



AT SYSTEMATIZATION BERHAD

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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Unaudited Condensed Consolidated Statements of Financial Position
As At 31 December 2021

| | (Unaudited) As At 31.12.2021 RM '000 | (Audited) As At 31.03.2021 RM '000 |
|--|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 149,378 | 124,462 |
| Right-of-use assets | 39,462 | 39,411 |
| Investment in associates | 131,347 | 40,270 |
| Marketable securities | 4,638 | 6,618 |
| | 324,825 | 210,761 |
| Current assets | | |
| Inventories | 68,339 | 12,400 |
| Trade receivables | 8,441 | 5,752 |
| Other receivables, deposits and prepayments | 47,796 | 13,161 |
| Contract assets | 813 | - |
| Tax assets | 182 | 138 |
| Money market instruments | 15,435 | 53,273 |
| Cash and bank balances | 87,147 | 97,518 |
| | 228,153 | 182,242 |
| TOTAL ASSETS | 552,978 | 393,003 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 465,797 | 392,934 |
| Warrant reserve | 9,261 | 9,261 |
| Other reserves | (274) | - |
| Accumulated losses | (45,260) | (32,425) |
| Total equity | 429,524 | 369,770 |
| Liabilities | | |
| Non-current liabilities | | |
| Finance lease payables | 3,459 | 3,366 |
| Lease liabilities | 27 | 47 |
| Bank borrowings | 8,349 | 867 |
| Deferred tax liabilities | 274 | 274 |
| | 12,109 | 4,554 |
| Current liabilities | | |
| Trade payables | 8,334 | 4,118 |
| Other payables & deposits | 33,526 | 12,650 |
| Contract liabilities | 150 | - |
| Tax liabilities | 3 | - |
| Finance lease payables | 1,797 | 1,547 |
| Lease liabilities | 26 | 24 |
| Bank borrowings | 67,509 | 340 |
| | 111,345 | 18,679 |
| Total liabilities | 123,454 | 23,233 |
| TOTAL EQUITY AND LIABILITIES | 552,978 | 393,003 |
| Net assets per share (Sen) | 8.13 | 8.74 |

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial report.



Unaudited Condensed Consolidated Statements of Comprehensive Income
For the Period Ended 31 December 2021

| | Individual Quarter 3 Months Ended | | Cumulative Quarter 9 Months Ended | |
|---|--------------------------------------|-----------------------|--------------------------------------|-----------------------|
| | 31.12.2021 RM '000 | 31.12.2020 RM '000 | 31.12.2021 RM '000 | 31.12.2020 RM '000 |
| Revenue | 15,783 | 4,958 | 64,741 | 17,570 |
| Cost of sales | (15,007) | (4,777) | (52,209) | (14,614) |
| Gross profit/(loss) | 776 | 181 | 12,532 | 2,956 |
| Other income | 13 | 411 | 19,297 | 1,153 |
| Administrative and general expenses | (4,162) | (3,811) | (12,708) | (6,941) |
| Selling and distribution expenses | (116) | (32) | (192) | (63) |
| | (4,278) | (3,843) | (12,900) | (7,004) |
| Other expenses | (6,571) | (15,749) | (12,559) | (19,021) |
| Profit/(Loss) from operations | (10,060) | (19,000) | 6,370 | (21,916) |
| Finance costs | (794) | (113) | (1,203) | (411) |
| Share of profit/(loss) of associates | (2,998) | - | (18,540) | - |
| Profit/(Loss) before tax | (13,852) | (19,113) | (13,373) | (22,327) |
| Taxation | (9) | - | (9) | - |
| Profit/(Loss) for the period | (13,861) | (19,113) | (13,382) | (22,327) |
| Attributable to:- | | | | |
| Owners of the Company | (13,861) | (19,113) | (13,382) | (22,327) |
| Non-controlling interests | - | - | - | - |
| | (13,861) | (19,113) | (13,382) | (22,327) |
| Earnings/(Loss) per share attributable to owners of the Company (sen) | | | | |
| - Basic | (0.27) | (0.58) | (0.29) | (1.07) |
| - Diluted | (0.27) | (0.58) | (0.29) | (1.07) |

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial period year 31 March 2021 and the accompanying explanatory notes attached to the interim financial report.



Unaudited Condensed Consolidated Statements of Comprehensive Income
For the Period Ended 31 December 2021

| | Individual Quarter 3 Months Ended | | Cumulative Quarter 9 Months Ended | |
|---|--------------------------------------|-----------------------|--------------------------------------|-----------------------|
| | 31.12.2021 RM '000 | 31.12.2020 RM '000 | 31.12.2021 RM '000 | 31.12.2020 RM '000 |
| Profit/(Loss) for the period | (13,861) | (19,113) | (13,382) | (22,327) |
| Other comprehensive loss:- | | | | |
| <i>Item that will not be reclassified subsequently to profit or loss</i> | | | | |
| Revaluation increase/ (decrease) on: | | | | |
| - property, plant and equipment | - | - | - | - |
| - right-of-use assets | - | - | - | - |
| <i>Item that may be reclassified subsequently to profit or loss</i> | | | | |
| Share of other comprehensive income/(loss) of associates | 547 | - | 273 | - |
| Total comprehensive (loss)/profit for the financial period | (13,314) | (19,113) | (13,109) | (22,327) |
| Attributable to:- | | | | |
| Owners of the Company | (13,314) | (19,113) | (13,109) | (22,327) |
| Non-controlling interests | - | - | - | - |
| Total comprehensive (loss)/profit for the period | (13,314) | (19,113) | (13,109) | (22,327) |

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial report.



