



# **AT SYSTEMATIZATION BERHAD**

**(COMPANY NO: 644800-X)  
(INCORPORATED IN MALAYSIA)**

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR 2<sup>nd</sup> QUARTER ENDED 31 AUGUST 2014**



**Condensed Consolidated Statements of Financial Position  
For 2<sup>nd</sup> Quarter ended 31 August 2014**

|                                     | (Unaudited)<br>As At<br>31.8.2014<br>RM '000 | (Audited)<br>As At<br>28.2.2014<br>RM '000 |
|-------------------------------------|--|--|
| <b>Non-current assets</b>           |  |  |
| Property, plant and equipment       | 24,379                                       | 24,113                                     |
| Investment in unquoted shares       | 25   | -  |
| <b>Current assets</b>               |  |  |
| Inventories                         | 2,426  | 1,982                                      |
| Trade receivables                   | 7,298  | 5,387                                      |
| Other receivables                   | 3,210  | 2,007                                      |
| Tax assets                          | 49   | 309  |
| Cash and cash equivalents           | 6,818  | 19,957                                     |
|                                     | 19,801                                       | 29,642                                     |
| <b>TOTAL ASSETS</b>                 | <b>44,205</b>                                | <b>53,755</b>                              |
| <b>Equity</b>                       |  |  |
| Share capital                       | 39,369                                       | 39,369                                     |
| Share premium                       | 10,967                                       | 10,967                                     |
| Warrant reserve                     | 17,126                                       | 17,126                                     |
| Revaluation reserve                 | 217  | 217  |
| Accumulated losses                  | (32,369)                                     | (33,467)                                   |
|                                     | 35,310                                       | 34,212                                     |
| Non-controlling interests           | 17   | 17   |
| <b>Total equity</b>                 | <b>35,327</b>                                | <b>34,229</b>                              |
| <b>Liabilities</b>                  |  |  |
| <b>Non-current liabilities</b>      |  |  |
| Finance lease payables              | 1,898  | 1,777                                      |
| Bank borrowings                     | -  | 11,328                                     |
| Deferred tax liabilities            | 369  | 369  |
|                                     | 2,267  | 13,474                                     |
| <b>Current liabilities</b>          |  |  |
| Trade payables                      | 4,511  | 3,668                                      |
| Other payables                      | 1,078  | 762  |
| Tax liabilities                     | -  | 3  |
| Finance lease payables              | 1,022  | 1,013                                      |
| Bank borrowings                     | -  | 606  |
|                                     | 6,611  | 6,052                                      |
| <b>Total liabilities</b>            | <b>8,878</b>                                 | <b>19,526</b>                              |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>44,205</b>                                | <b>53,755</b>                              |
| <b>Net assets per share (Sen)</b>   | <b>8.97</b>                                  | <b>8.69</b>                                |

*The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 28 February 2014 and the accompanying explanatory notes attached to the interim financial report.*



Condensed consolidated statements of comprehensive income  
For 2<sup>nd</sup> Quarter ended 31 August 2014

