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## **PENTAMASTER INTERNATIONAL LIMITED**

### **檳傑科達國際有限公司**

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

**(Stock Code: 1665)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024**

The board (the “Board”) of directors (the “Directors”) of Pentamaster International Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, “we”, “us”, “our” or the “Group”) for the six months ended 30 June 2024 (“1H2024”), together with the comparative figures for the six months ended 30 June 2023 (“1H2023”) (*expressed in Ringgit Malaysia “MYR”*). Such information should be read in conjunction with the prospectus of the Company dated 29 December 2017 (the “Prospectus”) and the annual report of the Company for the financial year ended 31 December 2023 published on 29 April 2024 (the “Annual Report”).

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

## FINANCIAL HIGHLIGHTS

<b>For the six months ended 30 June</b>	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>MYR'000</b>	<b>MYR'000</b>
Revenue	<b>342,054</b>	342,128
Gross profit	<b>97,921</b>	100,521
Profit for the period	<b>62,693</b>	71,871
Earnings per share (sen)		
Basic	<b>2.64</b>	3.02
Diluted	<b>2.63</b>	3.01

- Revenue of the Group achieved was MYR342.1 million, almost flat as compared to the corresponding period last year.
- Profit for the period stood at MYR62.7 million, representing a decrease of 12.8% over the corresponding period last year.
- Cash and cash equivalents stood at MYR350.7 million as at 30 June 2024 against MYR395.8 million as at 31 December 2023.
- The Board does not recommend any interim dividend in respect of the six months ended 30 June 2024.

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

FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2024

		Individual Quarter		Cumulative Year	
		3 Months Ended		Financial Period Ended	
		30/6/2024	30/6/2023	30/6/2024	30/6/2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<i>Notes</i>		MYR'000	MYR'000	MYR'000	MYR'000
<b>Revenue</b>	4	<b>171,324</b>	176,825	<b>342,054</b>	342,128
Cost of sales		<b>(123,265)</b>	(123,726)	<b>(244,133)</b>	(241,607)
<b>Gross profit</b>		<b>48,059</b>	53,099	<b>97,921</b>	100,521
Other income	5	<b>2,607</b>	7,391	<b>5,435</b>	4,412
Distribution costs		<b>(1,898)</b>	(2,243)	<b>(4,495)</b>	(4,354)
Administrative expenses		<b>(15,766)</b>	(19,263)	<b>(34,858)</b>	(27,631)
Other operating expenses		<b>(59)</b>	(38)	<b>(125)</b>	(101)
<b>Operating profit</b>		<b>32,943</b>	38,946	<b>63,878</b>	72,847
Share of results of associates		<b>(30)</b>	(324)	<b>(252)</b>	727
<b>Profit before taxation</b>	6	<b>32,913</b>	38,622	<b>63,626</b>	73,574
Taxation	7	<b>(445)</b>	(1,074)	<b>(933)</b>	(1,703)
<b>Profit for the period</b>		<b>32,468</b>	37,548	<b>62,693</b>	71,871
<b>Other comprehensive income, including reclassification adjustments</b>					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Exchange loss on translation of financial statements of foreign operations		<b>(63)</b>	(35)	<b>(5)</b>	(23)
<b>Profit and total comprehensive income for the period</b>		<b>32,405</b>	37,513	<b>62,688</b>	71,848

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT  
OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**  
FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2024

	<b>Individual Quarter</b>		<b>Cumulative Year</b>	
	<b>3 Months Ended</b>		<b>Financial Period Ended</b>	
	<b>30/6/2024</b>	30/6/2023	<b>30/6/2024</b>	30/6/2023
	<b>(Unaudited)</b>	(Unaudited)	<b>(Unaudited)</b>	(Unaudited)
<i>Notes</i>	<b>MYR'000</b>	MYR'000	<b>MYR'000</b>	MYR'000
<b>Profit for the period,</b>				
<b>attributable to:</b>				
Owners of the Company	<b>32,469</b>	37,548	<b>62,694</b>	71,871
Non-controlling interests	<b>(1)</b>	–	<b>(1)</b>	–
	<b><u>32,468</u></b>	<u>37,548</u>	<b><u>62,693</u></b>	<u>71,871</u>
<b>Profit and total comprehensive</b>				
<b>income for the period,</b>				
<b>attributable to:</b>				
Owners of the Company	<b>32,406</b>	37,513	<b>62,689</b>	71,848
Non-controlling interests	<b>(1)</b>	–	<b>(1)</b>	–
	<b><u>32,405</u></b>	<u>37,513</u>	<b><u>62,688</u></b>	<u>71,848</u>
<b>Earnings per share attributable</b>				
<b>to owners of the Company</b>				
<b>(sen):</b>				
Basic	<i>9</i>	<b>1.37</b>	1.58	<b>2.64</b>
Diluted	<i>9</i>	<b>1.36</b>	1.57	<b>2.63</b>

The unaudited condensed consolidated statement of profit or loss and other comprehensive income for the three months and six months ended 30 June 2024 should be read in conjunction with the audited financial statements for the year ended 31 December 2023.

