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 2019

ANNUAL RESULTS

The board (the "Board") of directors ("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 2019 ("FY2019"), together with the comparative figures for the year ended 31 December 2018 ("FY2018") *(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 2018 annual report of the Company ("Annual Report").

FINANCIAL HIGHLIGHTS

For the year ended 31 December	**2019**	2018
	MYR'000	MYR'000
Revenue	**487,088**	417,098
Gross profit	**179,054**	136,221
Profit for the year	**131,381**	100,009
Adjusted profit for the year	**131,381**	101,755
Earnings per share (sen)		
Basic and diluted	**8.21**	6.29

- Revenue of the Group was MYR487.1 million, representing an increase of 16.8% over the preceding year.

- Adjusted profit for the year stood at MYR131.4 million, representing an increase of 29.1% over the preceding year.

- Cash and cash equivalents of MYR304.0 million as at 31 December 2019 against MYR217.7 million in the preceding year.

- The Board recommends the payment of a final dividend of HK$0.015 per share in respect of the year ended 31 December 2019 subject to approval of the shareholders of the Company at the forthcoming annual general meeting of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2019

	Notes	**2019** **MYR'000**	2018 MYR'000
Revenue	*4*	**487,088**	417,098
Cost of goods sold		**(308,034)**	(280,877)
Gross profit		**179,054**	136,221
Other income	*5*	**14,332**	6,522
Distribution costs		**(7,201)**	(4,426)
Administrative expenses		**(45,874)**	(32,552)
Other operating expenses		**(211)**	(145)
Operating profit		**140,100**	105,620
Finance costs		**(186)**	(188)
Share of results of an associate		**(734)**	(66)
Profit before taxation	*6*	**139,180**	105,366
Taxation	*7*	**(7,799)**	(5,357)
Profit and total comprehensive income for the year attributable to owners of the Company		**131,381**	100,009
Earnings per share attributable to owners of the Company (sen)			
Basic and diluted	*9*	**8.21**	6.29

Note: The Group has initially applied IFRS 16 effective from 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

	Notes	2019 MYR'000	2018 MYR'000
ASSETS			
Non-current assets			
Property, plant and equipment		**78,088**	64,034
Leasehold land		**7,476**	7,621
Goodwill		**4,495**	–
Intangible assets		**30,985**	1,697
Interest in an associate		**4,062**	3,046
Other receivables, deposits and prepayments	*11*	**21,461**	–
		146,567	76,398
Current assets			
Inventories		**59,458**	138,115
Trade receivables	*10*	**61,692**	48,701
Other receivables, deposits and prepayments	*11*	**4,253**	16,212
Amount due from ultimate holding company		**2**	–
Amount due from a fellow subsidiary		**6**	–
Derivative financial assets		**2,395**	–
Tax recoverable		**29**	816
Cash and cash equivalents		**303,955**	217,705
		431,790	421,549
Total assets		**578,357**	497,947

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

as at 31 December 2019

	Notes	2019 MYR'000	2018 MYR'000
EQUITY AND LIABILITIES			
EQUITY			
Share capital	*15*	**8,054**	8,054
Reserves		**430,869**	312,325
Total equity		**438,923**	320,379
LIABILITIES			
Current liabilities			
Trade payables	*12*	**31,478**	38,378
Other payables, accruals and provisions	*13*	**40,023**	21,915
Contract liabilities	*14*	**49,559**	99,092
Amount due to ultimate holding company		**–**	8,207
Amount due to a fellow subsidiary		**–**	6
Derivative financial liabilities		**–**	4,810
Finance lease liabilities		**–**	36
Bank borrowing		**3,362**	3,680
Provision for taxation		**1,968**	1,156
		126,390	177,280
Non-current liabilities			
Deferred income		**2,072**	288
Other payables, accruals and provisions	*13*	**5,598**	–
Deferred tax liabilities		**5,374**	–
		13,044	288
Total liabilities		**139,434**	177,568
Total equity and liabilities		**578,357**	497,947

Note: The Group has initially applied IFRS 16 effective from 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2019

	Equity attributable to owners of the Company					
	Share capital MYR'000	**Share premium MYR'000**	**Capital reserve MYR'000**	**Retained profits MYR'000**	**Proposed final dividends MYR'000**	**Total equity MYR'000**
As at 1 January 2018	1	–	44,477	82,903	–	127,381
Profit and total comprehensive income for the year	–	–	–	100,009	–	100,009
Transactions with owners:						
Issuance of share capital pursuant to the Share Offer	967	92,022	–	–	–	92,989
Issuance of share capital pursuant to the Capitalisation Issue	7,086	(7,086)	–	–	–	–
Total transactions with owners	8,053	84,936	–	–	–	92,989
2018 final dividends proposed	–	–	–	(12,433)	12,433	–
As at 31 December 2018 and 1 January 2019	8,054	84,936	44,477	170,479	12,433	320,379
Profit and total comprehensive income for the year	–	–	–	131,381	–	131,381
2018 final dividend declared	–	–	–	(404)	(12,433)	(12,837)
2019 final dividends proposed	–	–	–	(13,032)	13,032	–
As at 31 December 2019	**8,054**	**84,936**	**44,477**	**288,424**	**13,032**	**438,923**

