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 OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

ANNUAL RESULTS

The board (the "Board") of directors (the "Directors") of Pentamaster International Limited (the "Company") is pleased to announce the consolidated financial results of the Company and its subsidiaries (collectively, "we", "us", "our" or the "Group") for the year ended 31 December 2024 ("FY2024"), together with the comparative figures for the year ended 31 December 2023 ("FY2023") *(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 2023 annual report of the Company ("Annual Report").

FINANCIAL HIGHLIGHTS

For the year ended 31 December	**2024**	2023
	MYR'000	MYR'000
Revenue	**622,433**	691,850
Gross profit	**179,913**	209,644
Profit for the year	**107,128**	142,233
Earnings per share (sen)		
Basic	**4.51**	5.97
Diluted	**4.51**	5.96

- Revenue of the Group was MYR622.4 million, representing a decrease of 10.0% over the preceding year.
- Profit for the year stood at MYR107.1 million, representing a decrease of 24.7% over the preceding year.
- Cash and cash equivalents of MYR298.0 million as at 31 December 2024 against MYR395.8 million in the preceding year.
- The Board does not recommend any final dividend in respect of the year ended 31 December 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

		Individual Quarter 3 Months Ended		Cumulative Year Financial Year Ended	
	Notes	**31/12/2024**	31/12/2023	**31/12/2024**	31/12/2023
		MYR'000	MYR'000	**MYR'000**	MYR'000
Revenue	*4*	**130,254**	169,014	**622,433**	691,850
Cost of sales		**(91,508)**	(115,046)	**(442,520)**	(482,206)
Gross profit		**38,746**	53,968	**179,913**	209,644
Other income	*5*	**10,290**	8,709	**10,796**	17,917
Distribution costs		**(3,275)**	(2,032)	**(9,409)**	(9,254)
Administrative expenses		**(25,135)**	(28,688)	**(69,866)**	(76,208)
(Allowance for)/Reversal of expected credit loss ("ECL") on trade receivables, net		**(1,365)**	328	**(1,780)**	1,141
Other operating expenses		**(350)**	(54)	**(518)**	(174)
Operating profit		**18,911**	32,231	**109,136**	143,066
Share of results of associates		**(247)**	(42)	**(557)**	41
Profit before taxation	*6*	**18,664**	32,189	**108,579**	143,107
Taxation	*7*	**(336)**	1,669	**(1,451)**	(874)
Profit for the period/year		**18,328**	33,858	**107,128**	142,233
Other comprehensive income/(expense)					
Item that will be reclassified subsequently to profit or loss					
Exchange gain/(loss) on translation of financial statements of foreign operations		**65**	66	**(238)**	47
Profit and total comprehensive income for the period/year		**18,393**	33,924	**106,890**	142,280

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

for the year ended 31 December 2024

		Individual Quarter 3 Months Ended		Cumulative Year Financial Year Ended	
	Note	**31/12/2024**	31/12/2023	**31/12/2024**	31/12/2023
		MYR'000	MYR'000	**MYR'000**	MYR'000
Profit for the period/year attributable to:					
Owners of the Company		**18,328**	33,858	**107,129**	142,233
Non-controlling interests		**–**	–	**(1)**	–
		18,328	33,858	**107,128**	142,233
Total comprehensive income attributable to:					
Owners of the Company		**18,393**	33,924	**106,891**	142,280
Non-controlling interests		**–**	–	**(1)**	–
		18,393	33,924	**106,890**	142,280
Earnings per share attributable to owners of the Company (sen):					
Basic	*9*	**0.78**	1.42	**4.51**	5.97
Diluted	*9*	**0.78**	1.42	**4.51**	5.96

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

	Notes	2024 MYR'000	2023 MYR'000
ASSETS			
Non-current assets			
Property, plant and equipment		**423,061**	247,117
Leasehold land		**34,284**	34,900
Deposits paid for acquisition of property, plant and equipment	*11*	**5,581**	13,612
Goodwill		**4,495**	4,495
Intangible assets		**36,291**	36,864
Interest in an associate		**19,946**	17,578
		523,658	354,566
Current assets			
Inventories		**121,796**	190,608
Trade receivables	*10*	**167,824**	196,289
Other receivables, deposits and prepayments	*11*	**33,423**	15,717
Amount due from ultimate holding company		**46,502**	4
Amounts due from fellow subsidiaries		**–**	1,227
Derivative financial assets		**–**	2,384
Other investments		**199**	170
Tax recoverable		**2,117**	2,279
Cash and cash equivalents		**297,954**	395,797
		669,815	804,475
Total assets		**1,193,473**	1,159,041

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

as at 31 December 2024

	Notes	**2024** **MYR'000**	2023 MYR'000
EQUITY AND LIABILITIES			
EQUITY			
Share capital	*15*	**12,340**	12,340
Reserves		**910,153**	835,632
Equity attributable to owners of the Company		**922,493**	847,972
Non-controlling interests		**(1)**	–
Total equity		**922,492**	847,972
LIABILITIES			
Current liabilities			
Trade payables	*12*	**128,921**	118,022
Other payables, accruals and provisions	*13*	**65,064**	43,730
Contract liabilities	*14*	**58,006**	137,940
Amounts due to fellow subsidiaries		**1,675**	–
Derivative financial liabilities		**3,362**	1,833
Provision for taxation		**603**	57
		257,631	301,582
Non-current liabilities			
Other payables	*13*	**10,845**	6,717
Deferred income		**893**	620
Deferred tax liabilities		**1,612**	2,150
		13,350	9,487
Total liabilities		**270,981**	311,069
Total equity and liabilities		**1,193,473**	1,159,041

