



**AT SYSTEMATIZATION BERHAD**

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 28 FEBRUARY 2017**



**Condensed Consolidated Statements of Financial Position**  
**As At 28 February 2017**

	(Unaudited) As At 28.2.2017 RM '000	(Audited) As At 29.2.2016 RM '000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	55,505	44,144
<b>Current assets</b>		
Inventories	1,931	2,348
Trade receivables	3,226	4,984
Other receivables, deposits and prepayments	11,116	4,386
Tax assets	314	235
Cash and cash equivalents	7,682	3,472
Other investments	7,960	10
	32,229	15,435
<b>TOTAL ASSETS</b>	87,734	59,579
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	25,984	43,306
Share premium	5,912	10,768
Share option reserve	2,313	-
Warrant reserve	23,622	17,126
Revaluation reserve	6,461	6,615
Accumulated losses	(2,984)	(35,169)
	61,308	42,646
Non-controlling interests	(140)	85
<b>Total equity</b>	61,168	42,731
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Finance lease payables	6,588	3,994
Bank borrowings	9,543	4,700
Deferred tax liabilities	1,999	2,048
	18,130	10,742
<b>Current liabilities</b>		
Trade payables	3,384	2,189
Other payables & deposits	2,048	1,838
Tax liabilities	-	23
Finance lease payables	2,181	1,491
Bank borrowings	823	565
	8,436	6,106
<b>Total liabilities</b>	26,566	16,848
<b>TOTAL EQUITY AND LIABILITIES</b>	87,734	59,579
<b>Net assets per share (Sen)</b>	7.08	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 the Period ended 28 February 2017**

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	28.2.2017 RM '000	29.2.2016 RM '000	28.2.2017 RM '000	29.2.2016 RM '000
Revenue	3,363	3,417	15,332	17,394
Cost of sales	(3,496)	(3,137)	(15,022)	(15,765)
<b>Gross (loss)/profit</b>	(133)	280	310	1,629
Other income	580	623	2,122	2,231
Administrative and general expenses	(3,335)	(1,582)	(10,852)	(5,896)
Selling and distribution expenses	(16)	(118)	(55)	(144)
	(3,351)	(1,700)	(10,907)	(6,040)
<b>Profit/(Loss) from operations</b>	(2,904)	(797)	(8,475)	(2,180)
Finance costs	(294)	(150)	(778)	(444)
<b>Profit/(Loss) before tax</b>	(3,198)	(947)	(9,253)	(2,624)
Tax income/(expense)	8	140	(23)	126
<b>Profit/(Loss) for the period</b>	(3,190)	(807)	(9,276)	(2,498)
<b>Attributable to:-</b>				
Owners of the parent	(3,020)	(809)	(9,051)	(2,543)
Non-controlling interests	(170)	2	(225)	45
	(3,190)	(807)	(9,276)	(2,498)
Profit/(Loss) per share attributable to owners of the parent (sen)				
- Basic	(0.35)	(0.19)	(1.55)	(0.68)
- Diluted	(0.35)	(0.19)	(1.55)	(0.68)

*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 the Period ended 28 February 2017 (Cont'd)**

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	28.2.2017 RM '000	29.2.2016 RM '000	28.2.2017 RM '000	29.2.2016 RM '000
<b>Profit/(Loss) for the period</b>	(3,190)	(807)	(9,276)	(2,498)
<b>Other comprehensive income:-</b>				
Foreign currency translations	-	-	-	-
Revaluation surplus on property, plant and equipment	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(3,190)</b>	<b>(807)</b>	<b>(9,276)</b>	<b>(2,498)</b>
<b>Attributable to:-</b>				
Owners of the parent	(3,020)	(809)	(9,051)	(2,543)
Non-controlling interests	(170)	2	(225)	45
<b>Total comprehensive income for the period</b>	<b>(3,190)</b>	<b>(807)</b>	<b>(9,276)</b>	<b>(2,498)</b>

