

PENTAMASTER CORPORATION BERHAD ("PCB" or "COMPANY")
COMPANY NO.: 200201004644 (572307-U)
QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Individual Quarter 3 Months Ended		Cumulative Year Financial Period Ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Revenue	130,683	169,014	623,024	691,944
Cost of goods sold	(91,770)	(115,587)	(444,535)	(484,473)
Gross profit	38,913	53,427	178,489	207,471
Other income	13,889	9,622	13,883	21,224
Distribution costs	(3,275)	(2,032)	(9,411)	(9,256)
Administrative expenses	(25,824)	(29,693)	(73,761)	(78,578)
Net (allowance for)/reversal of expected credit loss ("ECL") on receivables	(1,365)	328	(1,780)	1,141
Other operating expenses	(949)	(326)	(1,444)	(617)
Operating profit	21,389	31,326	105,976	141,385
Share of (loss)/profit of associates	(247)	(42)	(557)	41
Profit before taxation	21,142	31,284	105,419	141,426
Taxation	(364)	1,642	(1,535)	(952)
Profit for the financial period/year	20,778	32,926	103,884	140,474
Total other comprehensive income, net of tax: <i>Item that will be reclassified subsequently to</i> <i>profit or loss</i>				
Foreign currency translation of foreign operations	65	66	(238)	47
Total comprehensive income for the financial period/year	20,843	32,992	103,646	140,521
Profit for the financial period/year, attributable to:				
Owners of the Company	14,162	20,703	65,211	89,128
Non-controlling interests	6,616	12,223	38,673	51,346
	20,778	32,926	103,884	140,474
Total comprehensive income for the financial period/year, attributable to:				
Owners of the Company	14,204	20,745	65,060	89,158
Non-controlling interests	6,639	12,247	38,586	51,363
	20,843	32,992	103,646	140,521
Earnings per share attributable to owners of the Company (sen):				
- Basic/Diluted	1.99	2.91	9.17	12.53

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

PENTAMASTER CORPORATION BERHAD ("PCB" or "COMPANY")**COMPANY NO.: 200201004644 (572307-U)****QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Unaudited As at 31/12/2024 RM'000	Audited As at 31/12/2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	457,334	282,037
Investment properties	9,471	22,560
Goodwill	4,495	4,495
Intangible assets	36,291	40,058
Investment in an associate	19,946	17,578
Other investments	11,047	9,868
Other receivables, deposits and prepayments	5,581	13,612
	<u>544,165</u>	<u>390,208</u>
Current assets		
Inventories	121,796	190,608
Trade receivables	167,857	196,289
Other receivables, deposits and prepayments	62,713	45,068
Derivative financial assets	-	2,384
Other investments	199	170
Tax recoverable	2,127	2,293
Cash and cash equivalents	448,658	490,870
	<u>803,350</u>	<u>927,682</u>
Non-current assets held for sale	4,205	-
	<u>807,555</u>	<u>927,682</u>
TOTAL ASSETS	<u>1,351,720</u>	<u>1,317,890</u>
EQUITY AND LIABILITIES		
Share capital	79,303	79,303
Reserves	668,710	620,137
	<u>748,013</u>	<u>699,440</u>
Non-controlling interests	333,019	306,118
Total Equity	<u>1,081,032</u>	<u>1,005,558</u>
LIABILITIES		
Non-current liabilities		
Deferred income	893	620
Deferred tax liabilities	1,612	2,150
Other payables, accruals and provisions	10,845	6,717
	<u>13,350</u>	<u>9,487</u>
Current liabilities		
Trade payables	128,929	118,030
Other payables, accruals and provisions	66,438	44,484
Contract liabilities	58,006	138,441
Derivative financial liabilities	3,362	1,833
Tax payable	603	57
	<u>257,338</u>	<u>302,845</u>
Total Liabilities	<u>270,688</u>	<u>312,332</u>
TOTAL EQUITY AND LIABILITIES	<u>1,351,720</u>	<u>1,317,890</u>

