



(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR 2ND QUARTER ENDED 31 AUGUST 2013**

<u>CONTENTS</u>	<u>PAGE</u>
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2013	1
CONDENSED CONSOLIDATED INCOME STATEMENT	2
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	4
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	5
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT	6

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at 31.08.13 RM'000	(Audited) As at 28.02.13 RM'000
NON-CURRENT ASSETS		
Property, Plant and Equipment	24,399	24,883
CURRENT ASSETS		
Inventories	2,272	1,917
Trade Receivables	5,619	4,789
Other Receivables, Deposits and Prepayments	905	1,205
Current Tax Assets	249	186
Cash and Cash Equivalents	1,114	1,653
	10,159	9,750
CURRENT LIABILITIES		
Trade Payables	5,365	3,445
Other Payables and Accruals	870	2,539
Loans and Borrowings	1,348	493
Hire Purchase Payables	948	898
Current Tax Liabilities	-	-
	8,531	7,375
NET CURRENT ASSETS	1,628	2,375
NON-CURRENT LIABILITIES		
Loans and Borrowings	11,046	12,173
Hire Purchase Payables	1,404	1,217
Deferred Tax Liabilities	401	401
	12,851	13,791
NET ASSETS	13,176	13,467
EQUITY:-		
Share Capital	19,685	19,175
Share Premium	11,517	11,517
Revaluation Reserve	217	217
Currency Translation Reserve	(333)	12
Accumulated Losses	(17,910)	(17,454)
TOTAL EQUITY	13,176	13,467
Net Assets Per Share (Sen)	6.69	6.82

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 28 February 2013 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	<u>31.08.13</u> RM'000	<u>31.08.12</u> RM'000	<u>31.08.13</u> RM'000	<u>31.08.12</u> RM'000
Revenue	5,597	6,653	11,719	15,245
Other Income	235	508	470	703
Operating Expenses	(5,567)	(9,861)	(12,079)	(18,766)
Operating Profit/(Loss)	265	(2,700)	110	(2,818)
Finance Costs	(194)	(246)	(411)	(485)
Profit/(Loss) before Tax	71	(2,946)	(301)	(3,303)
Tax Expense	(50)	(122)	(155)	(246)
Profit/(Loss) for the Period	21	(3,068)	(456)	(3,549)
Attributable to: - Owners of the Company	21	(3,068)	(456)	(3,549)
Earnings/(Loss) Per Share:				
- Basic (Sen)	0.01	(1.67)	(0.23)	(1.95)
- Diluted (Sen)	0.01	(1.67)	(0.23)	(1.95)

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 28 February 2013 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	<u>31.08.13</u> RM'000	<u>31.08.12</u> RM'000	<u>31.08.13</u> RM'000	<u>31.08.12</u> RM'000
Net Profit/(Loss) for the Period	21	(3,068)	(456)	(3,549)
Other Comprehensive Income:-				
Currency Translation Differences for Foreign Operations	(278)	39	(345)	(1)
Other Comprehensive Income for the Period	(278)	39	(345)	(1)
Total Comprehensive Income for the Period	(257)	(3,029)	(801)	(3,550)
Attributable to:				
- Owners of the Company	(257)	(3,029)	(801)	(3,550)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 28 February 2013 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Non-Distributable		Accumulated Losses	Total Equity
			Revaluation Surplus	Currency Translation Reserve		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 March 2013	19,175	11,517	217	12	(17,454)	13,467
Issue of share	510	-	-	-	-	510
Total Comprehensive Income for the Financial Period	-	-	-	(345)	(456)	(801)
Balance at 31 August 2013	19,685	11,517	217	(333)	(17,910)	13,176

	Share Capital	Share Premium	Non-Distributable		Accumulated Losses	Total Equity
			Revaluation Surplus	Currency Translation Reserve		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 March 2012	17,895	10,749	217	63	(6,613)	22,311
Issue of shares	1,280	768	-	-	-	2,048
Total Comprehensive Income for the Financial Period	-	-	-	(1)	(3,549)	(3,550)
Balance at 31 August 2012	19,175	11,517	217	62	(10,162)	20,809

