



# **AT SYSTEMATIZATION BERHAD**

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 JUNE 2020**

Unaudited Condensed Consolidated Statements of Financial Position  
 As At 30 June 2020

	(Unaudited) As At 30.06.2020 RM '000	(Audited) As At 31.03.2020 RM '000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	39,303	38,074
Right-of-use assets	19,584	19,710
Marketable securities	1,067	2,133
	59,954	59,917
<b>Current assets</b>		
Inventories	2,759	3,251
Trade receivables	4,743	4,902
Other receivables, deposits and prepayments	8,109	2,899
Tax assets	87	85
Cash and bank balances	6,072	1,392
Other investments	15,111	-
	36,881	12,529
<b>TOTAL ASSETS</b>	96,835	72,446
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	77,392	56,935
Share option reserve	-	-
Warrant reserve	14,518	-
Revaluation reserve	1,932	1,932
Accumulated losses	(13,529)	(10,205)
	80,313	48,662
Non-controlling interests	-	-
<b>Total equity</b>	80,313	48,662
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Finance lease payables	2,809	1,984
Bank borrowings	1,006	10,272
Deferred tax liabilities	499	499
	4,314	12,755
<b>Current liabilities</b>		
Trade payables	3,437	5,173
Other payables & deposits	7,144	2,879
Finance lease payables	1,297	1,111
Bank borrowings	330	1,866
	12,208	11,029
<b>Total liabilities</b>	16,522	23,784
<b>TOTAL EQUITY AND LIABILITIES</b>	96,835	72,446
<b>Net assets per share (Sen)</b>	5.36	9.75

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial report.

Unaudited Condensed Consolidated Statements of Comprehensive Income  
 For the Period Ended 30 June 2020

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		3 Months Ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM '000	RM '000	RM '000	RM '000
Revenue	5,055	3,619	5,055	3,619
Cost of sales	(4,647)	(3,640)	(4,647)	(3,640)
<b>Gross profit/(loss)</b>	408	(21)	408	(21)
Other income	357	191	357	191
Administrative and general expenses	(3,987)	(2,031)	(3,987)	(2,031)
Selling and distribution expenses	(9)	(32)	(9)	(32)
	(3,996)	(2,063)	(3,996)	(2,063)
<b>(Loss)/Profit from operations</b>	(3,231)	(1,893)	(3,231)	(1,893)
Finance costs	(93)	(199)	(93)	(199)
<b>(Loss)/Profit before tax</b>	(3,324)	(2,092)	(3,324)	(2,092)
Taxation	-	-	-	-
<b>(Loss)/Profit for the period</b>	(3,324)	(2,092)	(3,324)	(2,092)
<b>Attributable to:-</b>				
Owners of the Company	(3,324)	(2,057)	(3,324)	(2,057)
Non-controlling interests	-	(35)	-	(35)
	(3,324)	(2,092)	(3,324)	(2,092)
(Loss)/Earnings per share attributable to owners of the Company (sen)				
- Basic	(0.36)	(0.44)	(0.36)	(0.44)
- Diluted	(0.36)	(0.44)	(0.36)	(0.44)

*The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial period year 31 March 2020 and the accompanying explanatory notes attached to the interim financial report.*

Unaudited Condensed Consolidated Statements of Comprehensive Income  
 For the Period Ended 30 June 2020

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		3 Months Ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM '000	RM '000	RM '000	RM '000
<b>(Loss)/Profit for the period</b>	(3,324)	(2,092)	(3,324)	(2,092)
<b>Other comprehensive loss:- Item that will not be reclassified subsequently to profit or loss</b>				
Revaluation increase/ (decrease) on:				
- property, plant and equipment	-	-	-	-
- right-of-use assets	-	-	-	-
<b>Total comprehensive loss for the financial period</b>	<b>(3,324)</b>	<b>(2,092)</b>	<b>(3,324)</b>	<b>(2,092)</b>
<b>Attributable to:-</b>				
Owners of the Company	(3,324)	(2,057)	(3,324)	(2,057)
Non-controlling interests	-	(35)	-	(35)
<b>Total comprehensive loss for the period</b>	<b>(3,324)</b>	<b>(2,092)</b>	<b>(3,324)</b>	<b>(2,092)</b>