|  | Individual Quarter<br>6 Months Ended |                                  | Cumulative Quarter<br>6 Months Ended |                                  |
|--|--------------------------------------|----------------------------------|--------------------------------------|----------------------------------|
|  | 31.8.2014<br>RM '000                 | 31.8.2013<br>RM '000<br>Restated | 31.8.2014<br>RM '000                 | 31.8.2013<br>RM '000<br>Restated |
| <b>Continuing operations</b>                       |                                      |                                  |                                      |                                  |
| Revenue  | 6,837                                | 5,256                            | 13,158                               | 11,049                           |
| Cost of sales                                      | (5,064)                              | (4,119)                          | (9,519)                              | (8,438)                          |
| <b>Gross profit</b>                                | 1,773                                | 1,137                            | 3,639                                | 2,611                            |
| Other income                                       | 426                                  | 2                                | 894                                  | 5                                |
| Administrative and general expenses                | (1,418)                              | (686)                            | (2,702)                              | (2,150)                          |
| Selling and distribution expenses                  | (43)                                 | (39)                             | (56)                                 | (39)                             |
|  | (1,461)                              | (725)                            | (2,758)                              | (2,189)                          |
| <b>Profit/(Loss) from operations</b>               | 738                                  | 414                              | 1,775                                | 427                              |
| Finance costs                                      | (63)                                 | (200)                            | (266)                                | (411)                            |
| <b>Profit/(Loss) before tax</b>                    | 675                                  | 214                              | 1,509                                | 16                               |
| Tax (expense)/income                               | (176)                                | (50)                             | (411)                                | (155)                            |
| <b>Profit/(Loss) for the continuing operations</b> | 499                                  | 164                              | 1,098                                | (139)                            |
| <b>Discontinued operations</b>                     |                                      |                                  |                                      |                                  |
| Loss from discontinued operations, net of tax      | -                                    | (143)                            | -                                    | (317)                            |
| <b>Profit/(Loss) for the financial year</b>        | 499                                  | 21                               | 1,098                                | (456)                            |
| <b>Attributable to:-</b>                           |                                      |                                  |                                      |                                  |
| Owners of the parent                               |                                      |                                  |                                      |                                  |
| - from continuing operations                       | 499                                  | 164                              | 1,098                                | (139)                            |
| - from discontinued operations                     | -                                    | (143)                            | -                                    | (317)                            |
|  | 499                                  | 21                               | 1,098                                | (456)                            |
| Non-controlling interests                          | -                                    | -                                | -                                    | -                                |
| <b>Profit/(Loss) for the period</b>                | 499                                  | 21                               | 1,098                                | (456)                            |
| <b>Earnings/(Loss) per share (sen)</b>             |                                      |                                  |                                      |                                  |
| Basic and diluted:                                 |                                      |                                  |                                      |                                  |
| - Continuing operations                            | 0.13                                 | 0.08                             | 0.28                                 | (0.07)                           |
| - Discontinued operations                          | -                                    | (0.07)                           | -                                    | (0.16)                           |
|  | 0.13                                 | 0.01                             | 0.28                                 | (0.23)                           |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 28 February 2014 and the accompanying explanatory notes attached to the interim financial report.



**Condensed consolidated statements of comprehensive income  
For 2<sup>nd</sup> Quarter ended 31 August 2014 (Cont'd)**

|   | Individual Quarter<br>6 Months Ended |                                  | Cumulative Quarter<br>6 Months Ended |                                  |
|---|--------------------------------------|----------------------------------|--------------------------------------|----------------------------------|
|   | 31.8.2014<br>RM '000                 | 31.8.2013<br>RM '000<br>Restated | 31.8.2014<br>RM '000                 | 31.8.2013<br>RM '000<br>Restated |
| <b>Profit/(Loss) for the period</b>                                   | 499                                  | 21                               | 1,098                                | (456)                            |
| <b>Other comprehensive income:-</b>                                   |                                      |                                  |                                      |                                  |
| Foreign currency translation<br>differences for foreign<br>operations | -                                    | (278)                            | -                                    | (345)                            |
| <b>Total comprehensive<br/>income for the period</b>                  | <u>499</u>                           | <u>(257)</u>                     | <u>1,098</u>                         | <u>(801)</u>                     |
| <b>Attributable to:-</b>  |                                      |                                  |                                      |                                  |
| Owners of the parent  |                                      |                                  |                                      |                                  |
| - from continuing operations  | 499                                  | 164                              | 1,098                                | (139)                            |
| - from discontinued operations  | -                                    | (421)                            | -                                    | (662)                            |
|   | <u>499</u>                           | <u>(257)</u>                     | <u>1,098</u>                         | <u>(801)</u>                     |
| Non-controlling interests   | -                                    | -                                | -                                    | -                                |
| <b>Total comprehensive<br/>income for the period</b>                  | <u>499</u>                           | <u>(257)</u>                     | <u>1,098</u>                         | <u>(801)</u>                     |

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 28 February 2014 and the accompanying explanatory notes attached to the interim financial report.*



