

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of AT Systematization Berhad ("**ATS**" or the "**Company**") will be held at Level 4, Menara Lien Hoe, No. 8 Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 3 June 2016 at 10.30 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolutions with or without any modifications:-

SPECIAL RESOLUTION 1

PROPOSED PAR VALUE REDUCTION INVOLVING THE CANCELLATION OF RM0.07 FROM THE PAR VALUE OF EACH EXISTING ORDINARY SHARE OF RM0.10 EACH IN THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY PURSUANT TO SECTION 64 OF THE COMPANIES ACT, 1965 ("ACT") AND THE PROPOSED REDUCTION OF THE COMPANY'S ENTIRE SHARE PREMIUM ACCOUNT PURSUANT TO SECTIONS 60(2) AND 64 OF THE ACT

"**THAT** subject to the sanction of the High Court of Malaya pursuant to Section 64 of the Act as well as the necessary approvals being obtained from the relevant authorities and parties (if required), approval be and is hereby given for the Company to reduce the Company's issued and paid-up share capital from the Company's existing share capital as at the date of application to the High Court of Malaya comprising of ordinary shares of RM0.10 each in the Company ("**Existing Shares**") to ordinary shares of RM0.03 each in the Company via cancellation of RM0.07 from the existing par value of each Existing Share and that the credit arising from such par value reduction shall be utilised by the Company to be set-off against the Company's accumulated losses and the remaining balance (if any) will be credited to the capital reserve account of the Company which shall then be utilised in a manner to be determined by the board of directors of the Company ("**Board**") at a later date and in the best interest of the Company as permitted by the relevant and applicable laws ("**Proposed Par Value Reduction**");

THAT subject to the sanction of the High Court of Malaya pursuant to Sections 60(2) and 64 of the Act as well as the necessary approvals being obtained from the relevant authorities and parties (if required), approval be and is hereby given for the Company to undertake a proposed reduction of the entire share premium account of the Company and that such credit shall be utilised by the Company to be set-off against the Company's accumulated losses ("**Proposed Share Premium Reduction**");

(The Proposed Par Value Reduction and the Proposed Share Premium Reduction are collectively referred to as the "**Proposed Capital Reorganisation**");

AND THAT the Board be and is hereby authorised to take such steps, execute such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as it may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and/or give effect to the Proposed Capital Reorganisation with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed or permitted by the High Court of Malaya and/or as a consequence of any such requirement or as may be deemed fit, necessary, expedient and/or appropriate and in the best interest of the Company."

**SPECIAL RESOLUTION 2
PROPOSED AMENDMENT**

"**THAT** subject to the passing of Special Resolution 1 above as well as the necessary approvals being obtained from the relevant authorities and parties (if required), approval be and is hereby given for the Company to alter, modify, vary and delete the Memorandum of Association of ATS ("**Proposed Amendment**") in the following manner:-

Existing first sentence of Clause 6 of the Memorandum of Association	Proposed amendment to the first sentence of Clause 6 of the Memorandum of Association
The share capital of the Company is RM100,000,000.00 divided into 1,000,000,000 ordinary shares of RM0.10 each.	The share capital of the Company is RM100,000,000.00 divided into 3,333,333,333 ordinary shares of RM0.03 each.

AND THAT the Board be and is hereby authorised to give effect to the Proposed Amendment and to take all steps and do all acts and things in any manner as they may deem necessary to complete, finalise, implement and give full effect to the Proposed Amendment."

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 759,824,495 NEW ORDINARY SHARES OF RM0.03 EACH IN ATS (AFTER THE PROPOSED PAR VALUE REDUCTION) ("ATS SHARES" OR "SHARES") ("RIGHTS SHARES") TOGETHER WITH UP TO 379,912,247 FREE DETACHABLE WARRANTS IN ATS ("WARRANTS B") ON THE BASIS OF TWO (2) RIGHTS SHARES TOGETHER WITH ONE (1) FREE WARRANT B FOR EVERY TWO (2) EXISTING ATS SHARES HELD BY THE ENTITLED SHAREHOLDERS OF ATS ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

"**THAT** subject to the passing of the Special Resolution 1 and Special Resolution 2 above, the completion of the Proposed Par Value Reduction, the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the admission of the Warrants B to the Official List of the ACE Market of Bursa Securities and the listing and quotation of the Warrants B and new ATS Shares to be issued pursuant to the exercise of the Warrants B and the necessary approvals being obtained from the relevant authorities and parties (if required), approval be and is hereby given for the Company to undertake the Proposed Rights Issue with Warrants as follows:-

