

AT SYSTEMATIZATION BERHAD

(Company no. 644800-X)
(and its subsidiaries)
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MAY 2009

1. BASIS OF PREPARATION OF INTERIM FINANCIAL REPORT

The interim financial report is unaudited and has been prepared in compliance with FRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and the requirements as set out in Appendix 9B of the revamped Listing Requirements of Bursa Malaysia Securities Berhad for MESDAQ Market.

These notes to interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group for the financial period ended 31 May 2009.

The accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted in the audited financial statements for the year ended 28 February 2009.

2. AUDITORS' REPORT

The auditors' report on the financial statements of the Company and its subsidiaries for the financial year ended 28 February 2009 were not subject to any qualification.

3. SEASONALITY OR CYCLICALITY OF INTERIM OPERATION

The Group's operation is, to a certain extent, dependent on the cyclical nature of the electronics and semiconductors industries.

4. UNUSUAL ITEMS

During the quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

5. CHANGES IN ESTIMATES

There were no changes in the nature and amount of estimates reported that have a material effect in the quarter under review.

6. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities in the Company during the quarter under review.

AT SYSTEMATIZATION BERHAD

(Company no. 644800-X)
(and its subsidiaries)
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MAY 2009

7. DIVIDEND PAID

No dividend has been declared or paid during the quarter under review.

8. SEGMENT REPORTING

Segment information is presented in respect of the Group's geographical and business segments. The primary format, geographical segments, is based on the Group's management and internal reporting structure.

Segment revenue, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets, interest-earning assets, interest-bearing liabilities, income tax assets and liabilities and their related income and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Geographical Segments by Location of Assets

The following information is presented in respect of the three geographical locations of the Group's operation, namely Malaysia, other South East Asia countries and the People's Republic of China (China).

	Malaysia RM '000	Other SEA countries RM '000	China RM '000	Consolidated RM '000
REVENUE				
External revenue	3,688	316	571	4,575
RESULTS				
Segment results	(593)	(547)	92	(1,048)
Interest income				0
Interest expense				(271)
Tax expense				(8)
Profit after tax				(1,327)
ASSETS				
Segment assets	38,528	5,865	2,591	46,984
Income tax assets				39
Total assets				47,023
LIABILITIES				
Segment liabilities	3,998	1,115	448	5,561
Interest-bearing liabilities				18,611
Income tax liabilities				358
Total liabilities				24,530
Capital expenditure	64	6	0	70
Depreciation	705	59	8	772

AT SYSTEMATIZATION BERHAD

(Company no. 644800-X)
(and its subsidiaries)
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MAY 2009

8. SEGMENT REPORTING (cont'd)

Geographical Segments by Location of Customers

The Group's external revenues by geographical locations of customers are as follow:-

	Current period ended 31-May-09 RM'000
Malaysia	3,429
South East Asia other than Malaysia	472
China, Hong Kong and Taiwan	571
United States of America	103
	<hr/>
	4,575

Business Segments

The Group is principally engaged in the design and manufacture of equipment and machinery and fabrication of industrial and engineering parts. Business segment information has not been prepared as the Group's revenue, operating results, assets, liabilities, capital expenditure, depreciation and other non-cash expenses are mainly confined to one business segment.

9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The Group did not revalue any of its property, plant and equipment during the quarter under review.

10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There were no material events subsequent to the end of the interim period that have not been reflected in this interim financial report.

11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter under review.

AT SYSTEMATIZATION BERHAD

(Company no. 644800-X)
(and its subsidiaries)
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MAY 2009

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) **Contingent liabilities**

There was no contingent liability as at 27 July 2009 (being a date not earlier than 7 days before the date of this announcement).

(b) **Contingent assets**

There was no contingent asset as at 27 July 2009 (being a date not earlier than 7 days before the date of this announcement).

13. REVIEW OF PERFORMANCE

For the current quarter under review, the Group recorded revenue of RM4.5 million as compared to RM7.2 million in the corresponding quarter of preceding year, representing a decrease of 37.2%. The decrease in revenue was mainly due to lower contribution from automation solutions division, resulting from current unfavourable economic situation. As a result of lower revenue achieved, the Group registered a loss before tax of RM1.3 million as compared to a profit of RM15,000 in the corresponding quarter of preceding year.

