

**AT SYSTEMATIZATION BERHAD**  
Company No. 200401006297 (644800-X)  
(Incorporated in Malaysia)

Minutes of the Nineteenth Annual General Meeting of the Company conducted on a virtual basis from the Broadcast Venue at Lot 4.1, Level 4, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 26 September 2023 at 2.00 p.m.

Attendance

As per Attendance List

The Meeting commenced at 2.00 p.m. with the requisite quorum being present.

Notice

The Notice convening the Meeting was taken as read.

**1. CHAIRMAN'S ADDRESS**

The Chairman, Dato' Nik Ismail Bin Dato' Nik Yusoff, welcomed all members present and thanked them for their attendance at the Company's Nineteenth Annual General Meeting (the "Meeting"). Dato' Chairman then proceeded to introduce the Board members, Company Secretary and the auditors.

Upon the Secretary's confirmation of a quorum being present, Dato' Chairman requested Ms. Adeline Tang Koon Ling, the Company Secretary to brief the members on the proceedings of the meeting and voting procedure and to go through the agenda of the meeting on his behalf.

**2. PROCEDURES OF MEETING AND PRESENTATIONS**

The Company Secretary informed all present that in line with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), voting on all the resolutions set out in the notice of the Nineteenth Annual General Meeting will be carried out by way of poll. She informed that Workshire Share Registration Sdn. Bhd. has been appointed as the poll administrator and Symphony Corporate Services Sdn. Bhd. has been appointed as the independent scrutineer ("Scrutineer") for the polling process. The polling will be conducted electronically via the remote participation and voting ("RPV") facility provided by Inshub Sdn. Bhd. The voting session commenced from 2.00 p.m. and remained open for voting until the announcement of end of the voting session by the Chairman. She further informed shareholders and proxy holders that they could pose their questions in real time during the meeting by using the Query Box in the RPV facility. The system administrator showed a presentation on how to pose questions and vote through the RPV facility.

**3. QUESTIONS FROM MINORITY SHAREHOLDERS WATCH GROUP ("MSWG") AND COMPANY'S RESPONSES**

The Company Secretary informed all present that the Company has received a letter dated 19 September 2023 from Minority Shareholders Watch Group ("MSWG") wherein MSWG sought clarification on certain matters and the Company has replied to MSWG accordingly.

The Managing Director, Mr. Choong Lee Aun and Chief Financial Officer, Mr. Yong Man Chai presented the questions posed by MSWG and the Company's response to the queries from MSWG. The said questions from MSWG and the Company's response (set out in Appendix A) were also displayed on screen for ease of reading by all present.

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**4. MEETING AGENDA AND QUESTION AND ANSWER**

The Company Secretary proceeded to table each and every item on the agenda as set out in the notice of the Meeting.

The Company Secretary informed the shareholders and proxy holders that the Audited Financial Statements for the financial year ended 31 March 2023 (“AFS 2023”) together with the Reports of the Directors and Auditors thereon were laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only. They do not require shareholders’ approval and hence was not put forward for voting.

**5. RESOLUTIONS, POLLING AND RESULTS OF THE POLL**

The Secretary proceeded to table the resolutions as set out on the agenda. The shareholders and proxy holders of the Company raised the questions and the Board of Directors provided the answers as set out in Appendix B. The Meeting proceeded to voting by poll on ordinary resolutions 1 to 7 as set out in the notice of Meeting. The results of the poll, as verified by the Scrutineer, were as follows:-

**APPROVAL OF DIRECTORS’ FEES**

Ordinary Resolution No. 1

Vote For			Vote Against			Results
No. of shareholders	No. of shares	Percentage (%)	No. of shareholders	No. of shares	Percentage (%)	
19	509,916,768	99.5018	7	7,756,032	1.4982	Carried

Accordingly, it was resolved that Directors’ fees of up to RM260,000.00 for the financial year ending 31 March 2024 to the Directors of the Company and its subsidiaries be approved for payment.

**APPROVAL OF PAYMENT OF BENEFITS OTHER THAN DIRECTORS’ FEES TO NON-EXECUTIVE DIRECTORS**

Ordinary Resolution No. 2

Vote For			Vote Against			Results
No. of shareholders	No. of shares	Percentage (%)	No. of shareholders	No. of shares	Percentage (%)	
19	509,916,768	99.5018	7	7,756,032	1.4982	Carried

Accordingly, it was resolved that benefits other than Directors’ fees of up to RM28,000.00 to the Non-Executive Directors of the Company from 27 September 2023 until the next Annual General Meeting of the Company be approved for payment.

