

**PENTAMASTER CORPORATION BERHAD (572307-U) ("Company")**  
**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS**

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Individual Quarter 3 Months Ended		Cumulative Year Financial Year Ended	
	31/12/2015 RM'000	31/12/2014 RM'000	31/12/2015 RM'000	31/12/2014 RM'000
Revenue	19,256	22,293	83,604	81,047
Cost of goods sold	(12,033)	(14,834)	(59,289)	(59,809)
Gross profit	<u>7,223</u>	<u>7,459</u>	<u>24,315</u>	<u>21,238</u>
Other income	548	230	4,335	1,956
Administrative expenses	(4,854)	(3,991)	(11,397)	(13,146)
Distribution costs	(478)	(565)	(2,210)	(2,333)
Other expenses	(25)	(21)	(351)	(105)
Operating profit	<u>2,414</u>	<u>3,112</u>	<u>14,692</u>	<u>7,610</u>
Finance costs	(3)	(3)	(10)	(258)
Profit before taxation	<u>2,411</u>	<u>3,109</u>	<u>14,682</u>	<u>7,352</u>
Taxation	(763)	(582)	(2,392)	(1,309)
Profit for the year	<u><u>1,648</u></u>	<u><u>2,527</u></u>	<u><u>12,290</u></u>	<u><u>6,043</u></u>
Profit attributable to :				
Owners of the Parent	1,482	2,114	11,953	4,532
Non-controlling interests	166	413	337	1,511
	<u><u>1,648</u></u>	<u><u>2,527</u></u>	<u><u>12,290</u></u>	<u><u>6,043</u></u>
Profit per share attributable to owners of the parent (sen) :-				
- Basic	1.11	1.59	8.97	3.40
- Diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014.

**PENTAMASTER CORPORATION BERHAD (572307-U) ("Company")  
 QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 DECEMBER 2015**

	Individual Quarter 3 Months Ended		Cumulative Year Financial Year Ended	
	31/12/2015 RM'000	31/12/2014 RM'000	31/12/2015 RM'000	31/12/2014 RM'000
Profit for the Year	1,648	2,527	12,290	6,043
Other comprehensive (loss)/income: Translation of foreign operations	-	-	(59)	20
Other comprehensive (loss)/income net of tax	-	-	(59)	20
Total comprehensive income for the year	1,648	2,527	12,231	6,063
Total comprehensive income attributable to:				
Owners of the Parent	1,482	2,114	11,894	4,552
Non-controlling interests	166	413	337	1,511
	1,648	2,527	12,231	6,063

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014.

**PENTAMASTER CORPORATION BERHAD (572307-U) ("Company")  
 QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT 31 DECEMBER 2015**

	Unaudited As at 31/12/2015 RM'000	Audited As at 31/12/2014 RM'000
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	41,039	41,819
Intangible assets	10,856	3,811
Deferred tax assets	-	650
	<u>51,895</u>	<u>46,280</u>
<b>Current Assets</b>		
Inventories	6,543	11,105
Trade receivables	15,906	20,124
Other receivables, deposits and prepayments	6,908	2,589
Other investments	-	1,360
Derivative Financial Asset	6	-
Tax recoverable	-	3
Deposits, cash and bank balances	15,382	8,382
	<u>44,745</u>	<u>43,563</u>
<b>TOTAL ASSETS</b>	<u><u>96,640</u></u>	<u><u>89,843</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Owners of the Parents</b>		
Share capital	68,620	66,622
Reserves	7,410	(5,164)
	<u>76,030</u>	<u>61,458</u>
<b>Non-Controlling interest</b>	1,821	1,484
<b>Total Equity</b>	<u>77,851</u>	<u>62,942</u>
<b>Non Current Liabilities</b>		
Hire-purchase payables	-	56
Deferred income	1,131	1,950
Deferred tax liabilities	2,505	2,050
	<u>3,636</u>	<u>4,056</u>
<b>Current Liabilities</b>		
Trade payables	5,310	9,601
Other payables and accrued liabilities	8,429	11,481
Provision for warranty	37	127
Derivative financial liabilities	199	1,306
Short term bank borrowings	242	132
Provision for taxation	936	198
	<u>15,153</u>	<u>22,845</u>
<b>Total Liabilities</b>	<u>18,789</u>	<u>26,901</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>96,640</u></u>	<u><u>89,843</u></u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014.