Unaudited Condensed Consolidated Statements of Changes in Equity
As At 31 December 2021

| | ←----- Attributable to Owners of the Company -----> | | | | | Distributable | Sub Total | Total Equity |
|---|---|---------------------------------|--------------------------------|----------------------------|---------------------------|-------------------------------|-----------|--------------|
| | ←----- Non-Distributable -----> | | | | | | | |
| | Share Capital RM '000 | Share Option Reserve RM '000 | Revaluation Reserve RM '000 | Warrant Reserve RM '000 | Other Reserves RM '000 | Accumulated Losses RM '000 | RM '000 | RM '000 |
| Unaudited | | | | | | | | |
| At 1 April 2020 | 392,934 | - | - | 9,261 | - | (32,425) | 369,770 | 369,770 |
| Profit/(Loss) for the financial period | - | - | - | - | - | (13,382) | (13,382) | (13,382) |
| Other comprehensive loss for the financial period | - | - | - | - | (274) | 547 | 273 | 273 |
| Total comprehensive income/(loss) for the period | - | - | - | - | (274) | (12,835) | (13,109) | (13,109) |
| Transactions with owners | | | | | | | | |
| Share-based payments | - | 4,378 | - | - | - | - | 4,378 | 4,378 |
| Exercise of share options | 72,863 | (4,378) | - | - | - | - | 68,485 | 68,485 |
| Total transactions with owners | 72,863 | - | - | - | - | - | 72,863 | 72,863 |
| At 31 December 2021 | 465,797 | - | - | 9,261 | (274) | (45,260) | 429,524 | 429,524 |



Unaudited Condensed Consolidated Statements of Changes in Equity
As At 31 December 2021

| | <----- Attributable to Owners of the Company -----> | | | | | 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 | |
| Audited | | | | | | |
| At 1 April 2020 | 56,935 | - | 1,932 | - | (10,205) | 48,662 |
| Loss for the financial year | - | - | - | - | (20,530) | (20,530) |
| Other comprehensive income/(loss) for the financial year | - | - | (1,872) | - | (1,750) | (3,622) |
| Total comprehensive loss for the financial year | - | - | (1,872) | - | (22,280) | (24,152) |
| Transactions with owners | | | | | | |
| Proceeds from rights issue | 20,014 | - | - | 14,678 | - | 34,692 |
| Proceeds from Warrants C conversion | 15,018 | - | - | (5,417) | - | 9,601 |
| Proceeds from private placements | 159,492 | - | - | - | - | 159,492 |
| Share issuance expenses | (2,021) | - | - | - | - | (2,021) |
| Exercise of share options | 143,496 | (13,430) | - | - | - | 130,066 |
| Share-based payments | - | 13,430 | - | - | - | 13,430 |
| Total transactions with owners | 335,999 | - | - | 9,261 | - | 345,260 |
| Realisation of revaluation reserve | - | - | (60) | - | 60 | - |
| At 31 March 2021 | 392,934 | - | - | 9,261 | (32,425) | 369,770 |

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 2021 and the accompanying explanatory notes attached to the interim financial report.



Unaudited Condensed Consolidated Statements of Cash Flows
For the Period Ended 31 December 2021

| | Current Period To-Date 31.12.2021 (Unaudited) RM'000 | Preceding Year Corresponding Period 31.12.2020 (Unaudited) RM'000 |
|--|---|--|
| Cash flows from operating activities | | |
| Profit/(Loss) before tax | (13,373) | (22,327) |
| Adjustments for :- | | |
| Gain on bargain purchase from investment in associates | (13,615) | - |
| Share of (profit)/loss of associates | 18,540 | - |
| (Gain)/loss on dilution of interest in associates | 4,585 | - |
| Fair value adjustments on share options | 4,378 | 13,357 |
| Fair value loss/(gain) on investment in quoted shares | 3,596 | 5,663 |
| Other non-cash and non-operating items | 5,033 | 2,054 |
| Operating (loss)/profit before working capital changes | 9,144 | (1,253) |
| Decrease/(Increase) in inventories | (55,938) | (2,827) |
| (Increase)/Decrease in receivables | (34,288) | (25,043) |
| (Decrease)/Increase in payables | 25,243 | (3,340) |
| Cash (used in)/generated from operations | (55,839) | (32,463) |
| Net (tax paid)/tax refund | (49) | (4) |
| Net cash (used in)/from operating activities | (55,888) | (32,467) |
| Cash flows from investing activities | | |
| Distribution income on money market instruments | 330 | 238 |
| Interest income | 550 | 27 |
| Net (investment)/withdrawal in short term fixed deposit | (68,875) | - |
| Deposit paid | - | (4,590) |
| Net investment in associates | (97,216) | - |
| Net investment in marketable securities | (4,712) | (15,571) |
| Proceeds from disposal of property, plant and equipment | 3 | - |
| Purchase of property, plant and equipment | (33,236) | (53,435) |
| Net cash used in investing activities | (203,156) | (73,331) |



