



**AT SYSTEMATIZATION BERHAD**

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR 2<sup>nd</sup> QUARTER ENDED 31 AUGUST 2016**



**Condensed Consolidated Statements of Financial Position  
For 2<sup>nd</sup> Quarter ended 31 August 2016**

	(Unaudited) As At 31.8.2016 RM '000	(Audited) As At 29.2.2016 RM '000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	45,442	44,144
<b>Current assets</b>		
Inventories	1,740	2,348
Trade receivables	3,679	4,984
Other receivables, deposits and prepayments	4,075	4,386
Tax assets	337	235
Cash and cash equivalents	2,275	3,472
Other investments	-	10
	12,106	15,435
<b>TOTAL ASSETS</b>	57,548	59,579
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	12,992	43,306
Share premium	-	10,768
Share option reserve	3,456	-
Warrant reserve	17,126	17,126
Revaluation reserve	6,615	6,615
Accumulated losses	(357)	(35,169)
	39,832	42,646
Non-controlling interests	30	85
<b>Total equity</b>	39,862	42,731
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Finance lease payables	3,909	3,994
Bank borrowings	5,750	4,700
Deferred tax liabilities	2,048	2,048
	11,707	10,742
<b>Current liabilities</b>		
Trade payables	2,552	2,189
Other payables & deposits	1,220	1,838
Tax liabilities	4	23
Finance lease payables	1,638	1,491
Bank borrowings	565	565
	5,979	6,106
<b>Total liabilities</b>	17,686	16,848
<b>TOTAL EQUITY AND LIABILITIES</b>	57,548	59,579
<b>Net assets per share (Sen)</b>	9.20	9.85

*The 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 2<sup>nd</sup> Quarter ended 31 August 2016**

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	31.8.2016	31.8.2015	31.8.2016	31.8.2015
	RM '000	RM '000	RM '000	RM '000
Revenue	3,513	4,415	7,904	8,786
Cost of sales	(3,943)	(4,227)	(7,862)	(8,034)
<b>Gross (loss)/profit</b>	(430)	188	42	752
Other income	442	503	823	941
Administrative and general expenses	(5,104)	(1,321)	(6,849)	(2,750)
Selling and distribution expenses	(5)	(76)	(15)	(99)
	(5,109)	(1,397)	(6,864)	(2,849)
<b>(Loss)/Profit from operations</b>	(5,097)	(706)	(5,999)	(1,156)
Finance costs	(163)	(108)	(326)	(179)
<b>(Loss)/Profit before tax</b>	(5,260)	(814)	(6,325)	(1,335)
Tax income/(expense)	-	(38)	-	(38)
<b>(Loss)/Profit for the period</b>	(5,260)	(852)	(6,325)	(1,373)
<b>Attributable to:-</b>				
Owners of the parent	(5,216)	(865)	(6,270)	(1,400)
Non-controlling interests	(44)	13	(55)	27
	(5,260)	(852)	(6,325)	(1,373)
Profit/(Loss) per share attributable to owners of the parent (sen)				
- Basic	(1.20)	(0.22)	(1.45)	(0.36)
- Diluted	(1.20)	(0.22)	(1.45)	(0.36)

*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 2<sup>nd</sup> Quarter ended 31 August 2016 (Cont'd)**

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	31.8.2016	31.8.2015	31.8.2016	31.8.2015
	RM '000	RM '000	RM '000	RM '000
<b>(Loss)/Profit for the period</b>	(5,260)	(852)	(6,325)	(1,373)
<b>Other comprehensive income:-</b>				
Foreign currency translations	-	-	-	-
Revaluation surplus on property, plant and equipment	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>(5,260)</u>	<u>(852)</u>	<u>(6,325)</u>	<u>(1,373)</u>
<b>Attributable to:-</b>				
Owners of the parent	(5,216)	(865)	(6,270)	(1,400)
Non-controlling interests	<u>(44)</u>	<u>13</u>	<u>(55)</u>	<u>27</u>
<b>Total comprehensive income for the period</b>	<u>(5,260)</u>	<u>(852)</u>	<u>(6,325)</u>	<u>(1,373)</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 2<sup>nd</sup> Quarter ended 31 August 2016

