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**PENTAMASTER INTERNATIONAL LIMITED**

**檳傑科達國際有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1665)**

**ANNOUNCEMENT  
INTERIM RESULTS FOR THE SIX MONTHS  
ENDED 30 JUNE 2022  
AND  
CHANGE OF ADDRESS OF HONG KONG BRANCH  
SHARE REGISTRAR AND TRANSFER OFFICE**

The board (the “Board”) of directors (the “Directors”) of Pentamaster International Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, “we”, “us”, “our” or the “Group”) for the six months ended 30 June 2022 (“1H2022”), together with the comparative figures for the six months ended 30 June 2021 (“1H2021”) (*expressed in Ringgit Malaysia “MYR”*). Such information should be read in conjunction with the prospectus of the Company dated 29 December 2017 (the “Prospectus”) and the annual report of the Company for the financial year ended 31 December 2021 published on 26 April 2022 (the “Annual Report”).

The interim results of the Group is released in conjunction with the quarterly results announcement of Pentamaster Corporation Berhad, the holding company of the Company in Malaysia pursuant to the Listing Requirements of the Main Market of the Bursa Malaysia Securities Berhad.

## FINANCIAL HIGHLIGHTS

<b>For the six months ended 30 June</b>	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
	<b>MYR'000</b>	MYR'000
Revenue	<b>297,333</b>	245,610
Gross profit	<b>91,552</b>	73,241
Profit for the period	<b>64,286</b>	55,683
Earnings per share (sen)		
Basic	<b>2.69</b>	2.32*
Diluted	<b>2.69</b>	2.32*

\* *Restated for the bonus issue effected in 2021*

- Revenue of the Group was MYR297.3 million, representing an increase of 21.1% over the corresponding period last year.
- Profit for the period stood at MYR64.3 million, representing an increase of 15.4% over the corresponding period last year.
- Cash and cash equivalents of MYR307.8 million as at 30 June 2022 against MYR350.0 million as at 31 December 2021.
- The Board does not recommend any interim dividend in respect of the six months ended 30 June 2022.

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

FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2022

		<b>Individual Quarter</b>		<b>Cumulative Year</b>	
		<b>3 Months Ended</b>		<b>Financial Period Ended</b>	
		<b>30/6/2022</b>	30/6/2021	<b>30/6/2022</b>	30/6/2021
		<b>(Unaudited)</b>	(Unaudited)	<b>(Unaudited)</b>	(Unaudited)
<i>Notes</i>		<b>MYR'000</b>	MYR'000	<b>MYR'000</b>	MYR'000
<b>Revenue</b>	<i>4</i>	<b>151,343</b>	130,551	<b>297,333</b>	245,610
Cost of goods sold		<b>(104,256)</b>	(92,145)	<b>(205,781)</b>	(172,369)
<b>Gross profit</b>		<b>47,087</b>	38,406	<b>91,552</b>	73,241
Other income	<i>5</i>	<b>6,743</b>	2,054	<b>10,130</b>	12,515
Administrative expenses		<b>(19,680)</b>	(6,951)	<b>(29,802)</b>	(21,721)
Distribution costs		<b>(1,985)</b>	(2,637)	<b>(5,268)</b>	(5,742)
Other operating expenses		<b>(69)</b>	(32)	<b>(163)</b>	(74)
<b>Operating profit</b>		<b>32,096</b>	30,840	<b>66,449</b>	58,219
Finance costs		<b>(20)</b>	(23)	<b>(41)</b>	(47)
Share of results of an associate		<b>(246)</b>	(428)	<b>(460)</b>	(553)
<b>Profit before taxation</b>	<i>6</i>	<b>31,830</b>	30,389	<b>65,948</b>	57,619
Taxation	<i>7</i>	<b>(718)</b>	(1,215)	<b>(1,662)</b>	(1,936)
<b>Profit for the period</b>		<b>31,112</b>	29,174	<b>64,286</b>	55,683

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT  
OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**  
FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2022

	<b>Individual Quarter</b>		<b>Cumulative Year</b>	
	<b>3 Months Ended</b>		<b>Financial Period Ended</b>	
	<b>30/6/2022</b>	30/6/2021	<b>30/6/2022</b>	30/6/2021
	<b>(Unaudited)</b>	(Unaudited)	<b>(Unaudited)</b>	(Unaudited)
<i>Notes</i>	<b>MYR'000</b>	MYR'000	<b>MYR'000</b>	MYR'000
<b>Other comprehensive income, including reclassification adjustments</b>				
<b><i>Items that will be reclassified subsequently to profit or loss</i></b>				
Exchange gain on translation of financial statements of foreign operations	<u>(25)</u>	–	<u>(26)</u>	–
Profit and total comprehensive income for the period attributable to owners of the Company	<u><b>31,087</b></u>	<u>29,174</u>	<u><b>64,260</b></u>	<u>55,683</u>
<b>Earnings per share attributable to owners of the Company (sen):</b>				
– Basic	<b>1.30</b>	1.22*	<b>2.69</b>	2.32*
– Diluted	<b>1.30</b>	1.22*	<b>2.69</b>	2.32*

\* Restated for the bonus issue effected in 2021

The unaudited condensed consolidated statement of profit or loss and other comprehensive income for the three months and six months ended 30 June 2022 should be read in conjunction with the audited financial statements for the year ended 31 December 2021.

