



# **AT SYSTEMATIZATION BERHAD**

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**



Unaudited Condensed Consolidated Statements of Financial Position  
As At 31 March 2023

	(Unaudited) As At 31.03.2023 RM '000	(Audited) As At 31.03.2022 RM '000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	122,744	143,324
Right-of-use assets	25,880	33,287
Investment in associates	88,707	99,756
Marketable securities	11,565	5,056
	248,896	281,423
<b>Current assets</b>		
Assets held for sale	18,636	-
Inventories	9,303	40,520
Trade receivables	7,257	7,592
Other receivables, deposits and prepayments	9,134	27,449
Tax assets	252	197
Money market instruments	21,097	16,038
Cash and bank balances	39,326	92,516
	105,005	184,312
<b>TOTAL ASSETS</b>	353,901	465,735
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	480,444	478,425
Share option reserve	35	295
Warrant reserve	9,261	9,261
Translation reserve	1,191	428
Revaluation reserve	5,630	5,344
Accumulated losses	(240,296)	(160,414)
<b>Total equity</b>	256,265	333,339
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Finance lease payables	2,725	2,893
Lease liabilities	-	21
Bank borrowings	6,309	7,963
	9,034	10,877
<b>Current liabilities</b>		
Trade payables	5,803	7,382
Other payables & deposits	46,225	43,098
Contract liabilities	485	1,954
Finance lease payables	1,965	1,923
Lease liabilities	2,030	26
Bank borrowings	32,094	67,136
	88,602	121,519
<b>Total liabilities</b>	97,636	132,396
<b>TOTAL EQUITY AND LIABILITIES</b>	353,901	465,735
<b>Net assets per share (Sen)</b>	4.27	5.64

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial report.



Unaudited Condensed Consolidated Statements of Comprehensive Income  
For the Period Ended 31 March 2023

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31.03.2023 RM '000	31.03.2022 RM '000	31.03.2023 RM '000	31.03.2022 RM '000
Revenue	10,571	13,392	60,798	78,133
Cost of sales	(22,913)	(25,301)	(87,699)	(77,510)
<b>Gross profit/(loss)</b>	(12,342)	(11,909)	(26,901)	624
Other income	994	9,834	3,469	29,131
Administrative and general expenses	(8,503)	(23,928)	(19,837)	(36,636)
Selling and distribution expenses	(22)	(71)	(133)	(263)
	(8,525)	(23,999)	(19,970)	(36,899)
Other expenses	(33,634)	(72,590)	(37,821)	(85,150)
<b>Profit/(Loss) from operations</b>	(53,507)	(98,664)	(81,223)	(92,294)
Finance costs	(849)	(841)	(3,671)	(2,044)
Share of profit/(loss) of associates	(6,843)	(15,307)	2,351	(33,847)
<b>Profit/(Loss) before tax</b>	(61,199)	(114,812)	(82,543)	(128,185)
Taxation	(32)	261	(47)	252
<b>Profit/(Loss) for the period</b>	(61,231)	(114,551)	(82,590)	(127,933)
<b>Attributable to:-</b>				
Owners of the Company	(61,231)	(114,551)	(82,590)	(127,933)
Non-controlling interests	-	-	-	-
	(61,231)	(114,551)	(82,590)	(127,933)
Earnings/(Loss) per share attributable to owners of the Company (sen)				
- Basic	(1.04)	(2.07)	(1.38)	(2.63)
- Diluted	(1.04)	(2.07)	(1.38)	(2.63)

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial period year 31 March 2022 and the accompanying explanatory notes attached to the interim financial report.



Unaudited Condensed Consolidated Statements of Comprehensive Income  
For the Period Ended 31 March 2023

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31.03.2023 RM '000	31.03.2022 RM '000	31.03.2023 RM '000	31.03.2022 RM '000
<b>Profit/(Loss) for the period</b>	(61,231)	(114,551)	(82,590)	(127,933)
<b>Other comprehensive loss:-</b>				
<b><i>Item that will not be reclassified subsequently to profit or loss</i></b>				
Revaluation increase/ (decrease) on:				
- property, plant and equipment	-	-	-	-
- right-of-use assets	-	-	-	-
<b><i>Item that may be reclassified subsequently to profit or loss</i></b>				
Share of other comprehensive income/(loss) of associates	528	5,737	789	6,010
<b>Total comprehensive (loss)/profit for the financial period</b>	<b>(60,703)</b>	<b>(108,814)</b>	<b>(81,801)</b>	<b>(121,923)</b>
<b>Attributable to:-</b>				
Owners of the Company	(60,703)	(108,814)	(81,801)	(121,923)
Non-controlling interests	-	-	-	-
<b>Total comprehensive (loss)/profit for the period</b>	<b>(60,703)</b>	<b>(108,814)</b>	<b>(81,801)</b>	<b>(121,923)</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 2022 and the accompanying explanatory notes attached to the interim financial report.

