

AT SYSTEMATIZATION BERHAD (Company No.644800-X)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2010

	As at 31.08.10 (Unaudited)	As at 28.02.10 (Audited) (Restated)
	RM'000	RM'000
NON-CURRENT ASSETS		
Property, Plant and Equipment	29,826	29,718
Investment Property	550	550
Development Expenditure	98	138
	30,474	30,406
CURRENT ASSETS		
Inventories	4,533	3,464
Trade and Other Receivables	9,281	13,930
Prepayments	49	162
Current Tax Assets	10	7
Cash and Cash Equivalents	3,540	2,530
	17,413	20,093
CURRENT LIABILITIES		
Trade and Other Payables	6,050	7,883
Advance Payments from Customers	1,683	202
Loans and Borrowings	4,223	6,299
Current Tax Liabilities	55	61
	12,011	14,445
NET CURRENT ASSETS	5,402	5,648
NON-CURRENT LIABILITIES		
Loans and Borrowings	13,109	13,549
Deferred Tax Liabilities	441	441
	13,550	13,990
NET ASSETS	22,326	22,064
FINANCED BY:-		
Share Capital	17,895	17,895
Share Premium	10,749	10,749
Revaluation Surplus	217	217
Currency Translation Reserve	104	193
Accumulated Losses	(6,881)	(7,232)
SHAREHOLDERS' EQUITY	22,084	21,822
Non-Controlling Interest	242	242
TOTAL EQUITY	22,326	22,064
Net Assets Per Ordinary Share Attributable to Ordinary Equity Shareholders (Sen)	12.34	12.19

Note:-

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2010 and the accompanying explanatory notes attached to the interim financial statements.

**AT SYSTEMATIZATION BERHAD (Company No.644800-X)
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 31 AUGUST 2010**

	Current Year Quarter 31.08.10 (Unaudited) RM'000	Individual Quarter Preceding Year Corresponding Quarter 31.08.09 (Unaudited) RM'000	Current Year to Date 31.08.10 (Unaudited) RM'000	Cumulative Quarter Preceding Year Corresponding Period 31.08.09 (Unaudited) RM'000
Revenue	9,716	5,037	17,324	9,612
Other Income	154	91	218	189
Operating Expenses	(9,046)	(6,111)	(16,556)	(11,832)
Operating Profit	824	(983)	986	(2,031)
Finance Costs	(271)	(244)	(535)	(515)
Profit/(Loss) before Tax	553	(1,227)	451	(2,546)
Tax Expense	(50)	(7)	(100)	(15)
Profit/(Loss) for the Period	503	(1,234)	351	(2,561)
Attributable to:-				
-Shareholders of the Company	503	(1,215)	351	(2,487)
-Non-Controlling Interest	-	(19)	-	(74)
	503	(1,234)	351	(2,561)
Earnings/(Loss) Per Share (Sen)				
- Basic	0.28	(0.67)	0.20	(1.39)
- Diluted	-	-	-	-

Note:-

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2010 and the accompanying explanatory notes attached to the interim financial statements.

AT SYSTEMATIZATION BERHAD (Company No.644800-X)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 AUGUST 2010

	Current Year Quarter 31.08.10 (Unaudited) RM'000	Individual Quarter Preceding Year Corresponding Quarter 31.08.09 (Unaudited) RM'000	Current Year to Date 31.08.10 (Unaudited) RM'000	Cumulative Quarter Preceding Year Corresponding Period 31.08.09 (Unaudited) RM'000
Net Profit/(Loss) for the Period	503	(1,234)	351	(2,561)
Other Comprehensive Income:-				
Exchange Differences on Translation of Foreign Operations	(4)	33	(89)	(22)
Other Comprehensive Income for the Period	(4)	33	(89)	(22)
Total Comprehensive Income for the Period	499	(1,201)	262	(2,583)
Attributable to:-				
-Shareholders of the Company	499	(1,182)	262	(2,509)
-Non-Controlling Interest	-	(19)	-	(74)
	499	(1,201)	262	(2,583)

Note:-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2010 and the accompanying explanatory notes attached to the interim financial statements.

