

AT SYSTEMATIZATION BERHAD (Company No.644800-X)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2012

	As at 31.05.12 (Unaudited) RM'000	As at 29.02.12 (Audited) RM'000
NON-CURRENT ASSETS		
Property, Plant and Equipment	27,069	27,665
	27,069	27,665
CURRENT ASSETS		
Inventories	2,328	2,489
Trade and Other Receivables	10,827	11,128
Prepayments	443	444
Current Tax Assets	2	-
Cash and Cash Equivalents	5,123	3,301
	18,723	17,362
CURRENT LIABILITIES		
Trade and Other Payables	6,841	7,201
Loans and Borrowings	2,543	3,083
Current Tax Liabilities	255	294
	9,639	10,578
NET CURRENT ASSETS	9,084	6,784
NON-CURRENT LIABILITIES		
Loans and Borrowings	13,936	11,712
Deferred Tax Liabilities	426	426
	14,362	12,138
NET ASSETS	21,791	22,311
EQUITY:-		
Share Capital	17,895	17,895
Share Premium	10,749	10,749
Revaluation Surplus	217	217
Currency Translation Reserve	23	63
Accumulated Losses	(7,093)	(6,613)
TOTAL EQUITY	21,791	22,311
Net Assets Per Ordinary Share Attributable to Owners of the Company (Sen)	12.18	12.47

Note:-

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 29 February 2012 and the accompanying explanatory notes attached to the interim financial statements.

**AT SYSTEMATIZATION BERHAD (Company No.644800-X)
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 MAY 2012**

	Current Year Quarter 31.05.12 (Unaudited) RM'000	Individual Quarter Preceding Year Corresponding Quarter 31.05.11 (Unaudited) RM'000	Current Year to Date 31.05.12 (Unaudited) RM'000	Cumulative Quarter Preceding Year Corresponding Period 31.05.11 (Unaudited) RM'000
Revenue	8,592	8,351	8,592	8,351
Other Income	196	162	196	162
Operating Expenses	(8,906)	(7,745)	(8,906)	(7,745)
Operating (Loss)/ Profit	(118)	768	(118)	768
Finance Costs	(238)	(239)	(238)	(239)
(Loss)/ Profit before Tax	(356)	529	(356)	529
Tax Expense	(124)	(98)	(124)	(98)
(Loss)/ Profit for the Period	(480)	431	(480)	431
Attributable to:-				
- Owners of the Company	(480)	431	(480)	431
(Loss)/ Earnings Per Share				
- Basic (Sen)	(0.27)	0.24	(0.27)	0.24
- Diluted (Sen)	(0.27)	0.24	(0.27)	0.24

Note:-

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 29 February 2012 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 PERIOD ENDED 31 MAY 2012

	Current Year Quarter 31.05.12 (Unaudited) RM'000	Individual Quarter Preceding Year Corresponding Quarter 31.05.11 (Unaudited) RM'000	Current Year to Date 31.05.12 (Unaudited) RM'000	Cumulative Quarter Preceding Year Corresponding Period 31.05.11 (Unaudited) RM'000
Net (Loss)/ Profit for the Period	(480)	431	(480)	431
Other Comprehensive Income:-				
Currency Translation Differences for Foreign Operations	(40)	(8)	(40)	(8)
Other Comprehensive Income for the Period	(40)	(8)	(40)	(8)
Total Comprehensive Income for the Period	(520)	423	(520)	423
Attributable to:-				
- Owners of the Company	(520)	423	(520)	423

Note:-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 29 February 2012 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 PERIOD ENDED 31 MAY 2012

	Non-Distributable				Accumulated Losses	Equity Attributable to Owners of the Company	Non- Controlling Interests	Total Equity
	Share Capital	Share 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 2012	17,895	10,749	217	63	(6,613)	22,311	-	22,311
Total Comprehensive Income for the Financial Period	-	-	-	(40)	(480)	(520)	-	(520)
Balance at 31 May 2012	17,895	10,749	217	23	(7,093)	21,791	-	21,791

	Non-Distributable				Accumulated Losses	Equity Attributable to Owners of the Company	Non- Controlling Interests	Total Equity
	Share Capital	Share 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 2011	17,895	10,749	217	91	(6,843)	22,109	-	22,109
Total Comprehensive Income for the Financial Period	-	-	-	(8)	431	423	-	423
Balance at 31 May 2011	17,895	10,749	217	83	(6,412)	22,532	-	22,532

Note:-

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 29 February 2012 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 PERIOD ENDED 31 MAY 2012