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

		As at 30/6/2024 (Unaudited) MYR'000	As at 31/12/2023 (Audited) MYR'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		342,883	247,117
Leasehold land		34,592	34,900
Deposits paid for acquisition of property, plant and equipment	11	4,942	13,612
Goodwill		4,495	4,495
Intangible assets		36,798	36,864
Interest in an associate		17,326	17,578
		<u>441,036</u>	<u>354,566</u>
<b>Current assets</b>			
Inventories		107,922	190,608
Trade receivables	10	192,958	196,289
Other receivables, deposits and prepayments	11	16,607	15,717
Amount due from ultimate holding company		1	4
Amount due from fellow subsidiaries		1,373	1,227
Derivative financial assets		155	2,384
Other investments		217	170
Tax recoverable		2,235	2,279
Cash and cash equivalents		350,687	395,797
		<u>672,155</u>	<u>804,475</u>
<b>Total assets</b>		<u><u>1,113,191</u></u>	<u><u>1,159,041</u></u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2024

		As at 30/6/2024 (Unaudited) MYR'000	As at 31/12/2023 (Audited) MYR'000
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		12,340	12,340
Reserves		872,870	835,632
		<u>885,210</u>	<u>847,972</u>
Non-controlling interests		(1)	–
<b>Total equity</b>		<u>885,209</u>	<u>847,972</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	12	83,741	118,022
Other payables, accruals and provisions	13	35,746	43,730
Dividend payable	8	28,834	–
Contract liabilities	14	65,138	137,940
Derivative financial liabilities		697	1,833
Provision for taxation		47	57
		<u>214,203</u>	<u>301,582</u>
<b>Non-current liabilities</b>			
Other payables	13	11,005	6,717
Deferred income		893	620
Deferred tax liabilities		1,881	2,150
		<u>13,779</u>	<u>9,487</u>
<b>Total liabilities</b>		<u>227,982</u>	<u>311,069</u>
<b>Total equity and liabilities</b>		<u><u>1,113,191</u></u>	<u><u>1,159,041</u></u>

The unaudited condensed consolidated statement of financial position as at 30 June 2024 should be read in conjunction with the audited financial statements for the year ended 31 December 2023.

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Share capital	Share premium	Shares held for share award scheme	Share award reserve	Statutory reserve	Capital reserve	Translation reserve	Retained profits	Proposed final dividend	Total	Non-controlling interests	Total equity
	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000
As at 1 January 2024 (Audited)	12,340	80,650	(14,923)	3,944	454	44,477	(33)	691,620	29,443	847,972	-	847,972
<i>Transactions with owners:</i>												
Equity-settled share award scheme expenses	-	-	-	3,383	-	-	-	-	-	3,383	-	3,383
Vesting of shares of share award scheme	-	-	(7)	7	-	-	-	-	-	-	-	-
	-	-	(7)	3,390	-	-	-	-	-	3,383	-	3,383
Profit for the period	-	-	-	-	-	-	-	62,694	-	62,694	(1)	62,693
Other comprehensive income	-	-	-	-	-	-	(5)	-	-	(5)	-	(5)
Total comprehensive income for the period	-	-	-	-	-	-	(5)	62,694	-	62,689	(1)	62,688
2023 final dividend declared	-	-	-	-	-	-	-	609	(29,443)	(28,834)	-	(28,834)
<b>As at 30 June 2024 (Unaudited)</b>	<b>12,340</b>	<b>80,650</b>	<b>(14,930)</b>	<b>7,334</b>	<b>454</b>	<b>44,477</b>	<b>(38)</b>	<b>754,923</b>	<b>-</b>	<b>885,210</b>	<b>(1)</b>	<b>885,209</b>
As at 1 January 2023 (Audited)	12,340	80,650	(11,478)	3,706	-	44,477	(80)	579,955	27,143	736,713	-	736,713
<i>Transactions with owners:</i>												
Purchase of shares for share award scheme	-	-	(5,675)	-	-	-	-	-	-	(5,675)	-	(5,675)
Equity-settled share award scheme expenses	-	-	-	2,944	-	-	-	-	-	2,944	-	2,944
Vesting of shares of share award scheme	-	-	2,678	(2,766)	-	-	-	88	-	-	-	-
	-	-	(2,997)	178	-	-	-	88	-	(2,731)	-	(2,731)
Profit for the period	-	-	-	-	-	-	-	71,871	-	71,871	-	71,871
Other comprehensive income	-	-	-	-	-	-	(23)	-	-	(23)	-	(23)
Total comprehensive income for the period	-	-	-	-	-	-	(23)	71,871	-	71,871	-	71,871
2022 final dividend declared	-	-	-	-	-	-	-	(414)	(27,143)	(27,557)	-	(27,557)
<b>As at 30 June 2023 (Unaudited)</b>	<b>12,340</b>	<b>80,650</b>	<b>(14,475)</b>	<b>3,884</b>	<b>-</b>	<b>44,477</b>	<b>(103)</b>	<b>651,500</b>	<b>-</b>	<b>778,273</b>	<b>-</b>	<b>778,273</b>