*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  
As At 28 February 2017

	<----- 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	-	-	-	-	-	(9,051)	(9,051)	(225)	(9,276)
<b>Other comprehensive income</b>									
Revaluation surplus from property, plant and equipment	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the financial period</b>	-	-	-	-	-	(9,051)	(9,051)	(225)	(9,276)
<b>Realisation of revaluation reserve</b>	-	-	-	(154)	-	154	-	-	-
<b>Transactions with owners</b>									
Rights issues with warrants	12,992	5,912	-	-	6,496	-	25,400	-	25,400
Par value reduction	(30,314)	(10,768)	-	-	-	41,082	-	-	-
Share-based payment under Share Issuance Scheme	-	-	2,313	-	-	-	2,313	-	2,313
<b>Total transactions with owners</b>	(17,322)	(4,856)	2,313	-	6,496	41,082	27,713	-	27,713
<b>At 28 February 2017</b>	25,984	5,912	2,313	6,461	23,622	(2,984)	61,308	(140)	61,168



Condensed Consolidated Statements of Equity  
As At 28 February 2017 (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	(32,779)	41,451	40	41,491
<b>Comprehensive income</b>								
Loss for the financial period	-	-	-	-	(2,543)	(2,543)	45	(2,498)
<b>Other comprehensive income</b>								
Revaluation surplus from property, plant and equipment	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the financial period</b>	-	-	-		(2,543)	(2,543)	45	(2,498)
<b>Realisation of revaluation reserve</b>	-	-	(153)		153	-		-
<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 29 February 2016</b>	43,306	10,768	6,615	17,126	(35,169)	42,646	85	42,731

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 the Period ended 28 February 2017**

	<b>Current Year To-Date 28.2.2017 (Unaudited) RM'000</b>	<b>Preceding Year Corresponding Period 29.2.2016 (Audited) RM'000</b>
<b>Cash flows from operating activities</b>		
(Loss)/Profit before tax	(9,253)	(2,624)
Adjustments for :-		
Fair value adjustments on share options	2,313	-
Other non-cash and non-operating items	3,723	2,935
Operating (loss)/profit before working capital	(3,217)	311
(Increase)/Decrease in inventories	417	412
(Increase)/Decrease in receivables	(5,322)	283
Increase/(Decrease) in payables	1,826	(3,125)
Cash generated from/(used in) operations	(6,296)	(2,119)
Tax paid, net of tax refund	(173)	167
<b>Net cash used in operating activities</b>	<b>(6,469)</b>	<b>(1,952)</b>
<b>Cash flows from investing activities</b>		
Income distribution and interest received	200	36
Investment in short term money market funds	(7,950)	(10)
Proceeds from disposal of investment in unquoted shares	-	25
Proceeds from disposal of property, plant and equipment	109	108
Purchase of property, plant and equipment	(9,770)	(5,027)
<b>Net cash used in investing activities</b>	<b>(17,411)</b>	<b>(4,868)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	25,400	3,738
Interest paid	(778)	(444)
Placement of deposits with banks	(1,290)	-
Repayments of finance lease payables	(1,636)	(996)
Net (repayment)/drawdown of term loans	5,101	4,266
<b>Net cash from financing activities</b>	<b>26,797</b>	<b>6,564</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>2,917</b>	<b>(256)</b>
Effects of exchange rate changes on cash and cash equivalents	3	142
Cash and cash equivalents brought forward	3,472	3,586
Cash and cash equivalents carried forward	6,392	3,472
<b>Represented by:-</b>		
Cash and cash equivalents	7,682	3,472
Less: Placement of deposits pledged with bank	(1,290)	-
	6,392	3,472

*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  
For the Period ended 28 February 2017**

---

**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

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





**Part A – Notes to the Unaudited Interim Financial Reports  
For the Period ended 28 February 2017**

---

**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.

Further on 25 October 2016, the Company completed a Rights Issue with Warrants 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.

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  
For the Period ended 28 February 2017**

**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) **Renewable energy and property** - Renewable energy operator; Property letting;
- (c) **Others** - Investment holding and provision of management services to subsidiaries, neither which are of a sufficient size to be reported separately.