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

		As at 30/6/2022 (Unaudited) MYR'000	As at 31/12/2021 (Audited) MYR'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		107,019	99,745
Leasehold land		35,393	35,465
Goodwill		4,495	4,495
Intangible assets		38,300	34,629
Interest in associates		21,246	21,706
Deposits paid		28,833	28,225
Deferred tax assets		221	221
		<u>235,507</u>	<u>224,486</u>
<b>Current assets</b>			
Inventories		116,089	72,006
Trade receivables	10	235,705	164,043
Other receivables, deposits and prepayments	11	38,923	12,517
Amount due from ultimate holding company		48	20
Amount due from a fellow subsidiary		15	17
Derivative financial assets		–	1,246
Other investments		386	374
Tax recoverable		447	412
Cash and cash equivalents		307,783	349,959
		<u>699,396</u>	<u>600,594</u>
<b>Total assets</b>		<u><b>934,903</b></u>	<u><b>825,080</b></u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2022

		As at 30/6/2022 (Unaudited) MYR'000	As at 31/12/2021 (Audited) MYR'000
	<i>Notes</i>		
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		12,340	12,340
Reserves		<u>651,650</u>	<u>624,403</u>
<b>Total equity</b>		<u>663,990</u>	<u>636,743</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	<i>12</i>	123,022	77,553
Other payables, accruals and provisions	<i>13</i>	38,897	38,824
Dividend payable	<i>8</i>	26,904	–
Contract liabilities	<i>14</i>	64,391	64,152
Derivative financial liabilities		10,326	–
Bank borrowing		2,354	2,565
Provision for taxation		<u>988</u>	<u>944</u>
		<u>266,882</u>	<u>184,038</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		<u>4,031</u>	<u>4,299</u>
		<u>4,031</u>	<u>4,299</u>
<b>Total liabilities</b>		<u>270,913</u>	<u>188,337</u>
<b>Total equity and liabilities</b>		<u><u>934,903</u></u>	<u><u>825,080</u></u>

The unaudited condensed consolidated statement of financial position as at 30 June 2022 should be read in conjunction with the audited financial statements for the year ended 31 December 2021.

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Equity attributable to owners of the Company								
	Share capital MYR'000	Share premium MYR'000	Shares held for	Share	Capital reserve MYR'000	Translation reserve MYR'000	Retained profits MYR'000	Proposed final dividend MYR'000	Total equity MYR'000
			share award scheme MYR'000	award reserve MYR'000					
<b>As at 1 January 2022 (Audited)</b>	12,340	80,650	(4,269)	2,266	44,477	56	475,457	25,766	636,743
Profit for the period	-	-	-	-	-	-	64,286	-	64,286
Other comprehensive income	-	-	-	-	-	(26)	-	-	(26)
Total comprehensive income for the period	-	-	-	-	-	(26)	64,286	-	64,260
<b>Transactions with owners:</b>									
Purchase of shares for share award scheme	-	-	(12,715)	-	-	-	-	-	(12,715)
Equity-settled share award scheme expenses	-	-	-	2,606	-	-	-	-	2,606
Vesting of shares of share award scheme	-	-	3,378	(3,178)	-	-	(200)	-	-
2021 final dividend declared	-	-	-	-	-	-	(1,138)	(25,766)	(26,904)
<b>As at 30 June 2022 (Unaudited)</b>	<b>12,340</b>	<b>80,650</b>	<b>(13,606)</b>	<b>1,694</b>	<b>44,477</b>	<b>30</b>	<b>538,405</b>	<b>-</b>	<b>663,990</b>
	Equity attributable to owners of the Company								
	Share capital MYR'000	Share premium MYR'000	Shares held for	Share	Capital reserve MYR'000	Translation reserve MYR'000	Retained profits MYR'000	Proposed final dividend MYR'000	Total equity MYR'000
			share award scheme MYR'000	award reserve MYR'000					
<b>As at 1 January 2021 (Audited)</b>	8,054	84,936	(5,849)	-	44,477	-	385,255	16,672	533,545
Profit and total comprehensive income for the period	-	-	-	-	-	-	55,683	-	55,683
<b>Transactions with owners:</b>									
Purchase of shares for share award scheme	-	-	(1,090)	-	-	-	-	-	(1,090)
Equity-settled share award scheme expenses	-	-	-	3,331	-	-	-	-	3,331
Vesting of shares of share award scheme	-	-	3,781	(3,331)	-	-	(450)	-	-
2020 final dividend declared	-	-	-	-	-	-	(324)	(16,672)	(16,996)
<b>As at 30 June 2021 (Unaudited)</b>	<b>8,054</b>	<b>84,936</b>	<b>(3,158)</b>	<b>-</b>	<b>44,477</b>	<b>-</b>	<b>440,164</b>	<b>-</b>	<b>574,473</b>

The unaudited condensed consolidated statement of changes in equity for the six months ended 30 June 2022 should be read in conjunction with the audited financial statements for the year ended 31 December 2021.

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	<b>6 Months ended 30/6/2022 (Unaudited) MYR'000</b>	6 Months ended 30/6/2021 (Unaudited) MYR'000
	<i>Note</i>	
<b>Cash flows from operating activities</b>		
Profit before taxation	<b>65,948</b>	57,619
Adjustments for:		
Amortisation of intangible assets	<b>1,573</b>	1,667
Amortisation of leasehold land	<b>73</b>	73
Expected credit loss (“ECL”) allowance on trade receivables	<b>(250)</b>	225
Deferred income released	<b>–</b>	(1,720)
Depreciation	<b>2,312</b>	1,954
Interest expense	<b>41</b>	47
Interest income	<b>(2,169)</b>	(2,019)
(Gain)/loss on disposal of property, plant and equipment	<b>(58)</b>	1,667
Loss from changes in fair value of foreign currency forward contracts	<b>11,572</b>	4,666
Gain on disposal of other investments	<b>(15)</b>	(39)
Loss from changes in fair value of other investments	<b>42</b>	27
Inventory written down – addition	<b>103</b>	195
Inventory written down – reversal	<b>(104)</b>	(185)
Share of results of associates	<b>460</b>	553
Equity-settled share award scheme expense	<b>2,606</b>	3,331
Unrealised gain on foreign exchange	<b>(7,507)</b>	(5,504)
Operating profit before working capital changes	<b>74,627</b>	62,557
Increase in inventories	<b>(44,082)</b>	(24,633)
Increase in receivables	<b>(93,928)</b>	(4,080)
Increase in payables	<b>46,442</b>	12,875
Increase in contract liabilities	<b>239</b>	5,487
Net change in ultimate holding company balance	<b>(28)</b>	630
Net change in a fellow subsidiary’s balance	<b>2</b>	(54)
Cash generated from operations	<b>(16,728)</b>	52,782
Interest paid	<b>(41)</b>	(47)
Tax paid	<b>(2,161)</b>	(1,356)
Tax refunded	<b>241</b>	–
Net cash (used in)/generated from operating activities	<b>(18,689)</b>	51,379