The unaudited condensed consolidated statement of changes in equity for the six months ended 30 June 2024 should be read in conjunction with the audited financial statements for the year ended 31 December 2023.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	<b>6 Months ended 30/6/2024 (Unaudited) MYR'000</b>	6 Months ended 30/6/2023 (Unaudited) MYR'000
<b>Cash flows from operating activities</b>		
Profit before taxation	<b>63,626</b>	73,574
Adjustments for:		
Amortisation of intangible assets	<b>2,967</b>	2,001
Amortisation of leasehold land	<b>308</b>	112
Depreciation of property, plant and equipment	<b>6,020</b>	4,839
Loss from changes in fair value of foreign currency forward contracts	<b>1,093</b>	800
Gain on disposal of other investments	–	(17)
(Gain)/Loss from changes in fair value of other investments	<b>(47)</b>	2
Gain from changes in fair value of short term investments	<b>(319)</b>	–
Bank interest income	<b>(4,627)</b>	(4,180)
Inventory written down – addition	<b>3,230</b>	388
Inventory written down – reversal	<b>(152)</b>	(18)
Expected credit loss (“ECL”) allowance on trade receivables	<b>653</b>	–
Reversal of ECL allowance on trade receivables	<b>(834)</b>	(1,075)
Property, plant and equipment written off	–	4
Share of results of associates	<b>252</b>	(727)
Equity-settled share award scheme expenses	<b>3,383</b>	2,944
Unrealised gain on foreign exchange	<b>(2,547)</b>	(12,171)
	<hr/>	<hr/>
Operating profit before working capital changes	<b>73,006</b>	66,476
Decrease in inventories	<b>79,608</b>	1,127
Decrease/(Increase) in trade and other receivables	<b>4,841</b>	(23,835)
Decrease in trade and other payables	<b>(39,745)</b>	(15,180)
(Decrease)/Increase in contract liabilities	<b>(72,802)</b>	48,840
Net change in fellow subsidiaries’ balances	<b>(98)</b>	(1,324)
	<hr/>	<hr/>
Cash generated from operations	<b>44,810</b>	76,104
Government grants received	<b>273</b>	–
Tax paid	<b>(1,164)</b>	(1,077)
Tax refunded	–	61
	<hr/>	<hr/>
<i>Net cash from operating activities</i>	<b>43,919</b>	75,088



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

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	<i>Note</i>	<b>6 Months ended 30/6/2024 (Unaudited) MYR'000</b>	6 Months ended 30/6/2023 (Unaudited) MYR'000
<b>Cash flows from investing activities</b>			
Bank interest and fund distributions received		<b>4,946</b>	4,180
Purchase of intangible assets		<b>(2,901)</b>	(4,635)
Purchase of property, plant and equipment		<b>(90,831)</b>	(44,493)
Deposits paid for acquisition of property, plant and equipment		<b>(417)</b>	–
Proceeds from disposal of other investments		–	78
Advance to fellow subsidiaries		<b>(48)</b>	–
		<hr/>	<hr/>
<i>Net cash used in investing activities</i>		<b>(89,251)</b>	(44,870)
<b>Cash flows from financing activities</b>			
Advance from ultimate holding company		<b>3</b>	6
Purchase of shares for share award scheme	<i>15</i>	<b>–</b>	(5,675)
		<hr/>	<hr/>
<i>Net cash from/(used in) financing activities</i>		<b>3</b>	(5,669)
<b>Net (decrease)/increase in cash and cash equivalents</b>			
		<b>(45,329)</b>	24,549
Cash and cash equivalents at the beginning of the period		<b>395,797</b>	328,628
Effect of foreign exchange rate changes		<b>219</b>	2,329
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period</b>		<b>350,687</b>	355,506
		<hr/> <hr/>	<hr/> <hr/>

## **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 ("Listing Date").

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 condensed consolidated financial statements are unaudited and 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) Amended IFRSs that are effective for annual periods beginning on 1 January 2024

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 periods beginning on 1 January 2024:

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

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 <sup>1</sup>
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments <sup>2</sup>
IFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
IFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>

<sup>1</sup> *Effective for annual periods beginning on or after 1 January 2025*

<sup>2</sup> *Effective for annual periods beginning on or after 1 January 2026*

<sup>3</sup> *Effective for annual periods beginning on or after 1 January 2027*

<sup>4</sup> *Effective date not yet determined*

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

## 3. SEGMENT INFORMATION

The Group has two 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.

### 3. SEGMENT INFORMATION (Continued)

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.

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

#### Unaudited results for the six months ended 30 June 2024

	<b>Automated test equipment MYR'000</b>	<b>Factory automation solutions MYR'000</b>	<b>Adjustment MYR'000</b>	<i>Note</i>	<b>Total MYR'000</b>
<b>Revenue</b>					
External customers	142,608	199,446			342,054
Inter-segment revenue	<u>448</u>	<u>5,693</u>	(6,141)	(i)	<u>–</u>
Total revenue	<u>143,056</u>	<u>205,139</u>			<u>342,054</u>
<b>Results</b>					
Segment results	11,421	57,158	(9,328)		59,251
Interest income	4,402	224	1		4,627
Share of results of an associate	<u>–</u>	<u>–</u>	(252)		<u>(252)</u>
Profit before taxation	15,823	57,382			63,626
Taxation	<u>(1,114)</u>	<u>181</u>			<u>(933)</u>
Profit for the period	<u>14,709</u>	<u>57,563</u>			<u>62,693</u>