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 28 February 2013 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative Quarter	
	<u>31.08.2013</u>	<u>31.08.2012</u>
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss Before Tax	(301)	(3,303)
Adjustments for:-		
Non-Cash Items	1,002	1,767
Non-Operating Items	431	380
Operating Profit/(Loss) Before Working Capital Changes	1,132	(1,156)
Increase in Inventories	(355)	(1,739)
(Increase) / Decrease in Receivables and Prepayments	(530)	1,743
Decrease in Payables	(94)	(845)
Cash generated from / (used in) Operations	153	(1,997)
Interest Paid	(431)	(485)
Tax Paid	(218)	(286)
Net Cash used in Operating Activities	(496)	(2,768)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	-	62
Proceeds from Disposal of Property, Plant and Equipment	522	1,203
Purchase of Property, Plant and Equipment	(155)	(108)
Net Cash generated from Investing Activities	367	1,157
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	510	2,048
Repayment of Hire Purchase Obligations	(647)	(699)
Repayment of Term Loans	(273)	(215)
Drawdown of Term Loans	-	2,933
Net Cash (used in) / generated from Financing Activities	(410)	4,067
Currency Translation Differences	-	43
Net (Decrease) / Increase in Cash and Cash Equivalents	(539)	2,456
Cash and Cash Equivalents Brought Forward	1,653	1,813
Cash and Cash Equivalents Carried Forward	1,114	4,312
Represented by:-		
Cash and Cash Equivalents	1,114	4,581
Bank Overdrafts	-	(269)
	1,114	4,312

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 28 February 2013 and the accompanying explanatory notes attached to the interim financial report.

PART A - NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORTS

A1) Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with Malaysia Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) and the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). The interim financial reports should be read in conjunction with the audited financial statements for the financial year ended 28 February 2013 and the accompanying notes attached to the interim financial reports.

A2) Changes in Accounting Policies

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 28 February 2013 except for the adoption of the following standards, amendments to published standards and interpretations to existing standards which are effective for the financial period commencing on 1 March 2013:

MFRS 10	: Consolidated Financial Statements
MFRS 11	: Joint Arrangements
MFRS 12	: Disclosure of Interests in Other Entities
MFRS 13	: Fair Value Measurement
MFRS 119	: Employees Benefits (Revised)
MFRS 127	: Separate Financial Statements
MFRS 128	: Investments in Associates and Joint Ventures

Amendments to MFRSs:

MFRS 7	: Disclosures – Offsetting Financial Assets and Financial Liabilities
MFRS 10, 11 & 12	: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
MFRS 101	: Presentation of Items of Other Comprehensive Income

Amendments to MFRSs classified as “Annual Improvements 2009 – 2011 Cycle”

The adoption of the above standards, amendments to published standards and interpretations does not give rise to any material effects to the Group. The adoption of MFRS 13, Fair Value Measurement requires fair value disclosures for financial instruments to be included in the interim financial report as disclosed in Note B13.

PART A - NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORTS

A3) Auditors' Report of Preceding Annual Audited Financial Statements

The auditors' report on the financial statements for the financial year ended 28 February 2013 contains a qualified opinion by the external auditors.

A4) Seasonal or Cyclical Factors

The Group's performance is, to certain extent, dependent on the cyclical nature of the electronics and semiconductors industries.

A5) Unusual Items

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

A6) Material Changes in Estimates

There were no changes in estimates that have a material effect for the current quarter and financial period.

A7) Debt and Equity Securities

Save as disclosed in Note B7, there were no repurchase and repayment of debt and equity securities, for the current quarter and financial period.

A8) Dividend Paid

There was no dividend paid in the current quarter and financial period.

A9) Segmental Information

Information about operating segments has not been reported separately as the Group's profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the design, manufacture and fabrication of industrial automation systems, machinery, industrial and engineering parts.

PART A - NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORTS**A10) Valuation of Property, Plant and Equipment**

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

A11) Events After the Reporting Period

As at the date of this announcement, there were no material events subsequent to the end of the interim period that affect the results of the Group.

A12) Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial period, except for the following:

- a) On 6 March 2013, the Group acquired a new subsidiary through acquisition of 2 ordinary shares of RM1.00 each representing 100% of the issued and fully paid-up share capital of Goodmatrix Resources Sdn. Bhd. for a total cash consideration of RM2. The acquisition has no material financial effect to the Group.

A13) Changes in Contingent Liabilities or Contingent Assets

There were no material contingent liabilities or contingent assets to be disclosed as at the date of the interim financial statements.

A14) Capital Commitments

Capital commitment in respect of the purchase of property, plant and equipment:

	31.8.2013
	RM'000
Approved but not contracted	1,148
Contracted but not provided for	-
	<u>1,148</u>

A15) Related Party Transactions

There were no significant transactions with related parties during the current quarter and financial period.

PART B - ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS

B1) Review of Performance

The Group posted revenue of RM5.6 million for the second quarter ended 31 August 2013, which was RM1.05 million or 15.9% lower as compared to the corresponding quarter of RM6.6 million. The decline was mainly due to the closure of overseas operation unit. These overseas operation unit contributed revenue of RM1.3 million in the corresponding quarter ended 31 August 2012. The decrease was however mitigated by the increase in sales orders from fabrication of engineering parts by RM0.25 million.

Despite lower revenue, the Group recorded pre-tax profit for the current quarter under review of RM0.07 million as compared to pre-tax loss of RM2.9 million in the corresponding quarter. This was mainly contributed by better cost controls measures and the closure of loss making overseas operation unit.