**PENTAMASTER CORPORATION BERHAD (572307-U) ("Company")**  
**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	← Attributable to Owners of the Parent →				Total	Non-controlling Interest	Total Equity
	Share Capital	Non Distributable		Distributable			
		Share Premium	Exchange Fluctuation Reserve	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 1 January 2015	66,622	4,865	59	(10,088)	61,458	1,484	62,942
Total comprehensive income/(loss) for the year	-	-	(59)	11,953	11,894	337	12,231
Increase of issued and paid up capital	1,998	680	-	-	2,678	-	2,678
As at 31 December 2015	<u>68,620</u>	<u>5,545</u>	<u>-</u>	<u>1,865</u>	<u>76,030</u>	<u>1,821</u>	<u>77,851</u>

	← Attributable to Owners of the Parent →				Total	Non-controlling Interest	Total Equity
	Share Capital	Non Distributable		Distributable			
		Share Premium	Exchange Fluctuation Reserve	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 1 January 2014	66,622	4,865	39	(14,620)	56,906	(27)	56,879
Total comprehensive income for the year	-	-	20	4,532	4,552	1,511	6,063
As at 31 December 2014	<u>66,622</u>	<u>4,865</u>	<u>59</u>	<u>(10,088)</u>	<u>61,458</u>	<u>1,484</u>	<u>62,942</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014.

**PENTAMASTER CORPORATION BERHAD (572307-U) ("Company")**  
**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	12 Months ended 31/12/2015 RM'000	12 Months ended 31/12/2014 RM'000
<b>Cash Flows From Operating Activities</b>			
Profit before taxation		14,682	7,351
Adjustments for -			
Amortisation of intangible assets		1,845	1,321
Bad debts written off		297	-
Deferred income released		(819)	(835)
Depreciation		2,591	2,606
Interest expense		10	258
Interest income		(166)	(78)
Inventories written off		-	155
Inventories written down		288	-
Impairment loss on receivables		373	978
Reversal of Impairment loss on receivables		(332)	(101)
Gain on disposal of property, plant and equipment		(71)	(34)
Loss on disposal of property, plant and equipment		113	-
Loss on disposal of subsidiaries		217	-
Loss on disposal of quoted shares		24	-
(Gain)/Loss from change in fair value of forward foreign exchange contract		(1,088)	1,141
Other income arising from bargain purchase		(2,595)	-
Property, plant and equipment written off		17	-
Reversal of write down of inventories		-	(668)
Unrealised gain on foreign exchange		(312)	(518)
Operating profit before working capital changes		15,074	11,576
Decrease in inventories		1,480	146
Increase in receivables		(74)	(2,934)
(Decrease)/Increase in payables		(7,885)	3,425
Cash generated from operations		8,595	12,213
Grant received		-	403
Interest paid		(10)	(258)
Tax refunded		2	123
Tax paid		(1,200)	(519)
Net cash generated from operating activities		7,387	11,962

**PENTAMASTER CORPORATION BERHAD (572307-U) ("Company")**  
**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	12 Months ended 31/12/2015 RM'000	12 Months ended 31/12/2014 RM'000
<b>Cash Flows From Investing Activities</b>			
Development expenditure paid		(504)	(1,031)
Interest received		166	78
Proceeds from disposal of property, plant & equipment		280	55
Proceed from disposal of Investment in quoted shares		1,336	-
Purchase of property, plant & equipment		(1,968)	(408)
Purchase of intangible assets		(206)	(686)
Net cash inflow on disposal of subsidiaries	1	3,811	-
Net cash outflow on acquisition of a subsidiary	2	(5,779)	-
Net cash used in investing activities		<u>(2,864)</u>	<u>(1,992)</u>
<b>Cash Flows From Financing Activities</b>			
Proceeds from issuing of share capital		2,678	-
Short term borrowings repaid		-	(6,381)
Repayment of finance lease liabilities		(142)	(126)
Net cash generated from/(used in) financing activities		<u>2,536</u>	<u>(6,507)</u>
<b>Net Increase In Cash And Cash Equivalents</b>		7,059	3,463
<b>Cash And Cash Equivalents Brought Forward</b>		8,382	4,899
Foreign currency exchange differences on opening balance		(59)	20
<b>Cash And Cash Equivalents Carried Forward</b>		<u><u>15,382</u></u>	<u><u>8,382</u></u>