	<----- Attributable to Owners of the Parent ----->								
	<----- Non-Distributable ----->						Distributable		
	Share Capital RM '000	Share Premium RM '000	Share Option Reserve 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
<b>At 1 March 2016</b>	43,306	10,768	-	6,615	17,126	(35,169)	42,646	85	42,731
<b>Comprehensive income</b>									
Loss for the financial period	-	-	-	-	-	(6,270)	(6,270)	(55)	(6,325)
<b>Other comprehensive income</b>									
Revaluation surplus from property, plant and equipment	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the financial period</b>	-	-	-	-	-	(6,270)	(6,270)	(55)	(6,325)
<b>Transfer to retained earnings</b>	-	-	-	-	-	-	-	-	-
<b>Transactions with owners</b>									
Issue of shares	-	-	-	-	-	-	-	-	-
Par value reduction	(30,314)	(10,768)	-	-	-	41,082	-	-	-
Share-based payment under Share Issuance Scheme	-	-	3,456	-	-	-	3,456	-	3,456
<b>Total transactions with owners</b>	(30,314)	(10,768)	3,456	-	-	41,082	3,456	-	3,456
<b>At 31 Aug 2016</b>	12,992	-	3,456	6,615	17,126	(357)	39,832	30	39,862



Condensed Consolidated Statements of Equity  
For 2<sup>nd</sup> Quarter ended 31 August 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
<b>At 1 March 2015</b>	39,369	10,967	6,768	17,126	(32,780)	41,450	40	41,490
<b>Comprehensive income</b>								
Loss for the financial period	-	-	-	-	(1,400)	(1,400)	27	(1,373)
<b>Other comprehensive income</b>								
Revaluation surplus from property, plant and equipment	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the financial period</b>	-	-	-		(1,400)	(1,400)	27	(1,373)
<b>Transactions with owners</b>								
Issue of shares	3,937	(199)	-	-	-	3,738	-	3,738
(Dilution)/Accretion from change in stake in subsidiaries	-	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	3,937	(199)	-		-	3,738	-	3,738
<b>At 31 Aug 2015</b>	43,306	10,768	6,768	17,126	(34,180)	43,788	67	43,855

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 2<sup>nd</sup> Quarter ended 31 August 2016**

	<b>Current Year To-Date 31.8.2016 (Unaudited) RM'000</b>	<b>Preceding Year Corresponding Period 31.8.2015 (Unaudited) RM'000</b>
<b>Cash flows from operating activities</b>		
(Loss)/Profit before tax	(6,325)	(1,335)
Adjustments for :-		
Share options granted under SIS	3,456	-
Other non-cash and non-operating items	1,767	1,340
Operating (loss)/profit before working capital	(1,102)	5
(Increase)/Decrease in inventories	585	94
(Increase)/Decrease in receivables	1,261	(91)
Increase/(Decrease) in payables	197	(1,932)
Cash generated from/(used in) operations	941	(1,924)
Tax paid	(120)	(283)
<b>Net cash from/(used in) operating activities</b>	<b>821</b>	<b>(2,207)</b>
<b>Cash flows from investing activities</b>		
Income distribution and interest received	10	4
Proceeds from disposal of investment in unquoted shares	-	25
Proceeds from disposal of property, plant and equipment	42	90
Purchase of property, plant and equipment	(2,007)	(220)
<b>Net cash used in investing activities</b>	<b>(1,955)</b>	<b>(101)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	3,738
Interest paid	(326)	(179)
Repayments of finance lease payables	(776)	(614)
Net drawdown/(repayment) of term loans	1,077	1,287
<b>Net cash (used in)/from financing activities</b>	<b>(25)</b>	<b>4,232</b>
Effects of exchange rate changes on cash and cash equivalents	(38)	44
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,197)</b>	<b>1,968</b>
Cash and cash equivalents brought forward	3,472	3,586
Cash and cash equivalents carried forward	2,275	5,554
<b>Represented by:-</b>		
Cash and cash equivalents	2,275	5,554