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2022

		6 Months ended 30/6/2022 (Unaudited) MYR'000	6 Months ended 30/6/2021 (Unaudited) MYR'000
	<i>Note</i>		
<b>Cash flows from investing activities</b>			
Interest received		2,169	2,019
Purchase of intangible assets		(5,249)	(2,500)
Purchase of property, plant and equipment		(9,584)	(1,760)
Acquisition of other investments		(327)	(398)
Proceeds from disposal of other investments		292	180
Acquisition of redeemable convertible preference shares of an associate		–	(15,000)
Proceeds from disposal of shares in associate		–	66
		(12,699)	(17,393)
<b>Net cash used in investing activities</b>			
<b>Cash flows from financing activities</b>			
Repayment of term loan		(211)	(204)
Purchase of shares for share award scheme	15	(12,715)	(1,090)
		(12,926)	(1,294)
<b>Net (decrease)/increase in cash and cash equivalents</b>			
		(44,314)	32,692
<b>Cash and cash equivalents at the beginning of the period</b>			
		349,959	300,280
<b>Effect of foreign exchange rate changes</b>			
		2,138	975
<b>Cash and cash equivalents at the end of the period</b>			
		307,783	333,947

## **1. GENERAL INFORMATION**

The Company was incorporated in the Cayman Islands on 12 June 2017 as an exempted company with limited liability under the Companies Law. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 19 January 2018 ("Listing Date").

The Company is an investment holding company and has not carried on any business since its incorporation. The Company and its subsidiaries (collectively, the "Group") are principally engaged in (i) designing, development and manufacturing of standard and non-standard automated equipment and (ii) designing, development and installation of integrated factory automation solutions (the "Listing Businesses").

The Company's immediate holding company is Pentamaster Corporation Berhad ("PCB", together with the Group, "Pentamaster Group"), a company incorporated in Malaysia with its shares listed on the Main Market of Bursa Malaysia Berhad. As at 30 June 2022, the Directors regard PCB as the ultimate holding company.

## **2. PRINCIPAL ACCOUNTING POLICIES**

### **(a) Basis of preparation**

These condensed consolidated financial statements are unaudited and have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), the collective term of which includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standards Board (the "IASB"). The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

The condensed consolidated financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2021. The accounting policies and methods of computation adopted for the condensed consolidated financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2021.

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### (a) Basis of preparation (Continued)

In the current year, the Group has applied for the first time the following amended IFRSs issued by the IASB, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2022:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment-Proceeds before intended use
Amendments to IFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021 (2021 amendment)
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRSs	Annual Improvements to IFRS Standards 2018-2020

The adoption of the new and amended IFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

### (b) Basis of measurement

The measurement basis used in the preparation of the consolidated financial statements is historical cost except derivative financial assets/liabilities which are stated at fair values.

The consolidated financial statements are presented in Ringgit Malaysia ("MYR"), which is the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousands ("MYR'000"), except when otherwise indicated.

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

### (c) Future changes in IFRSs

At the date of this announcement, the following new and amended IFRSs have been published but are not yet effective and have not been adopted early by the Group.

IFRS17	Insurance contracts and related amendments <sup>1</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between and its Associate or Joint Venture <sup>2</sup>
Amendments to IAS 1	Classification of Liabilities As Current or Non-current <sup>1</sup>
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to IAS8	Definition of Accounting Estimates <sup>1</sup>
Amendments to IAS12	Deferred tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>

<sup>1</sup> *Effective for annual periods beginning on or after 1 January 2023*

<sup>2</sup> *Effective date not yet determined*

The Group is in the process of making an assessment of the impact of these new and amended IFRSs upon initial application and anticipates that such application will have no material impact on the results and the financial position of the Group.

## 3. SEGMENT INFORMATION

The Group has two reportable segments which comprised its major business segments. These business segments are involved in different activities and are managed by segment managers who report directly to the Group's executive directors. The reportable 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 automated manufacturing solutions

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 reportable segments. Investment holding activities are not considered as reporting segment and the related financial information has been included under "Adjustment".

### 3. SEGMENT INFORMATION (Continued)

The Group's executive directors monitor the performance of the business segments through regular discussions held with the segment managers and review of internal management reports. The performance of each business segment is evaluated based on the segment's profit or loss which is measured on a basis not significantly different from the profit or loss included in the consolidated financial statements.

An analysis of the Group's revenue and results by operating and reportable segment is as follows:

#### Unaudited results for the six months ended 30 June 2022

	<b>Automated test equipment MYR'000</b>	<b>Factory automation solutions MYR'000</b>	<b>Adjustment MYR'000</b>	<i>Note</i>	<b>Total MYR'000</b>
<b>Revenue</b>					
External customers	224,346	72,987			297,333
Inter-segment revenue	<u>39,810</u>	<u>3,267</u>	(43,077)	(i)	<u>–</u>
Total revenue	<u>264,156</u>	<u>76,254</u>			<u>297,333</u>
<b>Results</b>					
Segment results	57,413	10,158	(3,291)		64,280
Interest income	2,025	143	1		2,169
Interest expense	(41)	–			(41)
Share of results of an associate	<u>–</u>	<u>–</u>	(460)		<u>(460)</u>
Profit before taxation	59,397	10,301			65,948
Taxation	<u>(1,926)</u>	<u>(5)</u>	269		<u>(1,662)</u>
Profit for the period	<u><u>57,471</u></u>	<u><u>10,296</u></u>			<u><u>64,286</u></u>

### 3. SEGMENT INFORMATION (Continued)

Unaudited results for the six months ended 30 June 2021

	Automated test equipment MYR'000	Factory automation solutions MYR'000	Adjustment MYR'000	Note	Total MYR'000
<b>Revenue</b>					
External customers	176,770	68,840			245,610
Inter-segment revenue	<u>875</u>	<u>1,913</u>	(2,788)	(i)	<u>–</u>
Total revenue	<u>177,645</u>	<u>70,753</u>			<u>245,610</u>
<b>Results</b>					
Segment results	51,839	5,884	(1,523)		56,200
Interest income	1,921	91	7		2,019
Interest expense	(47)	–			(47)
Share of results of an associate	<u>–</u>	<u>–</u>	(553)		<u>(553)</u>
Profit before taxation	53,713	5,975			57,619
Taxation	<u>(2,195)</u>	<u>(9)</u>	268		<u>(1,936)</u>
Profit for the period	<u><u>51,518</u></u>	<u><u>5,966</u></u>			<u><u>55,683</u></u>

*Note to segment information*

- (i) Inter-segment revenues are eliminated on consolidation.