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

PENTAMASTER CORPORATION BERHAD ("PCB" or "COMPANY")
COMPANY NO.: 200201004644 (572307-U)
QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Attributable to Owners of the Company						Distributable	Total	Non-controlling Interests	Total Equity
	Non-distributable									
	Share Capital RM'000	Treasury Shares RM'000	Shares held for Employee Share Scheme ("ESS") RM'000	ESS Reserve RM'000	Statutory Reserve RM'000	Foreign Currency Translation Reserve RM'000				
As at 1 January 2024 (Audited)	79,303	(3,052)	(14,923)	3,944	454	(21)	633,735	699,440	306,118	1,005,558
Profit for the financial year	-	-	-	-	-	-	65,211	65,211	38,673	103,884
Other comprehensive income for the financial year	-	-	-	-	-	(151)	-	(151)	(87)	(238)
Total comprehensive income for the financial year	-	-	-	-	-	(151)	65,211	65,060	38,586	103,646
Transactions with owners:										
Dividend paid	-	-	-	-	-	-	(14,227)	(14,227)	-	(14,227)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(10,409)	(10,409)
Equity-settled ESS expenses	-	-	-	4,420	-	-	(1,596)	2,824	1,596	4,420
ESS vested	-	-	6,707	(6,386)	-	-	(321)	-	-	-
Purchase of shares held for ESS	-	-	(7,956)	-	-	-	2,872	(5,084)	(2,872)	(7,956)
Total transactions with owners of the Company	-	-	(1,249)	(1,966)	-	-	(13,272)	(16,487)	(11,685)	(28,172)
As at 31 December 2024 (Unaudited)	79,303	(3,052)	(16,172)	1,978	454	(172)	685,674	748,013	333,019	1,081,032

	Attributable to Owners of the Company						Retained Profits RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Non-distributable					Distributable				
	Share Capital RM'000	Treasury Shares RM'000	Shares held for Employee Share Scheme ("ESS") RM'000	ESS Reserve RM'000	Statutory Reserve RM'000	Foreign Currency Translation Reserve RM'000				
As at 1 January 2023 (Audited)	79,303	(3,052)	(11,478)	3,706	-	(51)	558,359	626,787	265,953	892,740
Profit for the financial year	-	-	-	-	-	-	89,128	89,128	51,346	140,474
Other comprehensive income for the financial year	-	-	-	-	-	30	-	30	17	47
Total comprehensive income for the financial year	-	-	-	-	-	30	89,128	89,158	51,363	140,521
Transactions with owners:										
Dividend paid	-	-	-	-	-	-	(14,227)	(14,227)	-	(14,227)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(9,948)	(9,948)
Effect of changes in shareholding	-	-	-	-	-	-	(64)	(64)	-	(64)
Equity-settled ESS expenses	-	-	-	8,872	-	-	(3,203)	5,669	3,203	8,872
ESS vested	-	-	8,891	(8,634)	-	-	(257)	-	-	-
Purchase of shares held for ESS	-	-	(12,336)	-	-	-	4,453	(7,883)	(4,453)	(12,336)
Transfers to statutory reserve	-	-	-	-	454	-	(454)	-	-	-
Total transactions with owners of the Company	-	-	(3,445)	238	454	-	(13,752)	(16,505)	(11,198)	(27,703)
As at 31 December 2023 (Audited)	79,303	(3,052)	(14,923)	3,944	454	(21)	633,735	699,440	306,118	1,005,558

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

PENTAMASTER CORPORATION BERHAD ("PCB" or "COMPANY")

COMPANY NO.: 200201004644 (572307-U)

QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	12 Months ended 31/12/2024 (Unaudited) RM'000	12 Months ended 31/12/2023 (Audited) RM'000
Cash flows from operating activities		
Profit before taxation	105,419	141,426
Adjustments for:		
Amortisation of intangible assets	7,825	6,259
Depreciation of property, plant and equipment	13,739	11,476
ECL on receivables:		
- current year	2,375	486
- reversal	(595)	(1,627)
Equity-settled ESS expenses	4,420	8,872
Gain from changes in fair value of other investments	(29)	(12)
Gain on disposal of other investments	-	(17)
Impairment loss on investment properties	284	-
Intangible assets written off	-	3
Interest income	(12,795)	(12,963)
Inventory written down - addition	4,280	869
Inventory written down - reversal	(1,206)	(214)
Inventory written off	3,524	-
Loss/(Gain) from changes in fair value of foreign currency forward contracts	3,913	(6,909)
Loss on disposal of interest in an associate	-	26
Loss on disposal of investment properties	523	-
Property, plant and equipment written off	-	4
Provision for warranty - current year	3,046	2,499
Provision for warranty - reversal	(2,499)	(1,515)
Share of loss/(profit) of associates	557	(41)
Unrealised loss on foreign exchange	1,720	1,186
Operating profit before working capital changes	134,501	149,808
Changes in:		
Inventories	62,214	(20,329)
Receivables	7,100	59,827
Payables	16,135	(8,906)
Contract liabilities	(80,435)	37,860
Cash generated from operations	139,515	218,260
Grant received	273	620
Tax paid	(2,303)	(3,233)
Tax refunded	925	284
Net cash from operating activities	138,410	215,931
Cash flows from investing activities		
Acquisition of:		
- interest of non-controlling interest in a subsidiary	-	(6,826)
- other investments	(1,179)	(3,751)
Deposits paid for acquisition of property, plant and equipment	(3,131)	(13,612)
Interest received	12,795	12,963
Investment in an associate	(2,925)	-
Proceeds from disposal of:		
- investment in associates	-	7
- investment properties	7,878	-
- other investments	-	78
- shares to non-controlling interest of a subsidiary	-	6,762
Purchase of:		
- intangible assets	(4,070)	(5,636)
- property, plant and equipment	(154,929)	(102,466)
Redemption of redeemable convertible preference shares invested in an associate	-	2,500
Net cash used in investing activities	(145,561)	(109,981)
Cash flows from financing activities		
Dividend paid	(14,227)	(14,227)
Dividend paid to non-controlling interest of a subsidiary	(10,409)	(9,948)
Purchase of shares in a subsidiary for ESS	(7,956)	(12,336)
Net cash used in financing activities	(32,592)	(36,511)
Net (decrease)/increase in cash and cash equivalents	(39,743)	69,439
Effect of foreign exchange rate changes	(2,469)	206
Cash and cash equivalents at beginning	490,870	421,225
Cash and cash equivalents at end	448,658	490,870