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

	Attributable to owners of the Company											
	Share capital MYR'000	Share premium* MYR'000	Shares held for share award scheme* MYR'000	Share award reserve* MYR'000	Statutory reserve* MYR'000	Capital reserve* MYR'000	Translation reserve* MYR'000	Retained profits* MYR'000	Proposed final dividend* MYR'000	Total MYR'000	Non-controlling interests MYR'000	Total equity MYR'000
As at 1 January 2024	**12,340**	**80,650**	**(14,923)**	**3,944**	**454**	**44,477**	**(33)**	**691,620**	**29,443**	**847,972**	**–**	**847,972**
Transactions with owners:												
Purchase of shares for share award scheme *(note 16)*	**–**	**–**	**(7,956)**	**–**	**–**	**–**	**–**	**–**	**–**	**(7,956)**	**–**	**(7,956)**
Equity-settled share award scheme expenses *(note 16)*	**–**	**–**	**–**	**4,420**	**–**	**–**	**–**	**–**	**–**	**4,420**	**–**	**4,420**
Vesting of shares of share award scheme *(note 16)*	**–**	**–**	**6,707**	**(6,386)**	**–**	**–**	**–**	**(321)**	**–**	**–**	**–**	**–**
	–	**–**	**(1,249)**	**(1,966)**	**–**	**–**	**–**	**(321)**	**–**	**(3,536)**	**–**	**(3,536)**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**107,129**	**–**	**107,129**	**(1)**	**107,128**
Other comprehensive expense	**–**	**–**	**–**	**–**	**–**	**–**	**(238)**	**–**	**–**	**(238)**	**–**	**(238)**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(238)**	**107,129**	**–**	**106,891**	**(1)**	**106,890**
2023 final dividend approved	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**609**	**(29,443)**	**(28,834)**	**–**	**(28,834)**
As at 31 December 2024	**12,340**	**80,650**	**(16,172)**	**1,978**	**454**	**44,477**	**(271)**	**799,037**	**–**	**922,493**	**(1)**	**922,492**
As at 1 January 2023	12,340	80,650	(11,478)	3,706	–	44,477	(80)	579,955	27,143	736,713	–	736,713
Transactions with owners:												
Purchase of shares for share award scheme *(note 16)*	–	–	(12,336)	–	–	–	–	–	–	(12,336)	–	(12,336)
Equity-settled share award scheme expenses *(note 16)*	–	–	–	8,872	–	–	–	–	–	8,872	–	8,872
Vesting of shares of share award scheme *(note 16)*	–	–	8,891	(8,634)	–	–	–	(257)	–	–	–	–
Transfers to statutory reserve	–	–	–	–	454	–	–	(454)	–	–	–	–
	–	–	(3,445)	238	454	–	–	(711)	–	(3,464)	–	(3,464)
Profit for the year	–	–	–	–	–	–	–	142,233	–	142,233	–	142,233
Other comprehensive income	–	–	–	–	–	–	47	–	–	47	–	47
Total comprehensive income for the year	–	–	–	–	–	–	47	142,233	–	142,280	–	142,280
2022 final dividend approved	–	–	–	–	–	–	–	(414)	(27,143)	(27,557)	–	(27,557)
2023 final dividend proposed	–	–	–	–	–	–	–	(29,443)	29,443	–	–	–
As at 31 December 2023	12,340	80,650	(14,923)	3,944	454	44,477	(33)	691,620	29,443	847,972	–	847,972

* The total of these balances of MYR910,153,000 (2023: MYR835,632,000) represents "Reserves" in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

	2024 MYR'000	2023 MYR'000
Cash flows from operating activities		
Profit before taxation	**108,579**	143,107
Adjustments for:		
Amortisation of intangible assets	**6,136**	4,423
Amortisation of leasehold land	**616**	420
Depreciation of property, plant and equipment	**12,906**	10,787
Loss on disposal of interest in an associate	**–**	26
Loss/(Gain) from changes in fair value of foreign currency forward contracts	**3,913**	(6,909)
Gain on disposal of other investments	**–**	(17)
Gain from changes in fair value of other investments	**(29)**	(12)
Bank interest income	**(10,167)**	(9,967)
Inventory written down – addition	**4,280**	869
Inventory written down – reversal	**(1,206)**	(214)
ECL allowance on trade receivables	**2,375**	486
Reversal of ECL allowance on trade receivables	**(595)**	(1,627)
Provision for warranty – addition	**3,046**	2,499
Provision for warranty – reversal	**(2,499)**	(1,515)
Property, plant and equipment written off	**–**	4
Intangible assets written off	**–**	3
Inventory written off	**3,524**	–
Share of results of associates	**557**	(41)
Equity-settled share award scheme expenses	**4,420**	8,872
Unrealised loss on foreign exchange	**306**	556
Operating profit before working capital changes	**136,162**	151,750
Decrease/(Increase) in inventories	**62,214**	(20,329)
Decrease in trade and other receivables	**7,073**	59,297
Increase/(Decrease) in trade and other payables	**15,514**	(9,008)
(Decrease)/Increase in contract liabilities	**(79,934)**	37,359
Net change in fellow subsidiaries' balances	**14**	(55)
Cash generated from operations	**141,043**	219,014
Government grants received	**273**	620
Tax paid	**(2,223)**	(3,167)
Tax refunded	**925**	284
Net cash from operating activities	**140,018**	216,751

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

for the year ended 31 December 2024

	Notes	2024 MYR'000	2023 MYR'000
Cash flows from investing activities			
Bank interest received		**10,167**	9,967
Purchase of intangible assets		**(4,000)**	(5,635)
Purchase of property, plant and equipment		**(154,942)**	(102,466)
Deposits paid for acquisition of property, plant and equipment		**(3,131)**	(13,612)
Proceeds from disposal of other investments		**–**	78
Proceeds from disposal of investment in an associate		**–**	7
Additional capital injection in an associate		**(2,925)**	–
Proceeds from redeemable convertible preference shares of an associate		**–**	2,500
Advance to ultimate holding company		**(46,502)**	–
Repayment from/(Advance to) fellow subsidiaries		**1,313**	(1,351)
Net cash used in investing activities		**(200,020)**	(110,512)
Cash flows from financing activities			
Advance from ultimate holding company		**4**	2
Dividend paid to owners of the Company	*8(b)*	**(28,834)**	(27,557)
Purchase of shares for share award scheme	*16*	**(7,956)**	(12,336)
Net cash used in financing activities		**(36,786)**	(39,891)
Net (decrease)/increase in cash and cash equivalents		**(96,788)**	66,348
Cash and cash equivalents at the beginning of the year		**395,797**	328,628
Effect of foreign exchange rate changes		**(1,055)**	821
Cash and cash equivalents at the end of the year		**297,954**	395,797

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 Act. 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.

