



AT SYSTEMATIZATION BERHAD

**[REGISTRATION NO. 200401006297 (644800-X)]
(INCORPORATED IN MALAYSIA)**

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2020**

Unaudited Condensed Consolidated Statements of Financial Position
As At 31 March 2020

	(Unaudited) As At 31.03.2020 RM '000	(Audited) As At 31.03.2019 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	56,324	57,531
Investment in quoted shares	2,133	3,200
	58,457	60,731
Current assets		
Inventories	3,250	2,151
Trade receivables	4,902	4,773
Other receivables, deposits and prepayments	2,899	11,076
Tax assets	85	196
Cash and bank balances	1,245	1,251
	12,381	19,447
TOTAL ASSETS	70,838	80,178
EQUITY AND LIABILITIES		
Equity		
Share capital	56,935	55,545
Share option reserve	-	569
Warrant reserve	-	6,496
Revaluation reserve	471	-
Accumulated losses	(10,205)	(1,051)
	47,201	61,559
Non-controlling interests	-	(835)
Total equity	47,201	60,724
Liabilities		
Non-current liabilities		
Finance lease payables	1,940	1,712
Bank borrowings	10,119	8,999
Deferred tax liabilities	499	350
	12,558	11,061
Current liabilities		
Trade payables	5,173	3,572
Other payables & deposits	2,879	1,872
Finance lease payables	1,155	1,434
Bank borrowings	1,872	1,515
	11,079	8,393
Total liabilities	23,637	19,454
TOTAL EQUITY AND LIABILITIES	70,838	80,178
Net assets per share (Sen)	9.46	13.26

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial report.

Unaudited Condensed Consolidated Statements of Comprehensive Income
 For the Year Ended 31 March 2020

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		12 Months Ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM '000	RM '000	RM '000	RM '000
Revenue	5,551	4,528	19,770	20,613
Cost of sales	(5,095)	(6,297)	(18,399)	(19,650)
Gross profit/(loss)	456	(1,769)	1,371	963
Other income	524	470	1,202	1,750
Administrative and general expenses	(9,671)	(5,128)	(16,987)	(12,364)
Selling and distribution expenses	(70)	(40)	(173)	(142)
	(9,741)	(5,168)	(17,160)	(12,506)
(Loss)/Profit from operations	(8,761)	(6,467)	(14,587)	(9,793)
Finance costs	(205)	(213)	(798)	(725)
(Loss)/Profit before tax	(8,966)	(6,680)	(15,385)	(10,518)
Taxation	-	1,468	1	1,423
(Loss)/Profit for the period	(8,966)	(4,819)	(15,384)	(9,095)
Attributable to:-				
Owners of the Company	(8,966)	(4,664)	(15,349)	(8,746)
Non-controlling interests	-	(155)	(35)	(349)
	(8,966)	(4,819)	(15,384)	(9,095)
(Loss)/Earnings per share attributable to owners of the Company (sen)				
- Basic	(1.80)	(1.00)	(3.25)	(1.93)
- Diluted	(1.80)	(1.00)	(3.25)	(1.93)

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial period year 31 March 2019 and the accompanying explanatory notes attached to the interim financial report.

Unaudited Condensed Consolidated Statements of Comprehensive Income
 For the Year Ended 31 March 2020

	Individual Quarter		Cumulative Quarter	
	3 Months Ended	3 Months Ended	12 Months Ended	12 Months Ended
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM '000	RM '000	RM '000	RM '000
(Loss)/Profit for the period	(8,966)	(4,819)	(15,384)	(8,702)
Other comprehensive loss:-				
Item that will not be reclassified subsequently to profit or loss				
Revaluation increase/ (decrease) on property, plant and equipment	471	(6,155)	471	(6,155)
Total comprehensive loss for the financial period	<u>(8,495)</u>	<u>(10,974)</u>	<u>(14,913)</u>	<u>(14,857)</u>
Attributable to:-				
Owners of the Company	(8,495)	(10,819)	(14,878)	(14,508)
Non-controlling interests	-	(155)	(35)	(349)
Total comprehensive loss for the period	<u>(8,495)</u>	<u>(10,974)</u>	<u>(14,913)</u>	<u>(14,857)</u>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial report.



Unaudited Condensed Consolidated Statements of Changes in Equity
As At 31 March 2020