*The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial report.*



Unaudited Condensed Consolidated Statements of Changes in Equity  
As At 30 June 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	Option Reserve RM '000	Revaluation Reserve RM '000	Warrant Reserve RM '000	Accumulated Losses RM '000			
<b>Unaudited</b>								
<b>At 1 April 2020</b>	56,935	-	1,932	-	(10,205)	48,662	-	48,662
<b>Comprehensive loss</b>								
Loss for the period	-	-	-	-	(3,324)	(3,324)	-	(3,324)
<b>Total comprehensive loss for the period</b>	-	-	-	-	(3,324)	(3,324)	-	(3,324)
<b>Transactions with owners</b>								
Proceeds from rights issue	20,014	-	-	14,678	-	34,692	-	34,692
Proceeds from Warrants C conversion	443	-	-	(160)	-	283	-	283
Share-based payment	-	-	-	-	-	-	-	-
Exercise of share options	-	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	20,457	-	-	14,518	-	34,975	-	34,975
<b>At 30 June 2020</b>	77,392	-	1,932	14,518	(13,529)	80,313	-	80,313



Unaudited Condensed Consolidated Statements of Changes in Equity  
As At 30 June 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			
<b>Audited</b>								
<b>At 1 April 2019</b>	55,545	569	-	6,496	(1,051)	61,559	(835)	60,724
<b>Comprehensive loss</b>								
Loss for the financial year	-	-	-	-	(15,349)	(15,349)	(35)	(15,384)
Increase in revaluation	-	-	1,932	-	-	1,932	-	1,932
<b>Total comprehensive loss for the financial year</b>	-	-	1,932	-	(15,349)	(13,417)	(35)	(13,452)
<b>Transactions with owners</b>								
Acquisition of non-controlling interest in a subsidiary	-	-	-	-	(870)	(870)	870	-
Share option lapsed	-	(569)	-	-	569	-	-	-
Share-based payment	-	162	-	-	-	162	-	162
Exercise of share options	1,390	(162)	-	-	-	1,228	-	1,228
Expiry of Warrants B	-	-	-	(6,496)	6,496	-	-	-
<b>Total transactions with owners</b>	1,390	(569)	-	(6,496)	6,195	520	870	1,390
<b>At 31 March 2020</b>	56,935	-	1,932	-	(10,205)	48,662	-	48,662

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 2020 and the accompanying explanatory notes attached to the interim financial report.



Unaudited Condensed Consolidated Statements of Cash Flows  
For the Period Ended 30 June 2020

	Current Year To-Date <b>30.06.2020</b> (Unaudited) RM'000	Preceding Year Corresponding Period <b>30.06.2019</b> (Unaudited) RM'000
<b>Cash flows from operating activities</b>		
(Loss)/Profit before tax	(3,324)	(2,092)
Adjustments for :-		
Other non-cash and non-operating items	2,314	1,322
Operating (loss)/profit before working capital changes	(1,010)	(770)
(Increase)/Decrease in inventories	491	39
(Increase)/Decrease in receivables	(689)	3,400
Increase/(Decrease) in payables	2,530	(1,970)
Cash generated from/(used in) operations	1,322	699
Net (tax paid)/tax refund	(1)	18
<b>Net cash from/(used in) operating activities</b>	<b>1,321</b>	<b>717</b>
<b>Cash flows from investing activities</b>		
Income distribution and interest received	6	3
Net (investment)/withdrawal in short term money market funds	(15,005)	-
Deposit paid	(4,400)	-
Purchase of property, plant and equipment	(868)	(919)
<b>Net cash used in investing activities</b>	<b>(20,267)</b>	<b>(916)</b>



Unaudited Condensed Consolidated Statements of Cash Flows  
For the Period Ended 30 June 2020

	Current Year To-Date <b>30.06.2020</b> (Unaudited) RM'000	Preceding Year Corresponding Period <b>30.06.2019</b> (Unaudited) RM'000
<b>Cash flows from financing activities</b>		
Proceeds from right issue	34,691	-
Proceeds from Warrants C conversion	284	-
Interest paid	(93)	(199)
Net (repayments)/drawdown of finance lease payables	(354)	438
Repayment of term loans	(10,802)	(277)
<b>Net cash from/(used in) financing activities</b>	<b>23,726</b>	<b>(38)</b>
Effects of exchange rate changes on cash and cash equivalents	5	2
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,785</b>	<b>(235)</b>
Cash and cash equivalents brought forward	1,020	885
Cash and cash equivalents carried forward	<u>5,805</u>	<u>650</u>
<b>Represented by:-</b>		
Placement of deposits with bank	106	102
Cash and bank balances	6,072	945
Bank overdraft	(267)	(295)
	<u>5,911</u>	<u>752</u>
Less: Deposits pledged with bank	(106)	(102)
	<u>5,805</u>	<u>650</u>