The Company is an investment holding company and has not carried out 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 test equipment; (ii) designing, development and installation of integrated factory automation solutions; and (iii) manufacturing and assembling of medical machines and manufacturing of die casting parts.

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

2. MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

These annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable individual IFRSs, 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").

These consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments, other investments in equity securities and investment in redeemable convertible preference shares 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 most of its subsidiaries, and all values are rounded to the nearest thousands ("MYR'000"), except when otherwise indicated.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(b) New and amendments to IFRSs that are effective for annual beginning on 1 January 2024

In the current year, the Group has applied for the first time the following new and 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 2024:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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

(c) Issued but not yet effective IFRSs

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

Amendments to IAS 21	Lack of Exchangeability[1]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS Accounting Standards	Annual Improvement to IFRS Accounting Standards – Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]
IFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to IFRS10 and IAS 28	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*

The Directors anticipate that all of the pronouncements will be adopted in the Group's accounting policies for the first period beginning on or after the effective date of the pronouncement. The new and amended IFRSs are not expected to have a material impact on the Group's consolidated financial statements.

3. SEGMENT INFORMATION

The Group has two 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.

Inter-segment transactions have been accounted for on a basis that is consistent with the Group's accounting policies.

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

The Group's executive Directors monitor the performance of the operating segments through regular discussions held with the segment managers and review of internal management reports. The performance of each operating segment is evaluated based on the segment's profit or loss.

3. SEGMENT INFORMATION (Continued)

Results for the year ended 31 December 2024

	Automated test equipment MYR'000	Factory automation solutions MYR'000	Adjustment MYR'000	Total MYR'000
Revenue				
External customers	224,390	398,043		622,433
Inter-segment revenue	9,929	7,328	(17,257)	–
Total revenue	234,319	405,371		622,433
Results				
Segment results	2,209	120,843	(24,083)	98,969
Interest income	9,103	908	156	10,167
Share of results of an associate	–	–	(557)	(557)
Profit before taxation	11,312	121,751		108,579
Taxation	(899)	(541)	(11)	(1,451)
Profit for the year	10,413	121,210		107,128

3. SEGMENT INFORMATION (Continued)

Result for the year ended 31 December 2023

	Automated test equipment MYR'000	Factory automation solutions MYR'000	Adjustment MYR'000	Total MYR'000
Revenue				
External customers	452,254	239,596		691,850
Inter-segment revenue	538	15,943	(16,481)	–
Total revenue	452,792	255,539		691,850
Results				
Segment results	99,897	52,662	(19,460)	133,099
Interest income	9,102	862	3	9,967
Share of results of associates	–	–	41	41
Profit before taxation	108,999	53,524		143,107
Taxation	(2,363)	1,490	(1)	(874)
Profit for the year	106,636	55,014		142,233

3. SEGMENT INFORMATION (Continued)

Geographical information

The Group's revenue from external customers are divided into the following geographical areas:

	2024	2023
	MYR'000	MYR'000
Malaysia (domicile)	**336,863**	208,346
China	**93,911**	142,978
United States	**60,551**	102,172
Singapore	**48,657**	22,701
Taiwan	**25,296**	28,081
Japan	**13,120**	23,054
Belize	**10,805**	55,127
Republic of Ireland	**9,111**	18,007
Philippines	**8,323**	3,549
India	**4,806**	2,072
Others	**10,990**	85,763
	622,433	691,850

4. REVENUE

4.1 Revenue

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

	2024	2023
	MYR'000	MYR'000
Invoiced value of goods sold less returns and discounts	**609,037**	679,804
Service rendered	**13,396**	12,046
	622,433	691,850

4. REVENUE (Continued)

4.2 Disaggregation of revenue from contracts with customer

The Group derives revenue from the transfer of goods and services at a point in time in the following operating segments:

	2024	2023
	MYR'000	MYR'000
ATE		
– Automotive	**133,036**	324,095
– Electro-Optical	**54,043**	28,828
– Semiconductor	**35,434**	98,147
– Consumer and industrial products	**1,877**	1,184
	224,390	452,254
FAS		
– Medical	**311,013**	148,197
– Consumer and industrial products	**33,089**	43,968
– Electro-Optical	**26,660**	36,487
– Semiconductor	**17,489**	5,647
– Automotive	**9,792**	5,297
	398,043	239,596
	622,433	691,850
Timing of revenue recognition		
– At a point in time	**622,433**	691,850

5. OTHER INCOME

	2024	2023
	MYR'000	MYR'000
Bank interest income	**10,167**	9,967
Gain from changes in fair value of foreign currency forward contracts	**–**	6,909
Gain on disposal of other investments	**–**	17
Gain from changes in fair value of other investments	**29**	12
Government subsidies	**78**	725
Rental income	**116**	116
Others	**406**	171
	10,796	17,917

6. PROFIT BEFORE TAXATION

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

	2024	2023
	MYR'000	MYR'000
Amortisation of intangible assets	**6,136**	4,423
Amortisation of leasehold land	**616**	420
Auditor's remuneration	**808**	815
Depreciation of property, plant and equipment	**12,906**	10,787
ECL allowance on trade receivables:		
– addition	**2,375**	486
– reversal	**(595)**	(1,627)
Loss/(Gain) from changes in fair value of foreign currency forward contracts	**3,913**	(6,909)
Gain on disposal of other investments	**–**	(17)
Loss on disposal of interest in an associate	**–**	26
Gain from changes in fair value of other investments	**(29)**	(12)
Property, plant and equipment written off	**–**	4
Intangible assets written off	**–**	3
Inventory written off	**3,524**	–
Inventories written down to net realisable value:		
– addition	**4,280**	869
– reversal	**(1,206)**	(214)
Net loss on foreign exchange	**7,780**	18,613
Lease charges of short-term leases:		
– Factory	**123**	124
– Hostel	**497**	373
– Office	**415**	317
Provision for warranty:		
– addition	**3,046**	2,499
– reversal	**(2,499)**	(1,515)

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 has been provided at the statutory tax rate of 24% for the year ended 31 December 2024 (2023: 24%) on the estimated chargeable income arising in Malaysia.