**PENTAMASTER CORPORATION BERHAD (572307-U) ("Company")**  
**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

1. Disposal of subsidiaries

The value of assets and liabilities of Pentamaster Engineering (M) Sdn Bhd and Pentamaster Solutions Sdn Bhd recorded in the consolidated financial statements as at 31 July 2015, and the cash flow effect of the disposal were:

	<b>RM'000</b>
Property, plant and equipment	116
Development cost/Intangible asset	820
Deferred tax assets	650
Inventories	2,795
Receivables	8,695
Cash and cash equivalents	1,189
Payables	(2,767)
Holding co and related co	(6,256)
Derivative financial instruments	(25)
Share of net assets disposed	<u>5,217</u>
Loss on disposal of investment in subsidiaries	<u>(217)</u>
Total disposal consideration	5,000
Less: cash and cash equivalents	<u>(1,189)</u>
Net cash inflow on disposal of subsidiaries	<u><u>3,811</u></u>

2 Acquisition of subsidiary

The fair value of assets and liabilities of Origo Ventures (M) Sdn Bhd as at date of acquisition were:

	<b>RM'000</b>
Property, plant and equipment	(240)
Development cost/Intangible asset	(9,000)
Receivables	(2,469)
Cash and cash equivalents	(1)
Payables	3,139
Borrowings	196
Share of net liabilities acquired	<u>(8,375)</u>
Other income arising from bargain purchase	<u>2,595</u>
Consideration settle in cash	(5,780)
Less: cash and cash equivalents	<u>1</u>
Net cash outflow on acquisition of a subsidiary	<u><u>(5,779)</u></u>

# **PENTAMASTER CORPORATION BERHAD (572307-U)**

## **(“Company”)**

### **Notes To The Interim Financial Report For Quarter Ended 31 December 2015**

#### **1 Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). The figures for the cumulative period in the current quarter to 31 December 2015 have not been audited.

The interim financial statements should be read in conjunction with the audited financial statements of the Company and its subsidiaries (“Group”) for the year ended 31 December 2014.

The Group has adopted the Malaysian Financial Reporting Standard (MFRS) framework issued by MASB with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia’s existing Financial Reporting Standards (“FRS”) framework with the International Financial Reporting Standards (“IFRS”) framework issued by the International Accounting Standards Board. The transition from the previous FRSs to the new MFRSs has no impact on the Group financial position, financial performance, cash flows and the notes to the financial statements.

The Group has also adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2012. The adoption of these new and revised MFRSs and IC Interpretations have not resulted in any material impact on the financial statements of the Group.

#### **2 Audit Report of Preceding Annual Financial Statements**

The audit report of the Group’s most recent annual audited financial statements for the year ended 31 December 2014 was not subject to any qualification.

#### **3 Seasonal and Cyclical Factors**

The Group sells its products and services to customers from various sub-sectors of the semiconductor and manufacturing industries. As such, the Group’s performance will, to a certain extent, depend on the outlook and cyclical nature of the semiconductor and manufacturing industries.

#### **4 Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

#### **5 Changes in Estimates**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.



# PENTAMASTER CORPORATION BERHAD (572307-U)

## ("Company")

### Notes To The Interim Financial Report For Quarter Ended 31 December 2015

#### 6 Valuations of Property, Plant and Equipment

The carrying values of property, plant and equipment have been brought forward, without amendment from the previous audited financial statements.

#### 7 Changes in Share Capital and Debt

Following the first tranche of the Proposed Private Placement and the listing of and quotation for 3,997,300 Placement Shares on the Main Market of Bursa Malaysia Securities Berhad on 31 December 2015, the Company's issued and paid-up share capital increased to 137,240,350 ordinary shares of RM0.50 each.

The movements during the quarter under review were as follows:-

	No. of Shares	RM
Ordinary share capital before the Private Placement	133,243,050	66,621,525
First tranche Private Placement	3,997,300	1,998,650
Enlarged issued and paid-up share capital after the first tranche Private Placement	137,240,350	68,620,175

Other than the above, there were no issuances, cancellations, repurchases and repayments of debt and equity securities for the period under review.

