

AT SYSTEMATIZATION BERHAD (Company No.644800-X)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2013

| | As at 31.05.13 (Unaudited) RM'000 | As at 28.02.13 (Audited) RM'000 |
|--|--|--|
| NON-CURRENT ASSETS | | |
| Property, Plant and Equipment | 24,809 | 24,883 |
| Development Expenditure | - | - |
| | 24,809 | 24,883 |
| CURRENT ASSETS | | |
| Inventories | 2,003 | 1,917 |
| Trade and Other Receivables | 7,410 | 5,035 |
| Prepayments | 602 | 959 |
| Current Tax Assets | 194 | 186 |
| Cash and Cash Equivalents | 1,445 | 1,653 |
| | 11,654 | 9,750 |
| CURRENT LIABILITIES | | |
| Trade and Other Payables | 7,619 | 5,984 |
| Loans and Borrowings | 2,589 | 1,391 |
| | 10,208 | 7,375 |
| NET CURRENT ASSETS | 1,446 | 2,375 |
| NON-CURRENT LIABILITIES | | |
| Loans and Borrowings | 12,422 | 13,390 |
| Deferred Tax Liabilities | 401 | 401 |
| | 12,823 | 13,791 |
| NET ASSETS | 13,432 | 13,467 |
| EQUITY:- | | |
| Share Capital | 19,684 | 19,175 |
| Share Premium | 11,517 | 11,517 |
| Revaluation Surplus | 217 | 217 |
| Currency Translation Reserve | (55) | 12 |
| Accumulated Losses | (17,931) | (17,454) |
| TOTAL EQUITY | 13,432 | 13,467 |
| Net Assets Per Ordinary Share Attributable to Owners of the Company (Sen) | 6.82 | 7.02 |

Note:-

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2013 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 2013

| | Current Period Quarter | Individual Quarter Preceding Period Corresponding Quarter | Current Period to Date | Cumulative Quarter Preceding Corresponding Period |
|----------------------------|--|--|--|--|
| | 31.05.13 (Unaudited) RM'000 | 31.05.12 (Unaudited) RM'000 | 31.05.13 (Unaudited) RM'000 | 31.05.12 (Unaudited) RM'000 |
| Revenue | 6,122 | 8,592 | 6,122 | 8,592 |
| Other Income | 235 | 196 | 235 | 196 |
| Operating Expenses | (6,512) | (8,906) | (6,512) | (8,906) |
| Operating Loss | (155) | (118) | (155) | (118) |
| Finance Costs | (217) | (238) | (217) | (238) |
| Loss before Tax | (372) | (356) | (372) | (356) |
| Tax Expense | (105) | (124) | (105) | (124) |
| Loss for the Period | (477) | (480) | (477) | (480) |
| Attributable to:- | | | | |
| - Owners of the Company | (477) | (480) | (477) | (480) |
| Loss Per Share | | | | |
| - Basic (Sen) | (0.24) | (0.27) | (0.24) | (0.27) |
| - Diluted (Sen) | (0.24) | (0.27) | (0.24) | (0.27) |

Note:-

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2013 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 2013

| | Current Period Quarter | Individual Quarter Preceding Period Corresponding Quarter | Current Period to Date | Cumulative Quarter Preceding Corresponding Period |
|--|--|--|--|--|
| | 31.05.13 (Unaudited) RM'000 | 31.05.12 (Unaudited) RM'000 | 31.05.13 (Unaudited) RM'000 | 31.05.12 (Unaudited) RM'000 |
| Net Loss for the Period | (477) | (480) | (477) | (480) |
| Other Comprehensive Income:- | | | | |
| Currency Translation Differences for Foreign Operations | (67) | (40) | (67) | (40) |
| Other Comprehensive Income for the Period | (67) | (40) | (67) | (40) |
| Total Comprehensive Income for the Period | (544) | (520) | (544) | (520) |
| Attributable to:- | | | | |
| - Owners of the Company | (544) | (520) | (544) | (520) |

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 2013 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 2013

| | Share Capital | Non-Distributable | | | Accumulated Losses | Equity Attributable to Owners of the Company | Total Equity |
|--|------------------|-------------------|------------------------|------------------------------------|-----------------------|---|---------------|
| | | Share Premium | Revaluation Surplus | Currency Translation Reserve | | | |
| (Unaudited) | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance at 1 March 2013 | 19,175 | 11,517 | 217 | 12 | (17,454) | 13,467 | 13,467 |
| Ordinary shares allotted | 509 | - | - | - | - | 509 | 509 |
| Total Comprehensive Income for the Financial Year | - | - | - | (67) | (477) | (544) | (544) |
| Balance at 31 May 2013 | 19,684 | 11,517 | 217 | (55) | (17,931) | 13,432 | 13,432 |

| | Share Capital | Non-Distributable | | | Accumulated Losses | Equity Attributable to Owners of the Company | Total Equity |
|--|------------------|-------------------|-------------------------|------------------------------------|-----------------------|---|---------------|
| | | Share Premium | Revaluatio n Surplus | Currency Translation Reserve | | | |
| (Unaudited) | 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 |