Condensed Consolidated Statements of Equity  
For 2<sup>nd</sup> Quarter ended 31 August 2014

|   | <----- Attributable to owners of the parent -----> |         |             |         |             |               |           |             |         |  |
|---|--|---------|-------------|---------|-------------|---------------|-----------|-------------|---------|--|
|   | <----- Non-Distributable ----->                    |         |             |         |             | Distributable |           |             | Non-    |  |
|   | Share  | Share   | Revaluation | Warrant | Currency    | Accumulated   | Sub Total | Controlling | Total   |  |
|   | Capital  | Premium | Reserve     | Reserve | Translation | Losses        | RM '000   | Interests   | Equity  |  |
|   | RM '000  | RM '000 | RM '000     | RM '000 | Reserve     | RM '000       | RM '000   | RM '000     | RM '000 |  |
| <b>At 1 March 2014</b>  | 39,369   | 10,967  | 217         | 17,126  | -           | (33,467)      | 34,212    | 17          | 34,229  |  |
| <b>Total comprehensive income</b>                               |  |         |             |         |             |               |           |             |         |  |
| Profit for the financial year representing comprehensive income | -  | -       | -           | -       | -           | 1,098         | 1,098     | -           | 1,098   |  |
| <b>Other comprehensive income</b>                               |  |         |             |         |             |               |           |             |         |  |
| Foreign currency translation difference for foreign operations  | -  | -       | -           | -       | -           | -             | -         | -           | -       |  |
| <b>Total comprehensive income for the financial year</b>        | -  | -       | -           | -       | -           | 1,098         | 1,098     | -           | 1,098   |  |
| <b>Transactions with owners</b>                                 |  |         |             |         |             |               |           |             |         |  |
| Issue of shares representing transactions with owners           | -  | -       | -           | -       | -           | -             | -         | -           | -       |  |
| <b>Total transactions with owners</b>                           | -  | -       | -           | -       | -           | -             | -         | -           | -       |  |
| <b>At 31 August 2014</b>  | 39,369   | 10,967  | 217         | 17,126  | -           | (32,369)      | 35,310    | 17          | 35,327  |  |



**Condensed consolidated statements of Equity  
For 2<sup>nd</sup> Quarter ended 31 August 2014 (Cont'd)**

|  | <----- Attributable to owners of the parent -----> |         |             |         |             |               |           |             |         |
|--|--|---------|-------------|---------|-------------|---------------|-----------|-------------|---------|
|  | <----- Non-Distributable ----->                    |         |             |         |             | Distributable |           | Non-        |         |
|  | Share  | Share   | Revaluation | Warrant | Currency    | Accumulated   | Sub Total | Controlling | Total   |
|  | Capital  | Premium | Reserve     | Reserve | Translation | Losses        | RM '000   | Interests   | Equity  |
|  | RM '000  | RM '000 | RM '000     | RM '000 | Reserve     | RM '000       | RM '000   | RM '000     | RM '000 |
| <b>At 1 March 2013</b>   | 19,175   | 11,517  | 217         | -       | 12          | (17,454)      | 13,467    | -           | 13,467  |
| <b>Total comprehensive income</b>                              |  |         |             |         |             |               |           |             |         |
| Loss for the financial year representing comprehensive income  | -  | -       | -           | -       | -           | (456)         | (456)     | -           | (456)   |
| <b>Other comprehensive income</b>                              |  |         |             |         |             |               |           |             |         |
| Foreign currency translation difference for foreign operations | -  | -       | -           | -       | (345)       | -             | (345)     | -           | (345)   |
| <b>Total comprehensive income for the financial year</b>       | -  | -       | -           | -       | (345)       | (456)         | (801)     | -           | (801)   |
| Issue of shares representing transactions with owners          | 509  | -       | -           | -       | -           | -             | 509       | -           | 509     |
| <b>At 31 August 2013</b>                                       | 19,684   | 11,517  | 217         | -       | (333)       | (17,910)      | 13,175    | -           | 13,175  |

*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 2014 and the accompanying explanatory notes attached to the interim financial report.*