Under the Law of the People's Republic of China on Enterprise Income Tax ("EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for the year ended 31 December 2024 (2023: 25%).

Taxation arising in other jurisdictions is calculated at the rates prevailing in relevant jurisdictions.

	2024	2023
	MYR'000	MYR'000
Malaysian income tax		
Current tax	**(2,498)**	(2,491)
Over provision in prior years	**718**	514
	(1,780)	(1,977)
Overseas income tax		
Current tax	**(99)**	(709)
(Under)/Over provision in prior years	**(110)**	200
	(209)	(509)
Deferred tax		
Recognised in profit or loss for the year	**538**	1,612
	(1,451)	(874)

8. DIVIDENDS

(a) Dividends attributable to the year:

	2024	2023
	MYR'000	MYR'000
Proposed final dividend of HK$0.02 per ordinary share	**–**	29,443

- The Board does not recommend any final dividend in respect of the year ended 31 December 2024. The final dividend proposed after the reporting date has not been recognised as a liability at the end of reporting period, but reflected as an appropriation of retained profits for the year ended 31 December 2023.

(b) Dividends attributable to the previous financial year, approved and paid during the year:

	2024	2023
	MYR'000	MYR'000
Final dividend in respect of the previous financial year, of HK$0.02 per ordinary share (2023: HK$0.02)	**28,834**	27,557

9. EARNINGS PER SHARE

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

(a) Basic earnings per share attributable to owners of the Company

	2024	2023
Earnings		
Profit for the year attributable to owners of the Company (MYR'000)	**107,129**	142,233
Number of shares		
Adjusted weighted average number of shares in issue	**2,376,032,113**	2,384,130,218
Basic earnings per share (sen)	**4.51**	5.97

9. EARNINGS PER SHARE (Continued)

(a) Basic earnings per share attributable to owners of the Company (Continued)

For the years ended 31 December 2024 and 2023, the number of shares used in the calculation of basic earnings per share include the weighted average number of shares in issue less shares held for share award scheme.

(b) Diluted earnings per share attributable to owners of the Company

	2024	2023
Earnings		
Profit for the year attributable to owners of the Company (MYR'000)	**107,129**	142,233
Number of shares		
Adjusted weighted average number of shares in issue	**2,376,032,113**	2,384,130,218
Effect of shares awarded under the Company's share award scheme	**879,359**	4,072,410
Adjusted weighted average number of shares in issue for the purpose of calculating diluted earnings per share	**2,376,911,472**	2,388,202,628
Diluted earnings per share (sen)	**4.51**	5.96

10. TRADE RECEIVABLES

	2024	2023
	MYR'000	MYR'000
Trade receivables	**171,770**	198,483
Less: ECL allowance	**(3,946)**	(2,194)
	167,824	196,289

10. TRADE RECEIVABLES (Continued)

The normal credit terms granted to trade receivables range from 0 to 120 days (2023: 0 to 120 days). Based on the invoice dates, the ageing analysis of the trade receivables, net of ECL allowance, was as follows:

	2024 MYR'000	2023 MYR'000
0-30 days	**75,281**	64,493
31-60 days	**5,534**	16,787
61-90 days	**2,758**	20,157
91-180 days	**24,433**	54,577
181-270 days	**17,315**	17,334
Over 270 days	**42,503**	22,941
	167,824	196,289

The movement in the ECL allowance of trade receivables is as follows:

	2024 MYR'000	2023 MYR'000
Balance at the beginning of the year	**2,194**	3,297
ECL allowance recognised during the year	**2,375**	486
ECL allowance reversed during the year	**(595)**	(1,627)
Exchange differences	**(28)**	38
Balance at the end of the year	**3,946**	2,194

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 MYR'000	2023 MYR'000
Other receivables	**16,557**	325
Refundable deposits	**2,711**	9,020
Non-refundable deposits *(note)*	**17,230**	17,889
Prepayments	**865**	1,021
Value added tax receivable	**1,641**	1,074
	39,004	29,329
Less: Deposits paid for acquisition of property, plant and equipment	**(5,581)**	(13,612)
	33,423	15,717

Note: Non-refundable deposits are mainly deposits paid to suppliers for purchase of raw materials and machines.

12. TRADE PAYABLES

The normal credit terms granted by trade payables range from 30 to 180 days (2023: 30 to 180 days). Based on the invoice dates, the ageing analysis of the trade payables was as follows:

	2024 MYR'000	2023 MYR'000
0-30 days	**65,399**	40,975
31-60 days	**26,380**	23,971
61-90 days	**10,243**	15,977
91-120 days	**4,995**	4,290
Over 120 days	**21,904**	32,809
	128,921	118,022

Included in trade payables were amounts due to the Group's associate of MYR916,000 (2023: MYR329,000). The outstanding balances were trading in nature and had credit period of 90 days (2023: 90 days).

13. OTHER PAYABLES, ACCRUALS AND PROVISIONS

	2024 MYR'000	2023 MYR'000
Other payables	**14,881**	22,502
Accruals	**58,009**	25,451
Provision for warranty	**3,019**	2,494
	75,909	50,447
Less: Other payables for settlement after 12 months shown under non-current liabilities	**(10,845)**	(6,717)
	65,064	43,730

14. CONTRACT LIABILITIES

	2024 MYR'000	2023 MYR'000
Contract liabilities arising from receiving deposits of manufacturing orders	**58,006**	137,940

When the Group receives a deposit before the production activity commences, this will give rise to contract liabilities at the commencement of a contract. The deposit will be reversed and recognised as revenue upon satisfying the performance obligation of the contract.

All deposits received are generally expected to be settled within one year.