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 2013 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 2013

| | Current Period to Date | Preceding Corresponding Period |
|--|-----------------------------------|---|
| | 31.05.2013 | 31.05.2012 |
| | (Unaudited) | (Unaudited) |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss Before Tax | (372) | (356) |
| Adjustments for:- | | |
| Non-Cash Items | 519 | 625 |
| Non-Operating Items | 217 | 292 |
| Operating Profit Before Working Capital Changes | <u>364</u> | <u>561</u> |
| (Increase) / decrease in Inventories | (86) | 161 |
| (Increase) / decrease in Receivables and Prepayments | (2,018) | 481 |
| Increase / (decrease) in Payables and Advance Payments | 1,635 | (624) |
| Cash (used in) / generated from Operations | <u>(105)</u> | <u>579</u> |
| Interest Paid | (217) | (238) |
| Tax Paid | (113) | (162) |
| Net Cash (used in) / generated from Operating Activities | (435) | 179 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest Received | - | 3 |
| Proceeds from Disposal of Property, Plant and Equipment | 450 | - |
| Purchase of Property, Plant and Equipment | (895) | (10) |
| Net Cash used in Investing Activities | (445) | (7) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Ordinary shares allotment | 509 | - |
| Repayment of Hire Purchase Obligations | (218) | (421) |
| Repayment of Term Loans | (190) | (101) |
| Term Loan Raised | 638 | 2,928 |
| Net Cash generated from Financing Activities | 739 | 2,406 |
| Currency Translation Differences | (67) | (29) |
| Net (Decrease) / Increase in Cash and Cash Equivalents | <u>(208)</u> | <u>2,549</u> |
| Cash and Cash Equivalents Brought Forward | 1,653 | 1,813 |
| Cash and Cash Equivalents Carried Forward | <u>1,445</u> | <u>4,362</u> |
| Represented by:- | | |
| Cash and Cash Equivalents | 1,445 | 5,123 |
| Bank Overdrafts | - | (761) |
| | <u>1,445</u> | <u>4,362</u> |

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 2013 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 YEAR ENDED 31 MAY 2013**

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 2013 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 2013.

For the periods up to and including the financial year ended 29 February 2013, 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 2013 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.

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 and financial year-to-date.

**AT SYSTEMATIZATION BERHAD (Company No.644800-X)
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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 and financial period-to-date.

A6) Debt and Equity Securities

Save as disclosed in Note B6, there were no repurchase and repayment of debt and equity securities, for the current quarter under review and financial period-to-date.

A7) Dividend Paid

There was no dividend paid in the current quarter under review and financial period-to-date.

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 material events subsequent to the current quarter under review up to the date of this report which is likely to substantially affect the results of the operations of the Company (being the latest practicable date not earlier than seven (7) days from the date of issue of this report).

**AT SYSTEMATIZATION BERHAD (Company No.644800-X)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
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A11) Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter under review and financial period-to-date. except for the followings:

- a) The acquisition of a wholly owned subsidiary of entire 100% interest in Heroic Lake Holdings Limited. for a total cash consideration of RM11,850/= on 20 September 2012, the Company acquired is presently dormant.
- b) On 14 December 2012, Automation Technology Systematization Industries Limited (hereinafter referred to as “ATSi”), a wholly owned subsidiary of AT, has announced to Bursa Malaysia that it has commenced members’ voluntary winding up on even date. ATSi was previously involved in procurement of design and assembles automatic machines according to purchase orders and had ceased its operation in mid of December 2012.
- c) On 4 January 2013, AT Machinery (Suzhou) Co. Ltd. (hereinafter referred to as “ATMS”), a wholly owned subsidiary of AT, has announced to Bursa Malaysia that it has commenced members’ voluntary winding up on even date. ATMS was previously involved in procurement of design and assembles automatic machines according to purchase orders and had ceased its operation on 12 December 2012.
- d) On 6 March 2013, the Board had announced that it had on 6 March 2013 acquired a new wholly owned subsidiary through acquisition of 2 ordinary shares of RM1.00 each representing 100% of the issued and fully paid-up share capital of Goodmatrix Resources Sdn Bhd. (Company No. 988408-D) for a total cash purchase consideration of Ringgit Malaysia Two (RM2.00) only from Ms. Tee Lee Hon and Mr. Tan Kim Heng respectively.