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

PENTAMASTER CORPORATION BERHAD (“PCB” or “COMPANY”)

COMPANY NO.: 200201004644 (572307-U)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 financial period in the current quarter to 31 December 2024 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 financial year ended 31 December 2023.

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 financial year ended 31 December 2023, except for the adoption of the following Malaysian Financial Reporting Standards (“MFRS”) that are effective for annual periods beginning on or after 1 January 2024:

Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback
Amendments to MFRS 101 Presentation of Financial Statements: Non-current Liabilities with Covenants
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosure - Supplier Finance Arrangements

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

As at the date of this announcement, the Group has not applied the following MFRSs which have been issued as at the end of reporting period but are not yet effective:

*Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*¹
*Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments*²
*Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Contracts Referencing Nature-dependent Electricity*²
*Annual Improvements to MFRS Accounting Standards - Volume 11*²
*MFRS 18 Presentation and Disclosure in Financial Statements*³
*MFRS 19 Subsidiaries without Public Accountability: Disclosures*³
*Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*⁴

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective date not yet determined

PENTAMASTER CORPORATION BERHAD (“PCB” or “COMPANY”)

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Group is in the process of making an assessment of the impact of these new and amended MFRSs upon initial application and anticipates that such application will have no material impact on the results and financial position 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 financial year ended 31 December 2023 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, depends 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

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

8 Contingent Liabilities

There were no contingent liabilities for the Group since 31 December 2023 up to 31 December 2024.

PENTAMASTER CORPORATION BERHAD (“PCB” or “COMPANY”)

COMPANY NO.: 200201004644 (572307-U)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9 Capital Commitments

	Amount (RM'000)
Contracted but not provided for - Property, plant and equipment	1,810
Authorised but not contracted for - Property, plant and equipment	-

10 Related Party Transactions

Transactions with a related party, a company in which a person connected to a director of the Company who has substantial financial interest, during the financial year ended 31 December 2024 are as follows:

Nature of transactions	Amount (RM'000)
Provision of hardware and system in integration solution	13,936
Licensing of software and provision of integration services	60

11 Segmental Information

The Group has three operating segments which are involved in different activities and are managed by segment managers who report directly to the Group's executive directors. The operating segments are as follows:

- | | |
|--|--|
| (i) Automated test equipment (“ATE”): | Designing, development and manufacturing of standard and non-standard automated equipment; |
| (ii) Factory automation solutions (“FAS”): | Designing, development and installation of integrated factory automation solutions; |
| (iii) Smart control solution system: | Project management, smart building solutions and trading of materials. |

PENTAMASTER CORPORATION BERHAD (“PCB” or “COMPANY”)

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Inter-segment transactions have been accounted for on a basis that is consistent with the Group’s accounting policies. No other operating segments have been aggregated to form the above operating segments. Investment holding and other activities are not considered as operating segment and the related financial information has been included under “Adjustment”.

Results for the financial year ended 31 December 2024

	Automated test equipment RM'000	Factory automation solutions RM'000	Smart control solution system RM'000	Adjustment RM'000	Total RM'000
Revenue					
External revenue	224,390	398,043	591		623,024
Inter-segment revenue	9,929	7,328	779	(18,036)	-
Total revenue	234,319	405,371	1,370		623,024
Results					
Segment results	2,209	120,843	(2,906)	(26,965)	93,181
Interest income	9,103	908	-	2,784	12,795
Share of loss of an associate	-	-	-	(557)	(557)
Profit/(Loss) before taxation	11,312	121,751	(2,906)		105,419
Taxation	(899)	(541)	(84)	(11)	(1,535)
Profit/(Loss) for the financial year	10,413	121,210	(2,990)		103,884

PENTAMASTER CORPORATION BERHAD (“PCB” or “COMPANY”)