14. VARIATION OF RESULTS AGAINST IMMEDIATE PRECEDING QUARTER

The Group's revenue for the quarter was RM4.5 million as compared to RM6.6 million in the immediate preceding quarter. Due to lower revenue achieved, the Group posted a loss before tax of RM1.3 million as compared to loss of RM1.1 million in the immediate preceding quarter.

15. CURRENT YEAR PROSPECTS

The directors anticipate that the softer demand for automated equipments and machines will continue in view of the current economic situation. Hence, the management will continue to implement cost reduction programs to improve financial performance.

AT SYSTEMATIZATION BERHAD

(Company no. 644800-X)
(and its subsidiaries)
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MAY 2009

16. VARIANCE FROM PROFIT FORECAST AND PROFIT GUARANTEE

The Group has not provided any profit forecast or profit guarantee in public document.

17. TAX EXPENSE

	Current quarter ended 31-May-09 RM'000
Tax based on results for current period:	
Current tax expense	8
Deferred taxation	-
	<hr/>
	8
	<hr/>

There is a tax charge despite the Group incurring a loss due to certain subsidiaries recorded profit before tax for the financial period ended 31 May 2009.

18. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

Referring to the announcement of Quarterly Report made on 29 April 2009, the transaction on the sale of a property by AT Engineering Sdn Bhd, a wholly-owned subsidiary of AT Group has completed in May 2009. This transaction resulted in a gain of disposal of RM170,000.

19. PURCHASE AND DISPOSAL OF QUOTED SECURITIES

There was no purchase or disposal of quoted securities during the quarter under review.

20. STATUS OF CORPORATE PROPOSAL

There was no corporate proposal announced but not completed as at 27 July 2009 (being a date not earlier than 7 days before the date of this announcement).

AT SYSTEMATIZATION BERHAD

(Company no. 644800-X)
(and its subsidiaries)
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MAY 2009

21. GROUP BORROWINGS AND DEBT SECURITIES

	As at 31-May-09 RM'000	
Short term borrowings:-		
<u>Secured</u>		
Bank overdraft		2,561
Hire purchase payables		1,034
Term loan		1,572
		<hr/>
		5,167
		<hr/>
Long term borrowings:-		
<u>Secured</u>		
Hire purchase payables		1,916
Term loan		11,528
		<hr/>
		13,444
		<hr/>
Borrowings denominated in foreign currency:		
	Book Value as at	As at
	31-May-09	31-May-09
	THB'000	RM'000
Thai Baht / Ringgit equivalent	<hr/>	<hr/>
	13,497	1,372

22. OFF BALANCE SHEET FINANCIAL INSTRUMENT

The Group does not have any financial instrument with off balance sheet risk as at 27 July 2009 (being a date not earlier than 7 days before the date of this announcement).

23. MATERIAL LITIGATION

As at 27 July 2009 (being a date not earlier than 7 days before the date of this announcement), the Group is not engaged in any material litigation either as a plaintiff or defendant and the directors do not have any knowledge of any proceeding pending or threatened against the Group which might materially and adversely affect the financial position or business of the Group.

AT SYSTEMATIZATION BERHAD

(Company no. 644800-X)
(and its subsidiaries)
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MAY 2009

24. EARNINGS/(LOSS) PER SHARE

	Individual Quarter Quarter Ended 31-05-2009	Quarter Quarter Ended 31-05-2008	Cumulative Period 3 Months Ended 31-05-2009	3 Months Ended 31-05-2008
Profit/(loss) attributable to equity holders of the parent (RM'000)	(1,272)	21	(1,272)	21
Weighted average number of ordinary shares in issue ('000)	178,950	178,950	178,950	178,950
Earnings/(loss) per share(sen)	(0.71)	0.01	(0.71)	0.01

The Company does not have any dilutive potential ordinary shares during the financial period.

25. SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no inter-company transactions other than those occurred in the ordinary course of business. There were no transactions with the directors other than their remuneration package paid, in accordance with the terms and conditions of their appointment.