*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**  
**2<sup>nd</sup> Quarter ended 31 August 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 and Amendments have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been adopted by the Group: -

	<b>Effective for financial periods beginning on or after</b>
<b><u>New MFRSs</u></b>	
MFRS 9 : Financial Instruments	1 January 2018
MFRS 14 : Regulatory Deferral Accounts	1 January 2016
MFRS 15 : Revenue from Contracts with Customers	1 January 2018
MFRS 16 : Leases	1 January 2019
<b><u>Amendments to MFRSs</u></b>	
MFRS 2 : Classification and Measurement of Share-based Payment Transactions	1 January 2018
MFRS 10, 12 & 128 : Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
MFRS 101 : Disclosure Initiative	1 January 2016
MFRS 107 : Disclosure Initiative	1 January 2017
MFRS 112 : Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
MFRS 116 & 138 : Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
MFRS 127 : Equity Method in Separate Financial Statements	1 January 2016
MFRS 141 : Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS : Annual Improvements 2012 – 2014 Cycle	1 January 2016





**Part A – Notes to the Unaudited Interim Financial Reports**  
**2<sup>nd</sup> Quarter ended 31 August 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**

On 22 July 2016, the Company completed a 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 this, issued and paid-up share capital of the Company changed from RM43,306,063 comprising 433,060,630 ordinary shares of RM0.10 each to RM12,991,819 comprising 433,060,630 ordinary shares of RM0.03 each.

Other than as disclosed above, there was 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**  
**2<sup>nd</sup> Quarter ended 31 August 2016**

**A9) 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 31.8.2016**

	<b>Fabrication and automation</b>	<b>Others</b>	<b>Eliminations</b>	<b>Total</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
<b>Revenue</b>				
External revenue	7,904	-	-	7,904
Inter-segment revenue	-	387	(387)	-
<b>Total revenue</b>	<b>7,904</b>	<b>387</b>	<b>(387)</b>	<b>7,904</b>
<b>Results</b>				
Interest income	-	180	(350)	(170)
Finance costs	(676)	-	350	(326)
Tax credit/(expense)	-	-	-	-
<b>Segment profit/(loss)</b>	<b>(3,901)</b>	<b>(2,424)</b>	<b>-</b>	<b>(6,325)</b>
Other material non-cash items :-				
- Depreciation of property, plant and equipment	(1,406)	(2)	-	(1,408)
- Unrealised gain/(loss) on foreign exchange	-	-	-	-
- Reversal of impairment loss on loan & receivables	-	-	-	-
- Impairment loss on loan & receivables	-	-	-	-
- Property, plant & equipment written off	(84)	(3)	-	(87)
- Gain/(Loss) on disposal of property, plant and equipment	(24)	-	-	(24)



Part A – Notes to the Unaudited Interim Financial Reports  
2<sup>nd</sup> Quarter ended 31 August 2016

A9) Segmental Information (cont'd)

Cumulative Quarter Ended 31.8.2015

	Fabrication and automation RM '000	Others RM '000	Eliminations RM '000	Total RM '000
<b>Revenue</b>				
External revenue	8,786	-	-	8,786
Inter-segment revenue	-	420	(420)	-
Total revenue	<u>8,786</u>	<u>420</u>	<u>(420)</u>	<u>8,786</u>
<b>Results</b>				
Interest income	-	298	(290)	8
Finance costs	(469)	-	290	(179)
Tax (credit)/expense	-	(38)	-	(38)
Segment profit/(loss)	<u>(1,396)</u>	<u>23</u>	<u>-</u>	<u>(1,373)</u>
Other material non-cash items :-				
- Depreciation of property, plant and equipment	(1,196)	(9)	-	(1,205)
- Unrealised gain/(loss) on foreign exchange	172	-	-	172
- Loss on disposal of property, plant and equipment	<u>(107)</u>	<u>-</u>	<u>-</u>	<u>(107)</u>

A10) 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.