Unaudited Condensed Consolidated Statements of Cash Flows
For the Period Ended 31 December 2021

| | Current Period To-Date 31.12.2021 (Unaudited) RM'000 | Preceding Year Corresponding Period 31.12.2020 (Unaudited) RM'000 |
|--|--|---|
| Cash flows from financing activities | | |
| Proceeds from rights issue | - | 34,691 |
| Proceeds from Warrants C conversion | - | 9,601 |
| Proceeds from exercise of share options | 68,484 | 126,226 |
| Proceeds from private placement | - | 159,492 |
| Share issuance expenses | - | (1,821) |
| Interest paid | (833) | (413) |
| Net (repayments)/drawdown of finance lease payables | 324 | (1,153) |
| Drawdown of term loans | 75,755 | - |
| Net repayment of term loans | (1,104) | (10,849) |
| Net cash from/(used in) financing activities | 142,626 | 315,774 |
| Effects of exchange rate changes on cash and cash equivalents | (666) | (71) |
| Net increase/(decrease) in cash and cash equivalents | (117,084) | 209,905 |
| Cash and cash equivalents brought forward | 150,684 | 1,020 |
| Cash and cash equivalents carried forward | 33,600 | 210,925 |
| Represented by:- | | |
| Placement of deposits with bank | 68,982 | 106 |
| Cash and bank balances | 18,165 | 26,433 |
| Money market instruments | 15,435 | 184,759 |
| Bank overdraft | - | (267) |
| | 102,582 | 211,031 |
| Less: Deposits pledged with bank | (68,982) | (106) |
| | 33,600 | 210,925 |

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial report.

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 2021. 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 2021.

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 2021.

Standards in issue but not yet effective

As at the date of authorisation of this interim financial report, the following new Malaysian Financial Reporting Standards (“MFRS”) and amendments to MFRSs have been issued by the MASB but are not yet effective and have not been adopted by the Group:-

| MFRSs/Amendments to MFRSs | Effective for annual periods beginning on or after |
|--|---|
| Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 Interest Rate Benchmark Reform- Phase 2 | 1 January 2021 |
| Amendment to MFRS 16 Covid 19-Related Rent Concessions beyond 30 June 2021 | 1 April 2021 |
| Amendments to MFRS 3 Reference to the Conceptual Framework | 1 January 2022 |
| Amendments to MFRS 116 Property, plant and equipment - Proceeds before Intended Use | 1 January 2022 |

A2) Changes in Accounting Policies (Cont'd)

| | Effective for annual periods beginning on or after |
|--|---|
| MFRSs/Amendments to MFRSs | |
| Amendments to MFRS 137 - Onerous Contracts - Cost of Fulfilling a Contract | 1 January 2022 |
| Annual improvements to MFRSs 2018-2020 – MFRS 1 and MFRS 9 | 1 January 2022 |
| MFRS 17 Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 17 Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 101 Disclosure of Accounting Policies | 1 January 2023 |
| Amendments to MFRS 108 Disclosure of Accounting Estimates | 1 January 2023 |
| Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 |
| Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between as Investor and its Associate or Joint Venture | Deferred |

The Group will adopt the above MFRS and amendments to MFRS 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 period 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 period 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 new ordinary shares pursuant to the exercise of share options:-

| | Individual Quarter 3 Months Ended 31.12.2021 | | Cumulative Quarter 9 Months Ended 31.12.2021 | |
|---------------------------|--|---------|--|---------|
| | No. of shares '000 | RM '000 | No. of shares '000 | RM '000 |
| Exercise of share options | 590,070 | 30,002 | 1,184,098 | 68,485 |

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 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) Issuance of the following new ordinary shares at the respective dates pursuant to the exercise of share options:-
 - (a) 130,074,000 new ordinary shares were issued and listed on 4 January 2022.
 - (b) 175,000,000 new ordinary shares were issued and listed on 14 February 2022.
- 2) On 9 February 2022, the Company has announced that its wholly owned subsidiary, AT Precision Tooling Sdn. Bhd. has entered into a Value Contract with Maschinenfabrik Rieter AG ("Rieter") to produce aluminium profiles for Rieter's Card and Ringspin sector amounting to USD10 million.

A10) Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current quarter and financial period-to-date.

A11) 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 RM22,406,000. Total utilisation of these credit facilities as at 31 December 2021 amounted to approximately RM15,438,000.

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

A12) Capital Commitment

As of 31 December 2021, capital commitment of the Group are as follows:-

| | RM'000 |
|---|--------------------------|
| Approved and contracted for | - |
| Contracted but not provided for:- | |
| (i) Capital expenditure for the Group's glove business | 7,049 |
| (ii) Capital expenditure for the Group's fabrication business | 1,590 |
| | <hr/> 8,639 <hr/> |

A13) Related Party Transactions

There were no significant transactions with related parties during the current financial period other than the acquisition of lands from Seacera Porcelain Sdn. Bhd. for a total purchase consideration of RM9 million on 16 November 2021.

A14) 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.