Unaudited Condensed Consolidated Statements of Changes in Equity  
As At 31 March 2023

	<----- Attributable to Owners of the Company ----->						
	<----- Non-Distributable ----->						
	Share Capital RM '000	Share Option Reserve RM '000	Revaluation Reserve RM '000	Warrant Reserve RM '000	Translation Reserve RM '000	Accumulated Losses RM '000	Total Equity RM '000
<b>Unaudited</b>							
<b>At 1 April 2022</b>	478,425	295	5,344	9,261	428	(160,414)	333,339
Share of effects from associate arising from: - Adoption of MFRS 13 and prior year adjustments	-	-	-	-	-	2,708	2,708
<b>At 1 April 2022 (restated)</b>	478,425	295	5,344	9,261	428	(157,706)	336,047
Profit/(Loss) for the financial period	-	-	-	-	-	(82,590)	(82,590)
Other comprehensive loss for the financial period	-	(260)	286	-	763	-	789
<b>Total comprehensive income/(loss) for the period</b>	-	(260)	286	-	763	(82,590)	(81,801)
<b>Transactions with owners</b>							
Share-based payments	-	301	-	-	-	-	301
Exercise of share options	2,019	(301)	-	-	-	-	1,718
<b>Total transactions with owners</b>	2,019	-	-	-	-	-	2,019
<b>At 31 March 2023</b>	480,444	35	5,630	9,261	1,191	(240,296)	256,265



Unaudited Condensed Consolidated Statements of Changes in Equity  
As At 31 March 2023

	←----- Attributable to Owners of the Company ----->						Total Equity RM '000
	←----- Non-Distributable ----->						
	Share Capital RM '000	Share Option Reserve RM '000	Revaluation Reserve RM '000	Warrant Reserve RM '000	Translation Reserve RM '000	Accumulated Losses RM '000	
<b>Audited</b>							
<b>At 1 April 2021</b>	392,934	-	-	9,261	-	(32,425)	369,770
Profit/(Loss) for the financial period	-	-	-	-	-	(127,932)	(127,932)
Other comprehensive loss for the financial period	-	295	5,344	-	428	(57)	6,010
<b>Total comprehensive income/(loss) for the period</b>	-	295	5,344	-	428	(127,989)	(121,922)
<b>Transactions with owners</b>							
Share-based payments	-	6,051	-	-	-	-	6,051
Exercise of share options	85,491	(6,051)	-	-	-	-	79,440
<b>Total transactions with owners</b>	85,491	-	-	-	-	-	85,491
<b>At 31 March 2022</b>	478,425	295	5,344	9,261	428	(160,414)	333,339

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 2022 and the accompanying explanatory notes attached to the interim financial report.



Unaudited Condensed Consolidated Statements of Cash Flows  
For the Period Ended 31 March 2023

	Current Period To-Date 31.03.2023 (Unaudited) RM'000	Preceding Year Corresponding Period 31.03.2022 (Audited) RM'000
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	(82,543)	(128,185)
Adjustments for :-		
Inventories written-down	19,295	20,376
Impairment loss/(Reversal) of impairment on:		
- loan and receivables	132	(3,869)
- property, plant & equipment	16,087	24,496
- right-of-use assets	92	5,667
Investment in associates :		
- Impairment loss	11,716	40,568
- Reversal of impairment loss	(904)	(6,723)
- Loss on dilution of interest	6,085	4,585
- Gain on bargain purchase	-	(16,248)
Share of (profit)/loss of associates	(2,351)	33,847
Fair value adjustments on share options	301	6,051
Fair value loss/(gain) on investment in quoted shares	3,540	3,784
Other non-cash and non-operating items	15,177	10,058
Operating (loss)/profit before working capital changes	(13,373)	(5,593)
Decrease/(Increase) in inventories	11,921	(48,715)
(Increase)/Decrease in receivables	18,502	(6,266)
Increase/(Decrease) in payables	74	35,666
Cash (used in)/generated from operations	17,124	(24,908)
Net (tax paid)/tax refund	(102)	(81)
<b>Net cash (used in)/from operating activities</b>	<b>17,022</b>	<b>(24,989)</b>
<b>Cash flows from investing activities</b>		
Distribution income on money market instruments	105	330
Interest income	1,665	768
Net (investment)/withdrawal in short term fixed deposit	34,933	(68,511)
Deposit paid	-	(6,000)
Net investment in associates	-	(106,391)
Net investment in quoted shares	(10,050)	-
Net investment in marketable securities	-	(5,336)
Proceeds from disposal of property, plant and equipment	-	3
Purchase of property, plant and equipment	(19,068)	(50,342)
<b>Net cash used in investing activities</b>	<b>7,585</b>	<b>(235,479)</b>