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**5. RESOLUTIONS, POLLING AND RESULTS OF THE POLL (CONTINUED...)**

**RE-ELECTION OF DATO' NIK ISMAIL BIN DATO' NIK YUSOFF AS A DIRECTOR**

Ordinary Resolution No. 3

Vote For			Vote Against			Results
No. of shareholders	No. of shares	Percentage (%)	No. of shareholders	No. of shares	Percentage (%)	
21	509,907,634	98.5000	5	7,765,166	1.5000	Carried

Accordingly, it was resolved that Dato' Nik Ismail Bin Dato' Nik Yusoff, who retires in accordance with Clause 131 of the Company's Constitution, be and is hereby re-elected as a Director of the Company.

**RE-ELECTION OF MR. TAN LAY CHEE AS A DIRECTOR**

Ordinary Resolution No. 4

Vote For			Vote Against			Results
No. of shareholders	No. of shares	Percentage (%)	No. of shareholders	No. of shares	Percentage (%)	
22	510,607,634	98.5020	5	7,765,166	1.4980	Carried

Accordingly, it was resolved that Mr. Tan Lay Chee, who retires in accordance with Clause 131 of the Company's Constitution, be and is hereby re-elected as a Director of the Company.

**RE-ELECTION OF MADAM ONG POH LIN ABDULLAH AS A DIRECTOR**

Ordinary Resolution No. 5

Vote For			Vote Against			Results
No. of shareholders	No. of shares	Percentage (%)	No. of shareholders	No. of shares	Percentage (%)	
22	510,607,634	98.5020	5	7,765,166	1.4980	Carried

Accordingly, it was resolved that Madam Ong Poh Lin Abdullah, who retires in accordance with Clause 136 of the Company's Constitution, be and is hereby re-elected as a Director of the Company.

**RE-APPOINTMENT OF AUDITORS**

Ordinary Resolution No. 6

Vote For			Vote Against			Results
No. of shareholders	No. of shares	Percentage (%)	No. of shareholders	No. of shares	Percentage (%)	
22	511,217,434	98.6196	5	7,155,366	1.3804	Carried

Accordingly, it was resolved that Messrs UHY be and is hereby re-appointed as Auditors of the Company for the ensuing year and that the Directors be authorised to fix their remuneration.

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**5. RESOLUTIONS, POLLING AND RESULTS OF THE POLL (CONTINUED...)**

**SPECIAL BUSINESS**

**AUTHORITY TO ISSUE SHARES**

Ordinary Resolution No. 7

Vote For			Vote Against			Results
No. of shareholders	No. of shares	Percentage (%)	No. of shareholders	No. of shares	Percentage (%)	
20	510,616,768	98.5038	7	7,756,032	1.4962	Carried

Accordingly, it was resolved that the following resolution be passed as an Ordinary Resolution:-

“THAT subject always to the Companies Act 2016 (“Act”), Constitution of the Company and approvals of the relevant regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company from time to time at such price, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

AND THAT pursuant to Section 85 of the Act read together with Clause 14 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to Sections 75 and 76 of the Act.”

**6. CONCLUSION**

Dato' Chairman informed the Meeting that the Company has not received any notice of motion from the shareholders of the Company since the dispatch of the notice of Meeting.

There being no further matters to discuss, it was resolved that the Meeting be concluded at 3.06 p.m. with a vote of thanks to the Chair.

Confirmed as a correct record

Signed

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Dato' Nik Ismail Bin Dato' Nik Yusoff  
Chairman

**Q1. The Group continues to incur losses over many financial years. The losses increased much further in the last two financial years despite significantly higher revenue. (page 5 of AR 2023)**

**How did the Group register much higher losses in the last two financial years although revenue had rose significantly compared to the earlier financial years?**

**How would the Management be able to turn the Group profitable and by when?**

The Group registered much higher losses in the last two financial years due to several factors, such as higher operating costs, impairment losses, and global challenges in the medical gloves market. Although revenue had risen significantly compared to the earlier financial years, it was not enough to offset the impact of these factors. The Management is committed to implementing various measures to improve the Group's profitability, such as optimizing cost structure, enhancing operational efficiency, and diversifying revenue streams.