A14) Fair Value Measurements (Cont'd)

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

| | <--Fair value of financial instruments--> | | | | Carrying amount RM'000 |
|--|--|---------------------------|---------------------------|-------------------------|---------------------------------------|
| | carried at fair value | | | Total RM'000 | |
| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | | |
| Group - 31.12.2021 | | | | | |
| Financial assets | | | | | |
| - Investment in quoted shares | 4,638 | - | - | - 4,638 | |
| - Investment in money market instruments | 15,435 | - | - | - 15,435 | |
| | <u>20,073</u> | <u>-</u> | <u>-</u> | <u>- 20,073</u> | |

Explanatory Notes Pursuant to Malaysia Financial Reporting Standard 134
For 9 Months Ended 31 December 2021

A15) Revenue

| | Individual Quarter 3 Months Ended | | Cumulative Quarter 9 Months Ended | |
|---|--------------------------------------|-----------------------|--------------------------------------|-----------------------|
| | 31.12.2021 RM '000 | 31.12.2020 RM '000 | 31.12.2021 RM '000 | 31.12.2020 RM '000 |
| <u>Fabrication:</u> | | | | |
| (i) Fabrication of customised parts | 9,418 | 4,050 | 20,866 | 14,948 |
| (ii) Servicing charges | 30 | 55 | 103 | 144 |
| <u>Sheet metal & automation:</u> | | | | |
| (i) Sheet metal fabrication | 261 | 99 | 707 | 185 |
| (ii) Design & assembly | 774 | 588 | 1,931 | 1,738 |
| Solar renewable energy | 170 | 166 | 535 | 555 |
| Gloves | 5,130 | - | 40,599 | - |
| | 15,783 | 4,958 | 64,741 | 17,570 |
| Goods or services transferred: | | | | |
| - at a point in time | 14,082 | 4,958 | 62,810 | 16,420 |
| - over time | 1,701 | - | 1,931 | 1,150 |
| | 15,783 | 4,958 | 64,741 | 17,570 |

A16) 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) **Gloves** – Manufacturing and sale of medical grade nitrile gloves;
- (d) **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 9 Months Ended 31 December 2021

A16) Segmental Information (Cont'd)

Cumulative Period Ended 31.12.2021

| | Fabrication and automation RM '000 | Renewable energy and property RM '000 | Gloves RM '000 | Others RM '000 | Adjustment & Eliminations RM '000 | Total RM '000 |
|---|--|---|-------------------|-------------------|---|------------------|
| Revenue | | | | | | |
| External revenue | 23,607 | 535 | 40,599 | - | - | 64,741 |
| Inter-segment revenue | - | - | - | 1,048 | (1,048) | - |
| Total revenue | 23,607 | 535 | 40,599 | 1,048 | (1,048) | 64,741 |
| Results | | | | | | |
| Interest income | 14 | - | - | 550 | - | 564 |
| Finance costs | (362) | - | (8) | (833) | - | (1,203) |
| Share of profit/(loss) of associates | - | - | - | - | (18,540) | (18,540) |
| Segment profit/(loss) before tax | (10,675) | 172 | 9,056 | (2,416) | (9,510) | (13,373) |
| Taxation | (9) | - | - | - | - | (9) |
| Segment profit/(loss) after tax | (10,684) | 172 | 9,056 | (2,416) | (9,510) | (13,382) |
| Other material non-cash items: | | | | | | |
| - Depreciation | (3,299) | (435) | (4,419) | (115) | - | (8,268) |
| - Unrealised gain/(loss) on foreign exchange | (5) | - | 2 | (687) | - | (690) |
| - (Allowance)/Reversal for impairment loss on loan & receivables | 2,544 | - | - | 1,325 | - | 3,869 |
| - Fair value gain/(loss) on quoted shares | (3,596) | - | - | - | - | (3,596) |
| - Share options expenses | (4,129) | - | - | (249) | - | (4,378) |
| - Gain on bargain purchase from investment in associate | - | - | - | - | 13,615 | 13,615 |
| - Loss on dilution of interest in associates | - | - | - | - | (4,585) | (4,585) |



Notes to the Unaudited Interim Financial Report
For 9 Months Ended 31 December 2021

A16) Segmental Information (Cont'd)

Cumulative Period Ended 31.12.2021

| | Fabrication and automation RM '000 | Renewable energy and property RM '000 | Gloves RM '000 | Others RM '000 | Adjustment & Eliminations RM '000 | Total RM '000 |
|---|---|--|---------------------------|---------------------------|--|--------------------------|
| Revenue | | | | | | |
| External revenue | 23,607 | 535 | 40,599 | - | - | 64,741 |
| Inter-segment revenue | - | - | - | 1,048 | (1,048) | - |
| Total revenue | 23,607 | 535 | 40,599 | 1,048 | (1,048) | 64,741 |
| Results | | | | | | |
| Interest income | 14 | - | - | 550 | - | 564 |
| Finance costs | (362) | - | (8) | (833) | - | (1,203) |
| Share of profit/(loss) of associates | - | - | - | - | (18,540) | (18,540) |
| Segment profit/(loss) before tax | (10,675) | 172 | 9,056 | (2,416) | (9,510) | (13,373) |
| Taxation | (9) | - | - | - | - | (9) |
| Segment profit/(loss) after tax | (10,684) | 172 | 9,056 | (2,416) | (9,510) | (13,382) |
| Other material non-cash items: | | | | | | |
| - Depreciation | (3,299) | (435) | (4,419) | (115) | - | (8,268) |
| - Unrealised gain/(loss) on foreign exchange | (5) | - | 2 | (687) | - | (690) |
| - (Allowance)/Reversal for impairment loss on loan & receivables | 2,544 | - | - | 1,325 | - | 3,869 |
| - Fair value gain/(loss) on quoted shares | (3,596) | - | - | - | - | (3,596) |
| - Share options expenses | (4,129) | - | - | (249) | - | (4,378) |
| - Gain on bargain purchase from investment in associate | - | - | - | - | 13,615 | 13,615 |
| - Loss on dilution of interest in associates | - | - | - | - | (4,585) | (4,585) |