Unaudited Condensed Consolidated Statements of Cash Flows  
For the Period Ended 31 March 2023

	Current Period To-Date <b>31.03.2023</b> <b>(Unaudited)</b> <b>RM'000</b>	Preceding Year Corresponding Period <b>31.03.2022</b> <b>(Audited)</b> <b>RM'000</b>
<b>Cash flows from financing activities</b>		
Proceeds from exercise of share options	1,718	79,440
Interest paid	(3,535)	(2,044)
Net (repayments)/drawdown of finance lease payables	1,505	(1,681)
Drawdown of term loans	-	75,089
Net repayment of term loans	(36,402)	(1,495)
<b>Net cash from/(used in) financing activities</b>	<b>(36,714)</b>	<b>149,309</b>
Effects of exchange rate changes on cash and cash equivalents	(1,038)	24
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(13,145)</b>	<b>(111,135)</b>
Cash and cash equivalents brought forward	39,549	150,684
Cash and cash equivalents carried forward	<u>26,404</u>	<u>39,549</u>
<b>Represented by:-</b>		
Placement of deposits with bank	33,750	68,706
Cash and bank balances	5,576	23,810
Money market instruments	21,097	16,038
Bank overdraft	(269)	(299)
	<u>60,154</u>	<u>108,255</u>
Less: Deposits pledged with bank	(33,750)	(68,706)
	<u>26,404</u>	<u>39,549</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 2022 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 2022. 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 2022.

## A2) Changes in Accounting Policies

### Adoption of MFRSs, Amendments to MFRSs and IC Interpretations

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 2022, except for the following which were adopted at the beginning of this quarter:

Amendments to MFRS 1 First-time Adoption of Malaysia Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)

Amendments to MFRS 3 Business Combinations-Reference to the Conceptual Framework

Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract

Amendments to MFRS 9 Annual Improvements to MFRS Standards 2018-2020

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

***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:-

<b>MFRSs/Amendments to MFRSs</b>	<b>Effective for annual periods beginning on or after</b>
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 an 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 31.03.2023		Cumulative Quarter 12 Months Ended 31.03.2023	
	No. of shares '000	RM '000	No. of shares '000	RM '000
Exercise of share options	-	-	95,413	1,718

#### 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 185,420,000 new ordinary shares and listed on 13 April 2023 pursuant to the exercise of share options.

#### 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 other than the de-registration of Yellow Choice Sdn Bhd, a wholly owned dormant subsidiary of the Group with effect on 26 April 2022.

#### 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 RM28,565,000. Total utilisation of these credit facilities as at 31 March 2023 amounted to approximately RM13,172,000. There were no material contingent assets to be disclosed as at the date of this report.

Explanatory Notes Pursuant to Malaysia Financial Reporting Standard 134  
For 12 Months Ended 31 March 2023

**A12) Capital Commitment**

As of 31 March 2023, capital commitment of the Group are as follows:-

	<b>RM'000</b>
Approved and contracted for	-
Contracted but not provided for:-	
(i) Capital expenditure for the Group's glove business	3,940
(ii) Capital expenditure for the Group's fabrication business	3,370
	<b><u>7,310</u></b>

**A13) Related Party Transactions**

	<b>Individual Quarter 3 Months Ended</b>		<b>Cumulative Quarter 12 Months Ended</b>	
	<b>31.03.2023 RM '000</b>	<b>31.03.2022 RM '000</b>	<b>31.03.2023 RM '000</b>	<b>31.03.2022 RM '000</b>
Sale to associates	19	327	103	327
Rental income from associates	60	45	220	180

**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.

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

	<b>&lt;--Fair value of financial instruments--&gt;</b>				<b>Carrying amount RM'000</b>
	<b>carried at fair value</b>			<b>Total RM'000</b>	
	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>		
<b>Group - 31.03.2023</b>					
<b>Financial assets</b>					
- Investment in quoted shares	11,565	-	-	-	11,565
- Investment in money market instruments	21,097	-	-	-	21,097
	<b><u>32,662</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>32,662</u></b>