### 3. SEGMENT INFORMATION (Continued)

#### Geographical information

(i) Revenue breakdown based on the locations which purchase orders were derived from:

	For the six months ended 30 June			
	2022		2021	
	(Unaudited) MYR'000	%	(Unaudited) MYR'000	%
China	92,974	31.3%	68,182	27.8%
Malaysia	66,013	22.2%	16,164	6.6%
United States	32,674	11.0%	17,054	6.9%
Belize	24,786	8.3%	–	–
Vietnam	23,091	7.8%	3,198	1.3%
Singapore	18,328	6.2%	13,761	5.6%
Japan	10,717	3.6%	35,647	14.5%
Ireland	8,979	3.0%	13,776	5.6%
Taiwan	7,872	2.6%	65,747	26.8%
Thailand	2,931	1.0%	2,174	0.9%
Others	8,968	3.0%	9,907	4.0%
	<b>297,333</b>	<b>100.0%</b>	<b>245,610</b>	<b>100.0%</b>

(ii) Revenue breakdown based on the shipment destination:

	For the six months ended 30 June			
	2022		2021	
	(Unaudited) MYR'000	%	(Unaudited) MYR'000	%
China	136,274	45.8%	83,887	34.2%
Malaysia	92,246	31.0%	20,280	8.3%
Vietnam	23,091	7.8%	3,198	1.3%
Singapore	14,541	4.9%	12,779	5.2%
Japan	8,019	2.7%	33,420	13.6%
Taiwan	7,881	2.7%	65,747	26.8%
Thailand	3,076	1.0%	3,780	1.5%
United States	2,696	0.9%	10,865	4.4%
India	2,552	0.9%	1,605	0.7%
Hungary	2,081	0.7%	84	–
Others	4,876	1.6%	9,965	4.0%
	<b>297,333</b>	<b>100.0%</b>	<b>245,610</b>	<b>100.0%</b>

#### 4. REVENUE

The Group's revenue from external customers recognised during the period is as follows:

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	MYR'000	MYR'000
Invoiced value of goods sold less returns and discounts	290,678	242,431
Service rendered	6,655	3,179
	<u>297,333</u>	<u>245,610</u>

The Group generated most of its revenue through the provision of products and solutions to its customers. Service rendered represented provision of service to customers such as (i) upgrading of software programming; (ii) annual maintenance support; (iii) repair and technical services; and (iv) vision integration programming for test handlers.

#### 5. OTHER INCOME

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	MYR'000	MYR'000
Bank interest income	2,169	2,019
Deferred income released	–	1,720
Net gain on foreign exchange	7,195	8,355
Gain on disposal of property, plant and equipment	58	–
Gain on disposal of other investments	15	39
Rental income from operating leases	45	27
Others	648	355
	<u>10,130</u>	<u>12,515</u>

## 6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	MYR'000	MYR'000
Amortisation of intangible assets	1,573	1,667
Amortisation of leasehold land	73	73
Auditor's remuneration	276	229
Deferred income released	–	(1,720)
Depreciation	2,312	1,954
Loss from changes in fair value of foreign currency forward contracts	11,572	4,666
Gain on disposal of other investments	(15)	(39)
(Gain)/loss on disposal of property, plant & equipment	(58)	1,667
Loss from changes in fair value of other investments	42	27
ECL allowance on trade receivables	(250)	225
Inventory written downs to net realisable value		
–addition	103	195
–reversal	(104)	(185)
Net gain on foreign exchange	(7,195)	(8,355)
Lease charges of short term leases and leases with lease term shorter than 12 months as at initial application of IFRS 16		
–Factory	63	–
–Hostel	182	576
–Office	58	44

## 7. TAXATION

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

Malaysian income tax is calculated at the statutory tax rate of 24% on the estimated chargeable income arising in Malaysia for 1H2022 and 1H2021. The effective tax rate is lower than the statutory tax rate as certain subsidiaries of the Group have been granted pioneer status under the Promotion of Investments Act, 1986 by the Malaysian Industrial Development Authority which exempts 100% of statutory income in relation to the production of certain products and solutions.

## 8. DIVIDENDS

The Directors do not recommend any interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

At the Board meeting held on 24 February 2022, the Board proposed a final dividend of HK\$0.02 per share for the year ended 31 December 2021 (the “2021 Final Dividend”). The 2021 Final Dividend was approved at the annual general meeting of the Company held on 30 May 2022 (2021: HK\$0.02 per share). The 2021 Final Dividend amounting to HKD48.0 million (equivalent to approximately MYR26.9 million) was paid to all shareholders of the Company on 7 July 2022.

## 9. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
	<b>MYR'000</b>	MYR'000
Profit for the year attributable to owners of the Company for the purposes of basic earnings per share	<b><u>64,286</u></b>	<u>55,683</u>
Number of shares	<b><u>2,400,000,000</u></b>	<u>2,400,000,000*</u>

\* Restated for the bonus issue effected in 2021

There were no dilutive potential ordinary shares and therefore, diluted earnings per share equals to basic earnings per share.

