-	56
Deferred income	1,336	1,950
Deferred tax liabilities	2,700	2,050
	<u>4,036</u>	<u>4,056</u>
<b>Current Liabilities</b>		
Trade payables	6,400	9,601
Other payables and accrued liabilities	8,390	11,481
Provision for warranty	112	127
Derivative financial liabilities	12	1,306
Short term bank borrowings	286	132
Provision for taxation	551	198
	<u>15,751</u>	<u>22,845</u>
<b>Total Liabilities</b>	<u>19,787</u>	<u>26,901</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>93,320</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 SEPTEMBER 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)	10,471	10,412	171	10,583
Foreign currency translation differences on foreign operations	-	-	-	8	8	-	8
As at 30 September 2015	<u>66,622</u>	<u>4,865</u>	<u>-</u>	<u>391</u>	<u>71,878</u>	<u>1,655</u>	<u>73,533</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	(14,612)	56,914	(28)	56,886
Total comprehensive income/(loss) for the period	-	-	12	2,536	2,548	1,107	3,655
As at 30 September 2014	<u>66,622</u>	<u>4,865</u>	<u>51</u>	<u>(12,076)</u>	<u>59,462</u>	<u>1,079</u>	<u>60,541</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 SEPTEMBER 2015**

	Note	9 Months ended 30/9/2015 RM'000	9 Months ended 30/9/2014 RM'000
<b>Cash Flows From Operating Activities</b>			
Profit before taxation		12,271	4,370
Adjustments for -			
Amortisation of intangible assets		1,007	977
Bad debts written off		297	-
Deferred income released		(614)	(630)
Depreciation		1,917	2,029
Interest expense		7	255
Interest income		(125)	(6)
Inventories written off		-	803
Inventories written down		242	-
Reversal of Impairment loss on receivables		(332)	(5)
Gain on disposal of property, plant and equipment		(71)	(34)
Loss on disposal of subsidiaries		217	-
Loss on disposal of quoted shares		24	-
(Gain)/Loss from change in fair value of forward foreign exchange contract		(1,269)	14
Other income arising from bargain purchase		(2,595)	-
Reversal of write down of inventories		-	(1,480)
Unrealised gain on foreign exchange		(543)	(72)
Operating profit before working capital changes		<u>10,433</u>	<u>6,221</u>
Decrease/(Increase) in inventories		3,510	(1,605)
(Increase)/Decrease in receivables		(567)	2,280
(Decrease)/Increase in payables		(6,693)	5,103
Cash generated from operations		<u>6,683</u>	<u>11,999</u>
Grant received		-	403
Interest paid		(7)	(255)
Tax paid		(627)	(348)
Net cash generated from operating activities		<u>6,049</u>	<u>11,799</u>

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

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

	Note	9 Months ended 30/9/2015 RM'000	9 Months ended 30/9/2014 RM'000
<b>Cash Flows From Investing Activities</b>			
Development expenditure paid		-	(703)
Interest received		125	6
Proceeds from disposal of property, plant & equipment		211	26
Proceed from disposal of Investment in quoted shares		1,336	-
Purchase of property, plant & equipment		(1,840)	(357)
Purchase of intangible assets		(202)	(598)
Net cash inflow on disposal of subsidiaries	1	3,811	-
Net cash outflow on acquisition of a subsidiary	2	(5,779)	-
Net cash used in investing activities		<u>(2,338)</u>	<u>(1,626)</u>
<b>Cash Flows From Financing Activities</b>			
Short term borrowings repaid		-	(5,865)
Repayment of hire-purchase liabilities		(98)	(94)
Net cash used in financing activities		<u>(98)</u>	<u>(5,959)</u>
<b>Net Increase In Cash And Cash Equivalents</b>		3,613	4,214
<b>Cash And Cash Equivalents Brought Forward</b>		8,382	4,899
Foreign currency exchange differences on opening balance		(51)	12
<b>Cash And Cash Equivalents Carried Forward</b>		<u>11,944</u>	<u>9,125</u>

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

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

1. Disposal of subsidiaries

The value of assets and liabilities of Pentamaster Engineering (M) Sdn Bhd and Pentamaster Solutions Sdn Bhd recorded in the consolidated financial statements as at 31 July 2015, and the cash flow effect of the disposal were:

	<b>RM'000</b>
Property, plant and equipment	116
Development cost/Intangible asset	820
Deferred tax assets	650
Inventories	2,795
Receivables	8,695
Cash and cash equivalents	1,189
Payables	(2,767)
Holding co and related co	(6,256)
Derivative financial instruments	(25)
Share of net assets disposed	<u>5,217</u>
Loss on disposal of investment in subsidiaries	<u>(217)</u>
Total disposal consideration	5,000
Less: cash and cash equivalents	<u>(1,189)</u>
Net cash inflow on disposal of subsidiaries	<u><u>3,811</u></u>

2 Acquisition of subsidiary

The fair value of assets and liabilities of Origo Ventures (M) Sdn Bhd as at date of acquisition were:

	<b>RM'000</b>
Property, plant and equipment	(240)
Development cost/Intangible asset	(9,000)
Receivables	(2,469)
Cash and cash equivalents	(1)
Payables	3,139
Borrowings	196
Share of net liabilities acquired	<u>(8,375)</u>
Other income arising from bargain purchase	<u>2,595</u>
Consideration settle in cash	(5,780)
Less: cash and cash equivalents	<u>1</u>
Net cash outflow on acquisition of a subsidiary	<u><u>(5,779)</u></u>

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

## **(“Company”)**

### **Notes To The Interim Financial Report For Quarter Ended 30 September 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 September 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 September 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 30/9/2015</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 out 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 September 2015**

**10 Segmental Information**

**Results for the period ended 30 September 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	40,785	23,465	98	64,348
Inter-segment revenue	2,473	810	(3,283)	-
<b>Total revenue</b>	<b>43,258</b>	<b>24,275</b>	<b>(3,185)</b>	<b>64,348</b>
<b>Results</b>				
Segment results	7,214	3,818	1,246	12,278
Finance cost	(7)	-	-	(7)
<b>Profit/(Loss) before taxation</b>	<b>7,207</b>	<b>3,818</b>	<b>1,246</b>	<b>12,271</b>
Taxation	(1,627)	(2)	-	(1,629)
<b>Profit/(Loss) after taxation</b>	<b>5,580</b>	<b>3,816</b>	<b>1,246</b>	<b>10,642</b>

**Results for the period ended 30 September 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	43,788	14,966	-	58,754
Inter-segment revenue	1,919	1,032	(2,951)	-
<b>Total revenue</b>	<b>45,708</b>	<b>15,997</b>	<b>(2,951)</b>	<b>58,754</b>
<b>Results</b>				
Segment results	9,076	(3,538)	(913)	4,625
Finance cost	(164)	(91)	-	(255)
<b>Profit/(Loss) before taxation</b>	<b>8,912</b>	<b>(3,629)</b>	<b>(913)</b>	<b>4,370</b>
Taxation	(733)	4	2	(727)
<b>Profit/(Loss) after taxation</b>	<b>8,179</b>	<b>(3,625)</b>	<b>(911)</b>	<b>3,643</b>

**PENTAMASTER CORPORATION BERHAD (572307-U)**  
**(“Company”)**  
**Notes To The Interim Financial Report For Quarter Ended 30 September 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	-	(297)
Depreciation and amortisation	(766)	(2,273)
Foreign exchange gain	1,116	1,042
Gain on derivatives	457	1,269
Gain on disposal of property, plant and equipment	-	71
Interest income	53	125
Interest expense	(1)	(7)
Net loss on deconsolidation of subsidiaries	(217)	(217)
Reversal of impairment loss on receivables	36	332

**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 September 2015**

**13 Review of Performance**

The Group recorded lower revenue at RM20.9 million in the current quarter as compared to RM22.3 million registered in the corresponding quarter last year. The lower revenue recorded was mainly due to the deferment in delivery of certain projects in the automated equipment operating segment which was partially offset by the higher revenue contribution from the automated manufacturing solution operating segment. From a bottom line perspective, the Group achieved higher profit before tax of RM6.8 million in the current quarter as compared to RM2.4 million in the previous corresponding quarter. The profit before tax of RM6.8 million was partially contributed by other income of approximately RM2.6 million in negative goodwill arising from the acquisition of Origo Ventures (M) Sdn Bhd as disclosed in Note 19. Should the effects of other income be excluded, the Group’s bottom line would have exhibited a pre-tax profit of RM4.2 million which is RM1.8 million (73.5%) higher than the pre-tax profit of RM2.4 million in the previous corresponding quarter. Despite the lower revenue recorded, the higher pre-tax profit was mainly due to the better product mix with higher margin achieved coupled with the foreign exchange gain from the sharp appreciation of US currency against Ringgit 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 decrease in revenue by RM3.8 million (22.5%) to RM13.0 million as compared to the previous corresponding quarter mainly due to the deferment in delivery of certain projects in the current quarter. Consequently, this segment recorded a lower profit before tax of RM2.7 million against RM4.6 million in the previous corresponding quarter.

**2) Automated manufacturing solution**

Revenue from this segment was RM2.3 million higher than the previous corresponding quarter mainly due to higher demand for the integrated manufacturing solution from customers in the current quarter. With the increase in sales and better product mix coupled with the foreign exchange gain from the appreciation of US currency against Ringgit, this segment recorded a profit before tax of RM2.4 million in the current quarter as compared to the loss before tax of RM1.8 million in the previous corresponding quarter.