**A15) Revenue**

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31.03.2023 RM '000	31.03.2022 RM '000	31.03.2023 RM '000	31.03.2022 RM '000
<b><u>Fabrication:</u></b>				
(i) Fabrication of customised parts	9,254	10,324	43,964	31,190
(ii) Servicing charges	40	24	120	127
<b><u>Sheet metal &amp; automation:</u></b>				
(i) Sheet metal fabrication	147	602	881	1,309
(ii) Design & assembly	-	972	5,361	2,903
<b>Solar renewable energy</b>	190	197	711	732
<b>Gloves</b>	940	1,273	9,761	41,872
	<u>10,571</u>	<u>13,392</u>	<u>60,798</u>	<u>78,133</u>
Goods or services transferred:				
- at a point in time	10,571	12,420	55,473	75,230
- over time	-	972	5,325	2,903
	<u>10,571</u>	<u>13,392</u>	<u>60,798</u>	<u>78,133</u>

**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 12 Months Ended 31 March 2023

A16) Segmental Information (Cont'd)

Cumulative Period Ended 31.03.2023

	Fabrication and automation RM '000	Renewable energy and property RM '000	Gloves RM '000	Others RM '000	Adjustment & Eliminations RM '000	Total RM '000
<b>Revenue</b>						
External revenue	50,326	711	9,761	-	-	60,798
Inter-segment revenue	-	-	-	2,204	(2,204)	-
<b>Total revenue</b>	<b>50,326</b>	<b>711</b>	<b>9,761</b>	<b>2,204</b>	<b>(2,204)</b>	<b>60,798</b>
<b>Results</b>						
Interest income	22	-	68	1,551	-	1,641
Finance costs	(753)	-	(54)	(2,864)	-	(3,671)
Share of profit/(loss) of associates	-	-	-	2,351	-	2,351
Segment profit/(loss) before tax	(8,445)	689	(57,343)	(17,444)	-	(82,543)
Taxation	(15)	-	-	(32)	-	(47)
Segment profit/(loss) after tax	(8,460)	689	(57,343)	(17,476)	-	(82,590)
Other material non-cash items:						
- Depreciation	(4,325)	(589)	(7,092)	(119)	-	(12,125)
- Unrealised gain/(loss) on foreign exchange	(32)	-	-	(992)	-	(1,024)
- Inventories written down	-	-	(19,295)	-	-	(19,295)
- (Impairment loss)/Reversal of impairment on:						
(i) property, plant & equipment	-	-	(16,087)	-	-	(16,087)
(ii) right-of-use assets	-	-	(92)	-	-	(92)
(iii) loan & receivables	(132)	-	-	-	-	(132)
- Investment in associates:						
(i) Impairment loss	-	-	-	(11,716)	-	(11,716)
(ii) Reversal of impairment loss	-	-	-	904	-	904
(iii) Loss on dilution of interest	-	-	-	(6,085)	-	(6,085)
- Fair value gain/(loss) on quoted shares	(3,540)	-	-	-	-	(3,540)
- Share options expenses	(301)	-	-	-	-	(301)



Notes to the Unaudited Interim Financial Report  
For 12 Months Ended 31 March 2023

A16) Segmental Information (Cont'd)

Cumulative Period Ended 31.03.2022

	Fabrication and automation RM '000	Renewable energy and property RM '000	Gloves RM '000	Others RM '000	Adjustment & Eliminations RM '000	Total RM '000
<b>Revenue</b>						
External revenue	35,530	732	41,871	-	-	78,133
Inter-segment revenue	-	-	-	1,566	(1,566)	-
<b>Total revenue</b>	<b>35,530</b>	<b>732</b>	<b>41,871</b>	<b>1,566</b>	<b>(1,566)</b>	<b>78,133</b>
<b>Results</b>						
Interest income	29	-	-	827	-	856
Finance costs	(487)	-	(67)	(1,490)	-	(2,044)
Share of profit/(loss) of associates	-	-	-	(33,847)	-	(33,847)
Segment profit/(loss) before tax	(22,225)	317	(47,150)	(59,126)	-	(128,184)
Taxation	(22)	-	274	-	-	252
<b>Segment profit/(loss) after tax</b>	<b>(22,247)</b>	<b>317</b>	<b>(46,876)</b>	<b>(59,126)</b>	<b>-</b>	<b>(127,932)</b>
Other material non-cash items:						
- Depreciation	(4,450)	(585)	(3,688)	(152)	-	(8,875)
- Unrealised gain/(loss) on foreign exchange	95	-	-	(77)	-	18
- Inventories written down	(219)	-	(20,376)	-	-	(20,595)
- (Impairment loss)/Reversal of impairment on:						
(i) property, plant & equipment	(4,656)	-	(19,840)	-	-	(24,496)
(ii) right-of-use assets	(3,496)	-	(2,171)	-	-	(5,667)
(ii) loan & receivables	2,544	-	-	1,325	-	3,869
- Investment in associates:						
(i) Impairment loss	-	-	-	(40,568)	-	(40,568)
(ii) Reversal of impairment loss	-	-	-	6,723	-	6,723
(iii) Loss on dilution of interest	-	-	-	(4,585)	-	(4,585)
(iv) Gain on bargain purchase	-	-	-	16,248	-	16,248
- Fair value gain/(loss) on quoted shares	(3,784)	-	-	-	-	(3,784)
- Gain/(loss) on disposal of quoted shares	-	-	-	-	-	-
- Share options expenses	(5,801)	-	-	(250)	-	(6,051)