	<----- Attributable to Owners of the Company ----->						Sub Total RM '000	Non- Controlling Interests RM '000	Total Equity RM '000
	<----- Non-Distributable ----->			Distributable					
	Share Capital RM '000	Share Option Reserve RM '000	Revaluation Reserve RM '000	Warrant Reserve RM '000	Accumulated Losses RM '000				
Unaudited									
At 1 April 2019	55,545	569	-	6,496	(1,051)	61,559	(835)	60,724	
Comprehensive loss									
Loss for the financial year	-	-	-	-	(15,349)	(15,349)	(35)	(15,384)	
Other comprehensive loss									
Revaluation increase on property, plant & equipments	-	-	471	-	-	471	-	471	
Total comprehensive loss for the financial year	-	-	471	-	(15,349)	(14,878)	(35)	(14,913)	
Transactions with owners									
Acquisition of non-controlling interest in a subsidiary	-	-	-	-	(870)	(870)	870	-	
Share options lapsed	-	(569)	-	-	569	-	-	-	
Expiry of Warrants B	-	-	-	(6,496)	6,496	-	-	-	
Share-based payment	-	162	-	-	-	162	-	162	
Exercise of share options	1,390	(162)	-	-	-	1,228	-	1,228	
Total transactions with owners	1,390	(569)	-	(6,496)	6,195	520	870	1,390	
At 31 March 2020	56,935	-	471	-	(10,205)	47,201	-	47,201	



Unaudited Condensed Consolidated Statements of Changes in Equity
As At 31 March 2020

	<----- Attributable to Owners of the Company ----->							
	<----- Non-Distributable ----->				Distributable		Non-Controlling Interests RM '000	Total Equity RM '000
	Share Capital RM '000	Share Option Reserve RM '000	Revaluation Reserve RM '000	Warrant Reserve RM '000	Accumulated Losses RM '000	Sub Total RM '000		
Audited								
At 1 April 2018	53,111	378	6,308	23,621	(9,552)	73,866	(486)	73,380
Effect of MFRS 9 <i>Financial Instruments</i> adoption	-	-	-	-	(32)	(32)	-	(32)
At 1 April 2018 (restated)	53,111	378	6,308	23,621	(9,584)	73,834	(486)	73,348
Comprehensive loss								
Loss for the financial year	-	-	-	-	(8,745)	(8,745)	(349)	(9,094)
Other comprehensive loss								
Deficit in revaluation	-	-	(6,155)	-	-	(6,155)	-	(6,155)
Realisation of revaluation reserve	-	-	(153)	-	153	-	-	-
Total comprehensive loss for the financial year	-	-	(6,308)	-	(8,592)	(14,900)	(349)	(15,249)
Transactions with owners								
Private placement	2,434	-	-	-	-	2,434	-	2,434
Share-based payment	-	191	-	-	-	191	-	191
Expiry of Warrants A	-	-	-	(17,125)	17,125	-	-	-
Total transactions with owners	2,434	191	-	(17,125)	17,125	2,625	-	2,625
At 31 March 2019	55,545	569	-	6,496	(1,051)	61,559	(835)	60,724

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial report.



Unaudited Condensed Consolidated Statements of Cash Flows
For the Year Ended 31 March 2020

	Current Year To-Date 31.03.2020 (Unaudited) RM'000	Preceding Year Corresponding Period 31.03.2019 (Audited) RM'000
Cash flows from operating activities		
(Loss)/Profit before tax	(15,385)	(10,518)
Adjustments for :-		
Other non-cash and non-operating items	13,686	8,206
Operating (loss)/profit before working capital changes	(1,699)	(2,312)
(Increase)/Decrease in inventories	(1,179)	(138)
(Increase)/Decrease in receivables	2,170	(3,830)
Increase/(Decrease) in payables	4,480	984
Cash generated from/(used in) operations	3,772	(5,296)
Net tax refund/(tax paid)	85	12
Net cash from/(used in) operating activities	3,857	(5,284)
Cash flows from investing activities		
Income distribution and interest received	25	98
Investment in quoted shares	-	(2,922)
Proceeds from disposal of property, plant and equipment	3,392	2,698
Purchase of property, plant and equipment	(6,184)	(7,990)
Net cash used in investing activities	(2,767)	(8,116)



Unaudited Condensed Consolidated Statements of Cash Flows
For the Year Ended 31 March 2020

	Current Year To-Date 31.03.2020 (Unaudited) RM'000	Preceding Year Corresponding Period 31.03.2019 (Audited) RM'000
Cash flows from financing activities		
Proceeds from issue of shares, net of expense	-	2,434
Proceeds from SIS exercise, net of expense	1,228	-
Interest paid	(798)	(725)
(Placement)/Withdrawal of deposits with banks	-	(102)
Net drawdown/(repayments) of finance lease payables	(1,603)	(1,662)
Drawdown of term loans	1,415	7,250
Repayment of term loans	(1,357)	(2,512)
Net cash from/(used in) financing activities	(1,115)	4,683
Effects of exchange rate changes on cash and cash equivalents	13	7
Net increase/(decrease) in cash and cash equivalents	(12)	(8,710)
Cash and cash equivalents brought forward	885	9,595
Cash and cash equivalents carried forward	873	885
Represented by:-		
Placement of deposits with bank	105	102
Cash and bank balances	1,140	1,149
Bank overdraft	(267)	(264)
	978	987
Less: Deposits pledged with bank	(105)	(102)
	873	885

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial report.

**Explanatory Notes Pursuant to Malaysia Financial Reporting Standard 134
For 12 Months Ended 31 March 2020**

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”), Rule 9.22 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 31 March 2020. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2020.