AT SYSTEMATIZATION BERHAD (Company No.644800-X)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 AUGUST 2010

	Share		Non-Distributable		Distributable Accumulated Losses	Shareholders' Funds	Non- Controlling Interest	Total Equity
	Capital	Premium	Revaluation Surplus	Currency Translation Reserve				
(Unaudited)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 March 2010	17,895	10,749	180	193	(7,232)	21,785	242	22,027
Effect of Adopting Amendment to FRS117	-	-	37	-	-	37	-	37
As Restated	17,895	10,749	217	193	(7,232)	21,822	242	22,064
Total Comprehensive Income for the Period	-	-	-	(89)	351	262	-	262
Balance at 31 August 2010	17,895	10,749	217	104	(6,881)	22,084	242	22,326

	Share		Non-Distributable		Distributable Accumulated Losses	Shareholders' Funds	Non- Controlling Interest	Total Equity
	Capital	Premium	Revaluation Surplus	Currency Translation Reserve				
(Unaudited)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 March 2009	17,895	10,749	180	229	(5,496)	23,557	318	23,875
Effect of Adopting Amendment to FRS117	-	-	409	-	(6)	403	-	403
As Restated	17,895	10,749	589	229	(5,502)	23,960	318	24,278
Total Comprehensive Income for the Period	-	-	-	(22)	(2,487)	(2,509)	(74)	(2,583)
Balance at 31 August 2009	17,895	10,749	589	207	(7,989)	21,451	244	21,695

Note:-

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2010 and the accompanying explanatory notes attached to the interim financial statements.

AT SYSTEMATIZATION BERHAD (Company No.644800-X)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 AUGUST 2010

	Current Year to Date 31.08.10 (Unaudited) RM'000	Preceding Year Corresponding Period 31.08.09 (Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Tax	451	(2,546)
Adjustment for:-		
Non-Cash Items	1,463	1,530
Non-Operating Items	501	495
Operating Profit/(Loss) Before Working Capital Changes	2,415	(521)
Increase in Inventories	(1,069)	(287)
Decrease/(Increase) in Receivables and Prepayments	4,590	(150)
Decrease in Payables and Advance Payments	(151)	(359)
Cash Generated from Operations	5,785	(1,317)
Interest Paid	(535)	(510)
Tax Paid	(109)	(18)
Net Cash from/(Used in) Operating Activities	5,141	(1,845)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	3	-
Other Investments	-	(10)
Purchase of Property, Plant and Equipment	(1,345)	(45)
Net Cash Used in Investing Activities	(1,342)	(55)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short term borrowings	(997)	-
Repayment of Hire Purchase Obligations	(624)	(558)
Repayment of Term Loans	(465)	(668)
Term Loans Raised	-	2,501
Net Cash from Financing Activities	(2,086)	1,275
Currency Translation Differences	(75)	(19)
Net Increase/(Decrease) in Cash and Cash Equivalents	1,638	(644)
Cash and Cash Equivalents Brought Forward	(362)	(1,803)
Cash and Cash Equivalents Carried Forward	1,276	(2,447)
Represented by:-		
Cash and Cash Equivalents	3,540	1,549
Bank Overdrafts	(2,264)	(3,996)
	1,276	(2,447)

Note:-

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2010 and the accompanying explanatory notes attached to the interim financial statements.

**AT SYSTEMATIZATION BERHAD (Company No.644800-X)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 AUGUST 2010**

**PART A: EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING
STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING**

A1) Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with Financial Reporting Standard (“FRS”) 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) and the requirements as set out in Chapter 9 Part K Paragraph 9.22 (Appendix 9B) of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 28 February 2010 and the accompanying notes attached to the interim financial statements. The interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of AT Systematization Berhad (“AT” or the “Company”) and its wholly-owned subsidiary companies (hereinafter referred to as the “Group”) since the financial year ended 28 February 2010.

A2) Changes in Accounting Policies

The accounting policies and methods of computations adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 28 February 2010 except for the adoption of new Financial Reporting Standards (“FRS”), amendments to FRSs and IC Interpretations as disclosed below:-

Standard/Interpretation	Effective for the Financial Periods Beginning on or after
Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2 Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 132 Financial Instruments: Presentation	1 January 2010
Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
Amendments to FRSs contained in the document entitled “Improvements to FRSs (2009)”	1 January 2010
FRS 4 Insurance Contracts	1 January 2010
FRS 7 Financial Instruments: Disclosures	1 January 2010

**AT SYSTEMATIZATION BERHAD (Company No.644800-X)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 AUGUST 2010**

**PART A: EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING
STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING**

A2) Changes in Accounting Policies (Cont’d)

Standard/Interpretation	Effective for the Financial Periods Beginning on or after
FRS 8 Operating Segments	1 July 2009
FRS 101 Presentation of Financial Statements (revised in 2009)	1 January 2010
FRS 123 Borrowings Costs	1 January 2010
FRS 139 Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11 FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13 Customer Loyalty Programmes	1 January 2010
IC Interpretation 14 FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

The above new FRSs, amendments to FRSs and IC Interpretations are not expected to have any material impact on the financial statements of the Group except for FRS 117 Leases.

