



AT SYSTEMATIZATION BERHAD

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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR 1st QUARTER ENDED 31 MAY 2016**



**Condensed Consolidated Statements of Financial Position
For 1st Quarter ended 31 May 2016**

	(Unaudited) As At 31.5.2016 RM '000	(Audited) As At 29.2.2016 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	44,744	44,144
Current assets		
Inventories	2,141	2,348
Trade receivables	5,381	4,984
Other receivables, deposits and prepayments	4,550	4,386
Tax assets	273	235
Cash and cash equivalents	2,977	3,472
Other investments	10	10
	<u>15,332</u>	<u>15,435</u>
TOTAL ASSETS	<u><u>60,076</u></u>	<u><u>59,579</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	43,306	43,306
Share premium	10,768	10,768
Warrant reserve	17,126	17,126
Revaluation reserve	6,615	6,615
Accumulated losses	(36,222)	(35,169)
	<u>41,593</u>	<u>42,646</u>
Non-controlling interests	74	85
Total equity	<u>41,667</u>	<u>42,731</u>
Liabilities		
Non-current liabilities		
Finance lease payables	3,611	3,994
Bank borrowings	5,879	4,700
Deferred tax liabilities	2,048	2,048
	<u>11,538</u>	<u>10,742</u>
Current liabilities		
Trade payables	3,632	2,189
Other payables & deposits	1,172	1,838
Tax liabilities	11	23
Finance lease payables	1,491	1,491
Bank borrowings	565	565
	<u>6,871</u>	<u>6,106</u>
Total liabilities	<u>18,409</u>	<u>16,848</u>
TOTAL EQUITY AND LIABILITIES	<u><u>60,076</u></u>	<u><u>59,579</u></u>
Net assets per share (Sen)	9.60	9.85

3The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 29 February 2016 and the accompanying explanatory notes attached to the interim financial report.



**Condensed Consolidated Statements of Comprehensive Income
For 1st Quarter ended 31 May 2016**

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		3 Months Ended	
	31.5.2016	31.5.2015	31.5.2016	31.5.2015
	RM '000	RM '000	RM '000	RM '000
Revenue	4,391	4,371	4,391	4,371
Cost of sales	(3,919)	(3,806)	(3,919)	(3,806)
Gross profit	472	565	472	565
Other income	382	438	382	438
Administrative and general expenses	(1,745)	(1,429)	(1,745)	(1,429)
Selling and distribution expenses	(11)	(23)	(11)	(23)
	(1,756)	(1,452)	(1,756)	(1,452)
(Loss)/Profit from operations	(902)	(449)	(902)	(449)
Finance costs	(162)	(71)	(162)	(71)
(Loss)/Profit before tax	(1,064)	(520)	(1,064)	(520)
Tax income/(expense)	-	-	-	-
(Loss)/Profit for the period/year	(1,064)	(520)	(1,064)	(520)
Attributable to:-				
Owners of the parent	(1,053)	(534)	(1,053)	(534)
Non-controlling interests	(11)	14	(11)	14
	(1,064)	(520)	(1,064)	(520)
Profit/(Loss) per share attributable to owners of the parent (sen)				
- Basic	(0.24)	(0.14)	(0.24)	(0.14)
- Diluted	(0.24)	(0.14)	(0.24)	(0.14)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 29 February 2016 and the accompanying explanatory notes attached to the interim financial report.



**Condensed Consolidated Statements of Comprehensive Income
For 1st Quarter ended 31 May 2016 (Cont'd)**

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		3 Months Ended	
	31.5.2016	31.5.2015	31.5.2016	31.5.2015
	RM '000	RM '000	RM '000	RM '000
(Loss)/Profit for the period/year	(1,064)	(520)	(1,064)	(520)
Other comprehensive income:-				
Foreign currency translations	-	-	-	-
Revaluation surplus on property, plant and equipment	-	-	-	-
Total comprehensive income for the period/year	<u>(1,064)</u>	<u>(520)</u>	<u>(1,064)</u>	<u>(520)</u>
Attributable to:-				
Owners of the parent	(1,053)	(534)	(1,053)	(534)
Non-controlling interests	(11)	14	(11)	14
Total comprehensive income for the period/year	<u>(1,064)</u>	<u>(520)</u>	<u>(1,064)</u>	<u>(520)</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 29 February 2016 and the accompanying explanatory notes attached to the interim financial report.