COMPANY NO.: 200201004644 (572307-U)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Results for the financial year ended 31 December 2023

	Automated test equipment RM'000	Factory automation solutions RM'000	Smart control solution system RM'000	Adjustment RM'000	Total RM'000
Revenue					
External revenue	452,254	239,596	94		691,944
Inter-segment revenue	538	15,943	674	(17,155)	-
Total revenue	<u>452,792</u>	<u>255,539</u>	<u>768</u>		<u>691,944</u>
Results					
Segment results	99,897	52,662	(3,171)	(20,966)	128,422
Interest income	9,102	862	-	2,999	12,963
Share of profit of associates	-	-	-	41	41
Profit/(Loss) before taxation	<u>108,999</u>	<u>53,524</u>	<u>(3,171)</u>		<u>141,426</u>
Taxation	(2,363)	1,490	(77)	(2)	(952)
Profit/(Loss) for the financial year	<u>106,636</u>	<u>55,014</u>	<u>(3,248)</u>		<u>140,474</u>

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

12 Profit Before Taxation

	Current Quarter	Current Year to Date
	RM'000	RM'000
Profit before taxation is arrived at after crediting/(charging):		
Depreciation and amortisation	(5,848)	(21,564)
(Loss)/Gain on foreign exchange:		
- realised	(2,294)	(6,975)
- unrealised	12,832	(1,720)
Loss from changes in fair value of foreign currency forward contracts	(8,824)	(3,913)
Interest income	3,625	12,795
Gain from changes in fair value of other investments	17	29
Gain on disposal of property, plant and equipment	-	-
Loss on disposal of investment properties	(252)	(523)
Property, plant and equipment written off	-	-
Intangible assets written off	-	-
Impairment loss on investment properties	(284)	(284)
Inventory written down - addition	(334)	(4,280)
Inventory written down - reversal	777	1,206
Inventory written off	(3,524)	(3,524)
Net ECL allowance on receivables	(1,365)	(1,780)
Bad debts written off	-	-

13 Events Subsequent to the End of the Financial Period

Save as disclosed under Note 20 in this announcement, there are no material events subsequent to the end of the financial period under review that have not been reflected in the interim financial report.

14 Review of Performance

	Individual Quarter 3 Months Ended			Cumulative Financial Year Ended		
	31/12/2024	31/12/2023	Variance	31/12/2024	31/12/2023	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	130,683	169,014	(22.7)	623,024	691,944	(10.0)
Operating profit	21,389	31,326	(31.7)	105,976	141,385	(25.0)
Profit before taxation	21,142	31,284	(32.4)	105,419	141,426	(25.5)
Profit for the financial period/year	20,778	32,926	(36.9)	103,884	140,474	(26.0)

PENTAMASTER CORPORATION BERHAD (“PCB” or “COMPANY”)

COMPANY NO.: 200201004644 (572307-U)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Group recorded a quarterly revenue of RM130.7 million in the 3-month ended 31 December 2024 (“4Q2024”) as compared to RM169.0 million registered in the 3-month ended 31 December 2023 (“4Q2023”), representing a drop of 22.7%. For the entire financial year ended (“FYE”) 31 December 2024 (“12M2024”), the Group’s revenue stood at RM623.0 million as compared to RM691.9 million in the FYE 31 December 2023 (“12M2023”), representing a decrease of 10.0%.

The Group’s revenue was mainly contributed by the ATE and FAS segments, constituting approximately 36.0% and 63.9% respectively for the FYE 31 December 2024.

Below outlined the revenue of the respective operating segments where elements of inter-segment transactions were included.

	Individual Quarter 3 Months Ended			Cumulative Financial Year Ended		
	31/12/2024	31/12/2023	Variance	31/12/2024	31/12/2023	Variance
	RM’000	RM’000	%	RM’000	RM’000	%
ATE	37,847	94,047	(59.8)	234,319	452,792	(48.3)
FAS	93,611	78,696	19.0	405,371	255,539	58.6
Smart control solution system	587	153	283.7	1,370	768	78.4

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

	Individual Quarter 3 Months Ended				Cumulative Financial Year Ended			
	31/12/2024		31/12/2023		31/12/2024		31/12/2023	
	RM’000	%	RM’000	%	RM’000	%	RM’000	%
Medical	76,526	58.6	49,738	29.4	311,013	49.9	148,197	21.4
Automotive	14,925	11.4	57,710	34.1	142,828	22.9	329,392	47.6
Electro-Optical	13,556	10.4	14,133	8.4	80,703	13.0	65,315	9.5
Semiconductor	15,180	11.6	31,484	18.6	52,923	8.5	103,794	15.0
Consumer and industrial products	10,067	7.7	15,949	9.5	34,966	5.6	45,152	6.5
Others	429	0.3	-	-	591	0.1	94	n.m.
Total	130,683		169,014		623,024		691,944	

The Group closed its 4Q2024 with a profit before taxation of RM21.1 million (4Q2023: RM31.3 million), representing a decrease of approximately 32.4%. It is mainly impacted by lower revenue from the ATE segment, inventories written off, higher ECL on trade receivables and increased research and development expenses.