15. SHARE CAPITAL

	2024		2023	
	Number of shares	**MYR'000**	Number of shares	MYR'000
Authorised:				
Ordinary shares of HK$0.01 each	**5,000,000,000**	**26,052**	5,000,000,000	26,052
Issued and fully paid:				
As at 1 January and 31 December	**2,400,000,000**	**12,340**	2,400,000,000	12,340

16. SHARE AWARD SCHEME

On 1 April 2020, the Company adopted a share award scheme (the "Scheme" or the "Share Award Scheme") in which the Group's employees will be entitled to participate.

The purpose of the Scheme is to recognise the contributions by certain 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.

The Scheme shall be subject to the administration of the Board and the trustee in accordance with the scheme rules and the trust deed of the Scheme. Subject to any early termination as may be determined by the Board, the Scheme shall be valid and effective for a term of 10 years commencing on its adoption date (i.e. 1 April 2020).

The maximum number of shares to be subscribed for and/or purchased by the trustee by applying the trust fund of the Scheme for each calendar year for the purpose of the Scheme shall not exceed 5% of the total number of issued shares as at the beginning of such calendar year. The directors of the Company shall not instruct the trustee to subscribe and/or purchase any shares for the purpose of the Scheme when such subscription and/or purchase will result in the said limit being exceeded. The maximum number of shares which may be awarded to a selected employee under the Scheme shall not exceed 1% of the total number of issued shares from time to time.

16. SHARE AWARD SCHEME (Continued)

During the year ended 31 December 2024, a sum of approximately HK$14.2 million (equivalent to approximately MYR8.0 million) (2023: HK$20.9 million (equivalent to approximately MYR12.3 million)) has been used to acquire 21,486,629 (2023: 20,514,000) shares from the open market by the trustee of the Scheme.

The Company granted 6,035,000 (2023: 16,127,000) shares to selected employees on 7 August 2024 (2023: 1 July 2023), which will be vested in tranches of one-third each on every anniversary date of the grant date starting from the 1st anniversary date until the 3rd anniversary date. The fair value of the granted shares is calculated based on the closing market price of the shares of HK$0.64 (2023: HK$0.98) on the day of the grant, and amounted to HK$3.9 million (equivalent to approximately MYR2.2 million) (2023: HK$15.8 million (equivalent to approximately MYR9.4 million)) in total. Together with the granted shares in prior year, the Group recognised a share award scheme expense of HK$7.6 million equivalent to approximately MYR4.4 million (2023: HK$15.4 million (equivalent to approximately MYR8.9 million)) during the year ended 31 December 2024.

During the year ended 31 December 2024, a total of 12,724,432 (2023: 15,511,179) awarded shares were vested. The cost and the fair value of the related vested shares were HK$11.2 million (2023: HK$15.8 million) (equivalent to approximately MYR6.7 million (2023: MYR8.9 million)) and HK$11.0 million (2023: HK$15.5 million) (equivalent to approximately MYR6.4 million (2023: MYR8.6 million)) respectively. The difference of MYR321,000 (2023: MYR257,000) was charged to retained profits. As at 31 December 2024, the carrying amount of Shares held for Share Award Scheme was HK$28.4 million (2023: HK$25.9 million) (equivalent to approximately MYR16.2 million (2023: MYR14.9 million)).

17. EVENT AFTER THE REPORTING PERIOD

On 19 December 2024, Puga Holdings Limited and PCB, as the joint offerors and the Company jointly announced the proposal to privatise the Company, the proposed withdrawal of listing on the Stock Exchange, the proposed special dividend and the formation of an Independent Board Committee. The Company will declare a special dividend of HK$0.07 per share, totalling HK$60,651,501, which is subject to the approval at an extraordinary general meeting to be held after the reporting period and contingent upon the scheme becoming effective. Please refer to the announcement dated 19 December 2024 for more details.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Beyond economic and geopolitical factors, the year 2024 has been shaped by rapid advancements in artificial intelligence ("AI") and a growing emphasis on trade protectionism and onshoring as nations and communities seek to navigate an era of unprecedented change and complexity. At the same time, central banks across the globe adopted tight monetary policies to address persistent inflation, resulting in elevated interest rates and borrowing costs that hindered business expansion and capital investment. While inflationary pressures began to ease in the latter part of the year, providing some relief to consumer spending and business operations, this development raised new concerns on the potential economic slowdown with nations raising trade barriers that directly raised the cost of goods. Geopolitical tensions, on the other hand, further exacerbated this uncertainty, contributing to global instability, disrupted supply chains and heightened market volatility. Together, these dynamics created a challenging and multifaceted economic environment that demanded resilience and adaptability from policymakers and businesses in navigating this uncertain landscape.

In such challenging business environment, the Group demonstrated resilience with its experience, exposure and its relentless focus on its 3 key-pillar strategies in ensuring business sustainability. Given the onslaught challenging macro environment, for the financial year under review, the Group managed to record a revenue of MYR622.4 million, a 10.0% decline compared to the previous year's revenue of MYR691.9 million. This decrease was largely due to softness within the Group's ATE segment, particularly within the semiconductor – automotive segments that experienced a significant contraction in an unprecedented speed. In contrast, the FAS segment displayed resilience, contributing a larger share of the Group's revenue compared to the previous year. Overall, the Group reported a net profit of MYR107.1 million, down 24.7% from MYR142.2 million in 2023, primarily due to reduced revenue from the ATE segment, higher provisions made for inventories and trade receivables as well as increased research and development expenses. Despite these challenges, the Group maintained a stable liquidity position, with cash and cash equivalents totalling MYR298.0 million as of 31 December 2024. While this represented a decrease from MYR395.8 million in the previous year, 2024 was a capital-intensive year as the Group utilises its internal funds to fully construct its new campus 3 production facility.

During the review period, the Group experienced significant shifts in customer demand and market conditions across its various industry segments. The medical segment, having achieved consistent revenue growth over the past two years, continued to maintain a positive momentum with a growth rate that exceeded 100.0% and contributed to the Group's overall sustainable performance. Similarly, the electro-optical segment also demonstrated a strong double-digit revenue growth in comparison to last year. However, the automotive segment, which had posted consistent year-on-year growth since 2017, faced a decline of 56.6% for the first time. Other industry segments such as semiconductor and consumer and industrial products segment have also contracted by 49.0% and 22.6% respectively, compared to the previous year.