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 31 March 2020 except for adoption of the following MFRSs, amendments to MFRSs and Issue Committees (“IC”) interpretation (collectively referred to as “pronouncements”): -

- (i) MFRS 16 – Leases
- (ii) Amendments to MFRS 9 Financial Instruments - Prepayment Features with Negative Compensation
- (iii) Amendments to MFRS 119 Employee Benefits - Plan Amendment, Curtailment or Settlement
- (iv) Amendments to MFRS 128 Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures
- (v) Annual Improvements to MFRS Standards 2015 - 2017 Cycle
- (vi) IC Interpretation 23 Uncertainty over Income Tax Treatments

The initial application of the above pronouncements did not have any material impact to the consolidated financial statements of the Group except as mentioned below: -

MFRS 16 “Leases”

MFRS 16 replaces existing leases guidance in MFRS 117 *Leases*, IC Interpretation 4 *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Leases – Incentives*, and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on balance sheet lease accounting for lessees. A lessee recognises a right of use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance lease or operating lease.

Explanatory Notes Pursuant to Malaysia Financial Reporting Standard 134
For 12 Months Ended 31 March 2020

A2) Changes in Accounting Policies (Cont'd)

MFRS 16 “Leases” (cont'd)

Right-of-use assets including prepayments are included under property, plant and equipment whilst the corresponding liabilities are included as lease liabilities in the statement of financial position.

There was no material impact on the Group’s consolidated financial statements upon initial application of MFRS 16.

As at the date of authorisation of this interim financial report, the following pronouncements have been issued by the MASB but are not yet effective and have not been adopted by the Group: -

<u>MFRSs/Amendments to MFRSs/IC Interpretation</u>	Effective for financial periods beginning on or after
Amendments to MFRS 2 Share-based Payment	1 January 2020
Amendments MFRS 3 Business Combinations	1 January 2020
Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources	1 January 2020
Amendments to MFRS 14 Regulatory Deferral Accounts	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134 Interim Financial Reporting	1 January 2020
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendments to MFRS 138 Intangible Assets	1 January 2020
MFRS 17 - Insurance Contracts	1 January 2021
Amendments to MFRS 10 Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced
Amendments to MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

Explanatory Notes Pursuant to Malaysia Financial Reporting Standard 134
For 12 Months Ended 31 March 2020

A2) Changes in Accounting Policies (Cont'd)

As at the date of authorisation of this interim financial report, the following pronouncements have been issued by the MASB but are not yet effective and have not been adopted by the Group: - (cont'd)

<u>MFRSs/Amendments to MFRSs/IC Interpretation</u>	Effective for financial periods beginning on or after
Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources	1 January 2020
Amendments to MFRS 14 Regulatory Deferral Accounts	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134 Interim Financial Reporting	1 January 2020
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendments to MFRS 138 Intangible Assets	1 January 2020
MFRS 17 - Insurance Contracts	1 January 2021
Amendments to MFRS 10 Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced
Amendments to MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

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

A3) 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.

**Explanatory Notes Pursuant to Malaysia Financial Reporting Standard 134
For 12 Months Ended 31 March 2020**

A4) Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review.

A5) Material Changes in Estimates

There were no material changes in estimates of amounts reported in the prior financial year that have a material effect in the current quarter under review.

A6) Debt and Equity Securities

Saved as disclosed below, there was no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the financial period under review.

- 1) Issuance of the following new ordinary shares at the respective dates pursuant to the Company's Share Issuance Scheme: -
 - (i) 1,300,000 new ordinary shares were issued and listed on 23 Jan 2020;
 - (ii) 33,600,000 new ordinary shares were issued and listed on 23 Jan 2020.

A7) Dividend Paid

There was no dividend paid in the current quarter under review.

A8) Valuation of Property, Plant and Equipment

During the financial period, the Group had revalued its leasehold lands and buildings situated at Bayan Lepas, Penang. The revaluation has resulted in an additional revaluation surplus of RM0.62 million and an impairment loss of RM0.33 million charged to profit & loss, respectively.

A9) Material Events During the Financial Period

The Malaysian government has on 18 March 2020 implemented a Movement Control Order ("MCO") to restrict human movements and closed all non-essential business, including the Group's operations in a move to curb the spread of COVID-19. The Group's operations have partially resumed since 13 April 2020 after obtaining letters of permission from the Ministry of International Trade and Industry to operate during the MCO period. Starting 1 May 2020, the government has allowed approved manufacturers, including ATS Group, to operate at full capacity during Phase 4 of the MCO.

The Group's financial performance for current financial period was not significantly affected, other than those disclosed elsewhere in this report.

**Explanatory Notes Pursuant to Malaysia Financial Reporting Standard 134
For 12 Months Ended 31 March 2020**

A10) Material Events Subsequent to the end of the Financial Period

Save as disclosed below and elsewhere in the interim financial report, there were no material events subsequent to the end of the financial period up to the date of this report: -

- 1) On 16 June 2020, the Company has incorporated a new wholly-owned subsidiary, namely AT Glove Engineering Sdn. Bhd. ("AGESB"). The intended principal activities of AGESB are:
 - (i) manufacture and sale of gloves including medical gloves;
 - (ii) investment holding; and
 - (iii) provision of design, engineering and technology works, fabrication as well as installation of machines for the manufacture of gloves and other rubber-related products.