Accordingly, the Group closed its 12M2024 with a profit before taxation of RM105.4 million, representing a decrease of 25.5% from RM141.4 million recorded in 12M2023. The Group’s EBITDA (earnings before interest, tax, depreciation and amortisation) for the 4Q2024 stood at RM27.0 million (4Q2023: RM35.8 million), representing a decrease of 24.5%, while the Group’s EBITDA for the 12M2024 stood at RM127.0 million (12M2023: RM159.2 million), representing a decrease of 20.2%.

Basic earnings per share decreased from 2.91 sen in 4Q2023 to 1.99 sen in 4Q2024, while for 12M2024, basic earnings per share decreased from 12.53 sen achieved in 12M2023 to 9.17 sen.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

Revenue in the ATE segment dropped by RM56.2 million in 4Q2024, to record at RM37.8 (4Q2023: RM94.0 million), a decline of 59.8% as compared to the same period last year. This contraction was largely driven by a slowdown in the semiconductor - automotive sector where macroeconomic challenges, policy uncertainties and shifting market sentiment impacting the overall electric vehicle (“EV”) sector. The lack of clarity surrounding EV policies in key Western markets which has unfortunately become one of the first geopolitical trade tools, has created confusion and hesitation among car manufacturers in their capital expenditures.

Within the ATE segment, the automotive segment continued to form the largest share of wallet, at approximately 36.1% for 4Q2024 (4Q2023: 61.1%). On 12-month basis, the automotive segment contributed 59.3% towards the ATE segment in 12M2024, as compared to 71.7% in 12M2023. This fast-paced deceleration underscored the challenges faced by automotive manufacturers navigating cost pressures, evolving regulatory landscapes and supply chain constraints. This was particularly evident in Europe where the EV market experienced a pull-back of 2.2% in terms of deliveries in 2024 as compared to 2023.

Revenue performance from the semiconductor industry segment was relatively stable in its contribution towards the Group’s ATE segment. During the 4Q2024, the semiconductor industry contributed 36.0% towards the ATE segment, as compared to 32.9% in 4Q2023. However, for 12M2024, this industry segment’s contribution showed a decrease to 15.8% as compared to 12M2023 of 21.7%, reflecting an overall industry softness since 2023. Following the surge in demand during the pandemic years (2020–2022), inventory normalisation has led to slower orders and a temporary revenue dip. While artificial intelligence (“AI”) has propelled a recovery in the second half of 2024, this segment has shown a two-sided divergence with consumer and automotive struggling, while advanced IC, memory and logic products have thrived.

After years of contraction, the Group’s electro-optical segment recovered with revenue contribution from this segment showing a rebound in 4Q2024 as compared to 4Q2023. This segment contributed 26.8% towards the ATE segment in 4Q2024, versus 5.7% for 4Q2023. For 12M2024, the share of wallet coming from this segment was at 24.1%, a significant increase from 6.4% recorded in 12M2023. The growth of this segment was primarily driven by the increasing adoption of sophisticated smart sensors in mobile devices, as manufacturers seek to improve camera systems, facial recognition, augmented reality applications and ambient light adaptation that were generally fuelled by advancements in high-performance computing, AI and next-generation connectivity.

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Overall, in 4Q2024, the Group’s ATE segment reported a loss before taxation of RM8.9 million, as compared to a profit before taxation of RM17.4 million in 4Q2023.

The performance of the ATE segment is expected to remain subdued through the first half of 2025 given the lack of certainty at the macro front, particularly in the semiconductor - automotive segment. Despite these short-term challenges, the Group maintains an optimistic long-term outlook for its ATE segment, driven primarily by its diversified portfolio and involvement in key growth areas, particularly its strategic venture into the advanced packaging area, focusing on cutting-edge technology testing for 2.5D substrates.

2) Factory automation solutions

Revenue from the Group’s FAS segment registered a commendable growth of approximately 19.0% in 4Q2024 as compared to 4Q2023, coming in at RM93.6 million in 4Q2024 versus RM78.7 million in 4Q2023. The FAS segment reached a significant milestone with its total revenue hitting RM405.4 million for 12M2024, an impressive growth of 58.6% as compared to RM255.5 million achieved in the same period last year. Such performance was mainly attributable to the Group’s medical industry segment with a share of wallet coming in at 82.3% in 4Q2024 (4Q2023: 66.3%).