**Condensed Consolidated Statements of Cash Flows  
For 2<sup>nd</sup> Quarter ended 31 August 2014**

|  | <b>Current Year<br/>To-Date<br/>31.08.2014<br/>(Unaudited)<br/>RM'000</b> | <b>Preceding Year<br/>Corresponding Period<br/>31.08.2013<br/>(Unaudited)<br/>RM'000</b> |
|--|---|--|
| <b>Cash flows from operating activities</b>                      |   |  |
| Profit/(Loss) before tax   |   |  |
| - Continuing operations  | 1,509   | 16   |
| - Discontinued operations  | -   | (317)  |
|  | 1,509   | (301)  |
| Adjustments for non-cash and non-operating items                 | 1,213   | 1,433  |
| Operating profit before working capital changes                  | 2,722   | 1,132  |
| (Increase)/Decrease in inventories                               | (444)   | (355)  |
| (Increase)/Decrease in receivables                               | (3,112)   | (530)  |
| Increase/(Decrease) in payables                                  | 1,079   | (94)   |
| Cash generated from operations                                   | 245   | 153  |
| Interest paid  | (266)   | (431)  |
| Tax paid   | (73)  | (218)  |
| <b>Net cash used in operating activities</b>                     | <b>(94)</b>   | <b>(496)</b>   |
| <b>Cash flows from investing activities</b>                      |   |  |
| Investment in unquoted shares                                    | (25)  | -  |
| Dividend received  | 161   | -  |
| Proceeds from disposal of property,<br>plant and equipment       | -   | 522  |
| Purchase of property, plant and equipment                        | (719)   | (155)  |
| <b>Net cash from/(used in) investing activities</b>              | <b>(583)</b>  | <b>367</b>   |
| <b>Cash flows from financing activities</b>                      |   |  |
| Proceeds from issue of shares                                    | -   | 510  |
| Payments of finance lease payables                               | (525)   | (647)  |
| Repayment of term loans  | (11,937)  | (273)  |
| <b>Net cash (used in)/from financing activities</b>              | <b>(12,462)</b>   | <b>(410)</b>   |
| Effects of exchange rate changes on<br>cash and cash equivalents | -   | -  |
| <b>Net increase/(decrease) in cash and<br/>cash equivalents</b>  | <b>(13,139)</b>   | <b>(539)</b>   |
| Cash and cash equivalents brought forward                        | 19,957  | 1,653  |
| Cash and cash equivalents carried forward                        | 6,818   | 1,114  |
| <b>Represented by:-</b>  |   |  |
| Cash and Cash Equivalents  | 6,818   | 1,114  |

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2014 and the accompanying explanatory notes attached to the interim financial report.*



**Part B – Additional information required under Listing Requirements**  
**2<sup>nd</sup> Quarter ended 31 August 2014**

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**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 Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 28 February 2014 and the accompanying notes attached to the interim financial report.

**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 audited financial statements for the financial year ended 28 February 2014 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 2014:

Amendments to MFRSs

|          |   |
|----------|---|
| MFRS 10  | : Consolidated Financial Statements: Investment Entities  |
| MFRS 12  | : Disclosure of Interests in Other Entities: Investment Entities  |
| MFRS 127 | : Separate Financial Statements: Investment Entities  |
| MFRS 132 | : Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities           |
| MFRS 136 | : Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets – Offsetting Financial |
| MFRS 139 | : Financial Instruments: Recognition and Measurement  |

New IC Interpretations

|                      |          |
|----------------------|----------|
| IC Interpretation 21 | : Levies |
|----------------------|----------|

The adoption of the above standards, amendments to published standards and interpretations does not give rise to any material effects to the Group.

**A3) Auditors’ Report of Preceding Annual Audited Financial Statements**

The auditors’ report on the financial statements for the financial year ended 28 February 2014 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.





**Part B – Additional information required under Listing Requirements**  
**2<sup>nd</sup> Quarter ended 31 August 2014**

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**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**

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial period under review.

**A8) Dividend Paid**

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

**A10) Discontinued operations**

In the previous financial year, the Group had on 28 February 2014 divest its entire equity interest in AT Engineering Sdn. Bhd. The disposal was completed on even date and AT Engineering Sdn. Bhd., together with its wholly-owned subsidiaries (“ATE Group”) ceased to be subsidiaries of the Group. Accordingly, the results arising from ATE Group are presented as discontinued operation in the corresponding quarters.

**A11) 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.

**A12) 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.



**Part B – Additional information required under Listing Requirements  
2<sup>nd</sup> Quarter ended 31 August 2014**

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**A13) Events after the Reporting Period**

Other than those disclosed elsewhere in the interim financial report, there were no other material events subsequent to the end of the interim period.