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

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**AT SYSTEMATIZATION BERHAD (Company No.644800-X)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013**

**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 RM6.122 million in the cumulative quarters compared to revenue of approximately RM8.592 million in the corresponding cumulative quarters of the preceding year.

The revenue for fabrication of engineering parts division has decreased to approximately RM5.5 million or equivalent to approximately 19.12% lower in the current quarter under review as compared to approximately RM6.8 million for the same quarter last year. The decrease in the current quarter revenue was mainly attributed by lower orders received.

The revenue for automated equipment division has decreased to approximately RM0.48 million or equivalent to approximately 73.55% lower in the current quarter under review as compared to approximately RM1.8 million for the same quarter last year. The decrease in the current quarter revenue was mainly attributed by lower orders received.

The Group recorded loss before tax of approximately RM0.372 million in the current cumulative quarters compared to profit before tax of approximately RM0.356 million in the corresponding cumulative quarters of the preceding year. The performance of the Group in the current cumulative quarters under review has declined mainly due to higher lower order received.

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

The Group recorded revenue of approximately RM6.122 million in the current quarter compared to the revenue of approximately RM3.274 million in the immediate preceding quarter.

The revenue for fabrication of engineering parts division has increased to approximately RM5.5 million in the current quarter as compared to approximately RM4.7 million in the immediate preceding quarter. The increase in revenue was mainly attributed to increase in orders received in the current quarter under review.

The revenue for automated equipment division has maintained the same which approximately RM0.48 million in the current quarter as compared to approximately RM0.48 million in the immediate preceding quarter.

AT SYSTEMATIZATION BERHAD (Company No.644800-X)
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The Group recorded loss before tax of approximately RM0.372 million in the current quarter compared to loss before tax of approximately RM4.727 million in the immediate preceding quarter. The loss before tax in the preceding quarter under review were due to higher operating expenses incurred, impairment for receivables and closure of certain overseas operation unit.

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

| | <u>Current Year Quarter</u> 31.05.2013 RM'000 | <u>Current Year-to-Date</u> 31.05.2013 RM'000 |
|--------------------------|---|---|
| Income Tax expense | 105 | 105 |
| Deferred Tax Liabilities | - | - |
| Total | <u>105</u> | <u>105</u> |

The effective tax rate of the Group in current year-to-date is higher than that of the statutory income tax rate due to profit making in certain subsidiary.

B6) Corporate Proposals

Save as disclosed below, there was no corporate proposals announced but not completed (being the latest practicable date not earlier than seven (7) days from the date of issue of this report).

- a) On behalf of the Board of Directors, MIMB Investment Bank Berhad announced on 23 August 2012 that the Board has fixed an issue price for the 1st tranche of ordinary shares of RM0.10 each in AT (“AT Shares”) to be issued pursuant to the Proposed Private Placement at RM0.16 per share.

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The issue price of RM0.16 per share represents a discount of approximately 3.12% over the five (5)-day weighted average market price of AT Shares up to and including 22 August 2012, being the date immediately prior to the price-fixing date, of RM0.17 per share.

On 24 August 2012, 12,800,000 new ordinary shares of RM0.10 each were allotted by the Company at a price of RM0.16 per share to certain identified investors, pursuant to the Company's private placement exercise.

B6) Corporate Proposals (Cont'd)

As of 31 May 2013, the Company has utilised the proceeds of RM2.05 million as follow:

| Purpose | Revised | | Actual | Deviation | % of Deviation | Explanations |
|--|----------------------------|----------------------------|--------------|-------------|----------------|----------------|
| | Proposed | Proposed | | | | |
| | Utilisation ⁽¹⁾ | Utilisation ⁽²⁾ | Utilisation | Deviation | | |
| RM'000 | RM '000 | RM'000 | RM'000 | (d) = (b-c) | | |
| (a) | (b) | (c) | (d) = (b-c) | | | |
| Purchase of raw materials, parts and prototypes | 1,000 | 918 | 918 | - | - | Fully utilised |
| Relocation of Suzhou factory | 500 | - | - | - | - | Revised |
| Exhibition and marketing expenses | 300 | 530 | 530 | - | - | Fully utilised |
| Working capital for AT Suzhou | 88 | - | - | - | - | Revised |
| Maintenance and upgrading of computers, software and existing machine | 100 | 340 | 340 | - | - | Fully utilised |
| Estimated expenses relating to the Proposed Private Placement | 60 | 35 | 35 | - | - | Fully utilised |
| Start up working capital for Heroic Lake Holding Limited | - | 225 | 225 | - | - | Fully utilised |
| Total | 2,048 | 2,048 | 2,048 | - | | |
| Note: | | | | | | |
| (1) As announced by the Company on 30 August 2012. | | | | | | |
| (2) The proposed utilisation of proceeds from the Private Placement has been revised due to streamline of AT operations. | | | | | | |