For the Group's medical segment, it has emerged to form as the largest share of wallet to the Group's overall revenue, contributing to 50.0% as compared to 21.4% in 2023, showing a growth rate of more than 100.0% year on year. This expansion reflects the medical segment's resilience and the continuous emphasis on precision healthcare solutions at the backdrop of manufacturing onshoring. The rapid evolution of medical technology is also reshaping the industry with automation playing a pivotal role in enhancing manufacturing efficiency, consistency and scalability. Technological advancements such as robotic-assisted production and smart manufacturing processes are driving higher precision and reducing variability in medical device production. These advancements align with the increasing requirement for stringent regulatory standards coupled with manufacturing diversity base across different regions, thereby reinforcing the critical need for automation in ensuring healthcare manufacturing consistency across. In 2023, the global automation market for healthcare is projected to reach US$80.28 billion by 2032, a significant jump from US$35.92 billion recorded in 2023. Recognising these opportunities, the Group has been actively expanding its global customer base within the medical sector while strengthening its capabilities to meet the industry's evolving requirements. Strategic investments and development in cutting-edge manufacturing technologies and process automation have positioned the Group to capitalise on the segment's long-term growth potential.

After two years of dominating the Group's revenue since 2022, the Group faced a pronounced slowdown in demand from the automotive component customers. This fast-paced deceleration stemmed from a combination of macroeconomic challenges, policy uncertainties and shifting market sentiment in 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. As a result, revenue from the automotive segment, which accounted for 22.9% of the Group's total revenue for the year under review, experienced a significant year-on-year decline of 56.6%. The pullback in demand 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. Throughout the year, the Group's automotive test solutions saw demand primarily from China (52.7%), followed by Malaysia (17.3%), Japan (6.6%), the United States (5.3%), Europe (4.2%) and Vietnam (1.5%).

After years of contraction, the Group's electro-optical segment rebounded and contributed approximately 13.0% of total Group's revenue during the year, up from 9.5% in the previous year. This growth reflected a double-digit jump of 23.6%, highlighting the segment's promising recovery. Overall, the growth of this segment was primarily driven by the increasing adoption of sophisticated smart sensors in mobile devices, as manufacturers sought 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. According to the latest Canalys research, the global smartphone market grew by 7.0% in 2024, marking a significant rebound in a saturated market that had experienced two consecutive years of decline. As convergence of consumer electronics and devices gaining greater traction in the world of AI, the demand for the Group's smart sensor test equipment becomes more evident and the Group remains well-positioned to capitalise on this accelerating trend.

The semiconductor segment's revenue contribution declined to 8.5% of the Group's total revenue, down from 15.0% in the previous year, primarily due to the industry's cyclical downturn with weak semiconductor capital expenditure recorded in 2023 and in first half of 2024. Following the surge in demand during the pandemic years (2020-2022), inventory normalisation has led to slower orders and a temporary revenue dip. While 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. Despite this temporary slowdown, the Group remains optimistic about long-term industry growth, driven mainly by increased process and production ramp-ups in new front-end fabs, alongside advancements in generative AI and high-performance computing. While post-pandemic normalisation was expected, the rapid evolution of digital technology, particularly AI, has reshaped the test handling market landscape. By leveraging these trends, the Group aims to strengthen its role in the evolving semiconductor ecosystem and expand its market opportunities in high-growth sectors.

The contribution from the Group's consumer and industrial products segment for the year remained at a single-digit level at 5.6%, a drop from 6.5% in 2023. This underscores persistent challenges within the segment amid global economic uncertainties including geopolitics, inflation and high interest environment. Despite the decline, the Group remains committed towards this business segment in potential recovery with the global trend of onshoring that will upend global supply chain dynamics towards automation.

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

By industry

For the year ended 31 December

	2024		2023	
	MYR'000	**%**	MYR'000	%
Medical	**311,013**	**50.0**	148,197	21.4
Automotive	**142,828**	**22.9**	329,392	47.6
Electro-Optical	**80,703**	**13.0**	65,315	9.5
Semiconductor	**52,923**	**8.5**	103,794	15.0
Consumer and industrial products	**34,966**	**5.6**	45,152	6.5
	622,433	**100.0**	691,850	100.0

Throughout the year, the Group's revenue was primarily driven by its top five shipment destinations: Malaysia, China (including Hong Kong), the United States, Singapore and Taiwan. Collectively, these key markets contributed approximately 93.8% of the Group's revenue in 2024, compared to 91.3% from the top five markets in 2023.

By shipment

For the year ended 31 December

	2024		2023	
	MYR'000	**%**	MYR'000	%
Malaysia	**348,402**	**56.0**	285,780	41.3
China	**126,009**	**20.2**	232,707	33.6
United States	**46,120**	**7.4**	15,331	2.2
Singapore	**39,337**	**6.3**	15,125	2.2
Taiwan	**24,264**	**3.9**	26,868	3.9
Philippines	**10,803**	**1.7**	5,475	0.8
Japan	**10,275**	**1.7**	13,136	1.9
India	**4,806**	**0.8**	2,072	0.3
Hungary	**3,899**	**0.6**	2,195	0.3
Vietnam	**2,748**	**0.5**	70,920	10.3
Others	**5,770**	**0.9**	22,241	3.2
	622,433	**100.0**	691,850	100.0

FINANCIAL REVIEW

Revenue

During the year, the ATE segment experienced a significant revenue decline of 50.4% due to macroeconomic factors, particularly within the semiconductor – automotive segments. However, this downturn was offset by the strong performance of the FAS segment, which surged by 66.1%. As a result, the Group's total revenue for the year stood at MYR622.4 million, reflecting a 10.0% decrease from the previous year. Notably, this marked a historic significant shift in revenue distribution between the ATE and FAS segments where in 2024, the FAS segment contributed 63.9% of the Group's revenue, surpassing the ATE segment for the first time, which accounted for the remaining 36.1%. In 2023, the ATE segment accounted for 65.4% of the Group's revenue while the FAS segment contributed 34.6%.