	Current Year to Date 31.05.2012 (Unaudited) RM'000	Preceding Year Corresponding Period 31.05.2011 (Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/ Profit Before Tax	(356)	529
Adjustments for:-		
Non-Cash Items	625	649
Non-Operating Items	292	155
Operating Profit Before Working Capital Changes	561	1,333
Decrease/ (Increase) in Inventories	161	(387)
Decrease/ (Increase) in Receivables and Prepayments	481	(1,155)
(Decrease)/ Increase in Payables and Advance Payments	(624)	246
Cash Generated from Operations	579	37
Interest Paid	(238)	(239)
Tax Paid	(162)	(149)
Net Cash from/ (Used in) Operating Activities	179	(351)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	3	1
Proceeds from Disposal of Assets Held for Sale	-	600
Proceeds from Disposal of Property, Plant and Equipment	-	39
Purchase of Property, Plant and Equipment	(10)	(69)
Net Cash Used in Investing Activities	(7)	571
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Hire Purchase Obligations	(421)	(317)
Repayment of Term Loans	(101)	(351)
Term Loan Raised	2,928	-
Net Cash from/ (Used in) Financing Activities	2,406	(668)
Currency Translation Differences	(29)	(8)
Net Increase/ (Decrease) in Cash and Cash Equivalents	2,549	(456)
Cash and Cash Equivalents Brought Forward	1,813	1,357
Cash and Cash Equivalents Carried Forward	4,362	901
Represented by:-		
Cash and Cash Equivalents	5,123	3,011
Bank Overdrafts	(761)	(2,110)
	4,362	901

Note:-

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 29 February 2012 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 PERIOD ENDED 31 MAY 2012**

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

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”) 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 29 February 2012 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 29 February 2012.

For the periods up to and including the financial year ended 29 February 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”).

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 29 February 2012 except for the adoption of MFRS framework issued by the MASB with effect from 1 January 2012. The Group adopted the MFRS framework with effect from 1 March 2012. The adoption of MFRS framework do not have significant impact on the financial statements of the Group.

A3) Seasonal or Cyclical Factors

The Group’s performance is, to certain extent, dependent on the cyclical nature of the electronics and semiconductors 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 during the current quarter under review.

**AT SYSTEMATIZATION BERHAD (Company No.644800-X)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2012**

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

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 under review.

A6) Debt and Equity Securities

There were no issuances, repurchases, and repayments of long term debt and equity issued during the current quarter under review.

A7) Dividend Paid

There was no dividend paid in the current quarter under review.

A8) Segmental Information

Information about operating segments has not been reported separately as the Group’s profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the design, manufacture and fabrication of industrial automation systems, machinery, 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 After the Reporting Period

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

**AT SYSTEMATIZATION BERHAD (Company No.644800-X)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2012**

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

A11) Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter under review except for the following:-

On 25 November 2011, ATST Corporation Limited (hereinafter referred to as “ATST”), a wholly-owned subsidiary of AT has announced to Bursa Malaysia that it has commenced members’ voluntary winding-up on 17 October 2011. ATST has submitted the relevant document to Department of Business Development Ministry of Commerce and Revenue Department on 17 October 2011 and 16 November 2011 respectively. ATST was a dormant company incorporated in Thailand.

The members’ voluntary winding-up is still in the process as at the date of the interim financial statements.

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 PERIOD ENDED 31 MAY 2012**

**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 RM8.6million in the current individual and cumulative quarters compared to revenue of approximately RM8.4million in the corresponding individual and cumulative quarters of the preceding year.

The revenue for fabrication of engineering parts division has increased to approximately RM6.8million or equivalent to approximately 17.2% higher in the current quarter under review as compared to approximately RM5.8million for the same quarter last year. The increase in revenue was mainly attributed by higher orders received in the current quarter under review.

On the other hand, the revenue for automated equipment division has decreased to approximately RM1.8million or equivalent to approximately 30.8% lower in the current quarter under review as compared to approximately RM2.6million for the same quarter last year. The decrease in revenue was mainly attributed by lower orders received in the current quarter under review.

The Group recorded loss before tax of approximately RM0.36million in the current individual and cumulative quarters compared to profit before tax of approximately RM0.53million in the corresponding individual and cumulative quarters of the preceding year. The profit performance of the Group in the current quarter under review has declined mainly due to higher operating expenses.

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

The Group recorded revenue of approximately RM8.6million in the current quarter compared to the revenue of approximately RM11.6million in the immediate preceding quarter.

The revenue for fabrication of engineering parts division has increased to approximately RM6.8million in the current quarter as compared to approximately RM6.1million in the immediate preceding quarter. The increase in revenue was mainly attributed by higher order received in the current quarter under review.

