

AT SYSTEMATIZATION BERHAD

Annual General Meeting (“AGM”) held at Level 4, Menara Lien Hoe, No. 8 Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Monday 28 August 2017 at 10.30 a.m.

Summary of questions posed by shareholders and replies given by Directors/Management at the AGM:

1. The new management has taken over since 2013 but the results of the Group does not appear to have improved.

The Group was suffering from losses during the time that the new management took over. The new management had to undertake a lot of investments to improve the business of the Group. One of the key reasons for the loss suffered during the past two years was that one of the major customers of the Group in the disk drive industry moved part of its operations from Malaysia to its other plant overseas. As a result of the shift in location of its operations, the customer’s orders to AT Group dropped during the past two years. We did not lose orders to our local competitors but solely because the customer moved its operation out from Malaysia. However, the same customer has decided to shift few of its lines back to Malaysia in 2017 and the Group has secured increase in orders from the customer in 2017.

2. What counter measure did the management take when the major customer moved its operations overseas?

The Group has moved to secure other customers and also moved into serving customers in other industries. For example, the Group has moved into customers in the medical industry which has better margin. However, the requirements by the customer are more stringent and it takes time to obtain relevant quality certification required and pass audits by the customers. We have recently obtained ISO certification required by customers in the medical industry. It will take some time to build up orders in the new industry as we need to obtain the customers trust in our quality but we are working hard to bring in the orders.

3. Salaries, bonus and allowances of Executive Directors have increased in 2017 when compared with 2016?

The Company changed its financial year end from 28 February 2017 to 31 March 2017. Accordingly, the salaries, bonus and allowances of Executive Directors for the financial period ended 31 March 2017 were for a period of 13 months whereas the expenses for the financial year ended 29 February 2016 were for a period of 12 months. There was no actual increase the monthly salaries, bonus and allowances of Executive Directors during the financial period ended 31 March 2017.

4. Do we have sufficient funds for the capital expenditure required by the Group?

We have sufficient funds for our current operations.

5. What was the amount of RM6.72 million stated as “Cash used in operations” on page 63 of the Annual Report 2017 used for?

The Chief Financial Officer briefed the shareholder on the details as per the Statements of Cash Flow for the financial period ended 31 March 2017 as set out on pages 63 to 65 of the Annual Report 2017.

6. Is the Company going to pay any dividend?

The Company hopes to pay dividend when its performance improves.