**AT SYSTEMATIZATION BERHAD (Company No.644800-X)
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As of 31 May 2013, the Company has utilised the proceeds of RM0.560 million as follow:

| Description | Note | Proposed utilization as at 6 February 2013 | Actual utilisation as at 31 May 2013 | Balance un-utilisation as at 31 May 2013 | Estimated timeframe for the utilisation of proceeds |
|---|-------------|---|---|---|--|
| | | RM'000 | RM'000 | RM'000 | |
| Purchase of glove counting machines | (a) | 300 | - | 300 | Within three (3) months |
| Development and production of wheel-chair washing machines | (b) | 240 | 79 | 161 | Within three (3) months |
| Estimated expenses in relation to the Proposed Private Placement | (c) | 20 | 15 | 5 | Within one (1) month |
| Total | | 560 | 94 | 466 | |

Notes:

- (a) *RM300,000 will be set aside for the purchase of eight (8) sets of glove counting machines to be imported from China. These glove counting machines will be marketed and traded with local glove manufacturers in Malaysia. AT will also provide maintenance services to the local buyers of the said machine.*
- (b) *RM240,450 of the gross proceeds will be allocated to further the implementation of the development and production of wheel-chair washing machines. The Company has developed the prototype and holds the rights to manufacture the wheel-chair washing machines.*
- (c) *The estimated expenses relating to the Proposed Private Placement of RM20,000 comprise the professional fees, fees payable to relevant authorities and other miscellaneous expenses. Any surplus or shortfall of the estimated expenses for the Proposed Private Placement will be adjusted accordingly to the working capital of the Group.*

On behalf of the Board of Directors, Hong Leong Investment Bank Berhad announced on 5 March 2013 that the Board has fixed an issue price for the 1st tranche of ordinary shares of RM0.10 each in AT (“AT Shares”) to be issued pursuant to the Proposed Private Placement at RM0.10 per share.

The issue price of RM0.10 per share represents a premium of approximately 10.74% to the five (5)-day weighted average market price of AT Shares, up to and including 4 March 2013 of RM0.0852 per AT Share.

On 15 March 2013, 5,095,000 new ordinary shares of RM0.10 each were allotted by the Company at a price of RM0.10 per share to certain identified investor, pursuant to the Company’s private placement exercise.

**AT SYSTEMATIZATION BERHAD (Company No.644800-X)
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The Board had announced that the Company has on 11 March 2013, entered into a Joint Collaboration Agreement with Asia Bioenergy Technologies Berhad (“ASIABIO”) to set out the terms of their intention to collaborate in the supply of biotechnology solutions to convert food waste to organic fertilizer (“the Project”) ASIABIO, which is listed in ACE Market Bursa Malaysia Securities Berhad, is involved in technology incubation and investment holding company.

AT, via its wholly-owned subsidiary, AT Engineering Solution Sdn. Bhd. (“ ATES”), has submitted a proposal to the Education Ministry of Malaysia for the implementation of a food waste conversion system using biotechnology at schools in Malaysia.

The intention of the parties under the Joint Collaboration Agreement is to work together wherein AT shall be responsible for the fabrication and manufacture and maintenance of the composting machineries as well as secure the approval of the relevant authorities for the Project and ASIABIO, via its subsidiary company, Hexa Bonanza Sdn Bhd. (“HBSB”), shall be responsible for the provision of the microbial solutions necessary for the conversion of the food waste into organic fertilizer as well as identification of the composting machinery design for the fabrication by AT.

The Joint Collaboration Agreement shall take effect on the date of its execution and shall continue to be of effect until the execution of a definitive agreement, which both parties agree to execute within three (3) months from the date of the Joint Collaboration Agreement.

