



(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR 3RD QUARTER ENDED 30 NOVEMBER 2013**

<u>CONTENTS</u>	<u>PAGE</u>
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 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 30.11.13 RM'000	(Audited) As at 28.02.13 RM'000
NON-CURRENT ASSETS		
Property, Plant and Equipment	25,310	24,883
CURRENT ASSETS		
Inventories	2,527	1,917
Trade Receivables	5,181	4,789
Other Receivables, Deposits and Prepayments	1,208	1,205
Current Tax Assets	207	186
Cash and Cash Equivalents	1,270	1,653
	10,393	9,750
CURRENT LIABILITIES		
Trade Payables	6,420	3,445
Other Payables and Accruals	1,173	2,539
Loans and Borrowings	1,761	493
Hire Purchase Payables	918	898
Current Tax Liabilities	-	-
	10,272	7,375
NET CURRENT ASSETS	121	2,375
NON-CURRENT LIABILITIES		
Loans and Borrowings	10,430	12,173
Hire Purchase Payables	1,292	1,217
Deferred Tax Liabilities	401	401
	12,123	13,791
NET ASSETS	13,308	13,467
EQUITY:-		
Share Capital	19,685	19,175
Share Premium	11,517	11,517
Revaluation Reserve	217	217
Currency Translation Reserve	(270)	12
Accumulated Losses	(17,841)	(17,454)
TOTAL EQUITY	13,308	13,467
Net Assets Per Share (Sen)	6.76	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 9 Months Ended	
	<u>30.11.13</u> RM'000	<u>30.11.12</u> RM'000	<u>30.11.13</u> RM'000	<u>30.11.12</u> RM'000
Revenue	5,900	6,607	17,619	21,852
Other Income	384	236	854	939
Operating Expenses	(5,904)	(9,166)	(17,983)	(27,932)
Operating Profit/(Loss)	380	(2,323)	490	(5,141)
Finance Costs	(211)	(237)	(622)	(722)
Profit/(Loss) before Tax	169	(2,560)	(132)	(5,863)
Tax Expense	(100)	(133)	(255)	(379)
Profit/(Loss) for the Period	69	(2,693)	(387)	(6,242)
Attributable to: - Owners of the Company	69	(2,693)	(387)	(6,242)
Earnings/(Loss) Per Share:				
- Basic (Sen)	0.04	(1.40)	(0.23)	(3.40)
- Diluted (Sen)	0.04	(1.40)	(0.23)	(3.40)

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>30.11.13</u>	<u>30.11.12</u>	<u>30.11.13</u>	<u>30.11.12</u>
	RM'000	RM'000	RM'000	RM'000
Net Profit/(Loss) for the Period	69	(2,693)	(387)	(6,242)
Other Comprehensive Income:-				
Currency Translation Differences for Foreign Operations	63	13	(282)	12
Other Comprehensive Income for the Period	63	13	(345)	12
Total Comprehensive Income for the Period	132	(2,680)	(669)	(6,230)
Attributable to:				
- Owners of the Company	132	(2,680)	(669)	(6,230)

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	-	-	-	(282)	(387)	(669)
Balance at 30 November 2013	19,685	11,517	217	(270)	(17,841)	13,308

	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 30 November 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>30.11.2013</u>	<u>30.11.2012</u>
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss Before Tax	(132)	(5,863)
Adjustments for:-		
Non-Cash Items	1,527	3,484
Non-Operating Items	627	543
Operating Profit/(Loss) Before Working Capital Changes	<u>2,022</u>	<u>(1,836)</u>
Increase in Inventories	(610)	(1,622)
(Increase) / Decrease in Receivables and Prepayments	(395)	1,934
Increase / (Decrease) in Payables	172	(1,351)
Cash generated from / (used in) Operations	<u>1,189</u>	<u>(2,875)</u>
Interest Paid	(622)	(652)
Tax Paid	(275)	(632)
Net Cash used in Operating Activities	292	(4,159)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	-	66
Investment in Subsidiary	-	(12)
Proceeds from Disposal of Property, Plant and Equipment	522	1,458
Purchase of Property, Plant and Equipment	(329)	(404)
Net Cash generated from Investing Activities	193	1,108
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	510	2,048
Repayment of Hire Purchase Obligations	(904)	(790)
Repayment of Term Loans	(672)	(391)
Drawdown of Term Loans	-	2,933
Net Cash (used in) / generated from Financing Activities	(1,066)	3,800
Currency Translation Differences	-	43
Net (Decrease) / Increase in Cash and Cash Equivalents	<u>(581)</u>	<u>792</u>
Cash and Cash Equivalents Brought Forward	1,653	1,813
Cash and Cash Equivalents Carried Forward	<u>1,072</u>	<u>2,605</u>
Represented by:-		
Cash and Cash Equivalents	1,270	2,718
Bank Overdrafts	(198)	(113)
	<u>1,072</u>	<u>2,605</u>

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 B12.

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, other than as disclosed elsewhere in this interim financial report, there were no other 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.
- b) On 11 November 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 Yellow Choice Sdn. Bhd. ("YCSB") for a total cash consideration of RM2. The acquisition has no material financial effect to the Group.

On 9 December 2013, the Company further subscribed additional shares in YCSB. Upon subscription, the Group hold 81% of the issued and fully paid up capital of YCSB.

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.