B2) Material Change in the Profit before Taxation of Current Quarter Compared with the Immediate Preceding Quarter

The Group posted pre-tax profit of RM0.07 million for the second quarter ended 31 August 2013, which was RM0.4 million higher as compared to pre-tax loss of RM0.37 million in the preceding quarter. This increase in profit was due to better cost control measures.

B3) Prospects

The Group will continue to focus and expand on the core business in fabrication of industrial and engineering parts and design and manufacture of industrial automation system and machinery. Notwithstanding that, the Group will continuously seek opportunity for business growth and will look for new market opportunities.

B4) Variance between Actual Profit and Forecast Profit

The Group did not issue any profit forecast or profit guarantee during the current quarter and financial period.

PART B - ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS**B5) Taxation**

	Individual Quarter		Cumulative Quarter	
	<u>31.08.13</u>	<u>31.08.12</u>	<u>31.08.13</u>	<u>31.08.12</u>
	RM'000	RM'000	RM'000	RM'000
Income tax expense	50	122	155	246
Deferred tax transfers	-	-	-	-
	<u>50</u>	<u>122</u>	<u>155</u>	<u>246</u>

The effective tax rate of the Group in current financial period is higher than that of the statutory income tax rate due to the effect of deferred tax assets not recognised for certain loss making subsidiaries.

B6) Corporate Proposals

- 1) On 6 February 2013, Hong Leong Investment Bank Berhad on behalf of the Board of Directors (“Board”) of the Company, announced that the Company is proposing to undertake a private placement of up to 5,095,000 new ordinary shares of RM0.10 each in AT Systematization Berhad (“AT”), representing approximately 2.66% of the issued and paid-up share capital of the Company.

On 5 March 2013, the Board has fixed the issue price for the new ordinary shares in AT to be issued pursuant to the private placement at RM0.10 per share.

On 15 March 2013, 5,095,000 new ordinary shares of RM0.10 each were allotted by the Company at a price of RM0.10 per share to certain identified investor pursuant to the private placement exercise.

PART B - ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS**B6) Corporate Proposals (Cont'd)**

As at 31 August 2013, the status of utilisation of proceeds raised under the private placement exercise which was completed on 15 March 2013 is set out below:

Purpose	Proposed utilisation	Actual utilisation as at 31 August 2013	Balance of unutilised proceeds	Estimated timeframe for the utilisation of proceeds
	RM'000	RM'000	RM'000	
To purchase glove counting machines	300	-	300	Within three (3) months
To fund the development and production of wheel-chair washing machines	189	102	87	Within three (3) months
Estimated expenses in relation to the private placement exercise	20	15	5	Within one (1) month
Total	509	117	392	

- 2) On 11 March 2013, the Company has entered into a Joint Collaboration Agreement with Asia Bioenergy Technologies Berhad (“ASIABIO”) to set out the terms of their intention to collaborate in the supply of biotechnology solutions to convert food waste to organic fertilizer. ASIABIO, which is listed in ACE Market Bursa Malaysia Securities Berhad, is involved in technology incubation and investment holding company.

The intention of the parties under the Joint Collaboration Agreement is to work together wherein AT shall be responsible for the fabrication and manufacture and maintenance of the composting machineries as well as secure the approval of the relevant authorities for the Project and ASIABIO, via its subsidiary company, Hexa Bonanza Sdn Bhd (“HBSB”), shall be responsible for the provision of the microbial solutions necessary for the conversion of the food waste into organic fertilizer as well as identification of the composting machinery design for the fabrication by AT.

The Joint Collaboration Agreement shall take effect on the date of its execution and shall continue to be of effect until the execution of a definitive agreement.

PART B - ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS

B6) Corporate Proposals (Cont'd)

- 3) On 10 May 2013, M&A Securities Sdn Bhd on behalf of the Board announced that the Company is proposing to undertake the followings:
- i) Proposed renounceable rights issue of up to 196,845,765 new ordinary shares of RM0.10 each in AT (“Right Shares”) together with up to 98,422,882 free detachable warrants (“Warrant(s)”) on basis of two (2) Rights Shares for every two (2) existing ordinary shares of RM0.10 each held in AT (“AT Shares” Or “Shares”) together with one (1) warrant for every two (2) Right Shares subscribed (“Proposed Rights Issue with Free Warrants”);
 - ii) Proposed increase in the authorised share capital of the Company from RM25,000,000 comprising 250,000,000 AT Shares to RM100,000,000 comprising 1,000,000,000 AT Shares; and
 - iii) Proposed amendment to the Memorandum of Association of AT.
- (Collectively known as the “Proposals”)

On 5 July 2013, M&A Securities Sdn Bhd on behalf of the Board announced that the Company proposes to vary the Proposed Rights Issue with Free Warrants (“Proposed Variation”) to be as follows:

- i) Proposed renounceable rights issue of up to 196,845,765 new ordinary shares of RM0.10 each in AT (“Right Shares”) together with up to 196,845,765 free detachable warrants (“Warrant(s)”) on basis of one (1) Rights Shares for every (1) existing ordinary shares of RM0.10 each held in AT (“AT Shares” Or “Shares”) together with one (1) warrant for every one (1) Right Shares subscribed.