## 10. TRADE RECEIVABLES

The normal credit terms granted to trade receivables range from 0 to 90 days. Based on the invoice date, the ageing analysis of trade receivables, net of provision for impairment, was as follows:

	<b>30 June 2022 (Unaudited) MYR'000</b>	31 December 2021 (Audited) MYR'000
0-30 days	<b>85,727</b>	52,815
31-60 days	<b>32,868</b>	23,410
61-90 days	<b>2,069</b>	2,155
Over 90 days	<b>115,041</b>	85,663
	<b>235,705</b>	164,043

## 11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<b>30 June 2022 (Unaudited) MYR'000</b>	31 December 2021 (Audited) MYR'000
Other receivables	<b>5,612</b>	–
Refundable deposits	<b>31,418</b>	34,146
Non-refundable deposits ( <i>note (i)</i> )	<b>29,042</b>	5,678
Prepayments	<b>740</b>	489
VAT receivable	<b>944</b>	429
	<b>67,756</b>	40,742
Less: non-current portion Deposit ( <i>note (ii)</i> )	<b>(28,833)</b>	(28,225)
Current Portion	<b>38,923</b>	12,517

*Notes:*

- (i) Non-refundable deposits are mainly for deposits paid to suppliers for purchase of raw materials and machines.
- (ii) After the reporting period, the balance has been subsequently assigned to Pentamaster InnoTeq Sdn. Bhd., a wholly owned subsidiary of Pentamaster Corporation Berhad, the holding company of the Company. For details, please refer to the Company's announcements dated 4 July 2022 and 15 July 2022.

## 12. TRADE PAYABLES

The normal credit terms granted by trade payables range from 30 to 150 days. Based on the invoice date, the ageing analysis of trade payables is as follows:

	<b>30 June 2022 (Unaudited) MYR'000</b>	31 December 2021 (Audited) MYR'000
0-30 days	78,136	49,222
31-60 days	23,372	19,332
61-90 days	12,205	1,979
Over 90 days	9,309	7,020
	<u>123,022</u>	<u>77,553</u>

## 13. OTHER PAYABLES, ACCRUALS AND PROVISIONS

	<b>30 June 2022 (Unaudited) MYR'000</b>	31 December 2021 (Audited) MYR'000
Other payables	5,145	3,964
Amount due to former shareholders of a subsidiary ( <i>note (i)</i> )	4,780	4,780
Consideration payable related to acquisition of a subsidiary ( <i>note (ii)</i> )	11,393	11,393
Accruals	16,323	17,431
Provision for warranty	1,256	1,256
	<u>38,897</u>	<u>38,824</u>

### Notes:

- (i) The amounts due are unsecured, interest free and repayable on demand. The carrying amounts of the amounts due are considered reasonable approximation of their fair values.
- (ii) The consideration payable referred to the balance sum of the consideration payable to the outgoing vendors of a subsidiary acquired in 2019. The consideration is payable subject to the subsidiary achieving certain performance milestones.

#### 14. CONTRACT LIABILITIES

	<b>30 June 2022 (Unaudited) MYR'000</b>	31 December 2021 (Audited) MYR'000
Contract liabilities arising from receiving deposits of manufacturing orders	<b><u>64,391</u></b>	<b><u>64,152</u></b>

#### 15. SHARE-BASED PAYMENT

On 1 April 2020, the Company adopted a share award scheme (the “Share Award Scheme” or the “Scheme”) in which the Group’s employees will be entitled to participate. For the six months ended 30 June 2022, a sum of approximately HKD23.8 million (equivalent to approximately MYR12.8 million) has been used to acquire 22,280,000 shares of the Company (the “Shares”) from the open market by the trustee of the Share Award Scheme. During 1H2022, a total of 5,700,903 shares were vested. The cost and fair value of the related vested shares were MYR3.4 million and MYR3.2 million respectively. The differences of MYR0.2 million were charged/credited to equity.

The purpose of the Scheme is to recognise the contributions by employees and to incentivise them to achieve the Group’s long-term business goals and objectives. The Scheme also serves as part of the Group’s employee retention program in retaining its existing employees and to attract suitable personnel for further development of the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business and financial review

The Group closed its first half of 2022 with ongoing supply chain challenges and shipping bottlenecks persisting into 2022, coupled with the geopolitical tension that has led to a very volatile and inflationary situation. Globally, these has exposed vulnerabilities of many manufacturers as well as businesses and the Group was not spared in such disruption unfortunately. With global manufacturers competing for limited supply of key materials and logistical capacity, the Group intensified its effort and focus on its supply chain management and assessment in establishing a long-term supply chain strategy in ensuring a sustainable capacity planning in a new post-pandemic business environment. While the COVID-19 pandemic has continued to affect key manufacturing hub such as China, the conflict between Russia and Ukraine has also magnified the global economy's uncertainties with the risk of elevated inflation and a protracted period of feeble growth. However, what the Group is currently witnessing on the ground is some level of optimism in certain industries which is in stark contrast to the overall pessimistic mood in the market. The growth in the dynamics of the electric vehicle market coupled with the insatiable demand of better and higher microchip processing power across the electrical and electronics sector has somewhat provided the Group's growth momentum despite ongoing headwinds and challenges faced globally.

For the second quarter of 2022, the Group achieved another record quarterly revenue at MYR151.3 million. This brought the Group to close its first half of 2022 with a revenue of MYR297.3 million, representing an increase of 21.1% as compared to the same period last year. The growth in revenue was primarily contributed by both the ATE and FAS segment which constituted approximately 75.5% and 24.5% of the total Group's revenue respectively.

The below outlined the performance of the respective operating segments for the first half of year 2022 where elements of inter-segment transactions were included.