Explanatory Notes Pursuant to the Listing Requirements  
For 12 Months Ended 31 March 2023

B1) Review of Performance

Individual Period (Quarter 4)	Preceding Year		Changes	
	Current Quarter	Corresponding Quarter		
	31.03.2023 RM '000	31.03.2022 RM '000	RM '000	%
<b>Revenue</b>				
Fabrication and automation	9,441	11,923	(2,482)	(21)
Renewable energy and property letting	190	197	(7)	(4)
Gloves	940	1,272	(332)	(26)
Others	-	-	-	-
	<b>10,571</b>	<b>13,392</b>	<b>(2,821)</b>	<b>(21)</b>
<b>Profit/(Loss) before tax</b>				
Fabrication and automation	(3,908)	(11,551)	7,643	(66)
Renewable energy and property letting	219	145	74	51
Gloves	(32,513)	(56,206)	23,693	(42)
Others	(24,997)	(47,200)	22,203	(47)
	<b>(61,199)</b>	<b>(114,812)</b>	<b>53,613</b>	<b>(47)</b>

**Current Quarter**

The Group posted revenue of RM10.57 million for the current quarter ended 31 March 2023, representing a decrease of 21% as compared to RM13.39 million recorded in the corresponding quarter ended 31 March 2022. The decrease in revenue was mainly due to lower revenue in fabrication and automation segment and lower order from sale of medical gloves. Fabrication and automation segment posted lower revenue by RM2.48 million mainly due to:-

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

Glove segment posted lower revenue by RM0.33 million mainly due to lower average selling price and lower demand from customers. Meanwhile, sale of solar energy to Tenaga Nasional Berhad was consistent at RM 0.2 million.

The Group recorded pre-tax loss of RM61.17 million for the current quarter as compared to RM114.81 million pre-tax loss in the corresponding quarter. Fabrication and automation segment reported lower pre-tax loss by RM7.64 million mainly due to absence of impairment loss on property, plant and equipment (Q4 FY2022: RM4.66 million) and absence of impairment loss on right-of-use-assets (Q4 FY2022: RM3.50 million), coupled with lower fair value adjustment on share options of RM Nil (Q4 FY2022: RM1.67 million) offset with higher mark-to-market loss on quoted shares of RM1.03 million (Q4 FY2022: RM0.19 million).



Explanatory Notes Pursuant to the Listing Requirements  
For 12 Months Ended 31 March 2023

**B1) Review of Performance (Cont'd)**

**Current Quarter (cont'd)**

Renewable energy and property letting segment reported better performance mainly due to additional rental from existing tenant for additional spaces. Glove segment reported pre-tax loss of RM32.51 million for current quarter as compared to RM56.21 million pre-tax loss in the corresponding quarter. This was mainly due to RM19.3 million inventories written down (Q4 FY2022: RM20.38 million), impairment loss on property, plant and equipment of RM16.09 million (Q4 FY2022: RM19.84 million) and impairment loss on right-of-use-assets of RM0.09 million (Q4 FY2022: RM2.17 million). Other segment reported pre-tax loss of RM24.96 million as compared to pre-tax loss of RM47.20 million mainly due to lower net impairment loss on investment in associates of RM10.81 million (Q4 FY2022: RM33.85 million) and lower share of losses in associates of RM6.81 million (Q4 FY2022: RM15.31 million), offset with higher loss on dilution of interest in associates of RM6.09 million (Q4 FY2022: RM Nil) and absence of gain on bargain purchase from investment in associate (Q4 FY2022: RM2.63 million).

Cumulative Period (Quarter 4)	Preceding Year		Changes	
	Current Year to-date	Corresponding Quarter		
	31.03.2023 RM '000	31.03.2022 RM '000	RM '000	%
<b>Revenue</b>				
Fabrication and automation	50,326	35,530	14,796	42
Renewable energy and property letting	711	732	(21)	(3)
Gloves	9,761	41,871	(32,110)	(77)
Others	-	-	-	-
	<u>60,798</u>	<u>78,133</u>	(17,335)	(22)
<b>(Loss)/Profit before tax</b>				
Fabrication and automation	(8,445)	(22,225)	13,780	(62)
Renewable energy and property letting	689	317	372	117
Gloves	(57,343)	(47,150)	(10,193)	22
Others	(17,444)	(59,126)	41,682	(70)
	<u>(82,543)</u>	<u>(128,184)</u>	45,641	(36)

**Cumulative Period**

The Group posted revenue of RM60.80 million for the cumulative quarter ended 31 March 2023, which was 22% lower than RM78.13 million recorded in the corresponding cumulative quarter ended 31 March 2022.