**Cumulative Quarter Ended 28.2.2017**

	<b>Fabrication and automation RM '000</b>	<b>Renewable energy and property RM '000</b>	<b>Others RM '000</b>	<b>Eliminations RM '000</b>	<b>Total RM '000</b>
<b>Revenue</b>					
External revenue	14,856	476	-	-	15,332
Inter-segment revenue	-	-	718	(718)	-
<b>Total revenue</b>	<b>14,856</b>	<b>476</b>	<b>718</b>	<b>(718)</b>	<b>15,332</b>
<b>Results</b>					
Interest income	25	12	802	(810)	29
Finance costs	(1,137)	(451)	-	810	(778)
Tax credit/(expense)	35	-	(57)	-	(22)
<b>Segment profit/(loss)</b>	<b>(7,383)</b>	<b>4</b>	<b>(1,897)</b>	<b>-</b>	<b>(9,276)</b>
<b>Other material non-cash items :-</b>					
- Depreciation of property, plant and equipment	(2,581)	(638)	(5)	-	(3,224)
- Unrealised gain/(loss) on foreign exchange	29	-	-	-	29
- Reversal of impairment loss on loan & receivables	98	-	-	-	98
- Impairment loss on loan & receivables	(52)	-	-	-	(52)
- Property, plant & equipment written off	(84)	-	(3)	-	(87)
- Fair value adjustments on share options	(886)	-	(1,427)	-	(2,313)
- Gain/(Loss) on disposal of property, plant and equipment	(91)	-	-	-	(91)



**Part A – Notes to the Unaudited Interim Financial Reports  
For the Period ended 28 February 2017**

**A9) Segmental Information (cont'd)**

**Cumulative Quarter Ended 29.2.2016**

	<b>Fabrication and automation RM '000</b>	<b>Renewable energy and property RM '000</b>	<b>Others RM '000</b>	<b>Eliminations RM '000</b>	<b>Total RM '000</b>
<b>Revenue</b>					
External revenue	17,394	-	-	-	17,394
Inter-segment revenue	3,838	-	842	(4,680)	-
<b>Total revenue</b>	<b>21,232</b>	<b>-</b>	<b>842</b>	<b>(4,680)</b>	<b>17,394</b>
<b>Results</b>					
Interest income	20	-	628	(626)	21
Finance costs	(1,070)	-	-	626	(444)
Tax (credit)/expense	52	-	61	13	126
<b>Segment profit/(loss)</b>	<b>(2,666)</b>	<b>-</b>	<b>155</b>	<b>13</b>	<b>(2,498)</b>
Other material non-cash items :-					
- Allowance for slow moving inventories	(23)	-	-	-	(23)
- Depreciation of property, plant and equipment	(2,510)	-	(17)	-	(2,527)
- Unrealised gain/(loss) on foreign exchange, net	136	-	-	-	136
- Reversal of impairment loss on receivables	72	-	-	-	72
- Impairment loss on receivables	(58)	-	-	-	(58)
- Loss on disposal of property, plant and equipment	(127)	-	-	-	(127)

**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**  
**For the Period ended 28 February 2017**

---

**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**

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 RM28,410,000. Total utilisation of these credit facilities as at 28 February 2017 amounted to approximately RM19,102,000.

**A15) Capital Commitment**

There was no material capital commitment as of 28 February 2017.

**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  
For the Period ended 28 February 2017**

---

**B1) Review of Performance**

**Current Quarter**

The Group posted revenue of RM3.36 million for the fourth quarter ended 28 February 2017, 2% lower than RM3.42 million in the previous corresponding quarter. The decrease was mainly due to lower sales from fabrication business, especially the hard disk manufacturing customer. On the other hand, automation business reported increase in revenue by RM0.19 million following the delivery of test handler machines to customers in semiconductor industry while renewable energy segment reported additional RM0.11 million revenue arising from generation of solar energy to Tenaga Nasional Berhad under the Feed-in Tariff Programme.

The Group recorded pre-tax loss of RM3.19 million for the current quarter as compared to pre-tax loss of RM0.95 million in the previous corresponding quarter. This was mainly attributable to weaker performance in both fabrication and automation business, fair value adjustment of RM0.81 million on share options granted under Share Issuance Scheme (“SIS”) and start-up cost incurred for production line of fabricating textile industry parts.