*The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial report.*



Explanatory Notes Pursuant to Malaysia Financial Reporting Standard 134  
For 3 Months Ended 30 June 2020

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**A1) Basis of Preparation**

The interim financial report is unaudited and has been prepared in compliance with Malaysia Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”), 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 new Malaysian Financial Reporting Standards (“MFRS”), amendments to MFRSs and Issue Committees (“IC”) interpretation (collectively referred to as “pronouncements”): -

Amendments to MFRS 3 Amendments to MFRS 7, MFRS 9 and MFRS139 Amendments to MFRS 101 and MFRS 108 MFRSs	Definition of Business  Interest rate Benchmark Reform  Definition of Material Amendments to References to the Conceptual Framework in MFRS Standards
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The adoption of these standards, amendments and interpretations did not result in significant changes in the accounting policies of the Group and had no significant effect on the financial performance or position of the Group.

**Standards in issue but not yet effective**

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: -

<b>MFRSs/Amendments to MFRSs/IC Interpretation</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 17 - Insurance Contracts	1 January 2021

Explanatory Notes Pursuant to Malaysia Financial Reporting Standard 134  
For 3 Months Ended 30 June 2020

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**A2) Changes in Accounting Policies (Cont'd)**

**Effective for  
annual periods  
beginning on  
or after**

**MFRSs/Amendments to MFRSs/IC Interpretation**

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.

**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.

**Explanatory Notes Pursuant to Malaysia Financial Reporting Standard 134  
 For 3 Months Ended 30 June 2020**

**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) On 22 May 2020, the Company completed a Rights Issue with Warrants following the listing and quotation of 991,176,200 Rights Shares and 743,382,150 Warrants C arising from the Rights Issue with Warrants on the ACE Market of Bursa Securities.
- 2) During the financial period under review, issuance of new ordinary shares pursuant to the conversion of Warrants C: -

	Individual Quarter 3 Months Ended 30.06.2020		Cumulative Quarter 3 Months Ended 30.06.2020	
	No. of shares '000	RM '000	No. of shares '000	RM '000
Conversion of Warrants C	8,100	284	8,100	284

**A7) Dividend Paid**

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

**A8) 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.

**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.

**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 10 August 2020, the Company has announced that its wholly owned subsidiary, AT Glove Engineering Sdn. Bhd. ("AGESB") has entered into a supply contract with Ripcol Engineering Sdn. Bhd. (Company No. (201501003548 (1128880-M)) ("RESB") to engage RESB as AGESB's contractor for the design, fabrication, installation, testing and commissioning a total of 6 production lines ("Works") ("Letter of Award"). The Works include the setting up of 1 single former dipping line and 5 double former dipping line for the production of medical gloves ("Products") ("Proposed Medical Glove Lines").

The supply contract for the Proposed Medical Glove Lines will be subject to approval of the shareholders of ATS.

- 2) Issuance of the following new ordinary shares at the respective dates pursuant to the Company's Share Issuance Scheme: -
  - (a) 123,327,000 new ordinary shares were issued and listed on 30 July 2020.
  - (b) 45,254,000 new ordinary shares were issued and listed on 6 August 2020.
  - (c) 151,614,000 new ordinary shares were issued and listed on 12 August 2020.
  - (d) 58,835,000 new ordinary shares were issued and listed on 14 August 2020.
  - (e) 123,080,000 new ordinary shares were issued and listed on 25 August 2020.

**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 15 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.

**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 RM21,563,000. Total utilisation of these credit facilities as at 30 June 2020 amounted to approximately RM5,524,000.