The Group has adopted the amendment to FRS117. The Group has reassessed and determined that all leasehold land of the Group which is in substance finance lease has reclassified the leasehold land to property, plant and equipment. The reclassification has been accounted for retrospectively and certain comparative figures as at 28 February 2010 have been restated as shown below:-

	28.02.2010	28.02.2010
	Restated	Previously Stated
Net Carrying Amount	RM’000	RM’000
Property, Plant and Equipment	29,718	25,601
Prepaid Lease Payments	-	4,067
Deferred Tax Liabilities	441	428
Revaluation Surplus	217	180

A3) Seasonal or Cyclical Factors

The Group’s performance is, to certain extent, dependent on the cyclical nature of the electronics and semiconductors industries.

**AT SYSTEMATIZATION BERHAD (Company No.644800-X)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 AUGUST 2010**

**PART A: EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING
STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING**

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 during the current quarter and financial year-to-date.

A5) Material Changes in Estimates

There was no material changes in estimates of amount reported in prior interim period or financial period that have a material effect in the current quarter and financial year-to-date.

A6) Debt and Equity Securities

There were no issuances, repurchases, and repayments of long term debt and equity issued during the current quarter and financial year-to-date.

A7) Dividend Paid

There was no dividend paid in the current quarter and financial year-to-date.

A8) Segmental Information

No segment reporting has been prepared as the Group is principally engaged in a single business segment, namely the design and manufacture of equipment and machinery and fabrication of industrial and engineering parts.

A9) Valuation of Property, Plant and Equipment

The carrying amount of property, plant and equipment of the Group has been brought forward, without amendment from the previous audited financial statements.

A10) Events Subsequent to the Statement of Financial Position Date

There were no materials events subsequent to the reporting period that have not been reflected in the interim financial statements as at the date of this report.

A11) Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year-to-date.

**AT SYSTEMATIZATION BERHAD (Company No.644800-X)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 AUGUST 2010**

**PART A: EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING
STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING**

A12) Changes in Contingent Liabilities or Contingent Assets

There were no material contingent liabilities or contingent assets to be disclosed as at the date of the interim financial statements.

A13) Capital Commitments

There was no capital commitment in the current quarter under review.

A14) Related Party Transactions

There were no significant transactions with related parties other than those occurred in the ordinary course of business.

There were no transactions with the directors other than directors’ remuneration which is in accordance with the terms and conditions of their appointment.

**AT SYSTEMATIZATION BERHAD (Company No.644800-X)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 AUGUST 2010**

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B1) Review of Performance

The Group recorded revenue of approximately RM9.72million and RM17.32million respectively in the current individual and cumulative quarter compared with the revenue of approximately RM5.04million and RM9.61million respectively in the corresponding individual and cumulative quarter of the preceding year. The revenue of the Group for the current year to date has improved by approximately 80.2% as compared with the preceding year corresponding period. The increase in revenue was mainly due to the overall improvement in demand for both automated equipments and precision tooling business.

The Group recorded profit before tax of approximately RM0.55million and RM0.45million respectively in the current individual and cumulative quarter compared with the loss before tax of approximately RM1.23million and RM2.55million respectively in the corresponding individual and cumulative quarter of the preceding year. The profit performance of the Group was in line with the increase in revenue.

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

The Group recorded revenue of approximately RM9.72million or 27.7% in the current quarter compared with the revenue of approximately RM7.61million in the preceding quarter. The increase in revenue for the current quarter was mainly due to the overall improvement in demand for both automated equipments and precision tooling business.

The Group recorded profit before tax of approximately RM0.55million in the current quarter compared with loss before tax of approximately RM0.10million in the immediate preceding quarter. The profit performance of the Group was in line with the increase in revenue.