Note: The Group has initially applied IFRS 16 effective from 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2019

	2019 MYR'000	2018 MYR'000
Cash flows from operating activities		
Profit before taxation	**139,180**	105,366
Adjustments for:		
Amortisation of intangible assets	**755**	960
Amortisation of leasehold land	**145**	83
Deferred income released	**(252)**	(131)
Depreciation	**3,536**	2,456
Gain on disposal of property, plant and equipment	**(14)**	–
(Gain)/Loss from changes in fair value of foreign currency forward contracts	**(7,205)**	5,271
Interest expense	**186**	188
Bank interest income	**(6,743)**	(1,981)
Inventory written downs – addition	**2,497**	176
Inventory written downs – reversal	**(435)**	(21)
Bad debts recovery	**–**	(6)
Expected credit loss ("ECL") allowance on trade receivables	**3,019**	–
Property, plant and equipment written off	**3**	–
Provision for warranty – current year	**866**	736
Provision for warranty – reversal	**(736)**	(444)
Share of results of an associate	**734**	66
Unrealised loss/(gain) on foreign exchange	**2,803**	(8,322)
Operating profit before working capital changes	**138,339**	104,397
Decrease/(Increase) in inventories	**95,398**	(16,729)
Increase in receivables	**(15,106)**	(22,561)
(Decrease)/Increase in payables	**(21,331)**	27,764
Decrease in contract liabilities	**(49,533)**	(16,939)
Net change in a fellow subsidiary's balance	**(12)**	(549)
Cash generated from operations	**147,755**	75,383
Interest paid	**(186)**	(188)
Tax paid	**(7,141)**	(5,619)
Tax refunded	**954**	81
Net cash from operating activities	**141,382**	69,657

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

for the year ended 31 December 2019

	2019	2018
	MYR'000	MYR'000
Cash flows from investing activities		
Bank interest received	**6,743**	1,981
Acquisition of a subsidiary, net of cash acquired	**(15,379)**	–
Proceeds from disposal of property, plant and equipment	**25**	–
Purchase of intangible assets	**(7,650)**	(1,725)
Purchase of property, plant and equipment	**(13,966)**	(28,281)
Investment in an associate	**(1,750)**	(2,100)
Net cash used in investing activities	**(31,977)**	(30,125)
Cash flows from financing activities		
Proceed from issuance of share capital, net	**–**	92,989
Repayment to ultimate holding company	**(8,209)**	(2,592)
Repayment of term loan	**(318)**	(320)
Repayment of finance lease liabilities	**(36)**	(138)
Dividends paid to owners of the Company	**(12,837)**	–
Net cash (used in)/from financing activities	**(21,400)**	89,939
Net increase in cash and cash equivalents	**88,005**	129,471
Cash and cash equivalents at the beginning of the year	**217,705**	81,643
Effect of foreign exchange rate changes	**(1,755)**	6,591
Cash and cash equivalents at the end of the year	**303,955**	217,705

Note: The Group has initially applied IFRS 16 effective from 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated.

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.

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 equipment and (ii) designing, development and installation of integrated factory automation solutions (the "Listing Businesses"). The acquisition of TP Concept Sdn. Bhd. ("TP Concept") during the year is in line with the Group's strategy to increase its medical sector exposure in the Greater China region.

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. As at 31 December 2019, the Directors regard PCB as the ultimate holding company.

2. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

These annual consolidated financial statements 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").

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 2019:

IFRS 16	Leases
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRSs	Annual Improvements to IFRSs 2015-2017 Cycle
IFRIC – Int 23	Uncertainty over Income Tax Treatments

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.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(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.

(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.

Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform[1]
Amendments to IAS 1 and IAS 8	Definition of Material[1]
IFRS 17	Insurance Contracts[2]
Amendments to IAS 1	Classification of Liabilities As Current or Non–current[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to IFRS 3	Definition of a Business[5]

1 Effective for annual periods beginning on or after 1 January 2020

2 Effective for annual periods beginning on or after 1 January 2021

3 Effective for annual periods beginning on or after 1 January 2022

4 Effective date not yet determined

5 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

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") (Previously known as automated equipment):	Designing, development and manufacturing of standard and non-standard automated equipment.
(ii)	Factory automation solutions ("FAS") (Previously known as automated manufacturing solution):	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".

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.