The share capital of AGESB is RM2.00 comprising of 2 ordinary shares, all of which are held by the Company.

A11) Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current quarter and financial year-to-date other than as stated below.

On 5 July 2019, a wholly-owned subsidiary of the Company, AT Precision Tooling Sdn. Bhd. ("ATP") has entered into a Sale and Purchase Agreement ("SPA") with Fong's Engineering & Manufacturing Pte. Ltd. ("FEM") to acquire the remaining 25% equity interest in its 75%-owned subsidiary company, Fong's & AT Venture Sdn. Bhd. ("FATV") (comprising 25,000 ordinary shares in FATV), from FEM for a cash consideration of RM1.00 ("Acquisition"). The Acquisition was completed on 18 July 2019 and FATV became a wholly-owned subsidiary of the Group on even date.

Explanatory Notes Pursuant to Malaysia Financial Reporting Standard 134
 For 12 Months Ended 31 March 2020

A12) Contingent Liabilities or Contingent Assets

The Group has no material contingent liabilities save for the corporate guarantees provided by the Company to financial institutions for credit facilities, and to suppliers for credit terms granted to subsidiaries of up to a total limit of approximately RM21,740,000. Total utilisation of these credit facilities as at 31 March 2020 amounted to approximately RM13,732,000.

There were no material contingent assets to be disclosed as at the date of this report.

A13) Capital Commitment

As of 31 March 2020, capital commitment is in respect of the acquisition of specialised machineries by subsidiaries of the Group: -

	RM'000
Approved and contracted for	-
Contracted but not provided for	2,915
	<u><u>2,915</u></u>

A14) Related Party Transactions

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

A15) Fair Value Measurements

(a) Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows: -

- Level 1 : Quoted price in active markets for identical assets or liabilities.
- Level 2 : Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset or liability.
- Level 3 : Inputs for the asset or liability that are not based on observable market data.

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

	<--Fair value of financial instruments --				Carrying amount
	carried at fair value			Total	
	Level 1	Level 2	Level 3		RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000
Group - 31.03.2020					
Financial assets					
- Investment in quoted shares	2,133	-	-	-	2,133

Explanatory Notes Pursuant to Malaysia Financial Reporting Standard 134
For 12 Months Ended 31 March 2020

A15) Fair Value Measurements (Cont'd)

- (b) The following table provides the fair value measurement hierarchy of the Group's financial instruments: - (cont'd)

	<--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 - 31.03.2020					
Financial liabilities					
- Finance lease payables	-	3,173	-	3,173	3,095

A16) Revenue

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		12 Months Ended	
	31.03.2020 RM '000	31.03.2019 RM '000	31.03.2020 RM '000	31.03.2019 RM '000
Fabrication:				
(i) Customised parts	5,201	3,246	17,955	17,713
(ii) Servicing charges	81	680	371	1,133
Sheet metal & automation:				
(i) Customised parts & assembly	49	372	648	976
(ii) Servicing charges	-	12	-	54
Solar renewable energy	220	218	796	737
	<u>5,551</u>	<u>4,528</u>	<u>19,770</u>	<u>20,613</u>
Goods or services transferred:				
- at a point in time	<u>5,551</u>	<u>4,528</u>	<u>19,770</u>	<u>20,613</u>

A17) Segmental Information

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

- (a) **Fabrication and automation** - Fabrication of industrial & engineering parts and sheet metal; 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.



Notes to the Unaudited Interim Financial Report
For 12 Months Ended 31 March 2020

A17) Segmental Information (Cont'd)

Cumulative Period Ended 31.03.2020

	Fabrication and automation RM '000	Renewable energy and property RM '000	Others RM '000	Eliminations RM '000	Total RM '000
Revenue					
External revenue	18,974	796	-	-	19,770
Inter-segment revenue	-	-	914	(914)	-
Total revenue	18,974	796	914	(914)	19,770
Results					
Interest income	187	7	(835)	670	29
Finance costs	(91)	(17)	(20)	(670)	(798)
Segment profit/(loss) before tax	(12,251)	(1,306)	(1,828)	-	(15,385)
Taxation	-	-	1	-	1
Segment profit/(loss) after tax	(12,251)	(1,306)	(1,827)	-	(15,384)
Other material non-cash items :-					
- Depreciation of property, plant and equipment	(3,315)	(1,077)	(129)	-	(4,521)
- Unrealised gain/(loss) on foreign exchange	(40)	-	-	-	(40)
- Property, plant & equipment impairment loss	(326)	(1,315)	-	-	(1,641)
- Gain/(Loss) on disposal of property, plant & equipment	421	-	-	-	421
- (Allowance)/Reversal for impairment loss on loan & receivables	2,435	-	-	(2,599)	(164)
- Fair value gain/(loss) on quoted shares	(1,067)	-	-	-	(1,067)