A11) 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**  
**2<sup>nd</sup> Quarter ended 31 August 2016**

---

**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 under review.

**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 report.

**A14) Contingent Liabilities**

As of 31 August 2016, the Group has no material contingent liabilities save for corporate guarantee provided by the Company to financial institutions for credit facilities granted to subsidiaries up to a total limit of approximately RM23,809,000. Total utilisation of these credit facilities as at 31 August 2016 amounted to approximately RM11,851,000.

**A15) Capital Commitment**

As of 31 August 2016, capital commitment are in respect of purchase of machinery and installation of security system as part of the refurbishment of factory:

	<b>RM'000</b>
Approved but not contracted for	3,682
Contracted but not provided for	42
	<u>3,724</u>

**A16) 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**  
**2<sup>nd</sup> Quarter ended 31 August 2016**

---

**B1) Review of Performance**

**Current Quarter**

The Group posted revenue of RM3.51 million for the second quarter ended 31 August 2016, 20.4% lower than RM4.42 million in the previous corresponding quarter. The decrease was mainly due to lower sales from the fabrication business. Automation business was however reported increase in revenue by RM0.14 million due to completion of automation projects for customers in semiconductor industry.

The Group recorded pre-tax loss of RM5.26 million for the current quarter as compared to pre-tax loss of RM0.8 million in the previous corresponding quarter. The pre-tax loss was mainly due to weaker performance in both fabrication and automation business, coupled with fair value adjustment of RM3.46 million on share options granted under Share Issuance Scheme (“SIS”).

**Cumulative Quarter**

The Group posted revenue of RM7.90 million for the cumulative quarter ended 31 August 2016, which was RM0.88 million or 10% lower as compared to RM8.79 million in the corresponding cumulative quarter. The decrease was mainly attributable to lower customers’ order in both fabrication and automation business.

The Group recorded pre-tax loss of RM6.33 million for the cumulative quarter ended 31 August 2016, a decrease of RM4.99 million as compared to pre-tax loss of RM1.34 million in the corresponding cumulative quarter. The decrease was mainly due to weaker performance in fabrication and automation business, coupled with RM3.46 million fair value of share options granted under SIS.

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

The Group posted pre-tax loss of RM5.26 million for the second quarter ended 31 August 2016 as compared to pre-tax loss of RM1.06 million in the preceding quarter. Pre-tax loss was higher mainly due to RM3.46 million fair value of share options granted under SIS.

**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.



**Part B – Additional information required under Listing Requirements**  
**2<sup>nd</sup> Quarter ended 31 August 2016**

---

**B3) Prospects (cont'd)**

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.

**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>3 Months Ended</b>		<b>6 Months Ended</b>	
	<b>31.8.2016</b>	<b>31.8.2015</b>	<b>31.8.2016</b>	<b>31.8.2015</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Corporate tax income/(expense)	-	-	-	-
Deferred tax income/(expense)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<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 has on 11 May 2016 signed 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.



**Part B – Additional information required under Listing Requirements**  
**2<sup>nd</sup> Quarter ended 31 August 2016**

---

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

- 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.
- 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) 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") ("Par Value Reduction") and the reduction of the Company's entire share premium account pursuant to Sections 60(2) and 64 of the Act ("Share Premium Reduction") (collectively, the "Capital Reorganisation");
  - (ii) Renounceable rights issue of up to 759,824,495 new ordinary shares of RM0.03 each in ATS ("ATS Shares" or "Shares") (after the 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") ("Rights Issue with Warrants"); and
  - (iii) proposed amendment to the Memorandum of Association of the Company ("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 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 Rights Issue with Warrants ("Additional Warrants A");
- (iii) listing of up to 759,824,495 Rights Shares to be issued pursuant to the 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.



**Part B – Additional information required under Listing Requirements**  
**2<sup>nd</sup> Quarter ended 31 August 2016**

---

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

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

On 25 October 2016, Mercury Securities, on behalf of the Company announced that the Rights Issue with Warrants has been completed following the listing and quotation of 433,060,630 Rights Shares and 216,530,315 Warrants B as well as 19,683,805 additional Warrants A arising from the Rights Issue with Warrants on the ACE Market of Bursa Securities on even date.