Explanatory Notes Pursuant to the Listing Requirements
For 9 Months Ended 31 December 2021

B1) Review of Performance

| Individual Period (Quarter 3) | Current Quarter | Preceding Year Corresponding Quarter | Changes | |
|--|-----------------------|--|---------------|-------------|
| | 31.12.2021 RM '000 | 31.12.2020 RM '000 | RM '000 | % |
| Revenue | | | | |
| Fabrication and automation | 10,483 | 4,793 | 5,690 | 119 |
| Renewable energy and property letting | 170 | 165 | 5 | 3 |
| Gloves | 5,130 | - | 5,130 | 100 |
| Others | - | - | - | - |
| | 15,783 | 4,958 | 10,825 | 218 |
| Profit/(Loss) before tax | | | | |
| Fabrication and automation | (4,424) | (17,379) | 12,955 | (75) |
| Renewable energy and property letting | 72 | (129) | 201 | (156) |
| Gloves | 17 | (779) | 796 | 100 |
| Others | (9,517) | (826) | (8,691) | 1,053 |
| | (13,852) | (19,113) | 5,261 | (28) |

Current Quarter

The Group posted revenue of RM15.78 million for the current quarter ended 31 December 2021, representing an increase of 218% as compared to RM4.96 million recorded in the corresponding quarter ended 31 December 2020. The increase was mainly due to higher revenue in fabrication and automation segment, coupled with contribution of sale of medical gloves of RM5.13 million during the period under review. Fabrication and automation segment posted higher revenue by RM5.69 million mainly due to:-

- (i) Fabrication business: higher number of orders from textile machines maker, contract manufacturer and disk drive manufacturer.
- (ii) Sheet metal and automation business: higher number of orders in sheet metal business and vending machine.

Meanwhile, sale of solar energy to Tenaga Nasional Berhad was consistent at RM 0.2 million.

The Group recorded pre-tax loss of RM13.85 million for the current quarter as compared to RM19.11 million pre-tax loss in the corresponding quarter. Fabrication and automation segment reported lower pre-tax loss by RM12.95 million mainly due to lower mark to-market loss on investment in quoted shares of RM0.1 million (Q3 2020: RM5.56 million) and lower fair value adjustment on share options of RM1.89 million (Q3 2020: RM10.19 million). Renewable energy and property letting segment reported pre-tax profit in this quarter as compared to pre-tax loss in corresponding quarter mainly due to lower depreciation charges and additional rental from new tenant.

Explanatory Notes Pursuant to the Listing Requirements
For 9 Months Ended 31 December 2021

B1) Review of Performance (Cont'd)

Current Quarter (cont'd)

Glove segment reported pre-tax profit of RM0.02 million following the commencement of medical gloves sales less manufacturing and operating costs incurred for glove production. Other segment reported higher pre-tax loss mainly due to RM3 million share of losses in associates, coupled with RM4.59 million loss on dilution of interest in associates.

| Cumulative Period (Quarter 3) | Preceding Year | | Changes | |
|--|-------------------------|--------------------------|----------|-------|
| | Current Year to-date | Corresponding Quarter | | |
| | 31.12.2021 RM '000 | 31.12.2020 RM '000 | RM '000 | % |
| Revenue | | | | |
| Fabrication and automation | 23,607 | 17,015 | 6,592 | 39 |
| Renewable energy and property letting | 535 | 555 | (20) | (4) |
| Gloves | 40,599 | - | 40,599 | 100 |
| Others | - | - | - | - |
| | <u>64,741</u> | <u>17,570</u> | 47,171 | 268 |
| (Loss)/Profit before tax | | | | |
| Fabrication and automation | (10,675) | (19,740) | 9,065 | (46) |
| Renewable energy and property letting | 172 | (28) | 200 | (714) |
| Gloves | 9,056 | (779) | 9,835 | 100 |
| Others | (11,926) | (1,780) | (10,146) | 570 |
| | <u>(13,373)</u> | <u>(22,327)</u> | 8,954 | (40) |

Cumulative Period

The Group posted revenue of RM64.74 million for the cumulative quarter ended 31 December 2021, which was 268% higher than RM17.57 million recorded in the corresponding cumulative quarter ended 31 December 2020. The increase was largely due to sale of medical gloves of RM40.60 million during the period under review. Fabrication and automation segment posted higher revenue by RM6.59 million mainly due to:-

- (i) Fabrication business: higher number of orders from textile machines maker and customers who are contract manufacturer and disk drive manufacturer.
- (ii) Sheet metal and automation business: higher number of orders in sheet metal business and vending machine.

Meanwhile, sale of solar energy to Tenaga Nasional Berhad was consistent at RM0.5 million.



B1) Review of Performance (Cont'd)

Cumulative Period (cont'd)

The Group recorded pre-tax loss of RM13.37 million for the cumulative quarter ended 31 December 2021 as compared to pre-tax loss of RM22.34 million in the corresponding cumulative quarter. Fabrication and automation segment reported lower pre-tax loss by RM9.07 million mainly due to reversal of impairment loss on receivables of RM2.55 million (Q3 2020: RM1.7 million), coupled with lower fair value adjustment on share options of RM4.13million (Q3 2020: RM13.21 million) and lower mark-to-market loss on investment in quoted shares of RM3.6 million (Q3 2020: RM5.67 million). Renewable energy and property letting segment reported pre-tax profit in this cumulative quarter as compared to pre-tax loss in corresponding cumulative quarter mainly due to lower depreciation charges and additional rental from new tenant. Glove segment reported pre-tax profit of RM9.06 million following the commencement of medical gloves sales less manufacturing and operating costs incurred for glove production. Other segment reported higher pre-tax loss by RM10.15 million mainly due to RM18.54 million share of losses in associates, RM4.59 million loss on dilution of interest in associates, offset with RM13.62 million gain on bargain purchase from investment in associate.