## B1) Review of Performance (Cont'd)

### Cumulative Period (Cont'd)

The decrease in revenue was mainly due to lower order from the sale of medical gloves which was down by RM32.11 million during the period under review as a result of lower average selling price and lower demand from customers. The decrease in gloves revenue, was however offset with the increase in revenue from fabrication and automation segment which was up by RM14.80 million. Fabrication and automation segment posted higher revenue mainly due to:-

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

Meanwhile, sale of solar energy was consistent at RM0.7 million.

The Group recorded pre-tax loss of RM82.51 million for the cumulative quarter ended 31 March 2023 as compared to pre-tax loss of RM128.18 million in the corresponding cumulative quarter. Fabrication and automation segment reported lower pre-tax loss by RM13.78 million mainly due to absence of impairment loss on property, plant and equipment (Q4 FY2022: RM4.66 million), absence of impairment loss on right-of-use-assets (Q4 FY2022: RM3.50 million), lower mark-to-market loss on quoted shares of RM3.54 million (Q4 FY2022: RM3.78 million) coupled with lower fair value adjustment on share options of RM0.30 million (Q4 FY2022: RM5.80 million).

Glove segment reported higher pre-tax loss by RM10.19 million mainly due to decrease in gross profit and gross profit margin in tandem with the decrease in sales volume and lower average selling price of gloves, coupled with higher depreciation of RM7.09 Million (Q4 FY2022: RM3.69 million), offset with lower inventories written down of RM19.3 million (Q4 FY2022: RM20.38 million), lower impairment loss on property, plant and equipment of RM16.09 million (Q4 FY2022: RM19.84 million) and lower impairment loss on right-of-use-assets of RM0.09 million (Q4 FY2022: RM2.17 million).

Other segment reported pre-tax loss of RM17.41 million as compared to pre-tax loss of RM59.13 million mainly due to higher share of profit in associates of RM2.38 million (Q4 FY2022: RM33.85 million share of losses in associates), lower net impairment loss on investment in associates of RM10.81 million (Q4 FY2022: RM33.85 million), offset with absence of gain on bargain purchase from investment in associates (Q4 FY2022: RM16.25 million) and higher loss on dilution of interest in associates of RM6.09 million (Q4 FY2022: RM4.59 million).



Explanatory Notes Pursuant to the Listing Requirements  
 For 12 Months Ended 31 March 2023

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

	<b>Current Quarter</b>	<b>Immediate Preceding Quarter</b>	<b>Changes</b>	
	<b>31.03.2023</b>	<b>31.12.2022</b>	<b>RM '000</b>	<b>%</b>
	<b>RM '000</b>	<b>RM '000</b>		
<b>Revenue</b>				
Fabrication and automation	9,441	15,233	(5,792)	(38)
Renewable energy and property letting	190	163	27	17
Gloves	940	1,030	(90)	(9)
Others	-	-	-	-
	<u>10,571</u>	<u>16,426</u>	<u>(5,855)</u>	<u>(36)</u>
<b>Profit/(Loss) before tax</b>				
Fabrication and automation	(3,908)	5,144	(9,052)	176
Renewable energy and property letting	219	158	61	39
Gloves	(32,513)	(9,508)	(23,005)	242
Others	(24,997)	6,640	(31,637)	(476)
	<u>(61,199)</u>	<u>2,434</u>	<u>(63,633)</u>	<u>2,614</u>

**Q4 FY2023 vs Q3 FY2023**

The Group posted revenue of RM10.57 million for the current quarter ended 31 March 2023, representing a decrease of 36% as compared to RM16.43 million recorded in the preceding quarter ended 31 December 2022. Fabrication and automation segment reported lower sales mainly due to lower orders from textile machines maker, coupled with lower orders for vending machines delivered in sheet metal & automation business. Glove segment reported lower sales of medical gloves on the back of lower average selling price for gloves and lower units sold. Sale of solar energy was slightly higher due to favorable weather.