The revenue for automated equipment division has decreased to approximately RM1.8million in the current quarter as compared to approximately RM5.5million in the immediate preceding quarter. The decrease in revenue was mainly attributed by lower order received in the current quarter under review.

The Group recorded loss before tax of approximately RM0.36million in the current quarter compared to loss before tax of approximately RM12,000 in the immediate preceding quarter. The decline in profit before tax was due to higher operating expenses.

**AT SYSTEMATIZATION BERHAD (Company No.644800-X)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2012**

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

B3) Prospects

The Group will continue to focus and expand on the core business in fabrication of industrial and engineering parts and design and manufacture of industrial automation system and machinery. Notwithstanding that, the Group will continuously seek opportunity for business growth and will look for new market opportunities.

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.

B5) Taxation

	Current Year Quarter 31.05.2012 RM'000	Current Year-to-Date 31.05.2012 RM'000
Income Tax	124	124
Deferred Tax Liabilities	-	-
Total	<u>124</u>	<u>124</u>

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

B6) Corporate Proposals

There was no corporate proposal announced but not completed as at the date of this interim financial report.

**AT SYSTEMATIZATION BERHAD (Company No.644800-X)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2012**

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

B7) Borrowings and Debts Securities

The Groups' borrowings as at 31 May 2012 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings:-			
Bank Overdrafts	761	-	761
Hire Purchase Payables	995	-	995
Term Loans	787	-	787
	<u>2,543</u>	<u>-</u>	<u>2,543</u>
Long Term Borrowings:-			
Hire Purchase Payables	1,399	-	1,399
Term Loans	12,537	-	12,537
	<u>13,936</u>	<u>-</u>	<u>13,936</u>
Total	<u>16,479</u>	<u>-</u>	<u>16,479</u>

Included in the Group's borrowings are foreign currency borrowing denominates in Thai Baht of approximately RM0.76million (comprising of approximately THB7.6million).

B8) Material Litigation

There were no material litigations against 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.

B9) Dividend

There was no dividend declared or paid for the current quarter under review.

**AT SYSTEMATIZATION BERHAD (Company No.644800-X)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2012**

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

B10) (Loss)/ Earnings per Share

The basic (loss)/ earnings per share is calculated by dividing the Group's (loss)/ profit for the financial period attributable to owners 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
	31.05.12	31.05.11	31.05.12	31.05.11
	RM'000	RM'000	RM'000	RM'000
(Loss)/ Profit Attributable to Owners of the Company (RM'000)	(480)	431	(480)	431
Weighted Average Number of Shares in Issue ('000)	178,950	178,950	178,950	178,950
(Loss)/ Earnings Per Share				
- Basic (sen)	(0.27)	0.24	(0.27)	0.24
- Diluted (sen)	(0.27)	0.24	(0.27)	0.24

The diluted (loss)/ earnings per share equal the basic (loss)/ earning per share as the Company did not have any dilutive potential ordinary shares during the financial period.

B11) Audit Report Qualifications

The auditors' report on the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 29 February 2012 did not contain any qualification.

AT SYSTEMATIZATION BERHAD (Company No.644800-X)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2012

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

B12) Loss Before Tax

Loss before tax is stated after charging/ (crediting) the following:-

	Current Year Quarter 31.05.2012 RM'000	Current Year-to- Date 31.05.2012 RM'000
Interest Income	(3)	(3)
Rental Income	(176)	(176)
Interest Expense	238	238
Depreciation and Amortization	625	625
Provision for and Write Off of Receivables	101	101
Provision for and Write Off of Inventories	-	-
(Gain)/ Loss on Disposal of Quoted/ Unquoted Investments/ Properties	-	-
Impairment of Assets	-	-
Net Foreign Exchange (Gain)/ Loss	-	-
(Gain)/ Loss on Derivatives	-	-
Exceptional Items	-	-

B13) Realised and Unrealised Profits/Losses

	Current Year to Date 31.05.2012 RM'000	Immediate Preceding Quarter 29.02.2012 RM'000
Total Accumulated Losses of the Company and its subsidiaries:-		
- Realised	(17,785)	(17,305)
- Unrealised	691	691
	<hr style="border-top: 1px solid black;"/> (17,094)	<hr style="border-top: 1px solid black;"/> (16,614)
Consolidation Adjustments and Eliminations	10,001	10,001
Total Accumulated Losses as per Statement of Financial Position	<hr style="border-top: 1px solid black;"/> (7,093)	<hr style="border-top: 1px solid black;"/> (6,613)

The above information is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not made for any other purpose. The determination of realised and unrealised profits/losses is in accordance with Guidance on Special Matter No. 1 Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

**AT SYSTEMATIZATION BERHAD (Company No.644800-X)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2012**

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

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.