B3) Current Year Prospects

There are signs of recovery in electronic industry which the Group expects to secure higher orders from those subsectors we supported. Barring any unforeseen circumstances, the Group is optimistic of achieving better results for the current financial year.

B4) Variance between Actual Profit and Forecast Profit

The Group did not issue any profit forecast or profit guarantee during the current quarter under review.

**AT SYSTEMATIZATION BERHAD (Company No.644800-X)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 AUGUST 2010**

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B5) Taxation

	Current Year Quarter	Current Year-to-Date
	31.08.10	31.08.10
	RM'000	RM'000
Income Tax	50	100
Deferred Tax Liabilities	-	-
Total	<u>50</u>	<u>100</u>

The effective tax rate of the Group is lower than that of the statutory income tax rate due to the availability of unutilized business loss in certain subsidiaries.

B6) Unquoted Investments and Properties

There were no sales and purchases of unquoted investments and properties for the current quarter.

B7) Quoted Securities

There were no purchases or disposals of quoted securities for the current quarter.

B8) Corporate Proposals

In relation to the announcements made on 19 May 2010, 4 June 2010 and 5 July 2010 in relation to the Proposed Special Bumiputera Issue (“the Proposal”), the Board hereby updates the status as follows:-

- (i) The Ministry of International Trade and Industry (“MITI”) had vide its letter dated 19 July 2010, agreed to approve the Proposal subject to the approval of the Securities Commission (“SC”). The issuance and allotment of all the 25,600,000 Special Issue Shares are subject to MITI’s approval and the allocation to the eligible Bumiputera investors will be determined after obtaining the approval of SC.
- (ii) The Equity Compliance Unit of SC had vide its letter dated 5 July 2010 approved the Proposed Special Bumiputera Issue.
- (iii) The Company has obtained approval from shareholders at the Extraordinary General Meeting duly convened on 26 July 2010.

**AT SYSTEMATIZATION BERHAD (Company No.644800-X)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 AUGUST 2010**

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B9) Borrowings and Debts Securities

The Groups' borrowings as at 31 August 2010 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings:-			
Bank Overdrafts	2,264	-	2,264
Bankers Acceptance	220	-	220
Hire Purchase Payables	730	-	730
Term Loans	1,009	-	1,009
	<u>4,223</u>	<u>-</u>	<u>4,223</u>
Long Term Borrowings:-			
Hire Purchase Payables	2,248	-	2,248
Term Loans	10,861	-	10,861
	<u>13,109</u>	<u>-</u>	<u>13,109</u>
Total	<u>17,332</u>	<u>-</u>	<u>17,332</u>

Included in the Group's borrowings are foreign currency borrowing denominates in Thai Baht of approximately RM0.22million (comprising of approximately THB2.19million).

B10) Off Statement of Financial Position Financial Instruments

There were no financial instruments with off Statement of Financial Position risk as at the date of the interim financial statements.

B11) Material Litigation

There were no material litigations against the Group or taken by the Group as at the date of the interim financial statements. The directors of the Group do not have any knowledge of any proceeding pending or threatened against the Group which might materially and adversely affect the financial position or business of the Group.

**AT SYSTEMATIZATION BERHAD (Company No.644800-X)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 AUGUST 2010**

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B12) Earnings/(Loss) per Share

The basic earnings/(loss) per share is calculated by dividing the Group's individual and cumulative net profit/(loss) for the financial period attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the financial period as follows:-

	Individual Quarter		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to Date	Preceding Year Corresponding Period
	31.08.10	31.08.09	31.08.10	31.08.09
	RM'000	RM'000	RM'000	RM'000
Net Profit/(Loss) Attributable to Shareholders of the Company (RM'000)	503	(1,215)	351	(2,487)
Weighted Average Number of Shares in Issue ('000)	178,950	178,950	178,950	178,950
Earnings/(Loss) Per Share				
- Basic (sen)	0.28	(0.67)	0.20	(1.39)
- Diluted (sen)	-	-	-	-

The diluted profit/(loss) per share equals the basic profit/(loss) per share as the Group did not have any dilutive potential ordinary shares during the financial period.

B13) Audit Report Qualifications

The auditors' report on the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 28 February 2010 did not contain any qualification.

B14) Authorization for Issue

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Board.