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

**A13) Capital Commitment**

As of 30 June 2020, capital commitment is in respect of the acquisition of specialised machineries by subsidiaries of the Group: -

	<b>RM'000</b>
Approved and contracted for	-
Contracted but not provided for	1,550
	<u><u>1,550</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: -

	<b>&lt;--Fair value of financial instruments --</b>				<b>Carrying amount</b>
	<b>carried at fair value</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Group - 30.06.2020</b>					
<b>Financial assets</b>					
- Investment in quoted shares	1,067	-	-	-	1,067
- Investment in money market	15,111	-	-	-	15,111
	<u>16,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,178</u>

Explanatory Notes Pursuant to Malaysia Financial Reporting Standard 134  
 For 3 Months Ended 30 June 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	
<b>Group - 30.06.2020</b>					
<b>Financial liabilities</b>					
- Finance lease payables	-	4,230	-	4,230	4,106

**A16) Revenue**

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM '000	RM '000	RM '000	RM '000
Fabrication:				
(i) Customised parts	4,799	2,800	4,799	2,800
(ii) Servicing charges	40	241	40	241
Sheet metal & automation:				
(i) Customised parts & assembly	20	397	20	397
(ii) Servicing charges	-	-	-	-
Solar renewable energy	196	181	196	181
	<u>5,055</u>	<u>3,619</u>	<u>5,055</u>	<u>3,619</u>
Goods or services transferred at a point in time	<u>5,055</u>	<u>3,619</u>	<u>5,055</u>	<u>3,619</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 3 Months Ended 30 June 2020

A17) Segmental Information (Cont'd)

Cumulative Period Ended 30.06.2020

	Fabrication and automation RM '000	Renewable energy and property RM '000	Others RM '000	Eliminations RM '000	Total RM '000
<b>Revenue</b>					
External revenue	4,859	196	-	-	5,055
Inter-segment revenue	-	-	239	(239)	-
Total revenue	<u>4,859</u>	<u>196</u>	<u>239</u>	<u>(239)</u>	<u>5,055</u>
<b>Results</b>					
Interest income	6	-	-	-	6
Finance costs	(89)	-	(4)	-	(93)
Segment profit/(loss) before tax	(2,383)	75	(1,016)	-	(3,324)
Taxation	-	-	-	-	-
Segment profit/(loss) after tax	<u>(2,383)</u>	<u>75</u>	<u>(1,016)</u>	<u>-</u>	<u>(3,324)</u>
Other material non-cash items :-					
- Depreciation	(823)	(178)	(129)	-	(1,130)
- Unrealised gain/(loss) on foreign exchange	30	-	-	-	30
- (Allowance)/Reversal for impairment loss on loan & receivables	5	-	-	-	5
- Fair value gain/(loss) on quoted shares	<u>(1,067)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,067)</u>



Notes to the Unaudited Interim Financial Report  
For 3 Months Ended 30 June 2020

**A17) Segmental Information (Cont'd)**

**Cumulative Period Ended 30.06.2019**

	Fabrication and automation RM '000	Renewable energy and property RM '000	Others RM '000	Eliminations RM '000	Total RM '000
<b>Revenue</b>					
External revenue	3,438	181	-	-	3,619
Inter-segment revenue	-	-	146	(146)	-
Total revenue	<u>3,438</u>	<u>181</u>	<u>146</u>	<u>(146)</u>	<u>3,619</u>
<b>Results</b>					
Interest income	50	-	441	(488)	3
Finance costs	(514)	(168)	(5)	488	(199)
Segment profit/(loss) before tax	(1,892)	(362)	162	-	(2,092)
Taxation	-	-	-	-	-
Segment profit/(loss)	<u>(1,892)</u>	<u>(362)</u>	<u>162</u>	<u>-</u>	<u>(2,092)</u>
Other material non-cash items :-					
- Depreciation	(796)	(302)	(32)	-	(1,130)
- Unrealised gain/(loss) on foreign exchange	4	-	-	-	4
- (Allowance)/Reversal for impairment loss on loan & receivables	(9)	-	-	-	(9)





Explanatory Notes Pursuant to the Listing Requirements  
For 3 Months Ended 30 June 2020

B1) Review of Performance

Individual Period (Quarter 1)	Current Quarter	Preceding Year Corresponding Quarter	Changes	
	30.06.2020 RM '000	30.06.2019 RM '000	RM '000	%
<b>Revenue</b>				
Fabrication and automation	4,859	3,438	1,421	41
Renewable energy and property letting	196	181	15	8
Others	-	-	-	-
	<u>5,055</u>	<u>3,619</u>	1,436	40
<b>(Loss)/Profit before tax</b>				
Fabrication and automation	(2,383)	(1,892)	(491)	26
Renewable energy and property letting	75	(362)	437	(121)
Others	(1,016)	162	(1,178)	(727)
	<u>(3,324)</u>	<u>(2,092)</u>	(1,232)	59