### 3. SEGMENT INFORMATION (Continued)

#### Unaudited results for the six months ended 30 June 2023

	Automated test equipment MYR'000	Factory automation solutions MYR'000	Adjustment MYR'000	Note	Total MYR'000
<b>Revenue</b>					
External customers	259,670	82,458			342,128
Inter-segment revenue	<u>299</u>	<u>6,088</u>	(6,387)	(i)	<u>–</u>
Total revenue	<u>259,969</u>	<u>88,546</u>			<u>342,128</u>
<b>Results</b>					
Segment results	66,438	9,309	(7,080)		68,667
Interest income	3,947	230	3		4,180
Share of results of associates	<u>–</u>	<u>–</u>	727		<u>727</u>
Profit before taxation	70,385	9,539			73,574
Taxation	<u>(1,951)</u>	<u>(20)</u>	268		<u>(1,703)</u>
Profit for the period	<u><u>68,434</u></u>	<u><u>9,519</u></u>			<u><u>71,871</u></u>

*Note to segment information:*

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

### 3. SEGMENT INFORMATION (Continued)

#### Geographical information

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

	For the six months ended 30 June			
	2024		2023	
	(Unaudited) MYR'000	%	(Unaudited) MYR'000	%
Malaysia (Domicile)	192,985	56.4	56,749	16.6
China	53,334	15.6	78,528	23.0
Singapore	32,286	9.4	9,555	2.8
Taiwan	20,342	5.9	16,618	4.9
United States	9,449	2.8	73,431	21.5
Belize	7,231	2.1	20,836	6.1
Japan	7,151	2.1	14,685	4.3
Ireland	6,852	2.0	15,429	4.5
India	3,919	1.1	1,767	0.5
Philippines	2,569	0.8	1,899	0.5
Others	5,936	1.8	52,631	15.3
	<b>342,054</b>	<b>100.0</b>	<b>342,128</b>	<b>100.0</b>

(ii) Revenue breakdown based on the shipment destination:

	For the six months ended 30 June			
	2024		2023	
	(Unaudited) MYR'000	%	(Unaudited) MYR'000	%
Malaysia (Domicile)	197,865	57.8	122,421	35.8
China	75,466	22.1	115,578	33.8
Singapore	25,287	7.4	9,531	2.8
Taiwan	19,310	5.6	16,618	4.9
Japan	7,038	2.1	6,653	1.9
United States	4,171	1.2	6,261	1.8
India	3,919	1.1	1,767	0.5
Philippines	2,569	0.8	3,825	1.1
Australia	2,216	0.7	–	–
Italy	2,042	0.6	–	–
Others	2,171	0.6	59,474	17.4
	<b>342,054</b>	<b>100.0</b>	<b>342,128</b>	<b>100.0</b>

#### 4. REVENUE

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	MYR'000	MYR'000
Invoiced value of goods sold less returns and discounts	337,566	336,308
Service rendered	4,488	5,820
	<u>342,054</u>	<u>342,128</u>

#### 5. OTHER INCOME

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	MYR'000	MYR'000
Bank interest income	4,627	4,180
Gain from changes in fair value of other investments	47	–
Gain from changes in fair value of short term investments	319	–
Gain on disposal of other investments	–	17
Rental income	58	58
Others	384	157
	<u>5,435</u>	<u>4,412</u>

## 6. PROFIT BEFORE TAXATION

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

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	MYR'000	MYR'000
Amortisation of intangible assets	2,967	2,001
Amortisation of leasehold land	308	112
Auditor's remuneration	419	352
Depreciation of property, plant and equipment	6,020	4,839
ECL allowance on trade receivables	653	–
Reversal of ECL allowance on trade receivables	(834)	(1,075)
Loss from changes in fair value of foreign currency forward contracts	1,093	800
Gain on disposal of other investments	–	(17)
(Gain)/Loss from changes in fair value of other investments	(47)	2
Gain from changes in fair value of short term investments	(319)	–
Property, plant and equipment written off	–	4
Inventories written down to net realisable value:		
– addition	3,230	388
– reversal	(152)	(18)
Net loss on foreign exchange	4,632	2,099
Lease charges of short term leases:		
– Factory	63	62
– Hostel	227	180
– Office	208	121



## **7. TAXATION**

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

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

Malaysian income tax is calculated at the statutory tax rate of 24% on the estimated chargeable income arising in Malaysia for 1H2024 and 1H2023.

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 1H2024 and 1H2023.

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

The effective tax rate is lower than the statutory tax rate as certain subsidiaries of the Group have been granted pioneer status under the Promotion of Investments Act, 1986 by the Malaysian Industrial Development Authority which exempts 100% of statutory income in relation to the production of certain products and solutions.

## **8. DIVIDENDS**

The Board does not recommend any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil). At the Board meeting held on 22 February 2024, the Board proposed a final dividend of HK\$0.02 per share for the year ended 31 December 2023 (the "2023 Final Dividend"). The 2023 Final Dividend was approved at the annual general meeting of the Company held on 6 June 2024 (2023: HK\$0.02 per share). The 2023 Final Dividend amounting to HK\$48.0 million (equivalent to approximately MYR28.8 million) (2023: HK\$48.0 million (equivalent to approximately MYR27.6 million)) was paid to all shareholders of the Company on 5 July 2024.