Explanatory Notes Pursuant to the Listing Requirements
For 9 Months Ended 31 December 2021

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

| | Current Quarter | Immediate Preceding Quarter | Changes | |
|--|----------------------------|--|-----------------|--------------|
| | 31.12.2021 | 30.09.2021 | RM '000 | % |
| | RM '000 | RM '000 | RM '000 | |
| Revenue | | | | |
| Fabrication and automation | 10,483 | 7,212 | 3,271 | 45 |
| Renewable energy and property letting | 170 | 184 | (14) | (8) |
| Gloves | 5,130 | 13,260 | (8,130) | 100 |
| Others | - | - | - | - |
| | 15,783 | 20,656 | (4,873) | (24) |
| Profit/(Loss) before tax | | | | |
| Fabrication and automation | (4,424) | (1,051) | (3,373) | (321) |
| Renewable energy and property letting | 72 | 51 | 21 | 41 |
| Gloves | 17 | 2,061 | (2,044) | (99) |
| Others | (9,517) | (706) | (8,811) | 1,248 |
| | (13,852) | 355 | (14,207) | 4,002 |

The Group posted revenue of RM15.78 million for the current quarter ended 31 December 2021, representing a decrease of 24% as compared RM20.66 million recorded in the preceding quarter ended 30 September 2021. The decrease was largely due to lower sale of medical gloves on the back of lower units sold. Fabrication and automation segment reported higher sales mainly due to higher orders from textile machines maker, coupled with higher orders for vending machines delivered in sheet metal & automation business. Sale of solar energy was slightly lower due to unfavorable weather.

The Group recorded pre-tax loss of RM13.85 million for the current quarter as compared to pre-tax profit of RM0.36 million recorded in the preceding quarter. Fabrication and automation segment reported weaker operational performance for the period under review, coupled with lower mark-to-market loss on investment in quoted shares of RM0.09 million (Q2 2021: RM0.39 million) and fair value adjustment on share options of RM1.89 million (Q2 2021: RM1.92 million). Gloves segment reported lower pre-tax profit by RM2.04 million on the back of lower margin and units sold. Other segment reported higher pre-tax loss by RM8.81 million mainly due to RM3 million share of losses in associates, coupled with RM4.59 million loss on dilution of interest in associates.



B3) Prospects

The Group expects the coming financial year to be challenging due to uncertainties arising from the on-going COVID-19 pandemic. The Group remains focus on its core business in fabrication of industrial & engineering parts as well as sheet metal & automation business and has been diversifying into glove business.

Fabrication and automation business

The manufacturing sector is forecasted to rebound by 39% in 2021, driven by steady improvement in both the export and domestic-oriented industries as global economies are recovering from the COVID-19 pandemic. The Group continues to adopt prudent approach towards the manufacturing operations with focus on operational efficiency to drive down cost and sustain growth momentum. The Group has achieved RM29.7 million unaudited revenue as of to-date. Judging from the remaining backlog orders to be delivered amounting to RM4.3 million by 31 March 2022, the Group expects the coming FY2022 annual revenue from this segment will be better than RM22.08 million achieved in FY2021.

With the recent award of Value Contract of USD10 million in February 2022 from the existing key customer namely the Rieter Group, the Group is committed and has confident to work towards becoming one of the global key suppliers, supporting 17 manufacturing locations of Rieter Group across 10 countries. The Group expects the strategic business relationship with Rieter will further contribute positively to the Group's earnings.

Glove business

According to the Malaysian Rubber Glove Manufacturers Association ("MARGMA"), they expect there will be a shortfall of 80 billion pieces of gloves in 2021 as glove demand continue to outstrip global supply. Moving forward, demand is likely to slowly stabilize post pandemic.

The Group has completed the commissioning of 3 production lines in Chemor Plant in the previous FY2021. During the current FY2022, the Group has further completed additional 7 production lines, bringing the Group's total production to 10 glove dipping lines, which are capable of producing annual capacity of 2 billion pieces of gloves. The Group has also acquired few pieces of industrial lands located in Kamunting, Perak for long term growth planning.

Thus far, the Group has obtained relevant certifications, licenses and qualifications, including CE marking certification, EN374 test standard, Medical Device Authority license and ISO9001 & ISO13485 certifications. The Group has further received green light from the Food and Drug Administration of the United States ("US") in December 2021 for its 510(k) market clearance, representing a significant milestone to market the Group's medical gloves in the US market.



B3) Prospects (Cont'd)

With the required qualifications in place, the Group intends to focus more on targeted and effective marketing strategies to expand its geographical market and increase the sales generation gradually. Looking forward, the Group is cautiously optimistic with the segmental performance in view of sustainable market demands.

B4) Profit forecast or profit guarantee

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

B5) Qualification of Preceding Audited Financial Statements

There was no qualification to the preceding audited financial statements for the financial year ended 31 March 2021.