The Management has been working hard to improve the Group's financial performance and achieve profitability in the near future. Some of the key strategies that the Management has implemented or planned to implement are:

- Reducing operational costs and increasing efficiency by streamlining processes, optimizing resources and leveraging technology.
- Enhancing customer satisfaction and loyalty by improving quality, delivering value and providing excellent service.
- Expanding market share and market reach by developing new products, entering new segments and exploring new opportunities.

The Management expects that these strategies will result in positive cash flow and net income for the Group by the end of year 2025, subject to market conditions and other factors. The Management will continue to monitor the Group's performance and make adjustments as necessary to achieve its goals.

**Q2. The Group established its maiden solar PV plant with capacity of 425kW in December 2015 and its second solar PV plant with capacity of 300kW in December 2016. (page 9 of AR 2023)**

**What are the Group’s plans and strategies in growing its renewable energy business?**

For clarification, the Group is not engaged in building the Solar PV Plant commercially. The Group is in fact the producer of renewable energy through Feed-in-Tariff programme, utilising own areas (building roof top area) to earn recurring solar income passively.

The Group does not have any aggressive plans to expand its renewable energy portfolio as it satisfies with the current level of performance and profitability of solar business. The Group believes that solar power is a reliable and sustainable way to contribute to the environment and society. Solar renewable energy contributes to the generation of carbon credits by reducing the reliance on fossil fuels and mitigating climate change, while also generating value for its shareholders.

- Q3. Loss after tax stood at RM82.75 million in FY2023 against loss after tax of RM124.06 million reported in FY2022. The losses were mainly attributed from glove inventories written-down to net realisable value, higher finance costs, impairment loss on assets in glove business, net impairment loss on investment in associates and loss on dilution of interest in associate. (page 11 of AR 2023)**

**Is the Management expecting further write-downs from glove business inventories and net impairment loss on investment in associates?**

The Management considers the inventories for the glove business to be sufficiently valued at net realisable value, which reflects the expected recent selling price, and as a result, does not believe that further significant write-downs are necessary.

With regards to the investment in associates, the Management shall continue to monitor the performance and financial position of the associated companies, to assess the recoverable amounts and make necessary adjustments as and when required, in accordance with the accounting standards.

- Q4. Over the past three years, the textile industry has accounted for a significant portion of the Group's revenue, with FY2023 contributing 35.1%, FY2022 contributing 16.5%, and FY2021 contributing 10.9%. (page 15 of AR 2023)**

**What is the outlook for the textile industry and is its revenue contribution expected to significantly increased further in FY 2024?**

The outlook for the textile industry is mixed, depending on the region and the segment. In general, the industry faces challenges such as rising costs, environmental regulations, and changing consumer preferences. However, there are also opportunities for growth, innovation, and differentiation, especially in emerging markets and niche sectors.

We remain committed to the textile industry as our focus area. Our team has been working closely with our customer from the textile industry and achieved a new product innovation through our persistent efforts. We anticipate that this innovation will contribute significantly to our revenue in FY2024.

- Q5. In light of the unexpected earthquake in Turkey in February 2023, one of the Group's key customers, who operates in Turkey, is expected to postpone some of their orders. The Group is committed to closely collaborating with the customer to manage the necessary adjustments to the order and shipment processes. (page 17 of AR 2023)**

**Does the key customer in Turkey contribute a very sizeable portion of the Group revenue? When are they expected to resume their orders?**

For clarification, customer in Turkey form part of revenue from the textile industry. Based on the Group unaudited revenue for Q1 ended June 2023 plus backlog orders of approximately RM20.61million, we have a revenue share of 8% from our Turkish customer, who expects a slow recovery of the market for consumables and spare parts until late 2023.

- Q6. The Group's unaudited revenue for 3 months ended June 2023 plus backlog orders to be delivered recorded at RM20.61 million, representing approximate 40.96% of the audited annual revenue achieved in FY2023. The Group expects the coming FY2024 annual revenue from the manufacturing segment will be better than FY2023. (page 17 of AR 2023)**

**Is the revenue generated seasonal and if so, which quarter usually registers the highest revenue? What is the outlook for the rest of the year?**

The electronic market, which determines the global demand for our products and services, does not have seasonal fluctuations. However, there are some variations in our business performance due to the changing dynamics of the industry.