## 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

	<b>For the</b>	
	<b>six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Earnings</b>		
Profit for the period attributable to owners of the Company (MYR'000)	<u><b>62,694</b></u>	<u>71,871</u>
<b>Number of shares</b>		
Adjusted weighted average number of shares in issue	<u><b>2,374,590,546</b></u>	<u>2,382,782,040</u>
<b>Basic earnings per share (sen)</b>	<u><b>2.64</b></u>	<u>3.02</u>

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

	<b>For the</b>	
	<b>six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Earnings</b>		
Profit for the period attributable to owners of the Company (MYR'000)	<u><b>62,694</b></u>	<u>71,871</u>
<b>Number of shares</b>		
Adjusted weighted average number of shares in issue	<u><b>2,374,590,546</b></u>	<u>2,382,782,040</u>
Effect of shares awarded under the Company's Share Award Scheme	<u><b>9,185,328</b></u>	<u>4,974,483</u>
Adjusted weighted average number of shares in issue for the purpose of calculating diluted earnings per share	<u><b>2,383,775,874</b></u>	<u>2,387,756,523</u>
<b>Diluted earnings per share (sen)</b>	<u><b>2.63</b></u>	<u>3.01</u>

## 10. TRADE RECEIVABLES

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

	<b>30 June 2024 (Unaudited) MYR'000</b>	31 December 2023 (Audited) MYR'000
0-30 days	36,584	64,493
31-60 days	19,440	16,787
61-90 days	16,437	20,157
Over 90 days	<u>120,497</u>	<u>94,852</u>
	<b><u>192,958</u></b>	<b><u>196,289</u></b>

## 11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<b>30 June 2024 (Unaudited) MYR'000</b>	31 December 2023 (Audited) MYR'000
Other receivables	246	325
Refundable deposits	6,186	9,020
Non-refundable deposits ( <i>Note</i> )	13,304	17,889
Prepayments	1,383	1,021
Value added tax receivable	<u>430</u>	<u>1,074</u>
	<b>21,549</b>	29,329
Less: Deposits paid for acquisition of property, plant and equipment	<u>(4,942)</u>	<u>(13,612)</u>
	<b><u>16,607</u></b>	<b><u>15,717</u></b>

*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. Based on the invoice dates, the ageing analysis of trade payables was as follows:

	<b>30 June 2024 (Unaudited) MYR'000</b>	31 December 2023 (Audited) MYR'000
0-30 days	35,083	40,975
31-60 days	9,636	23,971
61-90 days	4,459	15,977
Over 90 days	<u>34,563</u>	<u>37,099</u>
	<b><u>83,741</u></b>	<b><u>118,022</u></b>

## 13. OTHER PAYABLES, ACCRUALS AND PROVISIONS

	<b>30 June 2024 (Unaudited) MYR'000</b>	31 December 2023 (Audited) MYR'000
Other payables	24,165	22,502
Accruals	20,090	25,451
Provision for warranty	<u>2,496</u>	<u>2,494</u>
	<b>46,751</b>	50,447
Less: Other payables for settlement after 12 months shown under non-current liabilities	<u>(11,005)</u>	<u>(6,717)</u>
	<b><u>35,746</u></b>	<b><u>43,730</u></b>

## 14. CONTRACT LIABILITIES

	<b>30 June 2024 (Unaudited) MYR'000</b>	31 December 2023 (Audited) MYR'000
Contract liabilities arising from receiving deposits of manufacturing orders	<b><u>65,138</u></b>	<u>137,940</u>

## 15. 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.

There were no shares purchased from the open market by the trustee of the Scheme during the six months ended 30 June 2024. For the six months ended 30 June 2023, a sum of approximately HK\$9.8 million (equivalent to approximately MYR5.7 million) has been used to acquire 9,282,000 shares of the Company (the “Shares”) from the open market by the trustee of the Scheme.

The Shares granted under the Share Award Scheme of the Company during the six months ended 30 June 2024 and 2023 are as follows:

Date of grant	At the beginning of period	Granted during the period	Vested during the period	Lapsed during the period	At the end of period	Vesting period
<b>For the six months ended 30 June 2024:</b>						
1 July 2022	5,436,802	-	-	(49,678)	5,387,124	1 July 2022–1 July 2024
1 July 2023	10,751,363	-	-	-	10,751,363	1 July 2023–1 July 2025
<b>For the six months ended 30 June 2023:</b>						
4 January 2021	4,735,694	-	(4,734,527)	(1,167)	-	4 January 2021-3 January 2023
1 July 2022	11,165,988	-	-	-	11,165,988	1 July 2022-1 July 2024

During 1H2024, no shares were vested. During 1H2023, a total of 4,734,527 awarded shares were vested. The cost and the fair value of the related vested shares were HK\$4.8 million (equivalent to approximately MYR2.7 million) and HK\$5.4 million (equivalent to approximately MYR2.8 million) respectively. The difference of MYR88,000 was charged to retained profits.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business and financial review

Throughout the first half of the year, the Group continued to navigate challenging market conditions marked by an uneven recovery from global inflation trends, wage growth, economic fragmentation and further geopolitical escalations. Despite these multiple macroeconomic challenges, the Group's operation remained resilient with quarterly revenue at MYR171.3 million in the second quarter of 2024. For the first half of 2024, total revenue of the Group stood at MYR342.1 million, which closely mirrored the revenue from the same period last year. Notably, there was a significant shift in revenue distribution between the ATE and FAS business segments, with each segment contributing approximately 41.7% and 58.3% respectively to the Group's revenue for the reporting period in 2024 as compared to 75.9% and 24.1% respectively in the same period last year.