Condensed Consolidated Statements of Equity
For 1st Quarter ended 31 May 2016

	<----- Attributable to owners of the parent ----->							
	<----- Non-Distributable ----->			Distributable				
	Share Capital RM '000	Share Premium RM '000	Revaluation Reserve RM '000	Warrant Reserve RM '000	Accumulated Losses RM '000	Sub Total RM '000	Non- Controlling Interests RM '000	Total Equity RM '000
At 1 March 2015	39,369	10,967	6,768	17,126	(32,780)	41,450	40	41,490
Comprehensive income								
Profit for the financial year	-	-	-	-	(534)	(534)	14	(520)
Other comprehensive income								
Revaluation surplus from property, plant and equipment	-	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	-	(534)	(534)	14	(520)
Transactions with owners								
Issue of shares	-	-	-	-	-	-	-	-
(Dilution)/Accretion from change in stake in subsidiaries	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-
At 31 May 2015	39,369	10,967	6,768	17,126	(33,314)	40,916	54	40,970



Condensed Consolidated Statements of Equity
For 1st Quarter ended 31 May 2016 (Cont'd)

	<----- Attributable to owners of the parent ----->							
	<----- Non-Distributable ----->			Distributable				
	Share Capital RM '000	Share Premium RM '000	Revaluation Reserve RM '000	Warrant Reserve RM '000	Accumulated Losses RM '000	Sub Total RM '000	Non- Controlling Interests RM '000	Total Equity RM '000
At 1 March 2016	43,306	10,768	6,615	17,126	(35,169)	42,646	85	42,731
Comprehensive income								
Loss for the financial year	-	-	-	-	(1,053)	(1,053)	(11)	(1,064)
Other comprehensive income								
Revaluation surplus from property, plant and equipment	-	-	-	-	-	-	-	-
Total comprehensive income for the financial period/year	-	-	-	-	(1,053)	(1,053)	(11)	(1,064)
Transfer to retained earnings	-	-	-	-	-	-	-	-
Transactions with owners								
Issue of shares	-	-	-	-	-	-	-	-
(Dilution)/Accretion from change in stake in subsidiaries	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-
At 31 May 2016	43,306	10,768	6,615	17,126	(36,222)	41,593	74	41,667

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 29 February 2016 and the accompanying explanatory notes attached to the interim financial report.



**Condensed Consolidated Statements of Cash Flows
For 1st Quarter ended 31 May 2016**

	Current Year To-Date 31.5.2016 (Unaudited) RM'000	Preceding Year Corresponding Period 31.5.2015 (Unaudited) RM'000
Cash flows from operating activities		
(Loss)/Profit before tax	(1,064)	(520)
Adjustments for non-cash and non-operating items	799	655
Operating (loss)/profit before working capital	(265)	135
(Increase)/Decrease in inventories	184	(494)
(Increase)/Decrease in receivables	(900)	(235)
Increase/(Decrease) in payables	1,201	(1,132)
Cash generated from/(used in) operations	220	(1,726)
Tax paid	(49)	(164)
Net cash from/(used in) operating activities	171	(1,890)
Cash flows from investing activities		
Income distribution and interest received	5	4
Proceeds from disposal of investment in unquoted shares	-	25
Proceeds from disposal of property, plant and equipment	14	90
Purchase of property, plant and equipment	(1,298)	(125)
Net cash used in investing activities	(1,279)	(6)
Cash flows from financing activities		
Interest paid	(162)	(71)
Repayments of finance lease payables	(384)	(337)
Net drawdown/(repayment) of term loans	1,179	1,259
Net cash from/(used in) financing activities	633	851
Effects of exchange rate changes on cash and cash equivalents	(20)	28
Net (decrease)/increase in cash and cash equivalents	(495)	(1,017)
Cash and cash equivalents brought forward	3,472	3,586
Cash and cash equivalents carried forward	2,977	2,569

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 29 February 2016 and the accompanying explanatory notes attached to the interim financial report.