**Cumulative Quarter**

The Group posted revenue of RM15.33 million for the cumulative quarter ended 28 February 2017, which was RM2.06 million or 11.9% lower as compared to RM17.39 million in the corresponding cumulative quarter. The decrease in revenue was mainly due to lower customers’ order in both fabrication and automation business, offset with higher revenue from sale of renewable solar energy.

The Group recorded pre-tax loss of RM9.25 million for the cumulative quarter ended 28 February 2017, higher by RM6.63 million as compared to pre-tax loss of RM2.62 million in the corresponding cumulative quarter. The increase in pre-tax loss was mainly due to weaker performance in fabrication and automation business, coupled with start-up manufacturing and operating costs incurred for production line of fabricating textile industry parts as well as recognition of RM2.31 million fair value expense in respect of the 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 RM3.19 million for the fourth quarter ended 28 February 2017 as compared to pre-tax profit of RM0.27 million in the preceding quarter. The pre-tax loss was mainly due to weaker performance in fabrication business and RM0.81 million fair value expense in respect of share options. Included in preceding quarter pre-tax profit was RM1.95 million fair value gain in respect of share options.



**Part B – Additional information required under Listing Requirements  
For the Period ended 28 February 2017**

**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 has also completed another 300kW Solar PV Plant by end of December 2016. 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**

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	28.2.2017 RM '000	29.2.2016 RM '000	28.2.2017 RM '000	29.2.2016 RM '000
Corporate tax income/(expense)	(40)	140	(71)	126
Deferred tax income/(expense)	48	-	48	-
	<u>8</u>	<u>140</u>	<u>(23)</u>	<u>126</u>

The effective tax rate for the current period is lower than the statutory income tax rate mainly due to losses suffered by subsidiaries.



**Part B – Additional information required under Listing Requirements  
For the Period ended 28 February 2017**

---

**B6) Corporate Proposals**

- 1) On 25 October 2016, the Company completed a Rights Issue with Warrants exercise following the listing and quotation of 433,060,630 new ordinary shares of RM0.03 each in the Company together with 216,530,315 Warrants B and 19,683,805 additional Warrants A. The Company raised cash proceeds of RM25.98 million and the summary of the utilisation of proceeds are as follows: -

<b>Details</b>	<b>Proposed utilisation</b>	<b>Amounts utilised as at 28 February 2017</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>	
Construction of Solar PV Plant	2,000	2,000	-	Within 6 months
Acquisition of specialised machineries	8,000	3,108	4,892	Within 12 months
Repayment of bank borrowings	6,315	6,315	-	Immediate
Working capital	9,089	5,844	3,245	Up to 24 months
Estimated expenses for the corporate exercises	580	580	-	Immediate
<b>Total</b>	<b>25,984</b>	<b>17,847</b>	<b>8,137</b>	

- 2) 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 28 February 2017.



**Part B – Additional information required under Listing Requirements  
For the Period ended 28 February 2017**

---

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

- 3) On 6 April 2017, Mercury Securities Sdn Bhd (“Mercury Securities”), on behalf of the Company had announced that the Company proposed to implement a private placement of up to ten percent (10%) of the existing total number of issued shares of the Company (excluding treasury shares) to third party investor(s) to be identified later and at an issue price to be determined later (“Proposed Private Placement”).

The Company is expected to raise gross proceeds amounting to RM3.9 million from the Proposed Private Placement. The proceeds raised are expected to be utilised in the following manner: -

Utilisation of proceeds	RM'000	Expected timeframe for utilisation from completion of Proposed Private Placement
Acquisition of specialised machineries	2,748	Within 12 months
Expansion of production space	1,000	Within 8 months
Estimated expenses for the corporate exercises	150	Immediate
<b>Total</b>	<b>3,898</b>	

On 10 April 2017, Bursa Securities approved the listing and quotation of up to 86,612,100 new ATS Shares to be issued pursuant to the Proposed Private Placement, subject to the following conditions: -

- (i) ATS and Mercury Securities must fully comply with the relevant provisions under the ACE Market Listing Requirements pertaining to the implementation of the Proposed Private Placement;
- (ii) ATS and Mercury Securities to inform Bursa Securities upon the completion of the Proposed Private Placement; and
- (iii) ATS to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed.