The below outlined the revenue of the respective operating segments, which includes elements of the inter-segment transactions during the year.

	Revenue		
	2024	2023	Fluctuation
	MYR'000	MYR'000	%
ATE			
External customers	**224,390**	452,254	-50.4%
Inter-segment revenue	**9,929**	538	
Total revenue	**234,319**	452,792	
FAS			
External customers	**398,043**	239,596	66.1%
Inter-segment revenue	**7,328**	15,943	
Total revenue	**405,371**	255,539	

ATE segment

In 2024, the Group's ATE segment experienced a 50.4% year-on-year decline, with revenue dropping from MYR452.3 million in 2023 to MYR224.4 million. This contraction was largely driven by a slowdown in the semiconductor – automotive sector. The automotive segment, which accounted for 59.3% of the ATE segment's revenue in 2024, witnessed a sharp 59.0% decline in 2024 that has significantly impacted the overall performance of the ATE segment. While sales of electric cars are increasing globally, they remain significantly concentrated in just a few major markets. According to the International Energy Agency (IEA), in 2023, nearly 60.0% of new electric car registrations were in China, around 25.0% in Europe and 10.0% in the United States – corresponding to nearly 95.0% of global electric car sales combined. While the long-term growth outlook for EV adoption remains strong, the short to near-term softness has resulted in a more cautious industry-wide investment approach. However, the Group remains committed to supporting its automotive customers, leveraging its comprehensiveness in a wide-ranging testing solutions to address the industry's evolving needs. As market conditions stabilise and policy clarity improves, the automotive and EV segments are expected to rebound, setting the stage for renewed growth in the ATE segment.

The Group's semiconductor segment accounted for approximately 15.8% of the ATE segment's revenue in 2024, down from 21.7% in the previous year, reflecting broader industry challenges. The semiconductor sector remained highly cyclical and the current downturn was driven by weaker-than-expected demand recovery in key markets like consumer electronics and automotive.

On the contrary, after two consecutive years of contraction, the electro optical segment within the ATE segment rebounded strongly in 2024, with revenue growth climbing to 24.1% in 2024, a significant increase from 6.4% in 2023 which was a commendable double-digit increase of 87.5%. This strong recovery was primarily driven by increased demand for the Group's flagship smart sensor test equipment, spurred by the adoption of upgraded ambient light sensors and other new sensors in smartphones and other consumer devices. With advanced optoelectronic features becoming more prevalent, the Group is strategically positioned to leverage this growing momentum.

Despite the challenges faced in 2024, the Group remains steadfast in its commitment to industry leadership and staying ahead in a competitive landscape. While macroeconomic pressures and sector-specific headwinds impacted the ATE segment, the increasing need for more customised and sophisticated test handling equipment and solutions provide encouraging signs for recovery and future growth within the segment, particularly in the advancement of complex test and assembly equipment catering to the AI market.

FAS segment

The FAS segment has shown continuous double-digit growth in the last four years. During the year under review, this segment has emerged as the Group's primary revenue driver with a contribution rate of 63.9% to the Group's total revenue. Revenue from the FAS segment grew by 66.1% to record MYR398.0 million in 2024, from MYR239.6 million in 2023. This remarkable growth set a new record and further solidified the segment's contribution to the Group's overall performance.

The growth momentum of the FAS segment was generally propelled by the strong demand for the Group's proprietary fully automated i-ARMS (intelligent Automated Robotic Manufacturing System), particularly in the medical industry segment which continued to be the leading contributor within the FAS segment with its share of revenue expanded to 78.1% from 61.9% last year. Besides the medical segment, demand for the Group's i-ARMS solutions from the consumer and industrial products segment and electro-optical segment contributed 8.3% and 6.7% respectively to the FAS business segment during the year.

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 continue its upward trajectory, reinforcing its role as a key driver of the Group's long-term growth and sustained business strategy.

Gross margin

During the year, the Group's gross profit was constrained by several factors. The ATE segment experienced ongoing softness and a contraction in sales volume while higher employee expenses and provisions for slow-moving inventories further weighed on gross profit performance. These factors collectively led to an overall decline of 14.2% in gross profit compared to the previous year.

Despite these headwinds, the impact on the ATE segment's gross margin was partially balanced by the strong performance of the FAS segment which achieved margin growth driven by improved economies of scale during the year. As a result, the Group was able to maintain a relatively stable and consistent gross margin, ranging between 28.1% and 29.7% across all four quarters in 2024.

Looking ahead, the Group is committed to proactively leveraging on emerging technologies, high margin product solutions and diversifying its market presence to enhance margins and strengthen its long-term competitiveness.

Other income

Other income mainly comprised of the movement arising from foreign exchange, interest income and miscellaneous income. During the year, the amount was mainly contributed by the bank interest income of MYR10.2 million and miscellaneous income of MYR0.5 million, as compared to MYR10.0 million and MYR0.9 million recorded respectively in 2023. There were no elements of foreign exchange gain captured under other income during the year.

Comparatively, in 2023, there was a gain of MYR6.9 million from changes in fair value of foreign currency forward contracts ("derivative gain") where such gain was offset by a loss on foreign exchange of MYR18.6 million recorded under the Group's administrative expenses, resulting effectively in a net foreign exchange loss of approximately MYR11.7 million in 2023.

Administrative expenses

Administrative expenses of the Group mainly comprised of the movement arising from foreign exchange, research and development cost, professional fees, administrative staff cost and certain maintenance cost. During the year, administrative expenses decreased by MYR6.3 million from MYR76.2 million in 2023 to MYR69.9 million. This was mainly due to the following factors:

(i) lower administrative staff cost of MYR27.1 million during the year (2023: MYR32.0 million) due to the decrease in staff incentive and employee benefit expenses; and

(ii) the amount of foreign exchange loss captured under the administrative expenses during the year as compared to 2023. In 2024, an overall foreign exchange loss of MYR11.7 million was recorded under the administrative expenses arising from the loss from changes in fair value of foreign currency forward contracts ("derivative loss") and loss on foreign exchange, as compared to the foreign exchange loss of MYR18.6 million recorded in 2023. The loss on foreign exchange during the year was attributed to the depreciation of the U.S. dollar against the MYR as of the reporting date. The dollar volatility was largely influenced by the Federal Reserve's monetary policy and the subsequent Unted States presidential election that has adversely impacted the Group's foreign exchange exposure.