Part A – Notes to the Unaudited Interim Financial Reports
1st Quarter ended 31 May 2016

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 29 February 2016 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 29 February 2016.

As at the date of authorisation of this interim financial report, the following Standards, Amendments and Issues Committee (“IC”) Interpretations have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been adopted by the Group:

	Effective for financial periods beginning on or after
<u>New MFRSs</u>	
MFRS 9 : Financial Instruments	1 January 2018
MFRS 15 : Revenue from Contracts with Customers	1 January 2018
MFRS 16 : Leases	1 January 2019
<u>Amendments/Improvements to MFRSs</u>	
MFRS 5 : Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
MFRS 7 : Financial Instruments: Disclosures	1 January 2016
MFRS 10 : Consolidated Financial Statements	Deferred/ 1 January 2016
MFRS 11 : Joint Arrangements	1 January 2016
MFRS 12 : Disclosure of Interest in Other Entities	1 January 2016
MFRS 101 : Presentation of Financial Statements	1 January 2016
MFRS 107 : Statement of Cash Flows	1 January 2017
MFRS 112 : Income Taxes	1 January 2017
MFRS 116 : Property, Plant and Equipment	1 January 2016
MFRS 119 : Employee Benefits	1 January 2016
MFRS 127 : Separate financial statements	1 January 2016
MFRS 128 : Investments in Associates and Joint Ventures	Deferred/ 1 January 2016
MFRS 138 : Intangible Assets	1 January 2016
MFRS 141 : Agriculture	1 January 2016



Part A – Notes to the Unaudited Interim Financial Reports
1st Quarter ended 31 May 2016

A2) Changes in Accounting Policies (cont'd)

The Group will adopt the above pronouncements when they become effective in the respective financial periods.

A3) Auditors' Report of Preceding Annual Audited Financial Statements

The auditor's report of the Group's most recent annual audited financial statements for the year ended 29 February 2016 was not subject to any qualification.

A4) Seasonal or Cyclical Factors

The Group sells its products and services to customers from various sub-sectors of the semiconductor and manufacturing industries. The Group's performance is, to certain extent, dependent on the outlook and cyclical nature of these semiconductor and manufacturing 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

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

A8) Dividend Paid

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



Part A – Notes to the Unaudited Interim Financial Reports
1st Quarter ended 31 May 2016

A10) Segmental Information

The segmental information of the Group are presented by operating segments as follows:-

- (a) **Fabrication and automation** - Fabrication of industrial and engineering parts; Design and manufacturing of industrial automation systems and machinery;
- (b) **Others** - Investment holding and provision of management services to subsidiaries, neither which are of a sufficient size to be reported separately.

Cumulative Quarter Ended 31.5.2016

	Fabrication and automation RM '000	Others RM '000	Eliminations RM '000	Total RM '000
Revenue				
External revenue	4,391	-	-	4,391
Inter-segment revenue	-	214	(214)	-
Total revenue	<u>4,391</u>	<u>214</u>	<u>(214)</u>	<u>4,391</u>
Results				
Interest income	5	175	(175)	5
Finance costs	(337)	-	175	(162)
Tax credit/(expense)	-	-	-	-
Segment profit/(loss)	<u>(796)</u>	<u>(268)</u>	<u>-</u>	<u>(1,064)</u>
Other material non-cash items :-				
- Depreciation of property, plant and equipment	(686)	(2)	-	(688)
- Unrealised gain/(loss) on foreign exchange	(11)	-	-	(11)
- Gain/(Loss) on disposal of property, plant and equipment	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>(4)</u>