- to provisionally issue and allot by way of renounceable rights issue of up to 759,824,495 Rights Shares together with up to 379,912,247 Warrants B to the shareholders of the Company ("**Shareholders**") whose names appear in the Record of Depositors of the Company at the close of business on an entitlement date to be determined by the Board ("**Entitlement Date**") ("**Entitled Shareholders**"), and/or their renouncee(s), on the basis of two (2) Rights Shares together with one (1) free Warrant B for every two (2) ATS Shares held on the Entitlement Date at an issue price to be determined by the Board and on such terms and conditions and in such manner as the Board may determine;
- to enter into and execute the deed poll constituting the Warrants B ("**Deed Poll B**") and to do all acts, deeds and things as the Board may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll B wherein each of the Warrants B will carry the rights to subscribe, subject to any adjustment in accordance with the Deed Poll B to be executed, at any time during the "Exercise Period" as defined in the Deed Poll B, for one (1) new Share at an exercise price to be determined by the Board at a later date and that the Common Seal of the Company be affixed to the Deed Poll B in accordance with the provisions of the Articles of Association of the Company;
- to issue and allot in registered form to the Entitled Shareholders (and/or their renouncee(s), as the case may be) who subscribe for and are allotted the Rights Shares, each Warrant B conferring the right to subscribe for one (1) new ATS Share at an exercise price to be determined by the Board on the Entitlement Date, subject to the provisions for adjustment to the subscription rights attached to the Warrants B in accordance with the provisions of the Deed Poll B;
- to issue and allot such number of additional Warrants B as may be required or permitted to be issued as a result of any adjustments under the provisions of the Deed Poll B ("**Additional Warrants B**") and to adjust from time to time the exercise price of the Warrants B as a consequence of the adjustments under the provisions of the Deed Poll B and/or to effect such modifications, variations and/or amendments as may be imposed, required or permitted by Bursa Securities and any other relevant authorities or parties (if required); and
- to issue and allot such number of new Shares credited as fully paid-up to the holders of the Warrants B upon their exercise of the relevant Warrants B to subscribe for new Shares during the tenure of the Warrants B, and such further new Shares as may be required or permitted to be issued pursuant to the exercise of the Additional Warrants B and such adjustments in accordance with the provisions of the Deed Poll B;

THAT any Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever to the Entitled Shareholders and/or their renouncee(s) shall be made available for excess applications in such manner and to such persons ("**Excess Applicants**") as the Board shall determine at its absolute discretion;

THAT the Rights Shares, Warrants B and new Shares to be issued pursuant to the exercise of the Warrants B and Additional Warrants B (if any) shall be listed on the ACE Market of Bursa Securities;

THAT the proceeds of the Proposed Rights Issue with Warrants be utilised for the purposes as set out in Section 5 of the Circular to Shareholders dated 11 May 2016 and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject (where required) to the approval of the relevant authorities;

THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things, and to execute, enter into, sign, deliver and cause to be delivered for and on behalf of the Company all such transactions, arrangements, agreements and/or documents as it may consider necessary or expedient in order to implement, give full effect to and complete the Proposed Rights Issue with Warrants, with full powers to assent to and accept any condition, modification, variation, arrangement and/or amendment to the terms of the Proposed Rights Issue with Warrants as the Board may deem fit, necessary and/or expedient in the best interests of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the aforesaid conditions, modifications, variations, arrangements and/or amendments and to take all steps as it considers necessary in connection with the Proposed Rights Issue with Warrants in order to implement and give full effect to the Proposed Rights Issue with Warrants;

THAT the Rights Shares shall, upon allotment, issuance and full payment of the issue price of the Rights Shares, rank *pari passu* in all respects with the then existing issued and paid-up ATS Shares, save and except that the holders of such Rights Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of the Rights Shares;

THAT the new ATS Shares to be issued pursuant to the exercise of the Warrants B (or the Additional Warrants B, as the case may be) shall, upon allotment, issuance and full payment of the exercise price of the Warrants B (or the Additional Warrants B, as the case may be), rank *pari passu* in all respects with the then existing issued and paid-up ATS Shares, save and except that the holders of such new ATS Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of such new ATS Shares to be issued pursuant to the exercise of the Warrants B (or the Additional Warrants B, as the case may be);

THAT the Board be and is hereby entitled to deal with all or any of the fractional entitlements of the Rights Shares and the Warrants B arising from the Proposed Rights Issue with Warrants, which are not validly taken up or which are not allotted for any reason whatsoever, in such manner and to such persons as the Board may in its absolute discretion deem fit and in the best interest of the Company (including without limitation to disregard such fractional entitlements altogether);

AND THAT this resolution constitutes specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Rights Shares, Warrants B, Additional Warrants B (if any) and new Shares to be issued pursuant to or in connection with the Proposed Rights Issue with Warrants have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue with Warrants."

BY ORDER OF THE BOARD

**ANGELINA CHEAH GAIK SUAN (MAICSA 7035272)
LEE MEI MEI (MAICSA 7062284)
Company Secretaries**

Penang, Malaysia
11 May 2016

Notes:-

- A member of the Company entitled to attend and vote at the meeting may appoint more than two (2) proxies to attend and vote on the same occasion. A proxy appointed may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. If a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- If the appointer is a corporation, the form of proxy must be under its common seal or under the hand of an officer or attorney duly authorized in writing.
- Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of Central Depositories Act.
- The proxy form must be deposited at the registered office of the Company at Suite S-21-H, 21st Floor, Menara Northam, 55 Jalan Sultan Ahmad Shah, 10050 Penang, at least forty-eight (48) hours before the time fixed for holding the meeting or any adjournment thereof.
- Kindly note that the date of the General Meeting Record of Depositors shall be on 25 May 2016.