**Current Quarter**

The Group posted revenue of RM5.06 million for the current quarter ended 30 June 2020, 40% higher than RM3.62 million recorded in the corresponding quarter ended 30 June 2019. The increase was mainly due to higher orders from contract manufacturer and textile, offset with lower orders from disk drive manufacturing and medical industries. 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 RM3.32 million for the current quarter, RM1.23 million higher than RM2.09 million pre-tax loss in the corresponding quarter. Fabrication and automation segment reported higher pre-tax loss by RM0.49 million mainly due to temporary suspension of the Group's operations for approximately 2 weeks in April 2020 following the compliance to the Movement Control Order, coupled with RM1.07 million mark-to-market loss on investment in quoted shares. Renewable energy and property letting segment reported higher pre-tax profit by RM0.44 million mainly due to absence of interest payable to holding company. Other segment reported higher pre-tax loss by RM1.18 million mainly due to professional fees incurred on corporate exercise and absence of interest income chargeable to subsidiaries.



Explanatory Notes Pursuant to the Listing Requirements  
For 3 Months Ended 30 June 2020

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

	Current Quarter	Immediate Preceding Quarter	Changes	
	30.06.2020 RM '000	31.03.2020 RM '000	RM '000	%
<b>Revenue</b>				
Fabrication and automation	4,859	5,331	(472)	(9)
Renewable energy and property letting	196	220	(24)	(11)
Others	-	-	-	-
	<u>5,055</u>	<u>5,551</u>	(496)	(9)
<b>(Loss)/Profit before tax</b>				
Fabrication and automation	(2,383)	(7,487)	5,104	68
Renewable energy and property letting	75	(1,363)	1,438	(106)
Others	(1,016)	(117)	(899)	768
	<u>(3,324)</u>	<u>(8,967)</u>	5,643	63

The Group posted revenue of RM5.06 million for the current quarter ended 30 June 2020, which was 9% lower than RM5.55 million recorded in the preceding quarter ended 31 March 2020. The decrease was mainly due to lower orders from contract manufacturer disk drive manufacturing. Sale of solar energy was lower by 11% from RM0.22 million to RM0.20 million mainly due to weather condition.

The Group recorded post-tax loss of RM3.32 million for the current quarter as compared to pre-tax loss of RM8.97 million recorded in the preceding quarter. Pre-tax loss was higher in the preceding quarter mainly due to temporary suspension of the Group's operations for approximately 2 weeks following the compliance to the Movement Control Order, coupled with RM1.3 million impairment loss on property, plant and equipment, RM1.1 million mark-to-market loss on investment in quoted shares, impairment loss on receivables and inventories.



**Explanatory Notes Pursuant to the Listing Requirements  
For 3 Months Ended 30 June 2020**

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**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. The Group has been ramping up its production capacity to recover from the previous mandated facility closures.

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 3 Months Ended 30 June 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 2020.

**B6) Loss Before Tax**

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	30.06.2020 RM '000	30.06.2019 RM '000	30.06.2020 RM '000	30.06.2019 RM '000
Included in the profit/(loss) before tax is after charging/(crediting) :-				
Property, plant & equipment:-				
(i) Depreciation	1,004	1,130	1,004	1,130
Right-of-use assets:-				
(i) Depreciation	126	-	126	-
Fair value (gain)/loss on quoted shares	1,067	-	1,067	-
(Reversal)/Allowance for impairment loss on loan & receivables	(5)	9	(5)	9
Rental income	(178)	(178)	(178)	(178)
Income distribution from fixed income fund	(7)	(1)	(7)	(1)
Interest income	(6)	(1)	(6)	(1)
Interest expense	59	199	59	199
Rental expense of premises	28	21	28	21
Loss/(Gain) on foreign exchange:-				
- realised	(18)	(3)	(18)	(3)
- unrealised	30	(4)	30	(4)



Explanatory Notes Pursuant to the Listing Requirements  
 For 3 Months Ended 30 June 2020

**B7) Taxation**

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	30.06.2020 RM '000	30.06.2019 RM '000	30.06.2020 RM '000	30.06.2019 RM '000
Corporate tax income/(expense)	-	-	-	-
Deferred tax income/(expense)	-	-	-	-
	-	-	-	-