Other industry segments such as consumer and industrial products segment and electro-optical segment made up the remaining contributions to the FAS segment in 4Q2024, with each contributing approximately 10.4% and 3.8% respectively. Driven by technological advancements and the growing adoption of industrial automation across multiple sectors with the global trend of onshoring, the FAS segment is poised to reinforce its role as a key driver of the Group’s long-term growth and sustained business strategy.

For the 4Q2024, the FAS segment recorded a higher profit before taxation at RM34.6 million as compared to RM20.3 million in 4Q2023. All-in-all, the Group expects its FAS segment to continue to grow and contribute meaningfully in the near future.

3) Smart control solution system

The products and solutions in this segment entail project management, smart building solutions and trading of materials.

The smart control solution system segment recorded an increase in revenue to RM0.6 million in 4Q2024, from RM0.2 million recorded in 4Q2023. This segment however, recorded a loss before taxation of RM0.5 million in 4Q2024 as compared to RM0.8 million in 4Q2023.

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

	3 Months Ended 31/12/2024	3 Months Ended 30/9/2024	Variance
	RM'000	RM'000	%
Revenue	130,683	150,178	(13.0)
Operating profit	21,389	21,454	(0.3)
Profit before taxation	21,142	21,396	(1.2)
Profit for the financial period	20,778	21,199	(2.0)

In 4Q2024, the Group recorded a lower revenue at RM130.7 million as compared to the revenue of RM150.2 million for the 3-month ended 30 September 2024 (“3Q2024”), representing a decrease of 13.0%. The decrease in 4Q2024 revenue was mainly due to lower contribution from both the ATE and FAS business segments. Meanwhile, the Group’s profit before taxation for 4Q2024 registered a slight decrease of 1.2% to RM21.1 million (3Q2024: RM21.4 million).

Below outlined the revenue of the respective operating segments where elements of inter-segment transactions were included.

	3 Months Ended 31/12/2024	3 Months Ended 30/9/2024	Variance
	RM'000	RM'000	%
ATE	37,847	53,416	(29.1)
FAS	93,611	106,621	(12.2)
Smart control solution system	587	218	169.3

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

	3 Months Ended 31/12/2024		3 Months Ended 30/9/2024	
	RM'000	%	RM'000	%
Medical	76,526	58.6	78,964	52.6
Automotive	14,925	11.4	32,612	21.7
Electro-Optical	13,556	10.4	14,121	9.4
Semiconductor	15,180	11.6	16,442	11.0
Consumer and industrial products	10,067	7.7	7,986	5.3
Others	429	0.3	53	n.m.
Total	130,683		150,178	

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Performance of the respective operating segments which includes inter-segment transactions in 4Q2024 as compared to 3Q2024 are analysed as follows:

1) Automated test equipment

In 4Q2024, revenue from the ATE segment decreased by RM15.6 million to RM37.8 million (3Q2024: RM53.4 million), representing a decline of 29.1%. The decrease was mainly due to the lower project value delivered and recorded during the quarter in the automotive segment.

The ATE segment recorded a loss before taxation of RM8.9 million in 4Q2024, as compared to a profit before taxation of RM4.3 million in 3Q2024. This was mainly due to the lower revenue recorded coupled with the inventories written off and higher ECL on receivables made during the current quarter.

2) Factory automation solutions

The FAS segment recorded lower revenue in 4Q2024 as compared to the preceding quarter, with RM93.6 million recorded in 4Q2024 as compared to RM106.6 million in 3Q2024. This was mainly due to project delivery schedule planning on a quarter-on-quarter basis.

Profit before taxation for the FAS segment in 4Q2024 increased by 16.0% to RM34.6 million as compared to the preceding quarter (3Q2024: RM29.8 million) as a result of better economies of scale achieved during the quarter from the lower material costs incurred.

3) Smart control solution system

In 4Q2024, this segment recorded a revenue of RM0.6 million (3Q2024: RM0.2 million) and recorded a lower loss before taxation in 4Q2024 at RM0.5 million as compared to preceding quarter (3Q2024: RM0.9 million).

16 Prospect

“In the middle of every difficulty lies opportunity”

The Group anticipates that many of the trends and global economic conditions observed in 2024 will persist into 2025, given the delicate interplay of multiple macroeconomic factors, including inflation, interest rate policies, geopolitical tensions and supply chain disruptions. While some economies are expected to experience a moderate recovery as inflation stabilises and central banks adopt more accommodative monetary policies, significant uncertainties remain. In particular, the renewed Trump administration is likely to introduce heightened volatility, especially in sectors sensitive to trade and the global supply chain. Despite these uncertainties, a Trump presidency is expected to present both economic opportunities and challenges. The Group remains focused and well-positioned to capitalise on emerging opportunities in high-growth segments, driven mainly by advancements in AI, automotive electrification and medical manufacturing automation. Notably, the medical segment continues to represent the largest share of the Group’s current order book, followed by the automotive and semiconductor sectors. While the medical segment is expected to continue its momentum in 2025, the Group is also seeing signs of increased demand in both the automotive and semiconductor industries.