The below outlined the revenue performance of the respective operating segments for the first half of the year, which includes elements of the inter-segment transactions.

	For the six months ended 30 June		
	2024	2023	Fluctuation %
	(Unaudited) MYR'000	(Unaudited) MYR'000	
<b>ATE</b>			
External customers	<b>142,608</b>	259,670	(45.1%)
Inter-segment revenue	<b>448</b>	299	
Total revenue	<b>143,056</b>	259,969	
<b>FAS</b>			
External customers	<b>199,446</b>	82,458	141.9%
Inter-segment revenue	<b>5,693</b>	6,088	
Total revenue	<b>205,139</b>	88,546	

## **ATE segment**

During the first half of 2024, revenue from the ATE segment declined by approximately MYR117.1 million, from MYR259.7 million achieved in 1H2023 to MYR142.6 million in 1H2024. The contraction was primarily macro-driven led by decreased in sales from the automotive segment and the overall headwinds faced by the semiconductor industry. Forming the largest proportion of the ATE segment with a share of wallet at 63.9%, the automotive segment's softness has significantly impacted the ATE segment's performance with a decline of 52.9% as compared to the first half of 2023. The Group faced a notable deceleration and delay in demand from its automotive component customers primarily due to the general softness in the automotive end market and the lack of clarity on subsidies for electric vehicle ("EV") markets on a global scale. These external macro conditions and policy uncertainties created softness and impacted the purchasing decisions of automotive manufacturers who remained cautious on capital expenditure without clear financial incentives. Despite these challenges, the Group remained actively engaged with its customers, supported by its broad, up-to trend portfolio of automotive test solutions, with the latest being the Group's Known Good Die (KGD) test solution for Die-Level Testing methodology. Overall, the Group remained optimistic for the automotive segment and the recent weakness are only temporary with an expectation that the automotive and EV segments will rebound with greater transparency and policies in place in key automotive markets.

Separately, the Group witnessed positive momentum in its electro-optical segment following years of contraction, as the consumer electronics end-market became more complex with devices' requirement for high-performance computing gaining mainstream adoption. As the second largest revenue contributor for the ATE segment, the electro-optical segment grew 97.0% in 1H2024 as compared to the corresponding period last year, with its share of wallet stood at 26.4% for the overall ATE segment, as opposed to 7.4% in the same period last year. The Group expects continued demand for its smart sensor test equipment which involves a different test program and criteria for ambient light in the second half of the year.

The Group's semiconductor segment accounted for approximately 9.0% of the ATE segment's revenue in the first half of the year, reflecting a drop from 17.9% in 1H2023. The semiconductor industry is known for its cyclical nature, characterised by phases of inventory buildup and subsequent corrections. Despite this temporary downturn, the Group believes it will benefit from the future growth in the industry, driven primarily by the increasing process ramping from new front-end fabs with advancements in generative artificial intelligence ("AI") and high-performance computing.

## **FAS segment**

Following remarkable growth in the first quarter of 2024, revenue from the FAS segment continued its upward trajectory in the second quarter of 2024, culminating in a total revenue of MYR199.4 million for the first half of the year. This represented a substantial increase of 141.9% as compared to first half of 2023 and marked a significant milestone for the FAS segment.

The primary driver behind this impressive growth was the increased demand for the Group's proprietary automation solutions, i-ARMS (intelligent Automated Robotic Manufacturing System) which was particularly pronounced in the medical devices industry segment. This sector places a high emphasis on manufacturing automation for enhanced operational efficiency and precision, reflecting a widespread trend towards automation process adoption. Capitalising on this burgeoning trend, the Group has been strategically expanding its global customer base to broaden its market exposure while actively engaging with its existing and new customers within the medical segment for wider factory automation solutions. As a result, the medical segment's contribution to the overall FAS segment surged from 41.8% in the first half of 2023 to 78.0% in the first half of 2024. Beyond the medical segment, other industry segments contributing to the FAS segment includes consumer and industrial products and electro-optical segment with each contributing 8.0% and 7.7% respectively.

In recent years, the industrial automation industry has undergone a rapid evolution for high-throughput manufacturing process that runs across various business segments particularly in the context of deglobalisation trends where companies are seeking to localise production to enhance resilience and reduce global supply chain dependency. Coupled with the overarching trends towards the integration of AI in automation technology, industrial automation is setting the stage for continued advancements. Against this backdrop, the Group anticipates sustained growth in its FAS segment.