Part A – Notes to the Unaudited Interim Financial Reports
1st Quarter ended 31 May 2016

A10) Segmental Information (cont'd)

Cumulative Quarter Ended 31.5.2015

	Fabrication and automation RM '000	Others RM '000	Eliminations RM '000	Total RM '000
Revenue				
External revenue	4,371	-	-	4,371
Inter-segment revenue	716	198	(914)	-
Total revenue	<u>5,087</u>	<u>198</u>	<u>(914)</u>	<u>4,371</u>
Results				
Interest income	-	145	(145)	-
Finance costs	(216)	-	145	(71)
Tax credit/(expense)	-	-	-	-
Segment profit/(loss)	<u>(544)</u>	<u>24</u>	<u>-</u>	<u>(520)</u>
Other material non-cash items :-				
- Depreciation of property, plant and equipment	(608)	(4)	-	(612)
- Unrealised gain/(loss) on foreign exchange	25	-	-	25
- Loss on disposal of property, plant and equipment	-	-	-	-

A11) Valuation of Property, Plant and Equipment

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

A12) 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.



Part A – Notes to the Unaudited Interim Financial Reports
1st Quarter ended 31 May 2016

A13) Changes in the Composition of the Group

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

A14) 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.

A15) Contingent Liabilities

As of 29 February 2016, the Group has no material contingent liabilities save for corporate guarantee provided by the Company to financial institutions for credit facilities granted to certain subsidiaries up to a total limit of approximately RM20,976,000. Total utilisation of these credit facilities as at 29 February 2016 amounted to approximately RM11,546,000.

A16) Capital Commitment

As of 29 February 2016, capital commitment are in respect of installation of security system for the refurbished factory:

	RM'000
Approved but not contracted for	-
Contracted but not provided for	26
	<u>26</u>

A17) 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
1st Quarter ended 31 May 2016

B1) Review of Performance

Current Quarter

The Group posted revenue of RM4.39 million for the first quarter ended 31 May 2016, 0.5% higher than RM4.37 million in the previous corresponding quarter. The slight increase was mainly contributed by higher sales from the fabrication business after offset with lower sales from the automation business. Revenue from the fabrication business increased by RM0.37 million following the improved orders from customer in the hard disk drives manufacturing industry as well as customers in other business segment. Automation business was however reported decrease in revenue by RM0.35 million due to lesser automation projects from customers.

The Group recorded pre-tax loss of RM1.06 million for the current quarter as compared to pre-tax loss of RM0.5 million in the previous corresponding quarter. The pre-tax loss was mainly due to weaker performance in automation business, coupled with higher hire-purchase & term loan interest and professional fees incurred in relation to corporate exercise.

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

The Group posted pre-tax loss of RM1.06 million for the first quarter ended 31 May 2016 as compared to pre-tax loss of RM0.95 million in the preceding quarter. Pre-tax loss was slightly higher mainly due to professional fees incurred in relation to corporate exercise.

B3) Prospects

The Group will continue to operate its existing businesses with main focus on fabrication of industrial and engineering parts. As part of the on-going strategies, the Group continuously diversify into new customer base and seek opportunity for business growth by way of capitalizing the strength of the business venture with strategic partners.

The Group strives to improve the operational efficiency, productivity and cost management. To further demonstrate the Group's commitment to the safety and quality of the manufactured products, the Group has disembarked a project to obtain Quality Management System - ISO 13485 Certification. Upon attaining this certification, the Group is confident this will attract more business opportunity from medical related industries.

The Group has completed its maiden 425kW Solar PV Plant under the Feed-in Tariff Programme conducted by Sustainable Energy Development Authority Malaysia. The Group is now constructing the proposed 300kW Solar PV Plant and it is expected to complete by end of this year. The Group's involvement in the generation of solar energy supplements the Group's revenue, thereby providing an alternative yet sustaining source of incomes.