Explanatory Notes Pursuant to the Listing Requirements
 For 9 Months Ended 31 December 2021

B6) Profit/(Loss) Before Tax

| | Individual Quarter 3 Months Ended | | Cumulative Quarter 9 Months Ended | |
|--|--------------------------------------|-----------------------|--------------------------------------|-----------------------|
| | 31.12.2021 RM '000 | 31.12.2020 RM '000 | 31.12.2021 RM '000 | 31.12.2020 RM '000 |
| Included in the profit/(loss) before tax is after charging/(crediting):- | | | | |
| Depreciation:- | | | | |
| (i) Property, plant & equipment | 2,405 | 945 | 6,759 | 2,005 |
| (ii) Right-of-use assets | 534 | 232 | 1,509 | 302 |
| Gain)/Loss on disposal | - | - | - | - |
| (i) Property, plant & equipment | (1) | - | (1) | - |
| Fair value (gain)/loss on quoted shares | 92 | (965) | 3,596 | 101 |
| (Reversal of)/Allowance for impairment loss on loan & receivables | 86 | (1,752) | (3,869) | (1,756) |
| Rental income | (138) | (153) | (414) | (331) |
| Distribution income on money market instruments | (21) | (9) | (330) | (16) |
| Interest income | (287) | (6) | (564) | (11) |
| Interest expense | 794 | 205 | 1,203 | 298 |
| Rental expense of premises | 171 | 22 | 380 | 50 |
| Loss/(Gain) on foreign exchange: | | | | |
| - realised | 63 | 50 | (140) | 32 |
| - unrealised | (113) | (5) | 690 | 25 |
| Share options expenses | 1,894 | 3,171 | 4,378 | 3,171 |



Explanatory Notes Pursuant to the Listing Requirements
 For 9 Months Ended 31 December 2021

B7) Taxation

| | Individual Quarter 3 Months Ended | | Cumulative Quarter 9 Months Ended | |
|-----------------------------------|--------------------------------------|-----------------------|--------------------------------------|-----------------------|
| | 31.12.2021 RM '000 | 31.12.2020 RM '000 | 31.12.2021 RM '000 | 31.12.2020 RM '000 |
| Corporate tax income/(expense) | (9) | - | (9) | - |
| Deferred tax income/(expense) | - | - | - | - |
| | <u>(9)</u> | <u>-</u> | <u>(9)</u> | <u>-</u> |

The effective tax rate for current period is lower than the statutory income tax rate mainly due to losses suffered by the Company and certain subsidiaries as well as the availability of tax allowances to offset the taxable income of certain subsidiaries.

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:-

- 1) On 17 November 2020, on behalf of the Board of Directors, Mercury Securities Sdn Bhd (“Mercury Securities”) announced that the Company proposed to undertake a private placement of up to 750,044,000 new ordinary shares in the Company, representing 20% of the enlarged total number of issued shares of the Company, to independent third party investor(s) to be identified later and at an issue price to be determined later (“Private Placement II”).

Bursa Securities has, vide its letter dated 25 November 2020, approved the listing and quotation of up to 750,044,000 placement shares to be issued pursuant to the Private Placement II.



Explanatory Notes Pursuant to the Listing Requirements
 For 9 Months Ended 31 December 2021

B8) Status of Corporate Proposals (Cont'd)

- 1) During the financial period under review, the Company has implemented the Private Placement II in stages. Up to the completion date of 16 December 2020, a total of 656,578,600 new ordinary shares has been listed and cash proceeds of RM113.78 million was raised. Summary of the utilisation of proceeds up to the date of this interim financial report are as follows:-

| Purpose | Original Proposed utilisation | Revised proposed utilisation as announced on 13 December 2021 | Amounts utilised | Balance unutilised | Revised timeframe for the utilisation of proceeds (from 13 December 2021) |
|---|-------------------------------|---|------------------|--------------------|---|
| | RM'000 | RM'000 | RM'000 | RM'000 | |
| Capital expenditure for Glove Business capacity | 73,145 | 51,281 | 51,281 | - | Within 3 months |
| Working capital | 39,954 | 61,818 | 61,818 | - | Within 6 months |
| Estimated expenses for the corporate exercises | 685 | 685 | 685 | - | Immediate |
| Total | 113,784 | 113,784 | 113,784 | - | |

- 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").



B8) Status of Corporate Proposals (Cont'd)

- 2) 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.
- (i) On 30 July 2020, the Company 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;
 - (ii) On 25 September 2020, the Company announced that the Parties have mutually agreed to extend the cut-off date for a period of two (2) weeks from 27 September 2020 as the Parties have yet to obtain/fulfil the Conditions Precedent;
 - (iii) On 12 October 2020, the Company announced that the Parties have mutually agreed to extend the cut-off date for a period of one (1) month to facilitate further discussion by the Parties.
 - (iv) On 11 November 2020, the Company announced that AGESB, upon reviewing the due diligence reports provided by the professional advisers appointed by AGESB in relation to the due diligence exercise conducted on PGSB, its business, assets, legal and financial position (“Due Diligence Exercise”), determined that the board of directors of AGESB is not satisfied with the outcome and findings of the Due Diligence Exercise. Accordingly, AGESB has on even date issued a notice of termination to the Vendors to terminate the SSA in accordance with the terms and conditions stated in the SSA.

Further to the above, AGESB (as Plaintiff) has on 31 December 2020 filed a civil suit against the Vendors (as Defendants). For further details, please refer to B9 - Material Litigation.