3. **SEGMENT INFORMATION (Continued)**

Results for the year ended 31 December 2019

	Automated test equipment MYR'000	Factory automation solutions MYR'000	Adjustment MYR'000	*Note*	Total MYR'000
Year ended 31 December 2019					
Revenue					
External customers	422,488	64,600			487,088
Inter-segment revenue	8,734	19,711	(28,445)	*(i)*	–
Total revenue	431,222	84,311			487,088
Results					
Segment results	128,758	8,334	(3,735)		133,357
Interest income	6,313	430			6,743
Interest expense	(186)	–			(186)
Share of results of an associate	–	–	(734)		(734)
Profit before taxation	134,885	8,764			139,180
Taxation	(7,755)	(44)			(7,799)
Profit for the year	127,130	8,720			131,381

3. SEGMENT INFORMATION (Continued)

Results for the year ended 31 December 2018

	Automated test equipment MYR'000	Factory automation solutions MYR'000	Adjustment MYR'000	*Note*	Total MYR'000
Revenue					
External customers	337,884	79,214			417,098
Inter-segment revenue	10,814	7,188	(18,002)	*(i)*	–
Total revenue	348,698	86,402			417,098
Results					
Segment results	93,812	8,917	910		103,639
Interest income	1,908	73			1,981
Interest expense	(188)	–			(188)
Share of results of an associate	–	–	(66)		(66)
Profit before taxation	95,532	8,990			105,366
Taxation	(5,335)	(22)			(5,357)
Profit for the year	90,197	8,968			100,009

Note to segment information:

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

3. SEGMENT INFORMATION (Continued)

Geographical Information

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

	2019	2018
	MYR'000	MYR'000
Singapore	**257,512**	243,782
Taiwan	**68,670**	19,780
China	**39,123**	44,709
Japan	**31,026**	17,398
Malaysia	**26,421**	26,995
Republic of Ireland	**18,653**	31,659
Philippines	**18,205**	2,065
United States	**9,320**	22,605
Germany	**8,126**	1,772
Others	**10,032**	6,333
	487,088	417,098

4. REVENUE

4.1 Revenue

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

	2019	2018
	MYR'000	MYR'000
Invoiced value of goods sold less returns and discounts	**479,068**	410,650
Service rendered	**8,020**	6,448
	487,088	417,098

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 customers' segment for both the ATE segment and FAS segment:

	2019	2018
	MYR'000	MYR'000
ATE		
- Telecommunications	**319,674**	258,723
- Semiconductor	**32,309**	37,857
- Automotive	**44,958**	30,002
- Consumer and industrial products	**25,547**	9,844
- Medical devices	**–**	24
- Others	**–**	1,434
	422,488	337,884
FAS		
- Telecommunications	**17,720**	45,698
- Automotive	**25,461**	15,837
- Consumer and industrial products	**10,951**	11,502
- Semiconductor	**2,185**	3,371
- Medical devices	**8,283**	1,397
- Others	**–**	1,409
	64,600	79,214
	487,088	417,098
Timing of revenue recognition		
- At a point in time	**487,088**	417,098

5. OTHER INCOME

	2019	2018
	MYR'000	MYR'000
Bank interest income	**6,743**	1,981
Deferred income released	**252**	131
Bad debts recovery	**–**	6
Net gain on foreign exchange	**–**	3,970
Gain on disposal of property, plant and equipment	**14**	–
Gain from changes in fair value of foreign currency forward contracts	**7,205**	–
Rental income from operating leases	**89**	302
Others	**29**	132
	14,332	6,522

6. PROFIT BEFORE TAXATION

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

	2019	2018
	MYR'000	MYR'000
Amortisation of intangible assets	**755**	960
Amortisation of leasehold land	**145**	83
Auditor's remuneration	**476**	429
Deferred income released	**(252)**	(131)
Depreciation	**3,536**	2,456
ECL allowance on trade receivables	**3,019**	–
(Gain)/Loss from changes in fair value of foreign currency forward contracts	**(7,205)**	5,271
Gain on disposal of property, plant and equipment	**(14)**	–
Inventory written downs to net realisable value		
– current year	**2,497**	176
– reversal	**(435)**	(21)
Net loss/(gain) on foreign exchange	**5,370**	(3,970)
Lease charges of short term leases and leases with lease term shorter than 12 months as at initial application of IFRS 16 (2018: Operating lease charges)		
– hostel	**783**	880
– office	**153**	75
Property, plant and equipment written off	**3**	–
Provision for warranty		
– current year	**866**	736
– reversal	**(736)**	(444)
Listing expenses	**–**	1,746

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 2019 (2018: 24%) on the estimated chargeable income arising in Malaysia.

	2019	2018
	MYR'000	MYR'000
Malaysian income tax		
Current tax	**(7,730)**	(5,446)
(Under)/Over provision in prior years	**(58)**	92
	(7,788)	(5,354)
Overseas income tax		
Current tax	**(11)**	(3)
	(7,799)	(5,357)

8. DIVIDENDS

	For the year ended 31 December	
	2019	2018
	MYR'000	MYR'000
Dividend proposed of HK$0.015 (2018: HK$0.015) per Share	**13,032**	12,433

The aforesaid dividend was proposed by the Directors at a meeting held on 27 February 2020 and is subject to approval by the shareholders of the Company at the forthcoming annual general meeting of the Company.