	<b>For the six months ended 30 June</b>		
	<b>2022</b>	2021	Fluctuation
	<b>(Unaudited)</b>	(Unaudited)	
	<b>MYR'000</b>	MYR'000	%
<b>ATE</b>			
External customers	<b>224,346</b>	176,770	
Inter-segment revenue	<u><b>39,810</b></u>	<u>875</u>	
Total revenue	<u><b>264,156</b></u>	<u>177,645</u>	48.7%
<b>FAS</b>			
External customers	<b>72,987</b>	68,840	
Inter-segment revenue	<u><b>3,267</b></u>	<u>1,913</u>	
Total revenue	<u><b>76,254</b></u>	<u>70,753</u>	7.8%

## **ATE segment**

The ATE segment continued to contribute the larger portion of revenue and profit to the Group's results for the first half of 2022 at a revenue contribution rate of 75.5%. After witnessing an increase in revenue in 2021, this segment continued to record a substantial growth in revenue by 48.7% from MYR177.6 million to MYR264.2 million in 1H2022 as compared to the corresponding period in 2021. Riding on the global momentum for automotive electrification, the automotive industry continued to dominate the ATE segment with its revenue contribution of approximately 44.6%, a phenomenon witnessed since beginning of 2022. Influenced predominantly by the mass adoption of electric vehicle, the automotive market continued to be a standout. The Group benefitted by this structural shift with its automotive test solutions that covers front-end tester for new compound substrate such as silicon carbide ("SiC") and gallium nitride ("GaN") to back end solutions for power electronics devices such as IGBT (insulated-gate bipolar transistor) and power MOSFET (metal-oxide-semiconductor field-effect transistor). Generally, the automotive sector will continue to play a significant role in fueling the growth of the Group's ATE segment. With the extensive applications of SiC and GaN coupled with China joining the bandwagon in building the supply chain revolving around SiC, such proliferation and development will continue to provide impetus to the Group's exposure in the automotive industry.

Revenue contribution from the electro-optical industry came in as the second highest within the ATE segment with its contribution rate of 26.7% while the semiconductor industry contributed approximately 24.0% to the ATE segment of the Group. In 1H2022, while revenue from the electro-optical segment mainly derived from the module upgrade of the Group's existing smart device test solutions, the Group is working on certain prototype projects for new sensors application in the next-generation smartphone and its peripherals.

On the other hand, the semiconductor industry is cyclical and trends of inventory building and correction are part of the cycle. While some inventory correction is taking place, the industry backdrop suggests some signs of growth tailwinds driven by the increasing semiconductor content in multiple industries and the evolvement of conventional chip to intelligent chip with more complexity and functionality. Against this backdrop, the Group is well positioned to embrace the new opportunities presented in the ATE segment.

## **FAS segment**

After experiencing a drop in revenue in the first quarter of 2022, the FAS segment recorded a double-digit revenue growth at 20.5% during the second quarter of 2022 as compared to the corresponding quarter in 2021. Consequently, the overall revenue from the FAS segment in 1H2022 increased by approximately 7.8% to MYR76.3 million from MYR70.8 million in 1H2021. Notably, the FAS segment gained its revenue momentum from the consumer and industrial products segment which was dominating the FAS segment with its contribution rate of 46.2% in 1H2022. In terms of its revenue growth, the consumer and industrial products segment grew substantially by 63.1% in 1H2022 as compared to 1H2021. Revenue contribution from the electro-optical segment and medical devices segment each contributed 29.8% and 19.4% respectively to the FAS segment.

Generally, the demand for the Group's proprietary i-ARMS (intelligent Automated Robotic Manufacturing System) across various segments has positively contributed to the FAS segment in a sustainable manner. With the growing emphasis on industrial automation and smart manufacturing combined with digital transformation and the growth of data analytics, such trend and revolution which are crowned as the backbone of Industry 4.0, are seen being adopted across many businesses in a massive way. Adding further to the pressure are factors such as the shortage of skilled labour, rising wage costs and stringent health and safety requirements, many manufacturing facilities and operations have stepped up its effort in shifting towards factory automation for speed, flexibility, efficiency, productivity and precision.

The following table sets out revenue breakdown by customers' segment for both the ATE segment and FAS segment:

	For the six months ended 30 June			
	2022		2021	
	(Unaudited)		(Unaudited)	
	MYR'000	%	MYR'000	%
Automotive	103,008	34.6%	25,930	10.6%
Electro-Optical	81,642	27.5%	138,243	56.2%
Semiconductor	54,155	18.2%	43,057	17.5%
Consumer and industrial products	34,353	11.6%	23,977	9.8%
Medical devices	24,175	8.1%	14,403	5.9%
	<u>297,333</u>	<u>100.0%</u>	<u>245,610</u>	<u>100.0%</u>

### Gross margin

The Group achieved a gross margin of 31.1% and 30.8% for the second quarter and the first half of the year respectively, as opposed to 29.4% and 29.8% for the second quarter and the first half of year 2021 respectively. The improvement in margin was mainly attributable to a relatively higher revenue mix contribution from the automotive segment in 1H2022 where margin from this segment was generally higher. However, to a certain extent, these positive margin developments were partially offset by the ongoing cost pressures from key component shortages and rise in direct and indirect labor cost.

### Other income

Other income of the Group mainly comprised of the movement arising from foreign exchange, interest income and miscellaneous income. During the 1H2022, the Group recorded a gain on foreign exchange of approximately MYR7.2 million, arising mainly from the appreciation of the U.S. Dollar against MYR towards the end of 1H2022. Such gain on foreign exchange was offset by a loss from changes in fair value of foreign currency forward contracts ("derivative loss") of approximately MYR11.6 million for the same period as recorded under the Group's administrative expenses. Effectively, this has resulted in a net loss on foreign exchange of approximately MYR4.4 million in the first half of the year.

Besides the gain on foreign exchange, the Group had also recorded a total interest income of MYR2.2 million during the 1H2022.

### **Administrative expenses**

Administrative expenses of the Group mainly comprised of the movement arising from foreign exchange, professional fees and administrative staff cost. In 1H2022, the Group's administrative expenses increased by MYR8.1 million from MYR21.7 million in 1H2021 to MYR29.8 million. This was due to the two main reasons as below:

- (i) higher amount of derivative loss of MYR11.6 million in the first half of 2022 as compared to a derivate loss of MYR4.7 million in 1H2021. As part of the Group's treasury policy, the Group entered into several forward contracts in 1H2022 based on the order book on hand where majority of these contracts received from customers were denominated in U.S. dollars. The objective of the hedging activity is to protect the margin of the projects by mitigating any adverse foreign exchange exposure that will affect the financials of the Group. The continuous appreciation of the U.S. dollar against MYR towards the end of 1H2022 has resulted in the Group recording a derivative loss from the forward contracts committed by the Group throughout the first half of the year.
- (ii) higher administrative staff cost of approximately MYR1.0 million in the first half of 2022 as compared to 1H2021 from the salary increment and higher amount of employee benefit expense.