- 4) The Company, has on the following dates announced the offers of share options to its eligible Directors and employees of the Company and its non-dormant wholly-owned subsidiaries to subscribe for new ordinary shares of RM0.03 each in the Company at an exercise price of RM0.05 per share pursuant to the Company’s Share Issuance Scheme (“SIS”):

- (i) On 27 July 2016, a total number of 128,675,000 share options were offered;
- (ii) On 2 August 2016, a total number of 111,868,200 share options were offered;

A total of 129,918,100 share options accepted by eligible persons and these share options remained unexercised as of 31 August 2016.

**B7) Borrowings and Debts Securities**

Group’s borrowings as at 31 August 2016 are as follows: -

	<b>Current (Secured) RM '000</b>	<b>Non-Current (Secured) RM '000</b>
Finance lease payables	1,638	3,909
Bank borrowings	565	5,750
	<u>2,203</u>	<u>9,659</u>





**Part B – Additional information required under Listing Requirements**  
**2<sup>nd</sup> Quarter ended 31 August 2016**

---

**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 (loss)/earnings per share is calculated by dividing the Group's (loss)/profit 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		Cumulative Quarter	
	3 Months Ended	3 Months Ended	6 Months Ended	6 Months Ended
	31.8.2016	31.8.2015	31.8.2016	31.8.2015
	RM '000	RM '000	RM '000	RM '000
(Loss)/Profit attributable to owners of the Company	<u>(5,216)</u>	<u>(865)</u>	<u>(6,270)</u>	<u>(1,400)</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>(1.20)</u>	<u>(0.22)</u>	<u>(1.45)</u>	<u>(0.36)</u>
- Diluted (sen)	<u>(1.20)</u>	<u>(0.22)</u>	<u>(1.45)</u>	<u>(0.36)</u>

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.



**Part B – Additional information required under Listing Requirements**  
**2<sup>nd</sup> Quarter ended 31 August 2016**

---

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

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	31.8.2016	31.8.2015	31.8.2016	31.8.2015
	RM '000	RM '000	RM '000	RM '000
Included in the (loss)/profit before tax is after charging/(crediting) :-				
Interest expense	163	108	326	179
Depreciation of property, plant and equipment	720	592	1,408	1,205
Rental income	(403)	(393)	(808)	(798)
Dividend income	-	-	-	(1)
Interest income	(6)	(4)	(10)	(8)
Loss/(Gain) on foreign exchange:				
- realised	20	(50)	45	(50)
- unrealised	(11)	(147)	(0)	(172)
Loss/(Gain) on disposal of property, plant & equipment	(21)	107	(24)	107
Property, plant & equipment written off	87	-	87	-



**Part B – Additional information required under Listing Requirements**  
**2<sup>nd</sup> Quarter ended 31 August 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	
<b>Group</b>					
<b>2016</b>					
<b>Financial assets</b>					
- Financial assets at fair value through profit or loss	-	-	-	-	-
- Short term fund	-	-	-	-	-

	<--- 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	
<b>Group</b>					
<b>2016</b>					
<b>Financial liabilities</b>					
- Finance lease payables	-	5,680	-	5,680	5,547



**Part B – Additional information required under Listing Requirements**  
**2<sup>nd</sup> Quarter ended 31 August 2016**

---

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

	<b>As At</b> <b>31.8.2016</b> <b>RM '000</b>	<b>As At</b> <b>29.2.2016</b> <b>RM '000</b>
Total accumulated lossess of the Company and its subsidiaries		
- Realised	(1,436)	(36,193)
- Unrealised	(2,048)	(2,048)
	<u>(3,484)</u>	<u>(38,241)</u>
Consolidation adjustments and eliminations	3,127	3,072
Total accumulated lossess as per statement of financial position	<u>(357)</u>	<u>(35,169)</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 27 October 2016.