PART A - NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORTS

A14) Capital Commitment

Capital commitment in respect of the purchase of production equipment:

	30.11.2013 RM'000
Approved but not contracted	<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 PerformanceCurrent Quarter

The Group posted revenue of RM5.9 million for the third quarter ended 30 November 2013, which was RM0.7 million or 10.7% 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 RM1.8 million in the corresponding quarter ended 30 November 2012. The decrease was however mitigated by the increase in sales order from fabrication of engineering parts by RM1.4 million.

Despite lower revenue, the Group recorded pre-tax profit for the current quarter under review of RM0.17 million as compared to pre-tax loss of RM2.6 million in the corresponding quarter. This was mainly contributed by better cost controls measures and the closure of loss making overseas operation unit.

PART B - ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS

B1) Review of Performance (Cont'd)

Current Period To-Date

For the period ended 30 November 2013, the Group registered a lower revenue of RM17.7 million as compared to RM21.9 million in corresponding period last year, mainly due to closure of overseas operation unit and lower sale orders in industrial automation system and machinery segment. Revenue from fabrication of industrial and engineering parts has increased slightly by 3% whilst revenue from industrial automation system and machinery has declined by 45% or RM0.9 million.

Our Group posted a pre-tax loss of RM0.1 million against a pre-tax loss of RM5.9 million in the prior year. This was mainly contributed by the closure of loss making overseas operation unit and better cost controls measures.

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

The Group posted pre-tax profit of RM0.17 million for the third quarter ended 30 November 2013, which was RM0.1 million higher as compared to pre-tax profit of RM0.07 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>30.11.13</u>	<u>30.11.12</u>	<u>30.11.13</u>	<u>30.11.12</u>
	RM'000	RM'000	RM'000	RM'000
Income tax expense	100	133	255	379
Deferred tax transfers	-	-	-	-
	<u>100</u>	<u>133</u>	<u>255</u>	<u>379</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 30 November 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 30 November 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	20	-	-
Total	509	122	387	

- 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 was 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.

PART B - ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS

B6) Corporate Proposals (Cont'd)

- 2) On 11 November 2013, the Company extended its collaboration with AsiaBio by executing a Shareholders' Agreement to regulate the participation and interest of both parties in Yellow Choice Sdn Bhd ("YCSB"), a vehicle set up by AT to venture into the biomass processing and related machineries fabrication business including biomass composting and biomass energy via gasification technologies ("Shareholders' Agreement"). The Shareholders' Agreement shall supersede the Joint Collaboration Agreement signed on 11 March 2013.

Pursuant to the Shareholders' Agreement, the paid up share capital of YCSB shall be increased from RM2 to RM100,000. Further, AT shall subscribe for 81,000 ordinary shares of YCSB of RM1 each and AsiaBio shall subscribe for 19,000 ordinary shares of YCSB of RM1 each, within 30 days from the date of the Shareholders' Agreement or such later period to be mutually agreed by both parties. On 9 December 2013, both parties has completed subscribing the additional shares in YCSB.

The Board of AT has on 12 November 2013 further announced that YCSB had on 11 November 2013 entered into a technology partnership arrangement with Wolverine Power Group Ltd ("WPG"), a Hong Kong based company, whereby WPG will be the technical partner in relation to building of biomass processing plant utilizing WPG's "Clean Coal" technology as well as for the non-exclusive marketing rights of the said technology. The technology is being marketed as being cleaner and more efficient than that of conventional coal technology in electricity power generation.

- 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")

PART B - ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS

B6) Corporate Proposals (Cont'd)

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.

As at the date of this report, shareholders' approval was obtained at an Extraordinary General Meeting held on 3 December 2013 and the Bursa Malaysia Securities Berhad had, vide its letter dated 23 October 2013, approved the listing and quotation of the new Warrants and new AT Shares to be issued. Barring any unforeseen circumstances, the Proposals is expected to be completed by the first quarter of 2014.

B7) Borrowings and Debts Securities

Group's borrowings as at 30 November 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	918	-	918
Term Loans and overdrafts	1,761	-	1,761
	2,679	-	2,679
Long Term Borrowings:-			
Hire Purchase Payables	1,292	-	1,292
Term Loans	10,430	-	10,430
	11,722	-	11,722
Total	14,401	-	14,401

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>30.11.2013</u> RM'000	<u>30.11.2012</u> RM'000	<u>30.11.2013</u> RM'000	<u>30.11.2012</u> RM'000
Profit/(Loss) Attributable to Owners of the Company	69	(2,693)	(387)	(6,242)
Weighted Average Number of Shares in Issue	196,846	191,750	196,636	184,629
Earnings/(Loss) Per Share				
- Basic (sen)	0.04	(1.40)	(0.23)	(3.40)
- Diluted (sen)	0.04	(1.40)	(0.23)	(3.40)

PART B - ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS**B11) Profit/(Loss) Before Tax**

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

	Individual Quarter 30.11.2013 RM'000	Cumulative Quarter 30.11.2013 RM'000
Rental income	(232)	(750)
Interest expense	191	622
Depreciation	529	1,565
(Gain)/Loss on disposal of property, plant and equipment	(5)	(41)
Net Foreign Exchange (Gain)/ Loss	(35)	(56)

B12) 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.

B13) Realised and Unrealised Profits/ (Losses)

	Individual Quarter	
	30.11.2013 RM'000	31.8.2013 RM'000
Total Accumulated Losses of the Company and its subsidiaries:-		
- Realised	(38,514)	(38,669)
- Unrealised	716	716
	<u>(37,798)</u>	<u>(37,953)</u>
Consolidation Adjustments and Eliminations	19,957	20,043
Total Accumulated Losses as per Statement of Financial Position	<u>(17,841)</u>	<u>(17,910)</u>

B14) Authorization for Issue

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