**A14) Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current quarter and financial period.

**A15) 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 report.

**A16) Capital Commitment**

As of 31 August 2014, capital commitment are in respect of the factory expansion by a subsidiary of the Group:

|                                 | <b>As At<br/>31.8.2014<br/>RM'000</b> |
|---------------------------------|---------------------------------------|
| Approved and contracted for     | 3,143                                 |
| Approved but not contracted for | 2,400                                 |
|                                 | <hr/> <u>5,543</u>                    |

**A17) Related Party Transactions**

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

**B1) Review of Performance**

Current Quarter

*(a) Continuing operations*

The Group posted revenue of RM6.84 million for the second quarter ended 31 August 2014, an increase of RM1.58 million or 30% compared to RM5.26 million in the previous corresponding quarter. The increase was attributable to higher customers' order in the fabrication of industrial & engineering parts business.



**Part B – Additional information required under Listing Requirements**  
**2<sup>nd</sup> Quarter ended 31 August 2014**

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**B1) Review of Performance (cont'd)**

Current Quarter

**(a) Continuing operations (cont'd)**

The Group recorded pre-tax profit of RM0.68 million for the current quarter as compared to pre-tax profit of RM0.21 million in the previous corresponding quarter. The increase in the pre-tax profit was mainly contributed by better performance from fabrication of industrial & engineering parts business and lower finance costs.

**(b) Discontinued operations**

The discontinued operations in the corresponding period comprised the manufacturing activities from ATE Group. ATE Group recorded a revenue of RM0.34 million and pre-tax loss of RM0.14 million.

Overall, the Group achieved a pre-tax profit of RM0.68 million as compared to pre-tax profit of RM0.07 million (comprising continuing and discontinued operations) achieved during the corresponding period. This represents an increase of RM0.61 million.

Cumulative Quarter

**(a) Continuing operations**

The Group posted revenue of RM13.16 million for the cumulative quarter ended 31 August 2014, which was RM2.11 million or 19.1% higher as compared to RM11.05 million in the corresponding cumulative quarter. The increase was attributable to higher customers' order in the fabrication of industrial & engineering parts business.

The Group recorded pre-tax profit of RM1.51 million for the cumulative quarter ended 31 August 2014, an increase of RM1.49 million as compared to pre-tax profit of RM0.02 million in the corresponding cumulative quarter. The increase was mainly contributed by better performance from fabrication of industrial & engineering parts business and dividend income from fixed income fund, coupled with lower finance costs.

**(b) Discontinued operations**

The discontinued operations in the corresponding period comprised the manufacturing activities from ATE Group. ATE Group recorded a revenue of RM0.67 million and pre-tax loss of RM0.32 million.

Overall, the Group achieved a pre-tax profit of RM1.51 million as compared to pre-tax loss of RM0.3 million (comprising continuing and discontinued operations) achieved during the corresponding period. This represents an increase of RM1.8 million.



**Part B – Additional information required under Listing Requirements**  
**2<sup>nd</sup> Quarter ended 31 August 2014**

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

The Group posted pre-tax profit of RM0.68 million for the second quarter ended 31 August 2014, a slight decrease of RM0.15 million as compared to pre-tax profit of RM0.83 million in the preceding quarter. This slight decrease in pre-tax profit was attributable higher administrative and operating costs, offset with lower finance costs.

**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.

**B5) Taxation**

|                        | <b>Individual Quarter</b> |                       | <b>Cumulative Quarter</b> |                       |
|------------------------|---------------------------|-----------------------|---------------------------|-----------------------|
|                        | <b><u>31.8.14</u></b>     | <b><u>31.8.13</u></b> | <b><u>31.8.14</u></b>     | <b><u>31.8.13</u></b> |
|                        | <b>RM'000</b>             | <b>RM'000</b>         | <b>RM'000</b>             | <b>RM'000</b>         |
| Income tax expense     | 176                       | 50                    | 411                       | 155                   |
| Deferred tax transfers | -                         | -                     | -                         | -                     |
|                        | <u>176</u>                | <u>50</u>             | <u>411</u>                | <u>155</u>            |

The effective tax rate of the Group is higher than the statutory income tax rate in the current financial period mainly due to certain expenses not allowable.