On 10 May 2013, the Board had announced on the followings :

- i) Proposed Renounceable Rights Issue of up to 196,845,765 new ordinary shares of RM0.10 each in at (“Right Shares”) together with up to 98,422,882 free detachable warrants (“Warrant(s)”) on basis of two (2) Rights Shares for every (2) existing ordinary shares of RM0.10 each held in at (“At Shares” Or “Shares”) together with one (1) warrant for every two (2) Right Shares subscribed (“Proposed Rights Issue With Free”);
- ii) Proposed Increase in the authorized share capital of the Company from RM25,000,000 comprising 250,000,000 at shares to RM100,000,000 comprising 1,000,000,000 at; And
- iii) Proposed Amendment to the Memorandum Of Association of AT Systematization Berhad (“AT”)

On 18 July 2012, the Board had announced that, Bank Negara Malaysia (“BNM”) has, vide its letter dated 16 July 2013 (which was received on 18 July 2013), informed the Company that effective 30 June 2013, residents are allowed to issue securities denominated in Ringgit Malaysia to non-residents. However, the issuance of debt securities denominated in Ringgit Malaysia to non-residents is subject to the rules in Notice 2, Rules on Foreign Exchange Administration.

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Premised on the foregoing, AT is not required to seek the approval of BNM for the issuance of the Warrants to non-resident shareholders of AT pursuant to the Proposed Rights Issue with Free Warrants.

The Company is advised to comply with the rules in Notice 3, Rules on Foreign Exchange Administration, should it decide to utilise any portion of the proceeds from the issuance of Warrants pursuant to the Proposed Rights Issue with Free Warrants to finance its investments overseas.

B7) Borrowings and Debts Securities

The Groups' borrowings as at 31 May 2013 are as follows:-

| | <u>Secured</u> RM'000 | <u>Unsecured</u> RM'000 | <u>Total</u> RM'000 |
|--------------------------------|--------------------------|----------------------------|------------------------|
| Short Term Borrowings:- | | | |
| Bank Overdrafts | - | - | - |
| Hire Purchase Payables | 1,240 | - | 1,240 |
| Term Loans | 1,349 | - | 1,349 |
| | <u>2,589</u> | <u>-</u> | <u>2,589</u> |
| Long Term Borrowings:- | | | |
| Hire Purchase Payables | 1,376 | - | 1,376 |
| Term Loans | 11,046 | - | 11,046 |
| | <u>12,422</u> | <u>-</u> | <u>12,422</u> |
| Total | <u>15,011</u> | <u>-</u> | <u>15,011</u> |

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)
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B10) Loss per Share

The basic loss per share is calculated by dividing the Group's loss 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:-

| | Current Period Quarter | Individual Quarter Preceding Period Corresponding Quarter | Current Year to Date | Cumulative Period Preceding Corresponding Period |
|---|---------------------------------------|--|-------------------------------------|---|
| | 31.05.13 RM'000 | 31.05.12 RM'000 | 31.05.13 RM'000 | 31.05.12 RM'000 |
| Loss Attributable to Owners of the Company (RM'000) | (477) | (480) | (477) | (480) |
| Weighted Average Number of Shares in Issue ('000) | 196,846 | 178,950 | 196,846 | 178,950 |
| Loss Per Share | | | | |
| - Basic (sen) | (0.24) | (0.27) | (0.24) | (0.27) |
| - Diluted (sen) | (0.24) | (0.27) | (0.24) | (0.27) |

The diluted loss per share equal the basic loss 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 2013 had qualified opinion in the audited report.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
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B12) Loss Before Tax

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

| | Current Period Quarter 31.05.2013 RM'000 | Current Period-to- Date 31.05.2013 RM'000 |
|---|---|--|
| Interest Income | - | - |
| Rental Income | (227) | (227) |
| Interest Expense | 217 | 217 |
| Depreciation and Amortization | 492 | 492 |
| (Recovered)/ Provision for and Write Off of Receivables | - | - |
| Loss on disposal of fixed assets | 27 | 27 |
| Fixed assets written off | - | - |
| Provision for and Write Off of Inventories | - | - |
| (Gain)/ Loss on Disposal of Quoted/ Unquoted Investments/ Properties | - | - |
| Impairment of Assets | - | - |
| Net Foreign Exchange (Gain)/ Loss | (5) | (5) |
| (Gain)/ Loss on Derivatives | - | - |
| Exceptional Items | - | - |

B13) Realised and Unrealised Profits/ (Losses)

| | Current Period to Date 31.05.2013 RM'000 | As At The End of Last Financial Year 28.02.2012 RM'000 |
|--|---|---|
| Total Accumulated Losses of the Company and its subsidiaries:- | | |
| - Realised | (38,363) | (37,908) |
| - Unrealised | 370 | 370 |
| | <hr/> | <hr/> |
| | (37,993) | (37,538) |
| Consolidation Adjustments and Eliminations | 20,063 | 20,084 |
| Total Accumulated Losses as per Statement of Financial Position | <hr/> | <hr/> |
| | (17,930) | (17,454) |

B13) Realised and Unrealised Profits/ (Losses) (Cont'd)

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 YEAR ENDED 31 MAY 2013**

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.

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