### **Profit for the period**

The Group closed its first half of the year 2022 with a net profit of MYR64.3 million, an increase of 15.4% from a net profit of MYR55.7 million recorded in 1H2021. Accordingly, the Group's EBITDA (earnings before interest, tax, depreciation and amortisation) for the first half of 2022 stood at MYR69.9 million as compared to MYR61.4 million recorded in 1H2021, representing an increase of 14.0%. Basic earnings per share rose from 2.32 sen in 1H2021 to 2.69 sen in 1H2022.

## Liquidity and financial resources

The financial position of the Group remains robust with its current ratio and gearing ratio as depicted in the following table:

	<b>As at 30 June 2022 (Unaudited) MYR'000</b>	<b>As at 31 December 2021 (Audited) MYR'000</b>	<i>Notes</i>
Current assets	<b>699,396</b>	600,594	
Current liabilities	<b>266,882</b>	184,038	
Current ratio (times)	<b>2.62</b>	3.26	<i>note 1</i>
Gearing ratio (%)	<b>0.35</b>	0.40	<i>note 2</i>

### *Notes:*

- (1) Current ratio is calculated by dividing current assets by current liabilities as at the end of the respective period.
- (2) Gearing ratio is calculated based on the total debts (being amount due to ultimate holding company, amounts due to a fellow subsidiary, finance lease liabilities and bank borrowing) divided by total equity as at the end of each respective year and multiply by 100.0%.

The Group continued to maintain a healthy working capital of MYR432.5 million as at 30 June 2022 (31 December 2021: MYR416.6 million). Cash and bank balance as at 30 June 2022 was MYR307.8 million (31 December 2021: MYR350.0 million). During the first half of 2022, the Group made adjustment to its approach on inventory management to alleviate material supply constraints. Supported by a sizeable order book and customer forecast, the Group had to adopt the inventory stock up approach for some key components and common parts in order not to compromise the delivery timeline of its order fulfillment. Other major spending during 1H2022 included the purchase of shares for employees' share award scheme and the capital expenditure on machinery for Pentamaster MediQ Sdn. Bhd. to support the production of its single-use medical devices. Banking facilities of the Group remained at MYR19.5 million as at 30 June 2022 in the form of term loan and trade facilities (31 December 2021: MYR19.5 million), out of which the Group had utilised to-date MYR1.7 million to partly finance the purchase of leasehold land for the Group's second production plant in Batu Kawan, Penang.

## **Foreign exchange exposure**

The Group is exposed to foreign currency risk as a result of its normal trading activities whereby sales and to a certain degree, purchases are principally transacted in U.S. dollar. The Group also holds other financial assets and liabilities denominated in foreign currencies. These are not the functional and reporting currencies of the Group to which the transactions relate.

As part of the Group's treasury policy to manage its foreign exchange exposure, the Group entered into foreign exchange forward contracts apart from maintaining U.S. dollar denominated bank accounts to minimise the effects of adverse exchange rate fluctuations on its financials.

## **Prospects**

Like many others in the industry, the Group faced multiple challenges post COVID-19 pandemic and with the current geopolitical tensions and inflationary situation, the supply chain operation has been a key factor in the Group's operation. The Group acknowledges the importance of being vigilant and reactive in its supply chain planning to ensure agility in this highly evolving situation. While the supply chain state of affairs has improved somewhat versus two years ago, the Group is fortunate that it has the ability to adapt to its inventory stock up approach on the back of its strong level of operating cash built over the years.

As the Group embraces the second half of 2022, the Group believes it is entering a period of encouraging growth on the back of its strong order fulfillment in tandem with its key segments focus that is largely driven by the wave of the underlying major global trends. The Group continues to witness such structural shift in the rapid adoption of technology and intelligence across different segments in the global industries. Ranging from automotive and communication to industrial and consumer electronic markets, the ubiquity of semiconductors and fast intelligence microprocessors coupled with the application of optics and photonics have provided the Group the optimism for its sustainable long term prospects.

The Group remains steadfast in its focus in diversifying its geographical presence, products and solutions as well as across different business segments in keeping with its high growth and margin over the long term horizon. Case in point – the Group’s rapid transition to the automotive segment saw growing revenue and encouraging order book volume where such momentum was generally fueled by the emergence of electric vehicles, whose influence extends far beyond the automotive industry. This evolution, along with other development such as self-driving technologies entails huge opportunity for the Group. Following this trend and given the Group’s comprehensive product portfolio within the segment that covers end-to-end solutions, the Group is ready to reinforce its growth path in the automotive industry.

As part of the Group’s geographical diversification approach, the initiation and commitment in establishing its presence outside of Malaysia are a testament of having a deep and strong foothold expansion in key region that serves as important key markets for its business segments. The recent establishment of Pentamaster Technology (Jiangsu) Limited and Pentamaster Automation (Japan) Co., Ltd, have since led to revenue from China and Japan showing signs of growing traction. Currently, both China and Japan are in the Group’s top five markets. As it is, the Group has set its eyes on Germany for its next geographical expansion with Germany being a main market in automotive industry. By next year, Indonesia and the Middle East will be the Group’s next target for its factory automation and single use medical devices, respectively.

In the immediate term, besides the supply chain operation, the Group’s current important focus is to build and maintain a stable workforce while retaining key talent. The Group acknowledged that the ongoing talent shortage would worsen with the establishment of multinational companies in Malaysia and the operation expansion of existing semiconductor players in the market. It is therefore imperative for the Group to evaluate its current workforce’s needs in meeting its business objectives and strategies. This evaluation, which includes constructing a career development road map for career progression and reskilling the workforce to stay competitive besides making adjustments to the remuneration package, are of importance for the Group in its growth trajectory.