Save for the Proposed Variation, there is no other amendment to the Proposals.

The implementation of the Proposals is subject to approvals being obtained from the following:

- (a) Bursa Malaysia Securities Berhad;
- (b) the shareholders of the Company; and
- (c) any other relevant authorities and/or parties, if required.

PART B - ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS

B6) Corporate Proposals (Cont'd)

On 18 July 2012, the Board had announced that, Bank Negara Malaysia (“BNM”) has, vide its letter dated 16 July 2013 (which was received on 18 July 2013), informed the Company that effective 30 June 2013, residents are allowed to issue securities denominated in Ringgit Malaysia to non-residents. However, the issuance of debt securities denominated in Ringgit Malaysia to non-residents is subject to the rules in Notice 2, Rules on Foreign Exchange Administration.

Premised on the foregoing, the Company is not required to seek the approval of BNM for the issuance of the Warrants to non-resident shareholders of the Company pursuant to the Proposed Rights Issue with Free Warrants.

The Company is advised to comply with the rules in Notice 3, Rules on Foreign Exchange Administration, should it decide to utilise any portion of the proceeds from the issuance of Warrants pursuant to the Proposed Rights Issue with Free Warrants to finance its investments overseas.

B7) Borrowings and Debts Securities

Group’s borrowings as at 31 August 2013 are as follows:-

	<u>Secured</u> RM’000	<u>Unsecured</u> RM’000	<u>Total</u> RM’000
Short Term Borrowings:-			
Hire Purchase Payables	948	-	948
Term Loans	1,348	-	1,348
	<u>2,296</u>	<u>-</u>	<u>2,296</u>
Long Term Borrowings:-			
Hire Purchase Payables	1,404	-	1,404
Term Loans	11,046	-	11,046
	<u>12,450</u>	<u>-</u>	<u>12,450</u>
Total	<u>14,746</u>	<u>-</u>	<u>14,746</u>

PART B - ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS

B8) Material Litigation

There were no material litigations against the Group as at the date of the interim financial reports. The directors of the Group do not have any knowledge of any proceeding pending or threatened against the Group which might materially and adversely affect the financial position or business of the Group.

B9) Dividend

There was no dividend declared or paid for the current quarter under review.

B10) Earnings/(Loss) per Share

The basic earnings/(loss) per share is calculated by dividing the Group's profit/(loss) for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period as follows:-

	Individual Quarter		Cumulative Quarter	
	<u>31.8.2013</u>	<u>31.8.2012</u>	<u>31.8.2013</u>	<u>31.8.2012</u>
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) Attributable to Owners of the Company	21	(3,068)	(456)	(3,549)
Weighted Average Number of Shares in Issue	196,846	183,264	196,636	181,107
Earnings/(Loss) Per Share				
- Basic (sen)	0.01	(1.67)	(0.24)	(1.95)
- Diluted (sen)	0.01	(1.67)	(0.24)	(1.95)

B11) Auditors' Report of Preceding Annual Audited Financial Statements

The auditors' report on the financial statements for the financial year ended 28 February 2013 contains a qualified opinion by the external auditors.

PART B - ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS

B12) Profit/(Loss) Before Tax

Profit/(Loss) before tax is stated after charging / (crediting) the following:-

	Individual Quarter 31.8.2013 RM'000	Cumulative Quarter 31.8.2013 RM'000
Rental income	(291)	(518)
Interest expense	194	411
Depreciation	544	1,036
(Gain)/Loss on disposal of property, plant and equipment	(63)	(36)
Property, plant and equipment written off	2	-
Net Foreign Exchange (Gain)/ Loss	(16)	(21)

B13) Fair Value of Financial Instruments

The carrying amount of the financial assets and liabilities of the Group for the financial period are reasonable approximations of their fair values.

B14) Realised and Unrealised Profits/ (Losses)

	Individual Quarter	
	31.8.2013 RM'000	31.5.2013 RM'000
Total Accumulated Losses of the Company and its subsidiaries:-		
- Realised	(38,669)	(38,363)
- Unrealised	716	370
	<u>(37,953)</u>	<u>(37,538)</u>
Consolidation Adjustments and Eliminations	20,043	20,063
Total Accumulated Losses as per Statement of Financial Position	<u>(17,910)</u>	<u>(17,930)</u>

B15) Authorization for Issue

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Board.