**Part B – Additional information required under Listing Requirements**  
**2<sup>nd</sup> Quarter ended 31 August 2014**

**B6) Corporate Proposals**

- 1) The Company completed a private placement exercise on 15 March 2013 (“Private Placement 2013”) and the Rights Issue with Free Warrants (“Rights Issue Exercise”) on 5 February 2014. The Company announced on 4 June 2014 and 28 August 2014 the variations of the unutilised proceeds from the respective fund raising exercises.

The Company has varied RM0.387 million of the remaining proceeds from the Private Placement 2013 and RM2.65 million of the remaining proceeds from the Rights Issue Exercise for the construction of factory building extension. Further RM0.15 million and RM0.70 million from Rights Issue Exercise were re-allocated for Goods and Services Tax compliance and implementation, capital expenditure and/or working capital for AT Precision Tooling Sdn Bhd, respectively. Taking into consideration the variation of proceeds, the summary of the utilisation of proceeds are set out below:-

i) Private Placement 2013

| <b>Details</b>   | <b>Proposed utilisation</b> | <b>Revised utilisation</b> | <b>Amounts utilised as at 31 August 2014</b> | <b>Balance unutilised</b> | <b>Estimated timeframe for the utilisation of proceeds</b> |
|--|-----------------------------|----------------------------|--|---------------------------|--|
|  | <b>RM'000</b>               | <b>RM'000</b>              | <b>RM'000</b>                                | <b>RM'000</b>             |  |
| To purchase glove counting machines                                    | 300                         | -                          | -  | -                         | Within three (3) months                                    |
| To fund the development and production of wheel-chair washing machines | 189                         | 102                        | 102  | -                         | Within three (3) months                                    |
| Partially finance the construction of factory building extension       | -                           | 387                        | 363  | 24                        | Within three (3) months                                    |
| Estimated expenses in relation to the private placement exercise       | 20                          | 20                         | 20   | -                         | -  |
| <b>Total</b>   | <b>509</b>                  | <b>509</b>                 | <b>485</b>                                   | <b>24</b>                 |  |



**Part B – Additional information required under Listing Requirements**  
**2<sup>nd</sup> Quarter ended 31 August 2014**

**B6) Corporate Proposals (cont'd)**

ii) Rights Issue Exercise

| <b>Details</b>  | <b>Proposed utilisation</b> | <b>Revised utilisation</b> | <b>Amounts utilised as at 31 August 2014</b> | <b>Balance unutilised</b> | <b>Estimated timeframe for the utilisation of proceeds</b> |
|---|-----------------------------|----------------------------|--|---------------------------|--|
|   | <b>RM'000</b>               | <b>RM'000</b>              | <b>RM'000</b>                                | <b>RM'000</b>             |  |
| Repayment of bank borrowings  | 12,600                      | 12,600                     | 12,600                                       | -                         | Within six (6) months                                      |
| Working capital   | 3,785                       | 285                        | 254  | 31                        | Within twelve (12) months                                  |
| Partially finance the construction of factory building extension  | 2,800                       | 5,450                      | 12   | 5,438                     | Within twelve (12) months                                  |
| Goods and Services Tax compliance and implementation  | -                           | 150                        | -  | 150                       | Within twelve (12) months                                  |
| Capital expenditure and/or working capital for the Group's wholly-owned subsidiary, namely AT Precision Tooling Sdn Bhd | -                           | 700                        | -  | 700                       | Within twelve (12) months                                  |
| To defray expenses relating to rights issue exercise  | 500                         | 500                        | 500  | -                         | Within three (3) months                                    |
| <b>Total</b>  | <b>19,685</b>               | <b>19,685</b>              | <b>13,366</b>                                | <b>6,319</b>              |  |