Subject to the external market conditions and macroeconomic factors, the Group will strive to improve its performance for the financial year ending 28 February 2017.



Part B – Additional information required under Listing Requirements
1st Quarter ended 31 May 2016

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

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		3 Months Ended	
	31.5.2016	31.5.2015	31.5.2016	31.5.2015
	RM '000	RM '000	RM '000	RM '000
Corporate tax income/(expense)	-	-	-	-
Deferred tax income/(expense)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The effective tax rate for the current period is lower than the statutory income tax rate mainly due to losses suffered by certain subsidiaries and availability of group tax relief to the Company.

B6) Corporate Proposals

- 1) On 2 March 2016, the Company announced that its wholly-owned subsidiary, AT Precision Tooling Sdn. Bhd. (“ATP”) has secured the Feed-in Tariff quota from SEDA on 1 March 2016 to supply an equivalent or less than 300kW of renewable energy. ATP is expected to sign a Renewable Energy Power Purchase Agreement with TNB for the supply and delivery of renewable energy for a concession period of 21 years. SEDA has set a fixed rate-tariff of RM0.5930/kWh and additional bonus rate-tariff ranging from RM0.05/kWh to RM0.155/kWh at which ATP can sell electricity to TNB during the concession period.
- 2) On 24 March 2016, the Company announced that Fong’s & AT Venture Sdn. Bhd. (“FATV”), a 75%-owned subsidiary of ATP has entered into a Basic Purchase Agreement (“BPA”) with Fong’s Engineering & Manufacturing Pte. Ltd. (“FEM”) for the manufacture, supply and delivery of high precision machine components such as aluminium profiles to be used in textile machines to FEM’s customers. During the term of the BPA, FATV undertakes to supply the machine components exclusively to FEM’s customer for a period of five years from its first delivery to FEM.



Part B – Additional information required under Listing Requirements
1st Quarter ended 31 May 2016

B6) Corporate Proposals (cont'd)

- 3) On 1 April 2016, Mercury Securities Sdn Bhd (“Mercury Securities”), on behalf of the Company announced that the Company proposes to undertake the following:
- (i) proposed par value reduction involving the cancellation of RM0.07 from the par value of every existing ordinary share of RM0.10 each in the issued and paid-up share capital of the Company pursuant to Section 64 of the Companies Act, 1965 (“Act”) (“Proposed Par Value Reduction”) and the proposed reduction of the Company’s entire share premium account pursuant to Sections 60(2) and 64 of the Act (“Proposed Share Premium Reduction”) (collectively, the “Proposed Capital Reorganisation”);
 - (ii) proposed renounceable rights issue of up to 759,824,495 new ordinary shares of RM0.03 each in ATS (“ATS Shares” or “Shares”) (after the Proposed Par Value Reduction) (“Rights Shares”) together with up to 379,912,247 free detachable warrants in ATS (“Warrants B”) on the basis of two (2) Rights Shares together with one (1) free Warrant B for every two (2) existing ATS Shares held by entitled shareholders of ATS (“Entitled Shareholders”) on an entitlement date to be determined later (“Entitlement Date”) (“Proposed Rights Issue with Warrants”); and
 - (iii) proposed amendment to the Memorandum of Association of the Company (“Proposed Amendment”).

Bursa Malaysia Securities Berhad had, vide its letter dated 20 April 2016, approved the following:

- (i) admission to the Official List and the initial listing and quotation of up to 379,912,247 Warrants B to be issued pursuant to the Proposed Rights Issue with Warrants;
- (ii) listing of up to 62,365,310 additional Warrants A arising from the adjustments in accordance with the provisions of the deed poll for Warrants A pursuant to the Proposed Rights Issue with Warrants (“Additional Warrants A”);
- (iii) listing of up to 759,824,495 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
- (iv) listing of up to 379,912,247 new ATS Shares to be issued pursuant to the exercise of Warrants B; and
- (v) listing of up to 62,365,310 new ATS Shares to be issued pursuant to the exercise of Additional Warrants A.