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:

	2019	2018
	MYR'000	MYR'000
Earnings		
Profit for the year attributable to owners of the Company	**131,381**	100,009
Number of shares		
Weighted average number of ordinary shares	**1,600,000,000**	1,591,057,534

10. TRADE RECEIVABLES

	2019	2018
	MYR'000	MYR'000
Trade receivables	**64,711**	48,701
Less: ECL allowance	**(3,019)**	–
	61,692	48,701

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

	2019	2018
	MYR'000	MYR'000
0-30 days	**18,147**	3,553
31-60 days	**11,668**	3,708
61-90 days	**6,654**	10,448
91-180 days	**10,336**	15,077
181-270 days	**4,720**	10,352
Over 270 days	**10,167**	5,563
	61,692	48,701

10. TRADE RECEIVABLES (Continued)

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

	2019	2018
	MYR'000	MYR'000
Balance at the beginning of the year	**–**	106
ECL allowance	**3,019**	–
Written off	**–**	(106)
Balance at the end of the year	**3,019**	–

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2019	2018
	MYR'000	MYR'000
Other receivables	**20**	43
Refundable deposits	**23,106**	1,396
Non-refundable deposits (note (i))	**1,738**	9,023
Prepayments	**490**	420
Goods and services tax claimable	**360**	5,330
	25,714	16,212
Less: non-current portion		
Deposits (note (ii))	**(21,461)**	–
Current portion	**4,253**	16,212

Notes:

(i) Non refundable deposits are mainly for deposits paid to suppliers for purchase of raw materials and machines.

(ii) The balance represented a potential investment in a manufacturing company in Taiwan, which is subject to certain conditions.

12. TRADE PAYABLES

The normal credit terms granted by trade payables range from 30 to 150 days (2018: 30 to 120 days). Based on the invoice date, the ageing analysis of trade payables is as follows:

	2019	2018
	MYR'000	MYR'000
0-30 days	**17,422**	17,379
31-60 days	**9,556**	17,692
61-90 days	**3,752**	2,034
91-120 days	**403**	907
Over 120 days	**345**	366
	31,478	38,378

Included in trade payables were amounts due to the Group's associate of MYR87,000 (2018: Nil). The outstanding balances were trading in nature and had credit period of 90 days (2018: Nil).

13. OTHER PAYABLES, ACCRUALS AND PROVISIONS

	2019	2018
	MYR'000	MYR'000
Other payables	**1,610**	1,831
Amounts due to former shareholders of a subsidiary (note (i))	**5,500**	–
Consideration payables related to acquisition of a subsidiary (note (ii))	**11,393**	–
Accruals	**26,252**	19,348
Provision for warranty	**866**	736
	45,621	21,915
Less: non-current portion		
Consideration payables related to acquisition of a subsidiary (note (ii))	**(5,598)**	–
Current portion	**40,023**	21,915

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 during the financial year. The consideration is payable subject to the subsidiary achieving certain performance milestones and will be settled in 2020 and 2021.

14. CONTRACT LIABILITIES

	2019	2018
	MYR'000	MYR'000
Contract liabilities arising from receiving deposits of manufacturing orders	**49,559**	99,092

Notes:

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

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

15. SHARE CAPITAL

	2019		2018	
	Number of shares	**MYR'000**	Number of shares	MYR'000
Authorised:				
Ordinary shares of HK$0.01 each as at 1 January	**5,000,000,000**	**26,052**	5,000,000,000	26,052
As at 31 December	**5,000,000,000**	**26,052**	5,000,000,000	26,052
Issued and fully paid:				
As at 1 January	**1,600,000,000**	**8,054**	238,096	1
Issuance of share capital pursuant to the Share Offer (note (i))	**–**	**–**	192,000,000	967
Issuance of share capital pursuant to the Capitalisation Issue (note (i))	**–**	**–**	1,407,761,904	7,086
As at 31 December 2019	**1,600,000,000**	**8,054**	1,600,000,000	8,054

15. SHARE CAPITAL (Continued)

Note:

(i) On 18 January 2018, 192,000,000 ordinary shares of HK$0.01 each of the Company were allotted and issued at a price of HK$1 per share in relation to the public offer and placing ("Share Offer").

The proceeds of HK$1,920,000 (or MYR966,528) represents the par value of the shares of the Company, were credited to the Company's share capital. The remaining proceeds of HK$190,080,000 (or MYR95,686,272), before issuing expenses, were credited to the Company's share premium account. The shares allotted and issued rank pari passu with the then existing issued shares in all respects.