#### 8 Contingent Liabilities

	Company	
	As at 31/12/2015	As at 31/12/2014
	RM'000	RM'000
Corporate guarantee given by the Company for banking facilities extended by financial institution to subsidiary companies		
- Limit	18,000	35,000
- Amount utilised	-	-

#### 9 Capital Commitments

The Company had on 19 March 2015 announced that its wholly owned subsidiary, Pentamaster Technology (M) Sdn Bhd, had on the same day, entered into a sale and purchase agreement with The Penang Development Corporation ("PDC") for the proposed acquisition of a piece of leasehold land for a total cash consideration of RM5,015,490 out of which an initial payment of 20% of the purchase price, which is equivalent to RM1,003,098, had been paid to PDC.

**PENTAMASTER CORPORATION BERHAD (572307-U)**  
**(“Company”)**  
**Notes To The Interim Financial Report For Quarter Ended 31 December 2015**

**10 Segmental Information**

**Results for the year ended 31 December 2015**

	Automated Equipment	Automated Manufacturing Solution	Smart Control Solution System	Adjustment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>					
External Revenue	51,508	28,892	2,935	269	83,604
Inter-segment revenue	2,876	875		(3,751)	-
<b>Total revenue</b>	<b>54,384</b>	<b>29,767</b>	<b>2,935</b>	<b>(3,482)</b>	<b>83,604</b>
<b>Results</b>					
Segment results	9,784	2,950	1,973	(15)	14,692
Finance cost	(7)	-	(3)	-	(10)
<b>Profit/(Loss) before taxation</b>	<b>9,777</b>	<b>2,950</b>	<b>1,970</b>	<b>(15)</b>	<b>14,682</b>
Taxation	(1,868)	(4)	(520)	-	(2,392)
<b>Profit/(Loss) after taxation</b>	<b>7,909</b>	<b>2,946</b>	<b>1,450</b>	<b>(15)</b>	<b>12,290</b>

**Results for the year ended 31 December 2014**

	Automated Equipment	Automated Manufacturing Solution	Smart Control Solution System	Adjustment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>					
External Revenue	56,255	24,793	-	-	81,047
Inter-segment revenue	2,102	1,039		(3,141)	-
<b>Total revenue</b>	<b>58,358</b>	<b>25,830</b>		<b>(3,141)</b>	<b>81,047</b>
<b>Results</b>					
Segment results	12,283	(3,382)	(13)	(1,278)	7,610
Finance cost	(167)	(91)	-	-	(258)
<b>Profit/(Loss) before taxation</b>	<b>12,116</b>	<b>(3,473)</b>	<b>(13)</b>	<b>(1,278)</b>	<b>7,352</b>
Taxation	(1,315)	4	0	2	(1,309)
<b>Profit/(Loss) after taxation</b>	<b>10,801</b>	<b>(3,469)</b>	<b>(13)</b>	<b>(1,276)</b>	<b>6,043</b>

During the quarter, the Group had another reportable segment which is known as Smart Control Solution System to reflect its business performance involving project management and smart building solution.

**PENTAMASTER CORPORATION BERHAD (572307-U)**  
**(“Company”)**  
**Notes To The Interim Financial Report For Quarter Ended 31 December 2015**

**11 Profit Before Tax**

	<b>Current Quarter</b>	<b>Current Year to Date</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before tax is arrived at after crediting/(charging):		
Bad debts written off	-	(297)
Depreciation and amortisation	(1,307)	(3,580)
Foreign exchange (loss)/gain	(364)	678
(Loss)/gain on derivatives	(181)	1,088
Net loss on disposal of property, plant and equipment	(113)	(42)
Property, plant and equipment written off	-	(17)
Interest income	41	166
Interest expense	(5)	(10)
Impairment loss on receivables	(373)	(373)
Net loss on deconsolidation of subsidiaries	-	(217)
Reversal of impairment loss on receivables	-	332
Inventories written down	(19)	(288)

**12 Events Subsequent to the End of the Period**

Other than the material litigation disclosed in Note 24 below, there are no material events subsequent to the end of the period under review that have not been reflected in the interim financial statements.

**PENTAMASTER CORPORATION BERHAD (572307-U)**  
**(“Company”)**  
**Notes To The Interim Financial Report For Quarter Ended 31 December 2015**

**13 Review of Performance**

The Group recorded lower revenue at RM19.3 million in the current quarter as compared to RM22.3 million registered in the corresponding quarter last year. The lower revenue recorded was mainly due to decrease in sales from both automated equipment operating segment and automated manufacturing solution operating segment which was partially offset by the revenue contribution from the new operating segment which is known as Smart Control Solution System. Due to the lower revenue achieved, the Group recorded a lower profit before tax of RM2.4 million in the current quarter as compared to the pre-tax profit of RM3.1 million in the previous corresponding quarter.