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

**Q4 FY2023 vs Q3 FY2023 (Cont'd)**

The Group recorded pre-tax loss of RM61.17 million for the current quarter as compared pre-tax profit of RM2.43 million recorded in the preceding quarter. Fabrication and automation segment reported higher pre-tax loss by RM9.05 million mainly due to weaker performance, coupled with higher mark-to-market loss on quoted shares of RM1.03 million (Q3 FY2023: RM4.14 million mark-to-market gain on quoted shares).

Gloves segment reported higher pre-tax loss by RM23.05 million in Q4 FY2023 mainly due to inventories written down coupled with impairment loss on property, plant and equipment of RM16.09 million.

Other segment reported higher pre-tax loss by RM31.60 million in Q4 FY2023 mainly due to net impairment loss on investment in associates of RM 10.81 million and share of losses in associates of RM6.81 million (Q3 FY2023: RM6.79 million share of profit in associates), coupled with higher loss on dilution of interest in associates RM 6.09 million in Q4 FY2023 (Q3 FY2023: RM Nil million).

**B3) Prospects**

**Fabrication and automation business**

The manufacturing sector is forecasted to rebound, driven by steady improvement in both the export and domestic-oriented industries as global economies are recovering from the COVID-19 pandemic. The Group's unaudited annual revenue for FY2023, which was RM50.33 million, increased by 42% from FY2022's RM35.53 million. The Group shall continue to adopt a prudent approach towards the manufacturing operations with focus on operational efficiency to drive down cost and sustain growth momentum. In light of the unexpected earthquake in Turkey in February 2023, the Group anticipates that one of its key customers, who has business exposure in Turkey, would delay some of the order. The Group shall work closely with the customer to handle the changes to the order and shipment. As of to-date, the Group's unaudited revenue for 2 months ended May 2023 plus backlog orders to be delivered recorded at RM20.61 million, representing approximate [40.96%] of the unaudited annual revenue achieved in FY2023. The Group expects the coming FY2024 annual revenue from this segment will be better than FY2023.



**B3) Prospects(Cont'd)**

**Glove business**

Since venturing into glove-making business in 2020, the Group has set up 10 production lines in its glove manufacturing plant at Chemor, Perak. The Group has also obtained relevant qualifications and certifications including CE marking certification, US FDA 510(k) certification and Halal certificate to be able to compete in the glove market.

In the near term, the glove business outlook continues to be challenging in view of the normalisation of gloves demand, declining glove average selling prices and rising production cost structure. The Group has not been able to secure sufficient orders from customers to sustain its operation. In view of this, the Group is scaling down its glove-making operation and will evaluate various options on the future direction of the glove business, such as leasing the glove-making facilities for rental incomes.

**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 2022.

Explanatory Notes Pursuant to the Listing Requirements  
For 12 Months Ended 31 March 2023

**B6) Profit/(Loss) Before Tax**

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31.03.2023 RM '000	31.03.2022 RM '000	31.03.2023 RM '000	31.03.2022 RM '000
Included in the profit/(loss) before tax is after charging/(crediting):-				
Property, plant & equipment:-				
(i) Depreciation	2,543	99	10,198	6,858
(ii) Written off	-	124	-	124
(iii) Impairment loss	16,087	24,496	16,087	24,496
(iv) Reversal of impairment loss	-	-	-	-
(ii) (Gain)/Loss on disposal	-	-	-	(1)
Right-of-use assets:-				
(i) Depreciation	570	508	1,927	2,017
(ii) Impairment loss	92	5,667	92	5,667
Fair value (gain)/loss on quoted shares	1,030	188	3,540	3,784
(Gain)/loss on disposal of quoted shares	-	-	-	(32)
Inventories written down	19,295	20,595	19,295	20,595
Impairment loss on property, plant & equipment (Reversal of)/Allowance for impairment loss on loan & receivables	195	-	132	(3,869)
Impairment loss on investment in associates	11,716	40,568	11,716	40,568
Reversal of Impairment loss on investment in associate	(904)	(6,723)	(904)	(6,723)
Rental income	(175)	(233)	(639)	(647)
Distribution income on money market instruments	-	-	-	(330)
Interest income	(387)	(292)	(1,641)	(856)
Interest expense	850	841	3,671	2,044
Rental expense of premises	23	173	152	553
Loss/(Gain) on foreign exchange:				
- realised	250	25	(91)	(115)
- unrealised	(97)	(708)	1,024	(18)
Share options expenses	-	1,673	301	6,051

Explanatory Notes Pursuant to the Listing Requirements  
For 12 Months Ended 31 March 2023

**B7) Taxation**

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31.03.2023 RM '000	31.03.2022 RM '000	31.03.2023 RM '000	31.03.2022 RM '000
Corporate tax income/(expense)	(32)	261	(47)	252
Deferred tax income/(expense)	-	-	-	-
	<u>(32)</u>	<u>261</u>	<u>(47)</u>	<u>252</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 30 March 2022, TA Securities Holdings Berhad ("TA Securities"), on behalf of the Company announced that the Company proposes to undertake a proposed private placement of up to 643,161,500 new ordinary shares in ATS, representing 10% of the total number of issued shares of the Company ("Private Placement").