The Group is encouraged by the upward trajectory of its FAS segment in recent years and the Group is optimistic about the continued growth of its FAS segment, driven by the increasing adoption of manufacturing automation across various industries. In particular, the medical sector is experiencing a significant shift towards automation fuelled by the rising demand for precision, consistency and regulatory compliance in medical device production and pharmaceutical manufacturing. This trend is accelerated by advancements in robotics, AI and smart manufacturing technologies which will enhance efficiency and ensure high-quality standards. Additionally, the push for automation is further reinforced by the growing need for scalable production to meet evolving industry demands. Recognising this transformative shift and by leveraging the expertise and innovation-driven approach, the Group is well-positioned to capitalise on the expanding role of automation in the medical industry field.

Besides the medical sector, the Group has also observed a growing trend in the integration of automation within the renewable energy sector, particularly in solar energy. Solar manufacturers are increasingly leveraging advanced automation technologies to enhance production efficiency and scale up manufacturing capacity. In alignment with these advancements, the Group has been securing orders from solar energy manufacturers and remains committed to supporting the industry’s transition towards automated solutions. By providing its FAS offerings tailored to solar production and energy management, the Group aims to contribute to the broader adoption of renewable energy worldwide.

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With the Group’s comprehensive and cutting-edge portfolio of automotive test solutions, the Group continues to actively engage with its customers in the semiconductor - automotive sector. With offerings such as front-end wafer burn-in solutions for silicon carbide (“SiC”) and the latest addition of the Known Good Die (KGD) testing solution for SiC Die-Level Testing coupled with wafer reconstruct capability, the Group is strategically positioned to support the industry's transition towards high-performance semiconductors which are critical for meeting the stringent quality and reliability standards of automotive applications. Beyond the automotive sector, data centres that cater for the AI needs are increasingly integrating SiC-based power solutions to enhance power management, reduce energy losses and improve overall operational efficiency given the uniqueness of SiC compound that offers superior efficiency, thermal performance and reliability. Similarly, the rising demand for high-bandwidth memory (HBM) chipsets is also driving the adoption of SiC solutions which enable higher power densities essential for next-generation computing and AI-driven applications. Capitalising on these industry trends, the Group continues to expand its front-end wafer solutions to include advanced wafer Automated Optical Inspection (AOI) system to reinforce its commitment to innovation and strengthening its position in high-growth sectors.

As industry shifts towards high-performance semiconductors, not only is SiC adoption accelerating across various sectors, but advanced packaging is also gaining traction as a critical component of next-generation electronics. In line with this trend, advanced packaging is one of the Group’s most promising growth areas. The Group has systematically prioritised R&D resources and capacity investments to begin its strategic venture into the advanced packaging area, focusing on cutting-edge technology testing for 2.5D substrates. This move is part of the Group's ongoing efforts to diversify its product offerings and tap into the growing demand for sophisticated semiconductor packaging technologies across various high-performance sectors. Advanced packaging, especially 2.5D and 3D substrates, is critical for applications in high-performance computing, mobile devices, 5G infrastructure, automotive systems, Internet of Things (IoT) and more. These technologies enable faster data throughput, smaller form factors and energy efficiency, all of which are crucial for next-generation applications like AI, autonomous vehicles and advanced telecommunications. The 2.5D substrate testing is expected to play a crucial role in enhancing the performance and capabilities of future generations of semiconductors thereby positioning the Group as a key player in this high growth segment.

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As the Group continues to enhance its capabilities in high-performance semiconductors and advanced packaging, it is also expanding its global presence to capture new market opportunities as part of its holistic growth strategy. India has emerged as a key growth market with its semiconductor industry experiencing rapid expansion driven by the increasing activity from contract manufacturers supporting major global players. This momentum is further bolstered by a favourable investment climate and government support aimed at strengthening India’s role and position in the global semiconductor supply chain. Against this backdrop, the Group anticipates growing demand for its test handling equipment, particularly its turret test and vision handlers as the Group is poised to play a pivotal role in India’s evolving semiconductor ecosystem.

Beyond its expansion into India, the Group is also strengthening its geographical footprint in Europe and Taiwan by establishing physical presence to further enhance its technological capabilities. These strategic diversifications aim to specifically advance the Group’s capabilities and expertise in wafer-level inspection and advanced packaging testing to support the semiconductor industry’s growing demand for product quality, performance and reliability. By expanding its presence in these key regions, the Group is well-positioned to drive technological advancements, accelerate the development of next generation testing solutions and reinforce its role as a key player in the global semiconductor value chain.