Notes to the Unaudited Interim Financial Report
For 12 Months Ended 31 March 2020

A17) Segmental Information (Cont'd)

Cumulative Period Ended 31.03.2019

	Fabrication and automation RM '000	Renewable energy and property RM '000	Others RM '000	Eliminations RM '000	Total RM '000
Revenue					
External revenue	19,876	737	-	-	20,613
Inter-segment revenue	-	-	944	(944)	-
Total revenue	<u>19,876</u>	<u>737</u>	<u>944</u>	<u>(944)</u>	<u>20,613</u>
Results					
Interest income	220	-	1,701	(1,879)	42
Finance costs	(2,023)	(556)	(26)	1,879	(726)
Segment profit/(loss) before tax	(8,302)	(550)	(1,666)	-	(10,518)
Taxation	1,911	25	(513)	-	1,423
Segment profit/(loss)	<u>(6,391)</u>	<u>(525)</u>	<u>(2,179)</u>	<u>-</u>	<u>(9,095)</u>
Other material non-cash items :-					
- Depreciation of property, plant and equipment	(3,098)	(1,114)	(128)	-	(4,340)
- Unrealised gain/(loss) on foreign exchange	17	-	-	-	17
- Property, plant & equipment written off	(1,038)	-	-	-	(1,038)
- Property, plant & equipment impairment loss	(346)	-	-	-	(346)
- (Allowance)/Reversal for impairment loss on loan & receivables	7	-	(1,663)	-	(1,656)
- Impairment loss on inventories	(184)	-	-	-	(184)
- Fair value gain/(loss) on quoted shares	277	-	-	-	277
- Share options expenses	(333)	-	142	-	(191)
- Gain/(Loss) on disposal of property, plant and equipment	(12)	-	-	-	(12)



Explanatory Notes Pursuant to the Listing Requirements
For 12 Months Ended 31 March 2020

B1) Review of Performance

Individual Period (Quarter 4)	Current Quarter	Preceding Year Corresponding Quarter	Changes	
	31.03.2020 RM '000	31.03.2019 RM '000	RM '000	%
Revenue				
Fabrication and automation	5,331	4,310	1,021	24
Renewable energy and property letting	220	218	2	1
Others	-	-	-	-
	5,551	4,528	1,023	23
(Loss)/Profit before tax				
Fabrication and automation	(7,487)	(4,771)	(2,716)	57
Renewable energy and property letting	(1,363)	(317)	(1,046)	330
Others	(117)	(1,592)	1,475	(93)
	(8,967)	(6,680)	(2,287)	34

Current Quarter

The Group posted revenue of RM5.56 million for the current quarter ended 31 March 2020, 23% higher than RM4.53 million recorded in the corresponding quarter ended 31 March 2019. The increase was mainly due to higher orders from contract manufacturer and textile, offset with lower orders from medical and automation. Sale of solar energy to Tenaga Nasional Berhad was consistent at RM0.2 million in the current quarter as compared to corresponding quarter.

The Group recorded pre-tax loss of RM8.97 million for the current quarter, RM2.29 million higher than RM6.68 million pre-tax loss in the corresponding quarter. Fabrication and automation segment reported higher pre-tax loss by RM2.72 million mainly due to weaker performance across the segment, coupled with temporary suspension of the Group's operations for approximately 2 weeks in March 2020 following the compliance to movement control order and RM1.07 million mark-to-market loss on quoted investment. Renewable energy and property letting segment reported higher pre-tax loss by RM1.05 million mainly due to RM1.32 million impairment loss on solar plant, offset with lesser interest chargeable by holding company. Other segment reported lower pre-tax loss by RM1.48 million and included in corresponding quarter pre-tax loss was RM1.66 million impairment loss.



Explanatory Notes Pursuant to the Listing Requirements
For 12 Months Ended 31 March 2020

B1) Review of Performance (Cont'd)

Cumulative Period (Quarter 4)	Current Year to-date	Preceding Year Corresponding Quarter	Changes	
	31.03.2020 RM '000	31.03.2019 RM '000	RM '000	%
Revenue				
Fabrication and automation	18,974	19,876	(902)	(5)
Renewable energy and property letting	796	737	59	8
Others	-	-	-	-
	<u>19,770</u>	<u>20,613</u>	(843)	(4)
(Loss)/Profit before tax				
Fabrication and automation	(12,251)	(8,302)	(3,949)	48
Renewable energy and property letting	(1,306)	(550)	(756)	137
Others	(1,828)	(1,666)	(162)	10
	<u>(15,385)</u>	<u>(10,518)</u>	(4,867)	46

Cumulative Period

The Group posted revenue of RM19.77 million for the cumulative quarter ended 31 March 2020, which was RM0.84 million lower as compared to RM20.61 million in the corresponding cumulative quarter. The decrease was mainly attributable to lower orders from disk drive manufacturing, medical and automation, offset with higher orders from contract manufacturer and textile industry. Sale of solar energy to Tenaga Nasional Berhad was higher by 8% due to favorable weather.