- 2) On 17 April 2014, the Company subscribed for 25,000 ordinary shares of RM1.00 each representing 5% of the issued and fully paid-up share capital of ATS Biotech Sdn. Bhd. ("ATS Biotech") for a total cash consideration of RM25,000. On even date, the Company entered into a Joint Venture Agreement with Anhui Shengyun Environment Protection Group Co. Ltd., Promosi Mantap Sdn. Bhd. and Md. Wira Dani Bin Abdul Daim to bid for the construction of a mass-scale incinerator facility under the "Waste to Energy" Public Private Partnership Project through ATS Biotech. On 29 October 2014, the Company announced that ATS Biotech was unsuccessful in bidding for the said tender.
- 3) On 4 June 2014, TA Securities Holdings Berhad, on behalf of the Company had announced that the Company proposed to implement a private placement of up to 59,053,700 new ordinary shares of RM0.10 each in the Company, representing not more than ten percent (10%) of the enlarged issued and paid-up capital of the Company to independent third party investor(s) to be identified at a later date (hereinafter referred to as "Proposed Private Placement").



**Part B – Additional information required under Listing Requirements**  
**2<sup>nd</sup> Quarter ended 31 August 2014**

**B6) Corporate Proposals (cont'd)**

The Company is expected to raise gross proceeds amounting to RM5.9 million from the Proposed Private Placement. The proceeds raised are expected to be utilised in the following manner:-

| <b>Details of utilisation</b>         | <b>Minimum Scenario RM'000</b> | <b>Maximum Scenario RM'000</b> | <b>Estimated timeframe for the utilisation of proceeds</b> |
|---------------------------------------|--------------------------------|--------------------------------|--|
| Business expansion and/or investments | 3,500                          | 5,000                          | Within twelve (12) months                                  |
| Working capital                       | 297                            | 725                            | Within twelve (12) months                                  |
| Estimated expenses                    | 140                            | 180                            | -  |
| <b>Total</b>                          | <b>3,937</b>                   | <b>5,905</b>                   |  |

The Proposed Private Placement is currently pending for approval by relevant authorities.

- 4) On 18 June 2014, the Company announced that its wholly-owned subsidiary, AT Precision Tooling Sdn. Bhd. has entered into a Memorandum of Understanding (“MOU”) with Fong’s Engineering & Manufacturing Pte. Ltd. (“FEM”) with the intention to form a Joint Venture Company (“JVCO”) to collaborate in the area of oil and gas, life science, electronics, aerospace and other industries operations and to position the JVCO as FEM’s manufacturing arm outside Singapore to meet FEM’s customers’ job orders and requirements. As of the date of this announcement, there has been no material change or development to the MOU.

**B7) Borrowings and Debts Securities**

Group’s borrowings as at 31 August 2014 are as follows:-

|                          | <b>RM'000</b> |
|--------------------------|---------------|
| <b>Non-Current</b>       |               |
| Secured:                 |               |
| - Finance lease payables | 1,898         |
| - Bank borrowings        | -             |
|                          | 1,898         |
| <b>Current</b>           |               |
| Secured:                 |               |
| - Finance lease payables | 1,022         |
| - Bank borrowings        | -             |
|                          | 1,022         |
| <b>Total</b>             | <b>2,920</b>  |



**Part B – Additional information required under Listing Requirements**  
**2<sup>nd</sup> Quarter ended 31 August 2014**

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**B8) Material Litigation**

There were no material litigations against the Group as at the date of the interim financial report. 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 period 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:-

|   | <b>Individual Quarter</b> |                         | <b>Cumulative Quarter</b> |                         |
|---|---------------------------|-------------------------|---------------------------|-------------------------|
|   | <b><u>31.8.2014</u></b>   | <b><u>31.8.2013</u></b> | <b><u>31.8.2014</u></b>   | <b><u>31.8.2013</u></b> |
|   | <b>RM'000</b>             | <b>RM'000</b>           | <b>RM'000</b>             | <b>RM'000</b>           |
| Profit/(Loss) attributable to owners of the parent  | 499                       | 21                      | 1,098                     | (456)                   |
| Weighted average number of shares in issue (RM'000) | 393,692                   | 196,846                 | 393,692                   | 196,636                 |
| Earnings/(Loss) Per Share                           |                           |                         |                           |                         |
| - Basic (sen)                                       | 0.13                      | 0.01                    | 0.28                      | (0.23)                  |
| - Diluted (sen)                                     | 0.13                      | 0.01                    | 0.28                      | (0.23)                  |

The diluted earnings/(loss) per share equal the basic earnings/(loss) per share as the Company did not have any dilutive potential ordinary shares during the financial period. The Company's warrants are anti-dilutive for the financial period under review.