Bursa Securities has, vide its letter dated 11 April 2022, approved the listing and quotation of up to 643,161,500 Placement Shares to be issued pursuant to the Private Placement.

On 19 October 2022, TA Securities, on behalf of the Company announced that Bursa Securities had, vide its letter dated 19 October 2022, resolved to grant the Company an extension of time until 10 April 2023 to implement the Private Placement.

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

The Company completed the Private Placement subsequently on 3 April 2023. A total of 600,062,000 new ordinary shares has been listed and cash proceeds of RM5.46 million was raised. Summary of the utilisation of proceeds are as follows: -

<b>Purpose</b>	<b>Proposed utilisation</b>	<b>Amounts utilised</b>	<b>Balance unutilised</b>	<b>Estimated timeframe for the utilisation of proceeds</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
Repayment of bank borrowings	5,460	5,460	-	Within 12 months
Working capital	-	-	-	Within 12 months
<b>Total</b>	<b>5,460</b>	<b>5,460</b>	<b>-</b>	

- 2) On 26 June 2020, AT Glove Engineering Sdn. Bhd. (“AGESB”), a wholly-owned subsidiary of the Group entered into a Share Sale Agreement (“SSA”) 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 (“PGSB”), for a total purchase consideration of RM22 million to be satisfied entirely by cash (“Proposed Acquisition”).

Pursuant to the SSA, AGESB had paid a deposit and advances totaling RM4.4 million. 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. Subsequently,

- (i) On 30 July 2020, the Group 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 Group 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 Group 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.





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

- (iv) On 11 November 2020, the Group 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, and requested for the refund of the deposit and advancement of RM4.4 million. The Vendors have yet to refund the deposit and advancement to the Group.

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 this 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 has initially fixed the trial for the case from 5 December 2022 to 7 December 2022. The trial dates for the case was subsequently changed to 12 August 2024 to 14 August 2024 by the High Court of Penang.



Explanatory Notes Pursuant to the Listing Requirements  
 For 12 Months Ended 31 March 2023

**B10) Borrowings and Debts Securities**

	Non-Current RM '000	Current RM '000	Total RM '000
<b>As at 31.03.2023</b>			
<b><u>Secured</u></b>			
Finance lease payables	2,725	1,965	4,690
Term loans	6,309	1,689	7,998
Revolving credit	-	30,136	30,136
Bank overdraft	-	269	269
	9,034	34,059	43,093
<b>As at 31.03.2022</b>			
<b><u>Secured</u></b>			
Finance lease payables	2,893	1,923	4,816
Term loans	7,963	1,660	9,623
Revolving credit	-	65,177	65,177
Bank overdraft	-	299	299
	10,856	69,060	79,915
		<b>31.03.2023</b>	<b>31.03.2022</b>
		%	%
The weighted average interest rate are as follows:			
Finance lease payables		3.31	3.32
Term loans		5.07	4.06
Revolving credit		5.69	4.15
Bank overdraft		7.10	6.10
Proportion of borrowings between:			
Fixed interest rates		11%	6%
Floating interest rates		89%	94%

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 2023

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

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

	Individual Quarter		Cumulative Quarter	
	3 Months Ended	3 Months Ended	12 Months Ended	12 Months Ended
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
<b>(a) Basis earnings per share</b>				
Profit/(Loss) attributable to the owners of the Company (RM'000)	(61,231)	(114,551)	(82,590)	(127,933)
Weighted average number of ordinary shares in issue ('000)	5,870,174	5,537,731	5,996,178	4,867,645
Basic earnings/(loss) per share (sen)	(1.04)	(2.07)	(1.38)	(2.63)
<b>(b) Diluted earnings/(loss) per share</b>				
Profit/(Loss) attributable to the owners of the Company (RM'000)	(61,231)	(114,551)	(82,590)	(127,933)
Weighted average number of ordinary shares in issue ('000)	5,870,174	5,537,731	5,996,178	4,867,645
Adjusted for Warrants C ('000)	-	-	-	-
Adjusted for share options ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue ('000)	5,870,174	5,537,731	5,996,178	4,867,645
Diluted earnings/(loss) per share (sen)	(1.04)	(2.07)	(1.38)	(2.63)

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.

**B13) Authorisation for Issue**

The interim financial report was authorised for issue on 31 May 2023 by the Board of Directors.