The Group recorded pre-tax loss of RM15.39 million for the cumulative quarter ended 31 March 2020, an increase of RM4.87 million as compared to pre-tax loss of RM10.52 million in the corresponding cumulative quarter. Fabrication and automation segment reported higher pre-tax loss by RM3.95 million mainly due to weaker performance across the segment, coupled with temporary suspension of the Group's operations for approximately 2 weeks in March 2020 following the compliance to movement control order and RM1.07 million mark-to-market loss on quoted investment. Renewable energy and property letting segment reported higher pre-tax loss by RM0.76 million mainly due to lower rental income from property letting and RM1.32 million impairment loss on solar plant. Other segment reported pre-tax loss slightly higher mainly due to waiver of interest to subsidiaries. Included in corresponding quarter pre-tax loss was RM1.66 million impairment loss.



Explanatory Notes Pursuant to the Listing Requirements
For 12 Months Ended 31 March 2020

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

	Current Quarter	Immediate Preceding Quarter	Changes	
	31.03.2020	31.12.2019	RM '000	%
	RM '000	RM '000	RM '000	
Revenue				
Fabrication and automation	5,331	6,249	(918)	(15)
Renewable energy and property letting	220	197	23	12
Others	-	-	-	-
	<u>5,551</u>	<u>6,446</u>	(895)	(14)
(Loss)/Profit before tax				
Fabrication and automation	(7,487)	(1,219)	(6,268)	(514)
Renewable energy and property letting	(1,363)	536	(1,899)	(354)
Others	(117)	(1,781)	1,664	(93)
	<u>(8,967)</u>	<u>(2,464)</u>	(6,503)	(264)

The Group posted revenue of RM5.55 million for the current quarter ended 31 March 2020, which was 15% lower than RM6.25 million recorded in the preceding quarter ended 31 December 2019. The decrease was mainly due to lower orders from contract manufacturer, textile and disk drive manufacturing. Sale of solar energy was higher by 12% on the back of favorable weather.

The Group recorded post-tax loss of RM8.97 million for the current quarter as compared to pre-tax loss of RM2.46 million recorded in the preceding quarter.

Fabrication and automation segment reported higher pre-tax loss by RM6.27 million mainly due to weaker performance across the segment, coupled with temporary suspension of the Group's operations for approximately 2 weeks in March 2020 following the compliance to movement control order and RM1.07 million mark-to-market loss on quoted investment. Renewable energy and property letting segment reported higher pre-tax loss by RM1.89 million mainly due to lower rental income from property letting and RM1.32 million impairment loss on solar plant. Other segment reported lower pre-tax loss and included in preceding quarter pre-tax loss was RM1.72 million waivers of interest to subsidiaries.



**Explanatory Notes Pursuant to the Listing Requirements
For 12 Months Ended 31 March 2020**

B3) Prospects

The Group expects the coming financial year to be challenging due to the weak sentiments arising from the COVID-19 pandemic. While lockdowns are slowly being lifted, COVID-19 is affecting markets worldwide and uncertainty on the global economy remains. In the longer term, the Group anticipated slowdowns in the performance of our national economy as well as the global economy as a whole, despite economic stimulus measures being implemented by almost every national government around the world including our own, may have an indirect impact on the demand for the Group's products and services.

Given the potential for the overall impact to be wide-ranging and in view that the COVID-19 pandemic has yet to be contained worldwide, the estimated impact on the Group's business and financial performance remains uncertain and cannot be determined nor quantified at this juncture. The Group will continue to focus on its core business, i.e. fabrication of industrial & engineering parts and sheet metal business. Over the last 2 months, the Group has been ramping up its production capacity to recover from the previous mandated facility closures. The Group continues to receive new orders from customers. These new orders include those placed by the Rieter Group, which is considered to be a key customer of the Group. The Group is anticipating a consistent stream of orders for high precision machine components from Rieter over the next few years to support Rieter's global supply chain requirements. Capitalising on the Group's accreditation with ISO 13485:2016 certification, the Group expects to have continuous orders from medical customers.

The Group is continuously exploring new sources of revenue and exploring new opportunities on the back of the COVID-19 pandemic. At the moment, the Group is working closely in developing more products in curbing the fight against COVID-19. These new products include integrated disinfection chambers and ultrasonic mist chamber. The Group has also joined forces with other companies in planning to form a new joint venture entity to produce ventilators whereby the Group will responsible for fabricating all relevant metal components of the ventilators.

Recently, the Group has announced its plans to venture into glove industry. The Group's view is that the current market conditions are in favour of glove manufacturers and the gloves market outlook is expected to remain positive for next few years until an effective vaccine against the COVID-19 is made available for the masses. The Group's venture into the glove business is expected to allow the Group to capitalise on a booming segment with favorable long term prospects and is expected contribute to the future earnings of the Group as well as improve the Group's financial performance in the coming years.

