

P R O S P E C T U S



## AT SYSTEMATIZATION BERHAD

(Company No. 644800-X)  
(Incorporated in Malaysia under the Companies Act, 1965)

PUBLIC ISSUE OF 50,000,000 NEW ORDINARY SHARES OF RM0.10 EACH AT AN ISSUE PRICE OF RM0.33 PER NEW ORDINARY SHARE PAYABLE IN FULL ON APPLICATION COMPRISING:-

- 5,000,000 NEW ORDINARY SHARES OF RM0.10 EACH AVAILABLE FOR APPLICATION BY THE PUBLIC;
- 35,000,000 NEW ORDINARY SHARES OF RM0.10 EACH BY WAY OF PRIVATE PLACEMENT; AND
- 10,000,000 NEW ORDINARY SHARES OF RM0.10 EACH AVAILABLE FOR APPLICATION BY ELIGIBLE DIRECTORS AND EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF AT SYSTEMATIZATION BERHAD AND ITS SUBSIDIARY COMPANIES

IN CONJUNCTION WITH THE LISTING OF AT SYSTEMATIZATION BERHAD ON THE MESDAQ MARKET OF BURSA MALAYSIA SECURITIES BERHAD (FORMERLY KNOWN AS MALAYSIA SECURITIES EXCHANGE BERHAD)

Adviser, Sponsor, Underwriter and Placement Agent



**OSK SECURITIES BERHAD**

(Company no. 14152-V)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN SECTION 4 HEREOF

THIS PROSPECTUS IS DATED 27 JANUARY 2005

P R O S P E C T U S

A T S Y S T E M A T I Z A T I O N B E R H A D



The products and machineries here belong to ATS



### AT SYSTEMATIZATION BERHAD

(Company No. 644800-X)

Plot 49, Bayan lepas Industrial Zone Phase IV,  
Hilir Sungai Kluang 2, 11900 Bayan Lepas,  
Penang, Malaysia.

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This Prospectus has been seen and approved by the Directors and Promoters of AT Systematization Berhad (644800-X) ("ATS" or "the Company") and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading. Profit and cash flow forecasts have not been included in this Prospectus. Please refer to Section 5.7 of this Prospectus on the disclosure of the appropriate negative statement.

OSK Securities Berhad (14152-V), being the Adviser, Sponsor, Underwriter and Placement Agent acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Public Issue (as hereinafter defined).

The Securities Commission ("SC") and Bursa Malaysia Securities Berhad ("Bursa Securities") have approved the Public Issue, and that the approvals shall not be taken to indicate that the SC and Bursa Securities recommend the Public Issue.

The SC shall not be liable for any non-disclosure on the part of the Company and takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

Bursa Securities shall not be liable for any non-disclosure on the part of the Company and takes no responsibility for the contents of this document, makes no representation as to its correctness or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. Admission to the Official List is not to be taken as an indication of the merits of the invitation, corporation or of its securities.

A copy of this Prospectus has been registered with the SC. A copy of this Prospectus, together with the form of application, has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

#### Characteristics of the MESDAQ Market of Bursa Securities:-

Investors should be aware that MESDAQ is a distinct market from the Main and Second Boards in many respects. In particular, companies listed on MESDAQ are subject to different qualitative and quantitative requirements, which have been primarily designed to accommodate high-growth and/or technology companies. Companies that are listed on MESDAQ may not have an operating history or any profit track record prior to listing. As such, whilst potential investment returns may be relatively high, companies listed on MESDAQ may be of higher investment risk. The regulatory philosophy underlying the MESDAQ Market is that the market should be allowed to determine the merits of the securities/instruments in a particular company. Hence, as with all investments, prospective investors should be aware of all potential risks in investing in such companies and should make the decision to invest after due and careful consideration by referring to, amongst others, the Prospectus, latest financial statements and corporate announcements. In this respect, advice from a securities professional/adviser is strongly recommended.

Securities listing on Bursa Securities are offered to the public premised on full and accurate disclosure of all material information concerning the issue for which any of the persons set out in Section 45 of the Securities Commission Act 1993, e.g. Directors and advisers, are responsible.