Pursuant to the written resolutions of the shareholder passed on 19 December 2017, subject to the share premium account of the Company being credited as a result of the Share Offer, the Directors were authorised to allot and issue a total of 1,407,761,904 shares credited as fully paid at par by way of capitalisation of the sum of HK$14,077,619 (or MYR7,086,673) standing to the credit of the share premium account of the Company ("Capitalisation Issue"). The Capitalisation Issue was completed on 19 January 2018. The shares allotted and issued rank pari passu in all respects with the then existing issued shares.

16. EVENTS AFTER THE REPORTING DATE

The outbreak of novel coronavirus (COVID-19) continues to spread throughout China and to countries across the world.

The COVID-19 has certain impact on the business operations of the Group in particular the supply chain from China as well as the delivery and buy-off process of machineries to certain degree, and the degree of the impact depends on the situation of the epidemic preventive measures and the duration of the epidemic.

The Group will monitor the developments of COVID-19 situation closely, assess and react actively to its impacts on the financial position and operating results of the Group. Up to the date of the report, the assessment is still in progress.

Given the dynamic nature of these circumstances, the related impact on our Group's consolidated results of operations, cash flows and financial condition could not be reasonably estimated at this stage and will be reflected in the Group's 2020 interim and annual financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Riding on the momentum and achievements of the past three years, 2019 was yet another solid year of progress where the Group achieved another milestone in delivering a strong set of financials. The Group's revenue recorded a new height at MYR487.1 million, representing a 16.8% growth year-on-year while its profit after taxation increased by 31.4% year-on-year to hit a historic record of MYR131.4 million during FY2019. The Group's consistent focus on its business strategies with its key strengths in designing and developing holistic automation and test solutions for its customers has enabled the Group to be well positioned in fulfilling and meeting the changing needs of the new decade of technology era. As global technology marketplace evolves, the Group with its constant and committed focus on research and development ("R&D") in customised test equipment and automation solutions is able to cater to a wider spectrum of industry segments which have demonstrated positive results.

During the year, the Group continued to witness encouraging progress from the execution of its strategies to diversify its revenue base and exposure to other segments by penetrating more key premium customers particularly in the area of automotive, consumer and industrial products as well as the medical devices segments. These segments have contributed to a higher portion of the Group's revenue that resulted in a better product margin mix for the Group. Particularly, the Group has also aggressively pursued its diversification into the medical segment that witnessed the acquisition of TP Concept Sdn. Bhd. ("TP Concept") during FY2019, which is expected to contribute positively in the coming years. Acquisition of TP Concept would further add to the Group's progress in its organic approach for the medical segment in customising precision manufacturing automation which involves the Group's proprietary i-ARMS (intelligent automated robotic manufacturing system) solution that cater for its medical customers. Together with the TP Concept platform, the Group will continue to expand its exposure in the medical segment.

Besides the segmental diversification being one of the Group's three growth catalysts, the Group's upward movement along the technology value chain is also worthy of mention. In particular, the Group's exposure to vertical cavity surface emitting laser ("VCSEL") with its proprietary "ZETA" and "TROOPER" has received encouraging feedback and results from its potential customers. Additionally, the broadening exposure to the 3D sensor module, the third growth catalyst for the Group, has also witnessed the Group's development of a complete end-to-end assembling and test solutions covering customers in the telecommunications mobile segment.

To date, the Group is proud to have a dedicated management team and employees that have weathered the ups and downs with the Group in delivering such performance. Whilst challenges remain ahead, the Group's commitment towards human capital and its investment for skilled engineers and employees as part of its business strategy shall remain, guided by the Group's core value of integrity, commitment, innovation and dedication.

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

	2019		2018	
	MYR'000	**%**	MYR'000	%
Telecommunications	**337,394**	**69.3**	304,421	73.0
Automotive	**70,419**	**14.4**	45,839	11.0
Consumer and industrial products	**36,498**	**7.5**	21,346	5.1
Semiconductor	**34,494**	**7.1**	41,228	9.9
Medical devices	**8,283**	**1.7**	1,421	0.3
Others	**–**	**–**	2,843	0.7
	487,088	**100.0**	417,098	100.0

In line with the Group's business expansion plan into the Greater China Region (which includes Mainland China and Taiwan), the Group continued to strengthen its presence and deepen its penetration into this region during the year. Given that China is a dominant market for the global semiconductor equipment industry in the coming years, it will be of paramount importance for the Group to play a part in the supply chain opportunities in Greater China Region. Set out below is the revenue breakdown based on shipment destination where Singapore, Taiwan, China, Philippines and Malaysia were the top five shipment markets for the Group in 2019.