**Part B – Additional information required under Listing Requirements  
For the Period ended 28 February 2017**

**B7) Borrowings and Debts Securities**

Group's borrowings as at 28 February 2017 are as follows: -

	<b>Current (Secured) RM '000</b>	<b>Non-Current (Secured) RM '000</b>
Finance lease payables	2,181	6,588
Bank borrowings	823	9,543
	3,004	16,131

**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/year 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 3 Months Ended</b>		<b>Cumulative Quarter 12 Months Ended</b>	
	<b>28.2.2017 RM '000</b>	<b>29.2.2016 RM '000</b>	<b>28.2.2017 RM '000</b>	<b>29.2.2016 RM '000</b>
Profit/(Loss) attributable to owners of the Company	(3,020)	(809)	(9,051)	(2,543)
Weighted average number of shares in issue ('000)	866,121	433,061	583,742	374,963
Earnings/(Loss) Per Share				
- Basic (sen)	(0.35)	(0.19)	(1.55)	(0.68)
- Diluted (sen)	(0.35)	(0.19)	(1.55)	(0.68)



**Part B – Additional information required under Listing Requirements  
For the Period ended 28 February 2017**

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

The diluted earnings/(loss) per share equal to 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.

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	28.2.2017 RM '000	29.2.2016 RM '000	28.2.2017 RM '000	29.2.2016 RM '000
Included in the (loss)/profit before tax is after charging/(crediting) :-				
Interest expense	294	115	778	444
Impairment loss on loan & receivables	-	-	52	58
Impairment loss on slow moving stock	-	-	-	23
Property, plant & equipment written off	-	-	87	-
Depreciation of property, plant and equipment	950	610	3,224	2,527
Fair value (gain)/loss on share options	805	-	2,313	-
Rental income	(437)	(417)	(1,658)	(1,596)
Income distribution from fixed income fund	(112)	(8)	(172)	(16)
Interest income	(15)	(6)	(28)	(21)
Loss/(Gain) on foreign exchange:				
- realised	(18)	(138)	5	(257)
- unrealised	19	(88)	(29)	(136)
Loss/(Gain) on disposal of property, plant & equipment	(0)	20	(91)	127
Reversal of impairment loss on loan & receivables	(0)	(19)	(98)	(72)



**Part B – Additional information required under Listing Requirements  
For the Period ended 28 February 2017**

**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 --->				
	carried at fair value				Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
<b>Group</b>					
<b>28.2.2017</b>					
<b>Financial assets</b>					
- Financial assets at fair value through profit or loss					
- Short term fund	7,960	-	-	-	7,960

	<--- Fair value of financial instruments --->				
	not carried at fair value				Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
<b>Group</b>					
<b>28.2.2017</b>					
<b>Financial liabilities</b>					
- Finance lease payables	-	8,999	-	8,999	8,769



**Part B – Additional information required under Listing Requirements  
For the Period ended 28 February 2017**

---

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

	<b>As At 28.2.2017 RM '000</b>	<b>As At 29.2.2016 RM '000</b>
Total accumulated lossess of the Company and its subsidiaries		
- Realised	(4,323)	(36,193)
- Unrealised	(1,999)	(2,048)
	(6,322)	(38,241)
Consolidation adjustments and eliminations	3,338	3,072
Total accumulated lossess as per statement of financial position	<u>(2,984)</u>	<u>(35,169)</u>

**B14) Change of Financial Year End**

The Board of Directors has on 7 February 2017, approved the change of financial year end from 28 February to 31 March. Following the change, the next set of financial statements will be from 1 March 2016 to 31 March 2017 covering a period of 13 months. Thereafter, the financial year end of the Company shall end on 31 March for each subsequent year.

**B15) Authorisation for Issue**

The interim financial report was authorized for issue on 28 April 2017 by the Board of Directors.