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

	For the six months ended 30 June			
	2024		2023	
	(Unaudited) MYR'000	%	(Unaudited) MYR'000	%
Medical devices	155,523	45.5	34,429	10.1
Automotive	95,291	27.9	196,711	57.5
Electro-Optical	53,026	15.5	42,003	12.3
Semiconductor	21,301	6.2	51,528	15.0
Consumer and industrial products	16,913	4.9	17,457	5.1
	<u>342,054</u>	<u>100.0</u>	<u>342,128</u>	<u>100.0</u>

### Gross margin

The Group reported a gross margin of 28.1% for the second quarter and 28.6% for the first half of the year, down from 30.0% and 29.4% for the same periods in 2023 respectively. The overall decline in gross margin during the first half of 2024 was primarily attributed to several factors: (i) reduced economies of scale in the ATE segment due to lower sales volume, (ii) increased employee expenses from additional bonus payments in the previous quarter, (iii) provisions for slow-moving inventories, and (iv) research and development expenditures for certain projects undertaken in the ATE segment. The Group's core operating gross margin, excluding the one-off employee expenses and the provisions for slow-moving inventories stood at 29.4% for the second quarter and 30.5% for the first half of the year, as opposed to 30.1% and 30.5% for the same periods in 2023.

## **Other income**

The Group's other income increased to MYR5.4 million during the first half of 2024 from MYR4.4 million in 1H2023. The amount recorded in the first half of the year was mainly contributed by bank interest income of MYR4.6 million and miscellaneous income of MYR0.4 million, as compared to MYR4.2 million and MYR0.2 million recorded respectively in 1H2023. There were no elements of foreign exchange movements included in other income during the reporting periods in both 2024 and 2023.

## **Administrative expenses**

Administrative expenses of the Group mainly comprised of the movement arising from foreign exchange, professional fees, administrative staff cost and research and development expenditure. In 1H2024, the Group's administrative expenses increased by MYR7.2 million from MYR27.6 million in 1H2023 to MYR34.9 million. This was mainly due to the following factors:

- (i) loss on foreign exchange of MYR4.6 million and loss from changes in fair value of foreign currency forward contracts ("derivative loss") of MYR1.1 million in the first half of 2024. This was compared against the loss on foreign exchange of MYR2.1 million and derivative loss of MYR0.8 million recorded in 1H2023;
- (ii) higher administrative staff cost of approximately MYR0.9 million in the first half of 2024 as compared to 1H2023 from salary increment and higher amount of employee benefit expense; and
- (iii) higher research and development cost for the single-use medical devices by MYR2.4 million in the first half of 2024.

## Profit for the period

The Group ended its first half of the year with a net profit of MYR62.7 million, a 12.8% decline from MYR71.9 million recorded in 1H2023. Accordingly, the Group's EBITDA (earnings before interest, tax, depreciation and amortisation) for the first half of 2024 was MYR72.9 million, down 9.4% from MYR80.5 million in 1H2023. The decrease in net profit and EBITDA in 1H2024 were mainly due to higher staff costs, provisions for slow-moving inventories and increased research and development expenses related to its single-use medical devices.

Basic earnings per share fell from 3.02 sen in 1H2023 to 2.64 sen in 1H2024.

## Liquidity and financial resources

The financial position of the Group remains healthy with its current ratio and gearing ratio shown in the following table:

	<b>As at 30 June 2024 (Unaudited) MYR'000</b>	<b>As at 31 December 2023 (Audited) MYR'000</b>	<i>Note</i>
Current assets	<b>672,155</b>	804,475	
Current liabilities	<b>214,203</b>	301,582	
Current ratio (times)	<b>3.14</b>	2.67	<i>(i)</i>
Gearing ratio (%)	<b><u>N/A</u></b>	<b><u>N/A</u></b>	

*Note:*

- (i) Current ratio is calculated by dividing current assets by current liabilities as at the end of the respective period.

As of 30 June 2024, the Group sustained a healthy working capital of MYR458.0 million (31 December 2023: MYR502.9 million). The Group generated a positive net cash flow from operations of MYR43.9 million in the first half of the year, with the positive cash flow channeled towards the construction of its third plant, “Campus 3”.

Cash and cash equivalents decreased from MYR395.8 million as of 31 December 2023 to MYR350.7 million as of 30 June 2024 as the construction of Campus 3 was funded internally. Generally, the Group had no bank borrowings as of 30 June 2024.

### **Foreign exchange exposure**

The Group is subject to foreign currency risk due to its regular trading activities with sales and to some extent, purchases primarily transacted in U.S. dollar. Additionally, the Group holds various financial assets and liabilities in foreign currencies which are not the functional or reporting currencies of the Group.

To manage this foreign exchange exposure, the Group’s treasury policy includes entering into foreign exchange forward contracts and maintaining bank accounts in U.S. dollars. This approach aims to minimise the effects of adverse exchange rate fluctuations on the Group’s financial performance.

### **Prospect**

Reflecting on the first half of the year, the global economic recovery was slower than expected. This sluggish recovery prompted global manufacturers to adopt a more cautious approach to capital equipment spending across various sectors leading to a limited visibility in the Group’s near-term order book. Demand within the ATE segment remained subdued although there were early signs of stabilisation, notably within the automotive sector. In light of these conditions, the Group encountered contraction in its current order book during the period with the replenishment and recovery of orders taking longer than expected.