By shipment

For the year ended 31 December

	2019		2018	
	MYR'000	%	MYR'000	%
Singapore	**239,028**	49.1	243,136	58.3
Taiwan	**80,132**	16.4	19,830	4.8
China	**66,624**	13.7	80,113	19.2
Philippines	**32,105**	6.6	3,091	0.7
Malaysia	**27,242**	5.6	27,075	6.5
Thailand	**19,197**	3.9	3,566	0.8
Germany	**8,126**	1.7	1,772	0.4
United States	**6,221**	1.3	12,308	3.0
Japan	**3,431**	0.7	16,153	3.9
Republic of Ireland	**35**	0.0	6,741	1.6
Others	**4,947**	1.0	3,313	0.8
	487,088	100.0	417,098	100.0

FINANCIAL REVIEW

Revenue

Revenue of the Group grew by approximately 16.8% from MYR417.1 million in 2018 to MYR487.1 million in 2019, attaining another record for the Group since its inception. The double-digit growth was achieved amid the challenging environment of the macro front and was driven by the continuously improved contributions from the ATE segment which was partially offset by the slight decrease in revenue from the FAS segment. The ATE and FAS segments constituted approximately 86.7% and 13.3% of the total Group's revenue respectively.

	Revenue		
	2019	2018	Fluctuation
	MYR'000	MYR'000	%
ATE	**431,222**	348,698	23.7
FAS	**84,311**	86,402	(2.4)

ATE segment

In 2019, the ATE segment continued to contribute the larger portion of revenue and profit to the Group's results. During the year, the ATE segment grew at a double-digit rate of 23.7% to achieve a revenue of MYR431.2 million. With the global trade and technology war clouding global growth in 2019, such results from ATE segment is worth noting and commendable. The Group's unique business proposition has tapped into the continuous growth in the demand for smart sensors coupled with its evolving complexity and wider adoption rate across the telecommunications and automotive segments, leading to a demand-driven growth for the Group's smart device test handlers and solutions. Within the telecommunications sector, the Group witnessed delivery of a more diverse and complex portfolio covering, among others, test equipment as well as active alignment assembling equipment for 3D sensor modules encompassing lens, collimator and diffuser optics. These new ATE products and solutions further supplemented the continuous demand for the Group's flagship test solution in ambient and proximity sensors which are customised for the smartphones as well as its peripheral items.

While the telecommunications industry is still dominant within the ATE segment in terms of its revenue contribution, the Group has continuously endeavoured to diversify its revenue base to other segments, in particular, the automotive segment. During the year, the Group's exposure to the automotive segment had generated commendable contribution through the delivery of its test handling equipment mainly for MLCC (multilayer ceramic capacitors), IGBT (insulated-gate bipolar transistor), automotive power management and power devices. Moving forward, the momentum of the Group's exposure in the automotive industry is expected to grow based on the number of orders the Group secured from new global automotive component companies.

Taking into account the current trend where new generation devices typically have a higher turnover rate and shorter time-to-market, the demand for the Group's smart sensor test equipment and solutions remain robust in the coming year, notwithstanding the Group's increasing exposure to the consumer and industrial product segment that is showing positive momentum.

FAS segment

FAS segment experienced a slight decrease in contribution to the Group's results in FY2019 given the timing of project delivery for certain complex projects fell beyond the year end date. Revenue from this segment contracted slightly to MYR84.3 million in the financial year 2019 after chalking an impressive 75.6% growth rate in 2018. Nevertheless, the Group is positive in the FAS segment given the prevalence of Industry 4.0 and its advancement into the boundaries of artificial intelligence ("AI"). With the profound shortage of skilled workers, rise in labour costs and requirement for higher precision in manufacturing, the Group is witnessing strong potential and opportunities in various manufacturing stages covering production, procurement, storage and logistics with the aim to reduce the time-to-market interval. Against this backdrop, the Group is leveraging on its proprietary i-ARMS solutions in customising integrated automation solutions through its intelligent material handling system and sophisticated manufacturing execution system ("MES"). Within the year, the FAS segment has secured new customer in the Greater China region for its i-ARMS solutions for delivery in the coming financial year.

Post-acquisition of TP Concept, a company that is involved in the manufacturing and assembling of medical machines and manufacturing of die casting parts, the FAS segment will witness further growth and contribution from the medical segment. The acquisition presents a growing business segment that complements the Group's growth catalyst with positive synergy in value adding to the Group's current products and solutions.

The Group's establishment of the production plant in Batu Kawan, Penang took place at an opportune time to support the above opportunities of the FAS segment. The Group strongly believes on the growing needs for automation and with the current wave of AI and digitalisation, the FAS segment will be well positioned for the Group's growth prospects.

Gross margin

The Group's gross margin experienced continuous improvement to achieve 36.8% during the year as opposed to 32.7% in 2018. The improvement was primarily attributable to project scalability with repeat orders from the telecommunications segment as well as improved product margin mix secured from projects from a more diversified industry segments, such as the automotive, consumer and industrial products. Adding to the gross margin improvement was also the Group's upwards movement along the technology value chain in developing more complex test handling solutions for its customers in the telecommunications segment.