While the Group has announced its proposed privatisation of Pentamaster International Limited, a subsidiary of the Company which is currently listed on the Main Board of The Stock Exchange of Hong Kong Limited (“HKSE”), this strategic corporate development does not affect its growth prospects for 2025. The Group remains committed to its core businesses and strategic initiatives while continuously driving innovation and expanding its market presence. With a solid foundation and a clear strategic direction, the Group is determined to capitalise on industry opportunities and sustain its growth momentum and such strategic privatisation allows the Group to channel its resources for its strategic business plans. Additionally, the completion of the Group’s new campus 3 production facility at the end of 2024 has significantly enhanced the Group’s capacity to undertake larger and more complex projects tailored to the evolving needs of its diverse customer base. This expanded infrastructure is set to be a key driver in accelerating the Group’s growth trajectory in the near term.

17 Profit Forecast or Profit Guarantee

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

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18 Taxation

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

	Current Quarter	Current Year to Date
	RM'000	RM'000
Income tax payable	(364)	(1,535)
Income tax credit	-	-

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 Investment 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

There were no changes in the composition of the Group during the quarter under review.

20 Corporate Proposals

On 19 December 2024, PCB together with Puga Holdings Limited as joint Offeror announced the proposal to privatise Pentamaster International Limited (“PIL”), the proposed withdrawal of listing on the HKSE, the proposed special dividend, and the formation of an Independent Board Committee (the “Proposal”). In addition, PCB will acquire a further 170,400,000 PIL shares (representing approximately 7.1% of PIL shares) under the Proposal, thereby increasing its shareholding in PIL from 1,533,549,989 to 1,703,949,989 PIL shares.

For the details, please refer to the Company’s announcements dated 19 December 2024 and 6 February 2025.

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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:

Purpose	Proposed Utilisation (RM'000)	Gross Proceeds Received (RM'000)	Actual Utilisation (RM'000)	Intended Timeframe for Utilisation	Balance (RM'000)
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	2,048	Within eight (8) years ⁽³⁾	17,952
General administrative and operating expenses	5,000	5,000	5,000	Within one (1) year	-
Total	29,500	29,500	11,548		17,952

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:

Purpose	Proposed Utilisation		Gross Proceeds Received ⁽²⁾ (RM'000)	Actual Utilisation (RM'000)	Intended Timeframe for Utilisation	Balance (RM'000)
	Minimum Scenario ⁽¹⁾ (RM'000)	Maximum Scenario ⁽¹⁾ (RM'000)				
Business expansion through investment and acquisition	33,972	37,775	32,741	5,000	Within eight (8) years ⁽³⁾	27,741
Investment into technology related solutions and business applications	29,726	33,059	28,648	28,648	Within eight (8) years ⁽³⁾	-
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	-
Total	90,378	99,891	87,100	59,359		27,741

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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- (3) *The original intended timeframe for utilisation of two (2) years was extended to five (5) years on 17 January 2020 and further extended to eight (8) years on 18 January 2023.*

22 Borrowings

There are no outstanding borrowings or debt securities as at the end of the reporting period.

23 Derivative Financial Instruments

As at the date of the statement of financial position 31 December 2024, 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	146,533	(3,362)	For hedging currency risk arising from sales proceeds in foreign currencies

For the quarter ended 31 December 2024, 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.

24 Fair Value of Financial Liabilities

For the quarter ended 31 December 2024, 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.

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25 Material Litigations

On 30 December 2024, PCB received a Writ and Statement of Claim, both dated 23 December 2024, from Messrs Skrine, the solicitors representing Ocado Innovation Limited. Ocado Innovation Limited initiated an action against PCB based on allegations with which PCB is neither involved nor associated with. PCB will take appropriate actions to strike out the claim. The litigation is not expected to have any material impact on the financial position or operations of the Group, except for the legal fees to be incurred to defend or to strike out the claim.

Save as disclosed in this announcement, the Group was not aware of any material litigation that may have significant impact to the Group’s profit since the last annual audited financial statements date until the date of this announcement.

26 Dividends

The Board of Directors does not recommend any dividend in respect of the quarter ended 31 December 2024.

27 Earnings Per Share

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

	3 Months Ended 31/12/2024 RM'000	3 Months Ended 31/12/2023 RM'000	12 Months Ended 31/12/2024 RM'000	12 Months Ended 31/12/2023 RM'000
Profit attributable to owners of the Company	14,162	20,703	65,211	89,128
Weighted average number of ordinary shares	711,317,121	711,317,121	711,317,121	711,317,121
Earnings per share attributable to owners of the Company (sen)	1.99	2.91	9.17	12.53

BY ORDER OF THE BOARD

KONG SOWN KAEY
Secretary
25 February 2025