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 22 May 2020, the Company completed a Rights Issue with Warrants exercise following the listing and quotation of 991,176,200 new ordinary shares of RM0.035 each in the Company together with 743,382,150 Warrants C. The Company raised cash proceeds of RM34.69 million and the summary of the utilisation of proceeds up to 26 August 2020 are as follows: -

Purpose	Proposed utilisation RM'000	Amounts utilised RM'000	Balance unutilised RM'000	Estimated timeframe for the utilisation of proceeds
Expansion of production capacity	9,000	3,559	5,441	Within 18 months
Repayment of bank borrowings	10,728	10,728	-	Within 3 months
Working capital	14,313	3,477	10,836	Within 24 months
Estimated expenses for the corporate exercises	650	650	-	Immediate
<b>Total</b>	<b>34,691</b>	<b>18,414</b>	<b>16,277</b>	



**B8) Status of Corporate Proposals (Cont'd)**

- 2) 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.

On 30 July 2020, the Company further announced that AGESB and the Vendors ("the Parties") have mutually agreed to extend the period to fulfil the conditions precedent as stated in Appendix I – Salient Terms of the SSA ("Conditions Precedent") for a period of two (2) months from 27 July 2020 as the Parties have yet to obtain/fulfil the Conditions Precedent.

- 3) On 10 August 2020, Mercury Securities Sdn Bhd ("Mercury Securities"), on behalf of the Company announced that the Company proposes to undertake the following: -
- (i) proposed diversification of the existing business of ATS and its subsidiaries to include the gloves business ("Proposed Diversification"); and
  - (ii) proposed private placement of up to 795,924,000 new ordinary shares in ATS, representing 30% of the total number of issued shares of the Company, to independent third-party investor(s) to be identified later at an issue price to be determined later ("Proposed Private Placement")

(collectively referred to as the "Proposals").

Bursa Securities has, vide its letter dated 25 August 2020, approved the listing and quotation of up to 795,924,000 Placement Shares to be issued pursuant to the Proposed Private Placement. The approval by Bursa Securities for the above is subject to the following conditions: -

- (i) ATS and Mercury Securities must fully comply with the relevant provisions under the 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.



Explanatory Notes Pursuant to the Listing Requirements  
For 3 Months Ended 30 June 2020

**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.

**B10) Borrowings and Debts Securities**

	Non-Current RM '000	Current RM '000	Total RM '000
<b>As at 30.06.2020</b>			
<b><u>Secured</u></b>			
Finance lease payables	2,809	1,297	4,106
Term loans	1,006	63	1,069
Bank overdraft	-	267	267
	3,815	1,627	5,442
<b>As at 30.06.2019</b>			
<b><u>Secured</u></b>			
Finance lease payables	1,758	1,440	3,198
Term loans	9,896	1,494	11,390
Bank overdraft	-	295	295
	11,654	3,229	14,883
		<b>30.06.2020</b>	<b>30.06.2019</b>
		%	%
The weighted average interest rate are as follows:			
Finance lease payables		3.56	3.67
Term loans		4.36	5.40
Bank overdraft		6.35	7.35
Proportion of borrowings between:			
Fixed interest rates		75%	21%
Floating interest rates		25%	79%

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 3 Months Ended 30 June 2020

**B12) Earnings/(Loss) per Share**

The basic and diluted loss per share are computed as follows: -

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	30.06.2020 RM '000	30.06.2019 RM '000	30.06.2020 RM '000	30.06.2019 RM '000
(Loss)/Profit attributable to the owners of the Company	(3,324)	(2,057)	(3,324)	(2,057)
Weighted average number of ordinary shares in issue ('000)	935,244	464,083	935,244	464,083
(Loss) per share (sen):				
Basic and diluted	<u>(0.36)</u>	<u>(0.44)</u>	<u>(0.36)</u>	<u>(0.44)</u>

Notes:

- (1) The diluted loss per share for individual quarter 30 June 2020 and cumulative quarter 30 June 2020 is equivalent to the basic loss per share as the Company's warrants had an anti-dilutive effect on the basic loss per share;
- (2) The diluted loss per share for individual quarter 30 June 2019 and cumulative quarter 30 June 2019 is equivalent to the basic loss per share as the Company's warrants and share options had an anti-dilutive effect on the basic loss per share;

**B13) Authorisation for Issue**

The interim financial report was authorised for issue on 26 August 2020 by the Board of Directors.