Other income

Other income of the Group increased from MYR6.5 million in 2018 to MYR14.3 million in 2019. This is mainly due to an increase in interest income by MYR4.8 million during the year as well as a gain from changes in fair value of foreign currency forward contracts of approximately MYR7.2 million recorded in 2019. The gain in the foreign currency forward contracts, arising mainly from the depreciation of U.S. dollar against MYR towards the end of the year, was offset by a net loss on foreign exchange of approximately MYR5.4 million as recorded under the administrative expenses during the year. This has resulted in a net gain of approximately MYR1.8 million recognised on the foreign exchange in 2019 (In 2018, the Group recorded a foreign exchange gain of approximately MYR4.0 million).

Administrative expenses

Administrative expenses of the Group mainly comprised of the movement arising from foreign exchange, professional fees and administrative staff cost. During the year, administrative expenses increased by MYR13.3 million from MYR32.6 million in 2018 to MYR45.9 million. This was mainly due to the following factors:

(i) higher administrative staff cost by MYR11.5 million during the year due to increase in staff incentive and remuneration;

(ii) allowance for doubtful debts of MYR3.0 million made during the year (2018: Nil); and

(iii) loss on foreign exchange of MYR5.4 million during the year while the Group recorded loss from changes in fair value of foreign currency forward contracts of MYR5.3 million in 2018.

The above increase in costs were partially offset by:

(i) non-recurring listing expenses of MYR1.7 million incurred in the first quarter of 2018 where there were no such expenses incurrence during the year.

The Group's sales and receivables were predominantly denominated in U.S. dollar. As part of the Group's treasury policy to manage its foreign exchange exposure, the Group entered into foreign exchange forward contracts to minimise the effects of adverse exchange rate fluctuations on its financials. During the year, the Group recorded a loss on foreign exchange of approximately MYR5.4 million under administrative expenses due to the depreciation of U.S. dollar against MYR towards the end of 2019. This loss was offset by a gain of MYR7.2 million from changes in fair value on foreign currency forward contracts recorded under other income. Effectively, the Group recorded a net gain on foreign exchange of approximately MYR1.8 million during the year.

Profit for the year

The Group recorded a net profit of MYR131.4 million, representing an increase of 29.1% as opposed to an adjusted net profit of MYR101.8 million achieved in 2018 after excluding the one-off listing expenses incurred in the first quarter of 2018. Accordingly, the Group's EBITDA (earnings before interest, tax, depreciation and amortisation) for 2019 stood at MYR143.8 million as compared to an adjusted EBITDA of MYR110.8 million recorded in 2018, representing an increase of 29.8%. Basic earnings per share rose from MYR6.29 sen in 2018 to MYR8.21 sen in 2019.

Liquidity, financial resources and capital structure

The Group's financial position continues to remain strong and liquid with a working capital of MYR316.6 million as at 31 December 2019 (31 December 2018: MYR244.3 million). Net cash generated from operations amounted to MYR141.4 million in 2019 as compared to MYR69.7 million in the previous year. Correspondingly, cash and cash equivalents increased from MYR217.7 million as at 31 December 2018 to MYR304.0 million as at 31 December 2019. The overall positive cash flow generated has been the result of the Group's continuous stringent credit policy adopted and maintained as well as healthier EBITDA being generated from operations. These surplus funds will continue to form part of the Group's working capital requirements going forward. As at 31 December 2019, the Group had available banking facilities of MYR19.5 million in the form of term loan and trade facilities, out of which the Group had utilised MYR3.4 million to partly finance the purchase of leasehold land for the Group's new production plant in Batu Kawan, Penang. As at 31 December 2019, the gearing ratio of the Group stood at 0.8% (31 December 2018: 3.7%). 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%.

Contingent liabilities

As at 31 December 2019, the Group had no material contingent liabilities.

PROSPECTS

Having continuously chalked record-breaking revenue and profit in the past four years, the Group has come a long way in achieving its current result. The Group will not rest on its laurels but will continue to strive and grow positively in the years to come, capitalising on its technical expertise and capabilities that it has built over the years. The Group generally possess an optimistic view of its business momentum in 2020 judging from the current trend and development coupled with its secured orders visibility. In light of the current macro situation that has gripped world economies since 2019, the Group believes technology trends and evolution will continue. The pervasive use of the Information and Communication Technology ("ICT") products in our daily life has led to what is now often referred to as the 4th Industrial Revolution. From internet and smartphones to blockchain technology and the AI, the whole of society seems ready and eager to embrace the latest innovations in the ICT realm. Applications such as 3D, AI, Industry 4.0, IoT (Internet of Things), autonomous cars, electric vehicle ("EV") and 5G have become the topics that gather most attention.

Coming into the new decade, the traditional business-as-usual will be overhauled with "Smart Everything" that will result in more people being connected, more global data knowledge to be synchronised and analysed and more robots and automation to challenge the social, political and economic landscape. It has been reported that cities across the world has started adopting 3D facial recognition as the identification process and that sales of EVs are expected to accelerate to account for 57.0% of total car sales mainly due to the tightening of emissions regulations. Meanwhile by 2030, 800 million global workforce will be replaced by robotic automation.