**Part B – Additional information required under Listing Requirements**  
**2<sup>nd</sup> Quarter ended 31 August 2014**

**B11) Profit/(Loss) Before Tax**

|   | <b>Individual Quarter</b> |                  | <b>Cumulative Quarter</b> |                  |
|---|---------------------------|------------------|---------------------------|------------------|
|   | <b>6 Months Ended</b>     |                  | <b>6 Months Ended</b>     |                  |
|   | <b>31.8.2014</b>          | <b>31.8.2013</b> | <b>31.8.2014</b>          | <b>31.8.2013</b> |
|   | <b>RM '000</b>            | <b>RM '000</b>   | <b>RM '000</b>            | <b>RM '000</b>   |
| Included in the profit/(loss) before tax is:-   |                           |                  |                           |                  |
| after charging:                                 |                           |                  |                           |                  |
| Interest expense                                | 63                        | 200              | 266                       | 411              |
| Depreciation of property, plant and equipment   | 556                       | 544              | 1,108                     | 1,036            |
| after crediting:                                |                           |                  |                           |                  |
| Rental income                                   | (367)                     | (291)            | (703)                     | (518)            |
| Dividend income                                 | (45)                      | -                | (161)                     | -                |
| Interest income                                 | (1)                       | -                | (1)                       | -                |
| Gain on foreign exchange:                       |                           |                  |                           |                  |
| - realised                                      | (4)                       | (16)             | (7)                       | (21)             |
| - unrealised                                    | (5)                       | -                | (4)                       | -                |
| Gain on disposal of property, plant & equipment | -                         | (63)             | -                         | (36)             |

**B12) Fair Value Hierarchy**

- (a) The following table provides an analysis of assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.
- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
  - (ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
  - (iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).



**Part B – Additional information required under Listing Requirements  
2<sup>nd</sup> Quarter ended 31 August 2014**

**B12) Fair Value Hierarchy (cont'd)**

As at 31 August 2014, the Group held the following assets and liabilities on the statements of financial position:

|                           | at fair value |         |         |        | Carrying<br>amount<br>RM'000 |
|---------------------------|---------------|---------|---------|--------|------------------------------|
|                           | Level 1       | Level 2 | Level 3 | Total  |                              |
|                           | RM'000        | RM'000  | RM'000  | RM'000 |                              |
| <b>Group</b>              |               |         |         |        |                              |
| <b>2014</b>               |               |         |         |        |                              |
| <b>Non-current assets</b> |               |         |         |        |                              |
| - Leasehold lands         | -             | 3,721   | -       | 3,721  | 3,721                        |
| - Buildings               | -             | 12,815  | -       | 12,815 | 12,815                       |
|                           | -             | 16,536  | -       | 16,536 | 16,536                       |

|                              | Fair value of assets and liabilities not<br>carried at fair value |         |         |        | Carrying<br>amount<br>RM'000 |
|------------------------------|---|---------|---------|--------|------------------------------|
|                              | Level 1   | Level 2 | Level 3 | Total  |                              |
|                              | RM'000  | RM'000  | RM'000  | RM'000 |                              |
| <b>Group</b>                 |   |         |         |        |                              |
| <b>2014</b>                  |   |         |         |        |                              |
| <b>Financial liabilities</b> |   |         |         |        |                              |
| - Financial lease payables   | -   | 3,250   | -       | 3,250  | 2,920                        |

**B13) Realised and Unrealised Profits/ (Losses)**

|   | As At<br>31.8.2014<br>RM'000 | As At<br>31.8.2013<br>RM'000 |
|---|------------------------------|------------------------------|
| Total accumulated losses of the Company and its subsidiaries:-  |                              |                              |
| - Realised  | (34,547)                     | (38,669)                     |
| - Unrealised  | (369)                        | 716                          |
|   | (34,916)                     | (37,953)                     |
| Consolidation adjustments and eliminations                      | 2,547                        | 20,043                       |
| Total accumulated losses as per statement of financial position | (32,369)                     | (17,910)                     |

**B14) Authorisation for Issue**

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Board on 29 October 2014.