Amid ongoing uncertainty, the Group continues to identify several growth drivers that have the potential to drive its business momentum going forward. These catalysts include, among others, advancements in AI, automotive electrification and medical manufacturing automation. The Group is particularly optimistic about the expanding role of AI in cloud and data centers as this trend is expected to create significant opportunities for the demand of the Group's test equipment used in advanced semiconductor packaging. Furthermore, the increasing adoption of silicon carbide-based power solutions across various markets, particularly in data centers and high bandwidth memory ("HBM") chipset is gaining momentum. This trend is expected to generate an uptick in demand for the Group's wafer-level burn-in tester for silicon carbide, besides test handler solutions for advanced semiconductor packaging in Dynamic Random Access Memory (DRAM) as well as HBM. As it is, the global semiconductor industry is demonstrating its strong fundamentals and growth potential supporting the diverse range of disruptive applications emerging from the AI wave. As forecasted, the semiconductor test equipment are projected to rise 7.4% in 2024, while assembly and packaging equipment sales are predicted to increase 10.0% for the same period and this momentum shall continue into 2025 due to increased demand for advanced logic and memory applications.

Despite the current market fluctuations and bipolarisation in the EV industry, the Group acknowledges the robust underlying structural foundation of the EV market supported by regulatory backing, expansion of charging infrastructure, industry investments in capital expenditure and increased consumer demand driven by environmental awareness and affordability. These ongoing developments are expected to sustain a considerable amount of business opportunities for the Group to navigate uncertainties and capitalise on emerging prospects.

The recent positioning of Chinese carmakers in setting up manufacturing and assembly plants outside of China presents significant growth opportunities for the Group to expand its customer base and enhance its presence across different automotive sector regions. This development is particularly promising, particularly in Europe where currently this region accounts for less than 10.0% of the Group's total revenue, indicating a substantial untapped market potential for the Group with its Germany office presence. By capitalising on this trend, the Group can broaden its market reach, establish stronger relationships with new customers and significantly increase its revenue from the European market, thereby further solidifying its position in the global automotive industry.

Riding on the prevalence of automation in medical technology for enhanced productivity and efficiency, the Group, leveraging its proprietary i-ARMS, has been experiencing year-on-year revenue growth in the medical device industry. Recently, the Group has also observed increased momentum in the integration of automation with renewable energy. Solar manufacturers are increasingly adopting automation technology to streamline its solar manufacturing process, scale capacity and boost operational effectiveness while improving solar energy sustainability. In this context, the Group has received some orders from this industry and is committed to actively supporting the expansion of automation process applicable in the solar energy market.

Although the Group expects a challenging business environment in the second half of the year, it remains steadfast in its commitment to demonstrating resilience and agility in navigating this complex landscape. As it is, the Group's primary focus is to ensure its core businesses remain robust and adaptable in the face of these challenges while continuing to pursue business diversification to explore new opportunities within its established markets. Through these comprehensive efforts, the Group is determined to sustain growth and maintain stability to weather the challenging conditions ahead.

## 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 Listing Date up to 30 June 2024 are as follows:

Use of net proceeds	Amount of net proceeds earmarked		Use of proceeds from the Listing Date up to 30 June 2024	Unutilised amount as at 1 January 2024	Unutilised amount as at 30 June 2024	Unutilised proportion as at 30 June 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	–	–	–
<b>Total</b>	<b>171.3</b>	<b>92.6</b>	<b>92.6</b>	<b>0.5</b>	<b>–</b>	<b>–</b>

As at 30 June 2024, the net proceeds from the Listing have been fully utilised in accordance with the proposed use of proceeds as stated in the Prospectus.

## **EMPLOYEES AND REMUNERATION**

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

As at 30 June 2024, the total number of full time employees of the Group increased slightly to 926 (31 December 2023: 920).

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities except that the trustee of the Share Award Scheme, pursuant to the terms of the rules and trust deed of the Share Award Scheme. There were no share purchased on the Stock Exchange during the six months ended 30 June 2024.

## **EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed in this announcement, there is no significant subsequent event undertaken by the Company or by the Group after 30 June 2024 and up to the date of this announcement.

## **CORPORATE GOVERNANCE**

The Company has complied with all the applicable provisions of the Corporate Governance Code (the "CG Code") as set out in Part 2 of Appendix C1 of the Listing Rules during the six months ended 30 June 2024. 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 detailed in the Annual Report, the Company currently has not appointed any chief executive. The day-to-day management of business has been properly delegated to different individuals by the Board. For further details, please refer to the section headed "Chairman and Chief Executive" in the Annual Report.



## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules 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 six months ended 30 June 2024 and up to the date of this announcement.

## **AUDIT COMMITTEE**

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

## **REVIEW OF INTERIM RESULTS**

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2024, including the applicable accounting policies and accounting standards adopted by the Group, and the applicable Listing Rules.

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

This interim results announcement will be published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.pentamaster.com.my](http://www.pentamaster.com.my)) respectively. The interim report of the Company for the six months ended 30 June 2024 containing all the information required by the Listing Rules will be published on the websites of the Company and the Stock Exchange in due course.

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

Hong Kong, 1 August 2024

*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.*