B4) Profit forecast or profit guarantee

Not applicable as the Group did not publish any profit forecast.



Explanatory Notes Pursuant to the Listing Requirements
For 12 Months Ended 31 March 2020

B5) Qualification of Preceding Audited Financial Statements

There was no qualification to the preceding audited financial statements for the financial year ended 31 March 2019.

B6) Loss Before Tax

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31.03.2020 RM '000	31.03.2019 RM '000	31.03.2020 RM '000	31.03.2019 RM '000
Included in the profit/(loss) before tax is after charging/(crediting) :-				
Property, plant & equipment:-				
(i) Depreciation	1,119	1,114	4,522	4,340
(ii) Written off	-	1,038	-	1,038
(iii) Impairment loss	1,641	346	1,641	346
(ii) (Gain)/Loss on disposal	(266)	(11)	(421)	(12)
Fair value (gain)/loss on quoted shares	1,067	(277)	1,067	(277)
Impairment loss on slow moving inventories	80	-	80	184
(Reversal)/Allowance for impairment loss on loan & receivables	164	1,582	164	1,656
Rental income	(172)	(174)	(710)	(1,295)
Income distribution from fixed income fund	(1)	(17)	(3)	(74)
Interest income	(43)	(10)	(52)	(24)
Interest expense	102	213	798	725
Rental expense of premises	35	21	78	145
Loss/(Gain) on foreign exchange:-				
- realised	(1)	(2)	(2)	(2)
- unrealised	(55)	17	(40)	(17)



Explanatory Notes Pursuant to the Listing Requirements
For 12 Months Ended 31 March 2020

B7) Taxation

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31.03.2020 RM '000	31.03.2019 RM '000	31.03.2020 RM '000	31.03.2019 RM '000
Corporate tax income/(expense)	-	(483)	1	(528)
Deferred tax income/(expense)	-	1,951	-	1,951
	<u>-</u>	<u>1,468</u>	<u>1</u>	<u>1,423</u>

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

B8) Status of Corporate Proposals

Save as disclosed below, there were no other corporate proposals announced but not completed at the latest practicable date which is not earlier than seven (7) days from the date of issue of this interim financial report: -

- On 7 January 2020, Mercury Securities Sdn Bhd (“Mercury Securities”), on behalf of the Company announced that the Company proposes to undertake the renounceable rights issue of up to 997,966,616 new ordinary shares in ATS (“ATS Shares” or “Shares”) (“Rights Shares”) together with up to 748,474,962 free detachable warrants in ATS (“Warrants C”) on the basis of 4 Rights Shares together with 3 free Warrants C for every 2 existing Shares held by the entitled shareholders of the Company (“Shareholders”) (“Entitled Shareholders”) on 16 March 2020 (“Rights Issue with Warrants”).

Bursa Malaysia Securities Berhad had, vide its letter dated 20 January 2020, approved the following: -

- admission to the Official List and listing and quotation of up to 748,474,962 Warrants C to be issued pursuant to the Proposed Rights Issue with Warrants;
- listing and quotation of up to 997,966,616 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants; and
- listing and quotation of up to 748,474,962 new ATS Shares to be issued arising from the exercise of the Warrants C.

The above proposals were approved by the shareholders in an Extraordinary General Meeting dated 10 February 2020.



Explanatory Notes Pursuant to the Listing Requirements
 For 12 Months Ended 31 March 2020

B8) Status of Corporate Proposals (Cont'd)

On 31 March 2020, Mercury Securities on behalf of the Company announced that the last date for the acceptance of Rights Shares with Warrants C entitlement and payment for the Rights Shares with Warrants C (including excess Rights Shares with Warrants C) (“Subscription Deadline”) has been extended from 31 March 2020 to 6 May 2020. The Subscription Deadline has been extended to 6 May 2020 to cater for the potential further extension to the Movement Control Order as announced by the Government.

On 22 May 2020, Mercury Securities, on behalf of the Company announced that the Rights Issue with Warrants has been completed following the listing and quotation of 991,176,200 Rights Shares and 743,382,150 Warrants C on the ACE Market of Bursa Securities on even date. Proceeds of RM34.69 million were raised under the Rights Issue with Warrants.

The summary of the utilisation of proceeds up to 30 June 2020 are as follows:

Purpose	Proposed utilisation	Amounts utilised	Balance unutilised	Estimated timeframe for the utilisation of proceeds
	RM'000	RM'000	RM'000	
Expansion of production capacity	9,000	1,370	7,630	Within 18 months
Repayment of bank borrowings	10,728	10,728	-	Within 3 Months
Working capital	14,313	2,837	11,476	Within 24 months
Estimated expenses for the corporate exercises	650	650	-	Immediate
Total	34,691	15,585	19,106	

- 2) On 10 April 2020, the Company has announced that its wholly-owned subsidiary, AT Engineering Solution Sdn. Bhd. (“ATES”) entered into a memorandum of understanding with Shanghai JieNaXin Mech & Elec Equipment Co. Ltd. for collaboration in the business relating to anti-epidemic integrated solutions such as thermometry and integrated disinfection chamber (“Product”) as well as localisation of the software design and equipment parts of the Product.
- 3) On 20 April 2020, the Company has announced that its wholly-owned subsidiary, AT Engineering Solution Sdn. Bhd. (“ATES”) entered into a memorandum of collaboration with M3 Technologies (Asia) Berhad for the collaboration in the business relating to enhancements and value-added additions to ATES’s anti-epidemic integrated disinfection chamber, including the software design and implementation to enable the fluid connectivity between all components.