With such onset staring at us, the Group believes in continuously exploring, developing and challenging itself to be a key player in the technology supply chain as we head towards the next decade. The Group will continue to seek potential opportunities that will enhance the Group's value and move itself upwards along the technology value chain that could further solidify and increase its market share and propel the Group to the next growth phase.

From its current product and solution offerings, the Group continue to see huge market opportunities for it to deepen its involvement in the optoelectronics field, catering for a wider adoption of smart sensors in a broader product range and segments. From test handling to assembling, from smartphones to peripherals, from biosecurity to gaming devices, from motion detection to augmented reality, from telecommunications to automotive and to industrial products, the Group has gained exposure into these technology advancements and will continue to gain deeper traction.

Concurrently, the Group is also witnessing significant potential and development in its FAS segment with more and more companies adopting robotic automation as part of its manufacturing process. With precision, efficiency, productivity, big data and digitalisation, coupled with intermediate supply chain disruption such as trade diversion, the Group will continue to leverage on its strong track record and capabilities in furthering its market share and capturing opportunities across different industry segments. It has been reported by Boston Consulting Group that robotic automation share of tasks is expected to grow from the current average rate of 10% to 25% by 2025 in the United States and such share growth opportunity will be more profound in the Asia Pacific region.

It has been unfortunate and with deep sorrow that the world has witnessed the start of the year and decade with major catastrophes and developments, from Australia bush fires to the outbreak of the novel coronavirus (COVID-19) epidemic. While the Group is closely monitoring these developments closely, it remains steadfast in its business strategies and is committed in its Environment, Social and Corporate Governance (“ESG”) measures to ensure a long term sustainability of the Group’s businesses. The Group will continue to strengthen its ESG effort and play its vital role as a good corporate citizen.

Going forward, with the global economy facing a confluence of risks, the Group believes strongly in a solid foundation of its business guided by its core values and the importance of its employees that will bring it to the next growth phase. Barring any acute external market conditions and macroeconomic factors, the Company will continue to grow positively in the coming years and the Group will remain constructive in creating value and returns to its shareholders. Acknowledging the only thing that is constant is “Change”, the Group will develop organically as well as embarking on opportunities via acquisitions or collaborations that are synergistic to the Group going forward.

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. As at 31 December 2019, the total number of full time employees of the Group increased to 539 (31 December 2018: 503).

FINAL DIVIDEND

The Company has adopted a sustainable dividend policy, a copy of which was published on the Company's website on 27 February 2019. The Board, after considering the mid-to-short term working capital needs and cash on hand, recommends the payment of a final dividend of HK$0.015 (2018: HK$0.015) per share for the financial year ended 31 December 2019 subject to the approval of the shareholders of the Company at the forthcoming annual general meeting of the Company (the "AGM"). The proposed final dividend is expected to be paid to the shareholders of the Company on 29 May 2020.

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). 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 date of the Company's listing on 19 January 2018 (the "Listing Date") up to 31 December 2019 are as follows:

Use of net proceeds	Amount of net proceeds earmarked		Use of proceeds from the Listing Date up to 31 December 2019	Unutilised amount	Unutilised proportion	Notes
	HK$ 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	41.7	4.1	9.0	Note 1
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	3.7	11.6	75.8	Note 2
Marketing, branding and promotional activities	3.1	1.7	1.6	0.1	5.9	Note 3
Working capital	17.1	9.2	9.2	–	–	
Total	**171.3**	**92.6**	**76.8**	**15.8**	**17.1**	

Note 1: Majority of the proceeds had been utilised in 2018 and 2019 respectively. Out of the unutilised amount of MYR4.1 million as at 31 December 2019, an amount of MYR2.3 million had been utilised up the date of this announcement. The balance of the unutilised proceeds is expected to be utilised within the first half of 2020 subject to the completion status of the expansion of the existing production plant.

Note 2 and Note 3: 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.

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 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 A.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 2019 published on 24 September 2019 (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 during the year and up to the date of this announcement.

ANNUAL GENERAL MEETING

The forthcoming AGM will be held on Tuesday, 5 May 2020. Notice of AGM will be published and despatched in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlements to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 28 April 2020 to Tuesday, 5 May 2020, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Monday, 27 April 2020.

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Monday, 11 May 2020 to Thursday, 14 May 2020, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all transfer of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 8 May 2020.

IMPORTANT DETAILS AFTER END OF 2019

Save as disclosed elsewhere in this announcement, there is no material subsequent event undertaken by the Company or by the Group after 31 December 2019 and up to the date of this announcement.

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 2019.

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 2019 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 in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance 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–international-ltd.com*) respectively. The annual report for the year ended 31 December 2019 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

Malaysia, 27 February 2020

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.