

# **AT SYSTEMATIZATION BERHAD**

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

## **NOTES TO INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 28 FEBRUARY 2010**

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### **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 ACE Market Listing Requirements.

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 28 February 2010

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.

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### 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	19,752	4,980	2,894	27,626
RESULTS				
Segment results	153	(563)	(151)	(561)
Interest income				0
Interest expense				(1,061)
Tax expense				(176)
Loss after tax				(1,798)
ASSETS				
Segment assets	42,001	5,597	3,202	50,800
Income tax assets				44
Total assets				50,844
LIABILITIES				
Segment liabilities	6,113	1,199	1,136	8,448
Interest-bearing liabilities				19,848
Income tax liabilities				526
Total liabilities				28,822
Capital expenditure	1,860	7	6	1,873
Depreciation	2,723	234	31	2,988

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### 8. SEGMENT REPORTING (cont'd)

#### Geographical Segments by Location of Customers

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

	Cumulative period ended 28-Feb-10 RM'000
Malaysia	18,891
South East Asia other than Malaysia	5,606
China, Hong Kong and Taiwan	2,894
Others	235
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	27,626

#### 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.

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### **12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

(a) **Contingent liabilities**

There was no contingent liability as at 23 April 2010 (being a date not earlier than 7 days before the date of this announcement).

(b) **Contingent assets**

There was no contingent asset as at 23 April 2010 (being a date not earlier than 7 days before the date of this announcement).

### **13. REVIEW OF PERFORMANCE**

The Group recorded a revenue of RM11.2 million in the current quarter as compared to RM6.6 million in the previous corresponding quarter, representing an increase of 70% mainly due to increase in demand for both automated equipments and precision tooling business. The Group registered a profit before tax of RM0.9 million in the current quarter as compared to a loss of RM1.2 million in previous corresponding quarter, mainly due to higher revenue achieved.

On a financial year perspective, the Group posted a revenue of RM27.6 million as compared to RM31.2 million in the previous corresponding year, representing a decrease of 11.6% mainly due to lower demand for automated equipments. As a result of lower revenue achieved, the Group posted a loss before tax of RM1.6 million as compared to a loss of RM1.5 million in the last financial year.

### **14. VARIATION OF RESULTS AGAINST IMMEDIATE PRECEDING QUARTER**

For the current quarter under review, the Group recorded a revenue of RM11.2 million as compared to RM6.8 million in the immediate preceding quarter. As a result of higher revenue achieved, the Group posted a profit before tax of RM0.9 million as compared to a profit of RM10,000 in the immediate preceding quarter.

### **15. CURRENT YEAR PROSPECTS**

The Group expects an increase in demand from semiconductor industry customers. Barring unforeseen circumstances, the Group is optimistic of achieving higher revenue and profitability for the next financial year.

### **16. VARIANCE FROM PROFIT FORECAST AND PROFIT GUARANTEE**

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

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### 17. TAX EXPENSE

	Current quarter ended 28-Feb-10 RM'000	Current year ended 28-Feb-10 RM'000
Tax based on results for current period:		
Current tax expense	78	98
Deferred tax expense	78	78
	<u>156</u>	<u>176</u>

For the financial year ended 28 February 2010, there is a tax charge despite the Group incurring a loss due to certain subsidiaries recorded profit before tax.

### 18. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

On a financial year-to-date perspective, the amount of gain on disposal of unquoted investment and properties are stated respectively as below:-

- (a) Sale of Unquoted Investment  
Referring to announcement of Quarterly Report made on 26 October 2009, the gain on disposal of AT Newlife Technologies Sdn Bhd was negligible.
- (b) Sale of Properties
  - (i) Referring to announcement of Quarterly Report made on 30 July 2009, the gain on disposal of a property by AT Engineering Sdn Bhd amounted to RM170,000.
  - (ii) With reference to the announcement made on 26 August 2009 and subsequently on 29 January 2010, the gain on disposal of a piece of land by Miako-Tech Engineering Sdn Bhd amounted to RM0.9 million.

### 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 23 April 2010 (being a date not earlier than 7 days before the date of this announcement).

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### 21. GROUP BORROWINGS AND DEBT SECURITIES

	As at 28-Feb-10 RM'000	
Short term borrowings:-		
<u>Secured</u>		
Bank overdraft		2,893
Banker acceptance		1,217
Hire purchase payables		1,267
Term loan		1,514
		<hr/>
		6,891
		<hr/>
Long term borrowings:-		
<u>Secured</u>		
Hire purchase payables		2,135
Term loan		10,822
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		12,957
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Borrowings denominated in foreign currency:		
	Book Value as at	As at
	28-Feb-10	28-Feb-10
	THB'000	RM'000
Thai Baht / Ringgit	11,716	1,207
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### 22. OFF BALANCE SHEET FINANCIAL INSTRUMENT

The Group does not have any financial instrument with off balance sheet risk as at 23 April 2010 (being a date not earlier than 7 days before the date of this announcement).

### 23. MATERIAL LITIGATION

As at 23 April 2010 (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.

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### 24. EARNINGS/(LOSS) PER SHARE

	Individual Quarter		Cumulative Period	
	Quarter Ended 28-02-2010	Quarter Ended 28-02-2009	12 Months Ended 28-02-2010	12 Months Ended 28-02-2009
Profit/(loss) attributable to equity holders of the parent (RM'000)	752	(1,120)	(1,727)	(1,443)
Weighted average number of ordinary shares in issue ('000)	178,950	178,950	178,950	178,950
Profit/(loss) per share(sen)	0.42	(0.63)	(0.97)	(0.81)

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

### 25. SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no significant 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.