Overall, the Group is optimistic on achieving another record year in 2022, while mindful of the current headwinds in derailing its delivery order on hand according to the scheduled timeline. Over the long run, the Group’s growth initiatives are guided by its “Grand Roadmap & Key Focus 2022-2025”, which aims towards achieving a solid and sustainable business growth through the implementation of its various core strategies that includes product innovation, expansion and diversification, segmental and geographical diversification, supply chain ecosystem development as well as capacity and capabilities building.

## USE OF PROCEEDS FROM THE LISTING

The shares of the Company were successfully listed on the Main Board of the Stock Exchange on 19 January 2018 at the offer price of HK\$1.00 per share (the “Listing”). The proceeds (net of listing expenses) from the Listing were approximately HK\$171.3 million (equivalent to approximately MYR92.6 million). In accordance with the proposed use of net proceeds as set out in the section headed “Future plans and use of proceeds” in the Prospectus, the net proceeds utilised by the Group from the Listing Date up to 30 June 2022 are as follows:

Use of net proceeds	Amount of net proceeds earmarked		Use of proceeds from the Listing Date up to 30 June 2022	Unutilised amount as at 1 January 2022	Unutilised amount as at 30 June 2022	Unutilised proportion as at 30 June 2022
	HK\$'million	MYR'million	MYR'million	MYR'million	MYR'million	%
Capital investment and costs in relation to the new production plant and the expansion of the existing production plant	84.8	45.8	45.8	–	–	–
Business expansion into the Greater China region	38.1	20.6	20.6	–	–	–
Establishment of an office in California, U.S.	28.2	15.3	10.1	6.5	5.2	33.9 <i>Note</i>
Marketing, branding and promotional activities	3.1	1.7	1.7	–	–	–
Working capital	17.1	9.2	9.2	–	–	–
<b>Total</b>	<b>171.3</b>	<b>92.6</b>	<b>87.4</b>	<b>6.5</b>	<b>5.2</b>	<b>5.6</b>

*Note:* Such unutilised proceeds will be utilised within the next five years starting from the Listing Date.

The Directors are not aware of any material change to the proposed use of proceeds as at the date of this announcement. The unutilised net proceeds and its following intended timeframe for utilisation will be applied in the manner consistent with that mentioned in the Prospectus. The intended timeframe was based on the best estimation and assumption of future market conditions and industry development made by the Group as at the date of this announcement.

## **EMPLOYEES AND REMUNERATION**

The Group recognises its employees as one of the Group's most important assets. The Group strongly believes in hiring the right talent, nurturing and retaining these talented employees with competitive remuneration packages. Besides, the Group is committed to organising regular external and internal training programs to upgrade the employees' skill set, knowledge and job experience.

As at 30 June 2022, the total number of full time employees of the Group increased to 719 (31 December 2021: 689).

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities except that the trustee of the Share Award Scheme, pursuant to the terms of the rules and trust deed of the Share Award Scheme, purchased on the Stock Exchange a total of 22,280,000 Shares at a total consideration of approximately HKD23.8 million (equivalent to approximately MYR12.7 million) during the six months ended 30 June 2022.

## **EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed in this announcement, there is no significant subsequent event undertaken by the Company or by the Group after 30 June 2022 and up to the date of this announcement.

## **CORPORATE GOVERNANCE**

The Company has complied with all the applicable provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules during the six months ended 30 June 2022. Other than disclosed below, the Company reviews its corporate governance practices regularly to ensure compliance with the CG Code.

The CG code provision C.2.1 requires that the roles of chairman and chief executive be separate and not performed by the same individual to ensure there is a clear division of responsibilities between the running of the Board and the executives who manage the business. As detailed in the Annual Report, the Company currently has not appointed any chief executive. The day-to-day management of business has been properly delegated to different individuals by the Board. For further details, please refer to the section headed “Chairman and Chief Executive” in the Annual Report.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as its code of conduct regarding securities transactions of the Directors (the “Securities Dealing Code”). Specific enquiries have been made with all the Directors and all of them confirmed that they have complied with the Model Code and the Securities Dealing Code during the six months ended 30 June 2022 and up to the date of this announcement.

## **AUDIT COMMITTEE**

The audit committee of the Company (the “Audit Committee”) was established on 19 December 2017 in compliance with the CG Code. As at the date of this announcement, the Audit Committee consists of two independent non-executive Directors namely Mr. Sim Seng Loong @ Tai Seng (being the chairman of the Audit Committee who has a professional qualification in accountancy) and Ms. Chan May May and one non-executive Director namely Mr. Leng Kean Yong. The Audit Committee is accountable to the Board and the primary duties of the Audit Committee include the review and supervision of the Group’s financial reporting process and internal controls.

## **REVIEW OF INTERIM RESULTS**

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2022, including the applicable accounting policies and accounting standards adopted by the Group, and the applicable Listing Rules.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement will be published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.pentamaster.com.my](http://www.pentamaster.com.my)) respectively. The interim report of the Company for the six months ended 30 June 2022 containing all the information required by the Listing Rules will be published on the websites of the Company and the Stock Exchange and despatched to the shareholders of the Company in due course.

## **CHANGE OF ADDRESS OF HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

With effect from 15 August 2022, the Hong Kong Branch Share Registrar and Transfer Office of the Company, Tricor Investor Services Limited (the “Branch Share Registrar”), will change its address from Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong to

**17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong**

All telephone and facsimile numbers of the Branch Share Registrar will remain unchanged.

By order of the Board  
**Pentamaster International Limited**  
**Chuah Choon Bin**  
*Chairman and Executive Director*

Malaysia, 11 August 2022

*As at the date of this announcement, the Board comprises Mr. Chuah Choon Bin and Ms. Gan Pei Joo as executive Directors; Mr. Leng Kean Yong as non-executive Director; and Ms. Chan May May, Dr. Chuah Jin Chong and Mr. Sim Seng Loong @ Tai Seng as independent non-executive Directors.*