B9) Material Litigation

Saved as disclosed below, there were no material litigations involving the Group as at the date of the interim financial report and the directors of the Group do not have any knowledge of any proceeding pending or threatened involving the Group which might materially and adversely affect the financial position or business of the Group.

On 26 June 2020, AT Glove Engineering Sdn. Bhd. (“AGESB”), a wholly-owned subsidiary of the Company entered into a share sale agreement with Hai Hong Capital Sdn Bhd, P’ng Sim Guan, P’ng Lai Heng, Hai Hong Holdings Sdn Bhd and Aaron Khoo Teng Soon (collectively the “Vendors”) for the acquisition by AGESB of the entire issued share capital of Pearl Glove (Malaysia) Sdn Bhd (“Pearl Glove”) (“SSA”), pursuant to which AGESB had paid a deposit and advances totaling RM4.4 million. Due to the non-fulfilment of the conditions precedent under the SSA, AGESB had on 11 November 2020 issued a notice of termination to the Vendors, and requested for the refund of the deposit and advancement. As at to-date, the Vendors have yet to refund the deposit and advancement to AGESB.

Following the above, a civil suit was commenced by AGESB (as Plaintiff) against the Vendors (as Defendants) on 31 December 2020 at the High Court of Malaya, Kuala Lumpur. The civil suit was subsequently transferred to the High Court of Penang following an application made by the Defendants which was heard on 11 March 2021 at the High Court of Malaya, Kuala Lumpur. The High Court of Penang (“Court”) has fixed the matter for review on 1 July 2021, 25 August 2021, 20 October 2021, 25 November 2021, 5 January 2022 and 10 February 2022. During the e-review on 10 February 2022, the Company’s solicitors informed that the parties have filed all the pre-trial documents and the defendants’ solicitors reserves the right to object on the documents put into the common bundle of documents. The Court has fixed the case management on 14 March 2022.



Explanatory Notes Pursuant to the Listing Requirements
 For 9 Months Ended 31 December 2021

B10) Borrowings and Debts Securities

| | Non-Current RM '000 | Current RM '000 | Total RM '000 |
|--|------------------------|--------------------|-------------------|
| As at 31.12.2021 | | | |
| <u>Secured</u> | | | |
| Finance lease payables | 3,459 | 1,797 | 5,256 |
| Term loans | 8,349 | 67,509 | 75,858 |
| Bank overdraft | - | - | - |
| | 11,808 | 69,306 | 81,114 |
| As at 31.12.2020 | | | |
| <u>Secured</u> | | | |
| Finance lease payables | 3,264 | 1,594 | 4,858 |
| Term loans | 954 | 69 | 1,023 |
| Bank overdraft | - | 267 | 267 |
| | 4,218 | 1,930 | 6,148 |
| | | 31.12.2021 | 31.12.2020 |
| | | % | % |
| The weighted average interest rate are as follows: | | | |
| Finance lease payables | | 3.32 | 3.56 |
| Term loans | | 4.07 | 4.04 |
| Bank overdraft | | - | 6.10 |
| | | - | 6.10 |
| Proportion of borrowings between: | | | |
| Fixed interest rates | | 6% | 79% |
| Floating interest rates | | 94% | 21% |
| | | 94% | 21% |

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 9 Months Ended 31 December 2021

B12) Earnings/(Loss) per Share

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

| | Individual Quarter | | Cumulative Quarter | |
|---|--------------------|------------|--------------------|------------|
| | 3 Months Ended | | 9 Months Ended | |
| | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 |
| (a) Basis earnings per share | | | | |
| Profit/(Loss) attributable to the owners of the Company (RM'000) | (13,861) | (19,113) | (13,382) | (22,327) |
| Weighted average number of ordinary shares in issue ('000) | 5,192,611 | 3,303,754 | 4,665,309 | 2,087,953 |
| Basic earnings/(loss) per share (sen) | (0.27) | (0.58) | (0.29) | (1.07) |
| (b) Diluted earnings/(loss) per share | | | | |
| Profit/(Loss) attributable to the owners of the Company (RM'000) | (13,861) | (19,113) | (13,382) | (22,327) |
| Weighted average number of ordinary shares in issue ('000) | 5,192,611 | 3,303,754 | 4,665,309 | 2,087,953 |
| Adjusted for Warrants C ('000) | - | - | - | - |
| Adjusted for share options ('000) | - | - | - | - |
| Adjusted weighted average number of ordinary shares in issue ('000) | 5,192,611 | 3,303,754 | 4,665,309 | 2,087,953 |
| Diluted earnings/(loss) per share (sen) | (0.27) | (0.58) | (0.29) | (1.07) |

Notes:

- (1) The diluted loss per share 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.



Explanatory Notes Pursuant to the Listing Requirements
For 9 Months Ended 31 December 2021

B13) Comparative figure

Certain comparative figures have been reclassified to conform with current year's presentation.

| 31.12.2020 (Unaudited) | As Previously | Reclassification | As Restated |
|-------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| | reported | | |
| | RM '000 | RM '000 | RM '000 |
| <u>Statement of profit and loss</u> | | | |
| Administrative and general expenses | (19,560) | 15,749 | (3,811) |
| Other expenses | - | (15,749) | (15,749) |
| | <u> </u> | <u> </u> | <u> </u> |

B14) Authorisation for Issue

The interim financial report was authorised for issue on 28 February 2022 by the Board of Directors.