The current situation of business relocation from China creates a favourable scenario for us to explore new markets and opportunities. We are pursuing the migration business with determination. We have achieved some positive results in this area. The outlook for the rest of the year of fabrication business is positive, as the demand for customized products and services continues to grow.

- Q7. The Group has faced challenges in securing adequate number of orders from customers to sustain its operations. In view of this, the Group is scaling down its glove-making operation and currently exploring different possibilities for the future direction of the glove business. One option under consideration is leasing out the glove-making facilities to generate rental income. (page 17 of AR 2023)**

**Considering that there is still overcapacity in the rubber glove industry with many players cutting down their production capacity, how feasible is it for the Company to lease out their glove-making facilities?**

The Company has been exploring various options to optimize its glove-making facilities, including leasing out some of its production lines to other manufacturers. However, given the current glove market conditions, this option remain challenging. The rubber glove industry is facing a glut of supply and a decline in demand, which has led to lower prices and margins. Many players have reduced their production capacity or exited the market altogether. In view of this, the demand for leasing glove-making facilities is relatively low, and the Company may not be able to find suitable tenants or negotiate for favourable terms. The Company will continue to monitor the market situation and evaluate other alternatives to improve its operational efficiency and profitability.

- Q8. Two major customers (from Fabrication and automation segment) contributed a sizeable 55% (37% and 18%) of the Group revenue in FY 2023. There is a concentration of customer risk which has worsened as compared to FY 2022 where the same two customers contributed a total of 28% (15% and 13%) of Group revenue. (page 165 of AR 2023)**

**How does the Group mitigate the concentration of customer risk? How and by when the Group targets to eliminate or reduce the concentration risk?**

The Group mitigates the concentration of customer risk by diversifying its portfolio across different sectors, regions and products. The Group also monitors the credit quality and financial performance of its major customers on a regular basis and takes appropriate actions to reduce the exposure or increase the collateral when necessary. The Group targets to eliminate or reduce the concentration risk by expanding its customer base, increasing its cross-selling opportunities and developing new markets.

We aim to diversify our new customers base, and by 2026 we estimate that the 2 major customers will represent 40% of our revenue, down from 55% currently. The rest of our customers will have an average share of about 15%.

## **Corporate Governance Matters**

**Q1. Mr. Choong Lee Aun, the Managing Director of the AT is also an Executive Director of D'nonce Technology Berhad (D'nonce), another public listed company. (page 18 of AR 2023)**

- a) Although D'nonce is AT's associate company, why is there a real need for Mr. Choong to assume a full-time executive position in the company considering that he is already shouldering a heavy responsibility as AT's Managing Director?**

As the Managing Director of AT, Mr. Choong has a significant duty rest on his shoulders. However, he also see a great opportunity and potential in D'nonce, which is why he decided to take on a full-time executive position in the company. D'nonce is an associate company of AT, and they both operate in a similar market and industry.

By taking a more active role in D'nonce, he hopes to create more synergy and collaboration between the two companies are maximized and that the interests of both shareholders are aligned. He is confident that he can manage the responsibilities of both positions effectively and efficiently, as he has a strong and capable team in both companies to support him.

- b) Directors must have the time commitment to carry out their fiduciary responsibilities in the Board. How is Mr. Choong able to manage his time effectively as he has two full-time positions in two public listed companies to manage?**

As a director of two public listed companies, Mr. Choong has to balance his responsibilities and priorities effectively. He manages his time by delegating tasks to his teams, setting clear goals and deadlines, and maintained regular communication and coordination with the other board members and senior management of both companies. He also attends all board meetings and fulfils his fiduciary responsibilities in the best interests of the shareholders. He believes that he has the skills and experience to handle both positions without compromising on quality or performance.



**Q1. What are the assets held for sale of RM18.6 million and why you want to sell it?**

Assets held for sale represent few pieces of industrial lands located in Kamunting, Perak which were acquired by the Group in last 2 years with the initial intention for glove business expansion.

Due to challenging prospects for the glove business, the Group has deferred expansion plan and is now looking for prospective buyers to acquire the lands.

**Q2. The Group is currently in talks with Rieter to finalise the details of additional 16 new card profiles and 3 new flat rod profiles for a new model (Page 12 of Annual Report 2023). How much does this potential order worth and whether the Group secure the order?**

The annual value of the order is estimated to be around RM4.2 million and we are working on the Development PO, which we expect to receive by the beginning of October.