Explanatory Notes Pursuant to the Listing Requirements
For 12 Months Ended 31 March 2020

B8) Status of Corporate Proposals (Cont'd)

- 4) On 28 April 2020, the Company has announced that its wholly-owned subsidiary, AT Engineering Solution Sdn. Bhd. ("ATES") entered into a collaboration agreement with Team Japs Sdn. Bhd. for the collaboration to explore the feasibility and viability of distributing the proprietary solution named as Penaclo solution via the Sanitizer Gateway to be manufactured by ATS group.
- 5) On 5 May 2020, the Company has announced that its wholly-owned subsidiary, AT Precision Tooling Sdn. Bhd. entered into a memorandum of collaboration with Shanghai JieNaXin Mech & Elec Equipment Co. Ltd. for the collaboration in the business relating to producing high precision tooling parts for meltblown nonwoven fabric mask making machines such as spinneret ("Product") as well as localisation of the Product.
- 6) On 18 May 2020, the Company has announced that it has entered into a memorandum of understanding with Arzon Solar, LLC, Sanichi Technology Bhd and PNE PCB Bhd with the intention to form a joint venture company to design, carry out research and development and production of medical grade mechanical air ventilators which are to be distributed and marketed globally.
- 7) On 10 June 2020, the Company has announced that it has signed a Letter of Intent with Aaron Khoo Teng Soon, a representative of the shareholders of Pearl Glove (Malaysia) Sdn. Bhd. ("PGSB") with the intention of acquiring the entire business of PGSB.

On 26 June 2020, the Company has further announced that AT Glove Engineering Sdn. Bhd. ("AGESB"), a wholly-owned subsidiary of the Company, had on even date entered into a Share Sale Agreement ("SSA") with the Vendors, namely Hai Hong Capital Sdn. Bhd., P'ng Sim Guan, P'ng Lai Heng, Hai Hong Holdings Sdn. Bhd. and Aaron Khoo Teng Soon (collectively referred to as the "Vendors") for the proposed acquisition by AGESB of the entire equity interest in PGSB, for a total purchase consideration of RM22 million to be satisfied entirely by cash ("Proposed Acquisition"). The Proposed Acquisition is subject to several conditions precedent being obtained / fulfilled or waived (as the case may be) by the day falling 30 days from the date of the SSA, or such later date as the parties may mutually agree upon.

B9) 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.



Explanatory Notes Pursuant to the Listing Requirements
 For 12 Months Ended 31 March 2020

B10) Borrowings and Debts Securities

	Non-Current RM '000	Current RM '000	Total RM '000
As at 31.03.2020			
<u>Secured</u>			
Finance lease payables	1,940	1,155	3,095
Term loans	10,119	1,605	11,724
Bank overdraft	-	267	267
	12,059	3,027	15,086
As at 31.03.2019			
<u>Secured</u>			
Finance lease payables	1,712	1,434	3,146
Term loans	9,684	566	10,250
Bank overdraft	-	265	265
	11,396	2,265	13,661
	31.03.2020	31.03.2019	
	%	%	
The weighted average interest rate are as follows:			
Finance lease payables	3.51	3.59	
Term loans	4.82	5.56	
Bank overdraft	6.85	7.60	
Proportion of borrowings between:			
Fixed interest rates	21%	23%	
Floating interest rates	79%	77%	

All the Group's borrowings are denominated in RM.

B11) Dividend

There was no dividend declared or paid for the current period under review.



Explanatory Notes Pursuant to the Listing Requirements
 For 12 Months Ended 31 March 2020

B12) Earnings/(Loss) per Share

The basic and diluted loss per share for the current quarter and financial year-to-date are computed as follows: -

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31.03.2020 RM '000	31.03.2019 RM '000	31.03.2020 RM '000	31.03.2019 RM '000
(Loss)/Profit attributable to the owners of the Company	(8,966)	(4,664)	(15,349)	(8,746)
Weighted average number of ordinary shares in issue ('000)	498,984	464,083	472,761	453,334
(Loss) per share (sen):				
Basic and diluted	<u>(1.80)</u>	<u>(1.00)</u>	<u>(3.25)</u>	<u>(1.93)</u>

The diluted loss per share is equivalent to the basic loss per share as the Company does not have any dilutive potential ordinary shares. The Company's warrants are anti-dilutive for the financial period under review.

B13) Authorisation for Issue

The interim financial report was authorised for issue on 30 June 2020 by the Board of Directors.