Performance of the respective operating segments for the current quarter as compared to the previous corresponding quarter is analysed as follows:-

**1) Automated equipment**

This segment recorded a decrease in revenue by RM1.7 million to RM10.7 million as compared to the previous corresponding quarter mainly due to the deferment of sales orders from customers to first quarter of year 2016. Consequently, this segment recorded a lower profit before tax of RM2.6 million against RM3.2 million in the previous corresponding quarter.

**2) Automated manufacturing solution**

Revenue from this segment was RM4.4 million lower than the previous corresponding quarter. The higher revenue in the previous corresponding quarter was mainly due to the delivery of the projects that were deferred from third quarter of year 2014. Consequently, this segment recorded a loss before tax of RM0.9 million as compared to the marginal profit before tax of RM0.2 million in the previous corresponding quarter mainly due to the lower revenue recorded.

**3) Smart Control Solution System**

For the current quarter under review, this segment achieved total revenue of RM2.9 million with the profit before tax of RM2.2 million.

**PENTAMASTER CORPORATION BERHAD (572307-U)**  
**(“Company”)**  
**Notes To The Interim Financial Report For Quarter Ended 31 December 2015**

**14 Material Changes in the Quarterly Results as Compared with the Preceding Quarter**

For the fourth quarter ended 31 December 2015, the Group’s revenue was slightly lower at RM19.3 million as compared to the revenue of RM20.9 million in the preceding quarter. The lower revenue recorded was mainly due to decrease in sales from both automated equipment operating segment and automated manufacturing solution operating segment which was partially offset by the revenue generated from the new operating segment namely Smart Control Solution System. Due to the lower revenue achieved and change in product mix, the Group recorded a lower profit before tax of RM2.4 million in the current quarter as compared to the pre-tax profit of RM6.8 million in the preceding quarter which included other income of approximately RM2.6 million in negative goodwill arising from the acquisition of Origo Ventures (M) Sdn Bhd.

Performance of the respective operating segments for the fourth quarter ended 31 December 2015 as compared to the preceding quarter is analysed as follows:-

**1) Automated equipment**

The decrease in revenue by RM2.3 million in the current quarter to RM10.7 million as compared to the preceding quarter was mainly due to the deferment of sales orders from customers to first quarter of year 2016. From the bottom line perspective, profit before tax for this segment remained at RM2.6 million as compared to the preceding quarter despite the lower revenue mainly due to better project margin achieved in the current quarter.

**2) Automated manufacturing solution**

Revenue from this segment was RM2.4 million lower than the preceding quarter mainly due to lower demand for the integrated manufacturing solution from customers in the current quarter. Consequently, this segment recorded a loss before tax of RM0.9 million in the current quarter as compared to the profit before tax of RM2.4 million in the preceding quarter mainly due to lower revenue achieved and change in product mix.

**3) Smart Control Solution System**

For the current quarter under review, this segment achieved total revenue of RM2.9 million with the profit before tax of RM2.2 million.

**PENTAMASTER CORPORATION BERHAD (572307-U)**  
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**Notes To The Interim Financial Report For Quarter Ended 31 December 2015**

**15 Current Year Prospect**

We will remain focused on achieving growth momentum in our core products and our venture into new concept of manufacturing which is known as Smart Manufacturing System. The Smart Manufacturing System is based on Internet of Things, vision technologies and automated robotic system to radically improve efficiency and visibility in manufacturing.

We will continue to strengthen our market position and expand the customer base. The management is cautiously optimistic on the growth prospect of the company for year 2016.

**16 Profit Forecast or Profit Guarantee**

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

**17 Taxation**

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

	<b>Current Quarter</b>	<b>Current Year to</b>
	<b>RM'000</b>	<b>Date</b>
	<b>RM'000</b>	<b>RM'000</b>
Income tax payable	(958)	(1,937)
Deferred tax resulting from the origination and reversal of temporary differences	195	(455)
	<u>(763)</u>	<u>(2,392)</u>

**18 Changes in the Composition of the Group**

During the quarter, there were no changes in the composition of the Group.