The above proposals were approved by the shareholders in an Extraordinary General Meeting dated 3 June 2016.

On 25 July 2016, Mercury Securities announced that the High Court had on 13 July 2016 granted an order confirming the Proposed Capital Reorganisation (“Court Order”). The sealed Court Order was then lodged with the Registrar of Companies on 22 July 2016, following which the Proposed Capital Reorganisation became effective and is deemed completed.



Part B – Additional information required under Listing Requirements
1st Quarter ended 31 May 2016

B7) Borrowings and Debts Securities

Group's borrowings as at 29 February 2016 are as follows:-

	Current (Secured) RM '000	Non-Current (Secured) RM '000
Finance lease payables	1,491	3,611
Bank borrowings	565	5,879
	<u>2,056</u>	<u>9,490</u>

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) (Loss)/Earnings per Share

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	31.5.2016 RM '000	31.5.2015 RM '000	31.5.2016 RM '000	31.5.2015 RM '000
(Loss)/Profit attributable to owners of the Company	<u>(1,053)</u>	<u>(534)</u>	<u>(1,053)</u>	<u>(534)</u>
Weighted average number of shares in issue ('000)	<u>433,061</u>	<u>393,692</u>	<u>433,061</u>	<u>393,692</u>
(Loss)/Earnings Per Share				
- Basic (sen)	<u>(0.24)</u>	<u>(0.14)</u>	<u>(0.24)</u>	<u>(0.14)</u>
- Diluted (sen)	<u>(0.24)</u>	<u>(0.14)</u>	<u>(0.24)</u>	<u>(0.14)</u>



Part B – Additional information required under Listing Requirements
1st Quarter ended 31 May 2016

B10) (Loss)/Earnings per Share (cont'd)

The diluted (loss)/earnings per share equal the basic (loss)/earnings 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.

B11) (Loss)/Profit Before Tax

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		3 Months Ended	
	31.5.2016	31.5.2015	31.5.2016	31.5.2015
	RM '000	RM '000	RM '000	RM '000
Included in the (loss)/profit before tax is after charging/(crediting) :-				
Interest expense	162	71	162	71
Depreciation of property, plant and equipment	687	613	687	613
plant & equipment				-
Rental income	(406)	(405)	(406)	(405)
Dividend income	-	(1)	-	(1)
Interest income	(5)	(4)	(5)	(4)
Loss/(Gain) on foreign exchange:				-
- realised	25	-	25	-
- unrealised	11	(25)	11	(25)
Loss/(Gain) on disposal of property, plant & equipment	(4)	-	(4)	-



Part B – Additional information required under Listing Requirements
1st Quarter ended 31 May 2016

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).

The following table provides the fair value measurement hierarchy of the Group's financial instruments: -

	<--- Fair value of financial instruments --->				Carrying amount RM'000
	carried at fair value				
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
Group					
2016					
Financial assets					
- Financial assets at fair value through profit or loss					
- Short term fund	10	-	-	-	10

	<--- Fair value of financial instruments --->				Carrying amount RM'000
	not carried at fair value				
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
Group					
2016					
Financial liabilities					
- Finance lease payables	-	5,275	-	5,275	5,102



Part B – Additional information required under Listing Requirements
1st Quarter ended 31 May 2016

B13) Realised and Unrealised (Losses)/Profits

	As At 31.5.2016 RM '000	As At 29.2.2016 RM '000
Total accumulated lossess of the Company and its subsidiaries		
- Realised	(37,257)	(36,193)
- Unrealised	(2,048)	(2,048)
	<u>(39,305)</u>	<u>(38,241)</u>
Consolidation adjustments and eliminations	3,083	3,072
Total accumulated lossess as per statement of financial position	<u><u>(36,222)</u></u>	<u><u>(35,169)</u></u>

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 July 2016.