The above decrease in administrative expenses were partially offset by:

(i) higher incurrence of the research and development cost of the single-use medical devices amounting to MYR15.1 million during the year (2023: MYR10.6 million); and

(ii) higher amount of professional fees of MYR2.7 million incurred during the year (2023: MYR1.6 million). The increase in professional fees was partly due to certification fees including those for the related technical and clinical documentation reviews required for the conformity assessment of single-use medical devices.

Profit for the year

Profit for the year stood at MYR107.1 million, a decrease of 24.7% from MYR142.2 million in 2023. The decline was driven by lower revenue from the ATE segment, higher provisions made for inventories and trade receivables as well as increased research and development expenses. Excluding the net provisions made, the Group's core earnings stood at MYR115.5 million (2023: MYR141.7 million). Accordingly, the Group's EBITDA (earnings before interest, tax, depreciation and amortisation) for 2024 stood at MYR128.2 million as compared to MYR158.7 million recorded in 2023, representing a decrease of 19.2%. Basic earnings per share declined from 5.97 sen in 2023 to 4.51 sen in 2024.

Liquidity, financial resources and capital structure

During the year, the Group continued to generate a notable amount of net cash from operations totalling MYR140.0 million, although this marked a decrease from MYR216.8 million recorded in the previous year. With that, the Group closed its position of cash and cash equivalents as of 31 December 2024 at MYR298.0 million (2023: MYR395.8 million) with no bank borrowings.

Simultaneously, the Group continued to maintain a healthy working capital of MYR412.2 million as of 31 December 2024, as compared to MYR502.9 million reported in the corresponding period of 2023. Leveraging its current financial standing, the Group successfully funded internally the construction of its Campus 3 production facility amounting to MYR261.5 million as at the reporting date.

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.

Contingent liabilities

As at 31 December 2024, the Group had no material contingent liabilities.

PROSPECTS

"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.

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.

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 handing 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 the Company, 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.

EMPLOYEES AND REMUNERATION

The Company recognises its employees as one of the Group's most important assets. The Company 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 31 December 2024, the total number of full time employees of the Group increased to 958 (31 December 2023: 920).

FINAL DIVIDEND

The Board does not recommend any final dividend for the year ended 31 December 2024 (31 December 2023: HK$0.02 per share).

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 ("Listing"). The proceeds (net of listing expenses) from the Listing were approximately HK$171.3 million (equivalent to approximately MYR92.6 million) and these net proceeds have been fully utilised as at 31 December 2024.

Use of net proceeds	Amount of net proceeds earmarked		Use of proceeds from the Listing Date up to 31 December 2024	Unutilised amount as at 1 January 2024	Unutilised amount as at 31 December 2024	Unutilised proportion as at 31 December 2024
	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	15.3	0.5	–	–
Marketing, branding and promotional activities	3.1	1.7	1.7	–	–	–
Working capital	17.1	9.2	9.2	–	–	–
Total	171.3	92.6	92.6	0.5	–	–

CORPORATE GOVERNANCE

The Company has complied with all the applicable provisions of the Corporate Governance Code (the "CG Code") as set out in Part 2 of Appendix C1 of the Listing Rules during the year and up to the date of this announcement. 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 separated 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 mentioned in the interim report of the Company for the six months ended 30 June 2024 published on 12 September 2024 (the "Interim 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 "Corporate Governance" in the Interim Report.

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 Scheme, pursuant to the terms of the rules and trust deed of the Scheme, purchased on the Stock Exchange a total of 21,486,629 Shares at a total consideration of approximately HK$14.2 million (equivalent to approximately MYR8.0 million) during the year ended 31 December 2024. The Company does not have any treasury shares (as defined under the Listing Rules) as at 31 December 2024.

IMPORTANT DETAILS AFTER END OF 2024

There is no material subsequent event undertaken by the Company or by the Group after 31 December 2024 and up to the date of this announcement except for the following events:

(i) On 19 December 2024, the Company announced the proposal to privatise Pentamaster International Limited, the proposed withdrawal of listing on the Stock Exchange, the proposed special dividend and the formation of an Independent Board Committee (the "Proposal"). The Company will declare a special dividend of HK$0.07 per share, totalling HK$60,651,501, which is subject to the approval at an extraordinary general meeting to be held after the reporting date and contingent upon the scheme becoming effective;

(ii) On 6 January 2025, the Company announced the appointment of Quam Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee on the Proposal; and

(iii) On 5 February 2025, the Company announced that the scheme document, together with the notices of the Court Meeting and the EGM, was despatched to shareholders of the Company.

For the details, please refer to the Company's announcements dated 19 December 2024, 6 January 2025, 9 January 2025, 5 February 2025 and the circular dated 5 February 2025 (the "Announcements and Circular"). The above terms used shall have the same meanings as those defined in the Announcements and Circular.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct for 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 year 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 FINANCIAL STATEMENTS

The Audit Committee has reviewed the financial statements with the management of the Company and the Group's auditor, Grant Thornton Hong Kong Limited (the "Auditor"), including the accounting principles and policies, the financial information and the annual results announcement of the Company for the year ended 31 December 2024.

SCOPE OF WORK OF THE AUDITOR

The figures as set out in the preliminary announcement in respect of the Group's results for the year ended 31 December 2024 have been agreed by the Auditor, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Auditor on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement will be published on the website of the Stock Exchange *(www.hkexnews.hk)* and the website of the Company *(www.pentamaster.com)* respectively. The annual report for the year ended 31 December 2024 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.

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

Hong Kong, 25 February 2025

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.