# PENTAMASTER CORPORATION BERHAD (572307-U)

## ("Company")

### Notes To The Interim Financial Report For Quarter Ended 31 December 2015

#### 19 Corporate Proposals

- (i) The Company had on 9 September 2015 announced that the Company proposes to undertake a private placement of up to 10% of the issued and paid-up share capital of Pentamaster, representing 13,324,305 new ordinary shares of RM0.50 each, to independent third party investor(s) to be identified and at an issue price to be determined later.

Such proposed private placement has been given approval by Bursa Malaysia Securities Berhad ("Bursa Securities") vide its letter dated 7 October 2015 where Bursa Securities has resolved to approve the listing and quotation of up to 13,324,305 new ordinary shares of RM0.50 each in Pentamaster. The announcement was made by the Company on 8 October 2015.

The Company had on 29 December 2015 fixed the issue price for the first tranche of the Proposed Private Placement comprising 3,997,300 Placement Shares at RM0.67 per Placement Share. The Placement Shares were issued and allotted on 30 December 2015 and listed on the Main Market of Bursa Securities on 31 December 2015.

#### 20 Status of Utilisation of Proceeds

The Company received RM2,678,191 from the first tranche of the Private Placement on 31 December 2015. None of the proceeds had been utilised as at the end of the reporting quarter.

#### 21 Borrowings

The Group's borrowings as at the end of the reporting quarter are as follows:-

	RM'000
<u>Short term borrowings (unsecured)</u>	
Hire purchase creditor	242
Total utilisation	242

All borrowings are denominated in Ringgit Malaysia.

**PENTAMASTER CORPORATION BERHAD (572307-U)**  
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**Notes To The Interim Financial Report For Quarter Ended 31 December 2015**

**22 Derivative Financial Instruments**

As at the date of the statement of financial position 31 December 2015, the Group has the following outstanding derivative financial instruments:

<b>Derivatives</b>	<b>Contract or Notional amount (RM'000)</b>	<b>Fair value Net gain/(loss) (RM'000)</b>	<b>Purpose</b>
Currency forward contracts: -Less than 1 year	21,900	(193)	For hedging currency risk arising from sales proceeds in foreign currencies

For the quarter ended 31 December 2015, there have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objectives, policies and processes since the previous financial year end. Financial instruments are viewed as risk management tools by the Group and are not used for trading or speculative purposes.

**23 Disclosure of Realised and Unrealised Profits/Losses**

	<b>As at 31/12/2015 (RM'000)</b>	<b>As at 30/9/2015 (RM'000)</b>
Total Unappropriated profits/accumulated losses of Pentamaster Corporation Berhad and its subsidiaries:		
- Realised	(2,730)	(5,261)
- Unrealised	(620)	(1,016)
	(3,350)	(6,277)
Add: Consolidation adjustment	5,215	6,668
Unappropriated profits/accumulated losses as per financial statements	1,865	391



**PENTAMASTER CORPORATION BERHAD (572307-U)**  
**(“Company”)**  
**Notes To The Interim Financial Report For Quarter Ended 31 December 2015**

**24 Material Litigations**

Pentamaster Instrumentation Sdn Bhd, a subsidiary company of Pentamaster Corporation Berhad (PMCB) had on 27 January 2016 via its solicitors served a writ of summons in respect of a civil suit against QAV Technologies Sdn Bhd for patent infringement by using a product and/or a process falling within the scope of protection of the Patents.

The suit is not expected to have any operational impact on PMCB Group. Any financial impact on PMCB Group arising from the suit cannot be determined at this juncture.

**25 Dividends**

The Board of Directors does not recommend any dividend in respect of the quarter ended 31 December 2015.

**26 Basic Profit Per Share**

The calculation of basic profit per share for the period is based on the net profit attributable to ordinary shareholders for the quarter and the financial period divided by the weighted average number of ordinary shares in issue during the quarter and the financial period.

	<b>3 Months Ended 31/12/2015 RM'000</b>	<b>12 Months Ended 31/12/2015 RM'000</b>
Profit attributable to owners of the Parent	1,482	11,953
Weighted average number of ordinary shares of RM0.50 each	133,329,948	133,264,953
Profit per share attributable to owners of the Parent (sen)	1.11	8.97

BY ORDER OF THE BOARD

**LIM KIM TECK**  
**Secretary**  
**23 February 2016**