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

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

For the third quarter ended 30 September 2015, the Group recorded lower revenue at RM20.9 million as compared to the revenue of RM24.1 million in the preceding quarter. The lower revenue recorded was due to the deferment in delivery of certain projects in the automated equipment operating segment which was partially offset by the increase in revenue contribution from the automated manufacturing solution operating segment. From a bottom line perspective, the Group achieved higher profit before tax of RM6.8 million in the current quarter as compared to RM4.0 million in the preceding quarter. The profit before tax of RM6.8 million was partially contributed by other income of approximately RM2.6 million in negative goodwill arising from the acquisition of Origo Ventures (M) Sdn Bhd as disclosed in Note 19. Should the effects of other income be excluded, the Group’s bottom line would have exhibited a pre-tax profit of RM4.2 million in the current quarter which is 5.2% higher than the pre-tax profit of RM4.0 million in the preceding quarter. Despite the lower revenue recorded, the higher pre-tax profit achieved was mainly due to the better product mix with higher margin achieved coupled with the foreign exchange gain from the sharp appreciation of US currency against Ringgit in this reporting quarter.

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

**1) Automated equipment**

The decrease in revenue by RM7.3 million in the current quarter to RM13.0 million as compared to the preceding quarter was mainly due to the deferment in delivery of certain projects in the current quarter. Consequently, this segment achieved a lower profit before tax of RM2.7 million as compared to RM5.2 million in the preceding quarter.

**2) Automated manufacturing solution**

Revenue from this segment was RM4.0 million higher than the preceding quarter mainly due to higher demand for the integrated manufacturing solution from customers in the current quarter. Due to the increase in revenue and better product mix coupled with the foreign exchange gain from the appreciation of US currency against Ringgit, this segment recorded a profit before tax of RM2.4 million in the current quarter as compared to the loss before tax of RM0.9 million in the preceding quarter.

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

**15 Current Year Prospect**

While the coming quarter may hold challenges for the industry, we hope to continue to achieve growth and build business sustainability by evolving continuously through undertaking research and development with new products and value added services that are relevant, efficient and environmental friendly. One example is our new venture into Smart Home and Building Automation Solution for property and construction industry through the acquisition of Origo Ventures (M) Sdn Bhd (“Origo”). This concept basically provide Internet of Things (“IoT”) and smart solution for manufacturing and real estate industries, leveraging on mobile and cloud technology to enable resources visibility, tracking, traceability and accountability with the objective to improve efficiency and effectiveness. While we continue to focus on our core competencies, Pentamaster is expected to benefit from Origo’s platform to showcase the new venture given the huge potentials from growing IoT concepts.

Subject to the external market conditions and macroeconomic factors, the overall business performance in 2015 remains promising with better cost structure and wider sales base.

**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 Date</b>
	<b>RM’000</b>	<b>RM’000</b>
Income tax payable	(766)	(979)
Deferred tax resulting from the origination and reversal of temporary differences	-	(650)
	<u>(766)</u>	<u>(1,629)</u>

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

During the quarter, the Company had disposed 100% of its equity interest in two of its subsidiaries namely Pentamaster Engineering (M) Sdn Bhd and Pentamaster Solutions Sdn Bhd. The corporate disposal was completed on 23 July 2015. The Company had also acquired 100% equity interest in Origo Ventures (M) Sdn Bhd and such acquisition was completed on 30 September 2015.

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

**19 Corporate Proposals**

- (i) The Company had on 9 September 2015 announced that the Company proposes to undertake a private placement of up to 10% of the issued and paid-up share capital of Pentamaster, representing 13,324,305 new ordinary shares of RM0.50 each, to independent third party investor(s) to be identified and at an issue price to be determined later.

Such proposed private placement has been given approval by Bursa Malaysia Securities Berhad (“Bursa Securities”) vide its letter dated 7 October 2015 where Bursa Securities has resolved to approve the listing and quotation of up to 13,324,305 new ordinary shares of RM0.50 each in Pentamaster. The announcement was made by the Company on 8 October 2015.

- (ii) The Company had on 28 September 2015 announced that the Company is proposing to acquire 2 ordinary shares of RM1.00 each in Origo Ventures (M) Sdn Bhd (“Origo”) representing 100% of the issued and paid-up share capital of Origo for a cash consideration of RM5,780,000.00.

All the conditions for completion of the acquisition of the Origo Shares stated in the sale and purchase agreement have been satisfied and the Proposed Acquisition has been completed on 30 September 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	286	
Total utilisation	<table border="1"><tr><td style="text-align: center;">286</td></tr></table>	286
286		

All borrowings are denominated in Ringgit Malaysia.

**PENTAMASTER CORPORATION BERHAD (572307-U)****(“Company”)****Notes To The Interim Financial Report For Quarter Ended 30 September 2015****21 Derivative Financial Instruments**

As at the date of the statement of financial position 30 September 2015, 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	880	(12)	For hedging currency risk arising from sales proceeds in foreign currencies

For the quarter ended 30 September 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.

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

	<b>As at 30/9/2015 (RM'000)</b>	<b>As at 30/6/2015 (RM'000)</b>
Total Unappropriated profits/accumulated losses of Pentamaster Corporation Berhad and its subsidiaries:		
- Realised	(5,261)	693
- Unrealised	(1,016)	(1,534)
	(6,277)	(841)
Add: Consolidation adjustment	6,668	(4,237)
Unappropriated profits/accumulated losses as per financial statements	391	(5,078)



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

**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 September 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.

BY ORDER OF THE BOARD

**LIM KIM TECK**  
Secretary  
5 November 2015