**This Prospectus can also be downloaded from Bursa Securities official website at [www.bursamalaysia.com](http://www.bursamalaysia.com)**

**INDICATIVE TIMETABLE**

The indicative timing of events leading up to the listing of and quotation for the Company's entire enlarged issued and paid-up capital on the MESDAQ Market of the Bursa Securities is set out below:-

<b>Event</b>	<b>Indicative Date</b>
Date of Prospectus .....	27 January 2005
Opening of the Application for the Issue Shares.....	27 January 2005
Closing of the Application for the Issue Shares .....	7 February 2005
Tentative Balloting of Applications for the Issue Shares .....	14 February 2005
Tentative Allotment of the Issue Shares .....	18 February 2005
Tentative Listing .....	23 February 2005

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE PUBLIC ISSUE WILL CLOSE AT THE DATE STATED ABOVE OR SUCH LATER DATE AS THE DIRECTORS AND THE UNDERWRITER MAY AGREE.

IN THE EVENT THE CLOSING DATE OF THE APPLICATION IS EXTENDED, THE NOTICE OF THE EXTENSION WILL BE ADVERTISED IN WIDELY CIRCULATED ENGLISH AND BAHASA MALAYSIA NEWSPAPERS PRIOR TO THE ORIGINAL CLOSING DATE OF THE APPLICATION. FOLLOWING THIS, THE DATES FOR THE BALLOTING OF APPLICATION FOR THE ISSUE SHARES, ALLOTMENT OF THE ISSUE SHARES AND LISTING WOULD BE EXTENDED ACCORDINGLY.

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**DEFINITIONS**

Unless otherwise indicated, the following definitions shall apply throughout this Prospectus:-

<b>Acquisitions</b>	: The Acquisition of ATE, Acquisition of ATES, Acquisition of ATP and Acquisition of MTE collectively
<b>Acquisition of ATE</b>	: The acquisition by ATS of the entire issued and paid-up share capital of ATE comprising 1,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM10,807,050 which was fully satisfied by the issuance of 108,070,500 new ATS Shares at an issue price of RM0.10 per ATS Share
<b>Acquisition of ATES</b>	: The acquisition by ATS of the entire issued and paid up share capital of ATES comprising 2 ordinary shares of RM1.00 each in ATES via transfer of ATES shares to ATS which was fully satisfied by the issuance of 20 new ATS Shares at par value to the Vendors of ATES
<b>Acquisition of ATP</b>	: The acquisition by ATS of the entire issued and paid up share capital of ATES comprising 2 ordinary shares of RM1.00 each in ATP via transfer of ATP shares to ATS which was fully satisfied by the issuance of 20 new ATS Shares at par value to the Vendors of ATP
<b>Acquisition of MTE</b>	: The acquisition by ATS of the entire issued and paid-up share capital of MTE comprising 700,000 ordinary shares of RM1.00 each for a purchase consideration of RM1,290,535 which was partly satisfied by the issuance of 6,323,620 new ATS Shares at an issue price of RM0.10 per ATS Share and the remaining RM658,173 in cash
<b>Act</b>	: Companies Act, 1965
<b>ADA</b>	: Authorised Depository Agent
<b>ADA Code</b>	: ADA (Broker) Code
<b>AFTA</b>	: ASEAN Free Trade Area
<b>Articles of Association</b>	: The articles of association of the Company
<b>ASEAN</b>	: Association of South East Asian Nations
<b>ATC</b>	: AT Machinery (Suzhou) Co. Ltd. (Registration no.009382)
<b>ATE</b>	: AT Engineering Sdn. Bhd. (Company no.212428-M)
<b>ATES</b>	: AT Engineering Solution Sdn. Bhd. (Company no.631531-X), formerly known as Alpha Digital Sdn. Bhd.
<b>ATP</b>	: AT Precision Tooling Sdn. Bhd. (Company no.627975-M), formerly known as Probyte Master Sdn. Bhd.
<b>ATS or the Company</b>	: AT Systematization Berhad (Company no.644800-X)
<b>ATS Group or the Group</b>	: ATS and its wholly-owned subsidiary companies comprising ATE, ATC, ATES, ATP and MTE

**DEFINITIONS**

<b>ATS Share(s) or Share(s)</b>	:	Ordinary share(s) of RM0.10 each in the capital of ATS
<b>Audit Committee</b>	:	The audit committee of the Company
<b>Board of Directors or Board</b>	:	The board of directors of ATS
<b>Bursa Depository or Depository</b>	:	Bursa Malaysia Depository Sdn. Bhd. (Company no.165570-W)
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad (Company no.635998-W)
<b>CDS</b>	:	Central Depository System
<b>Central Depositories Act</b>	:	Securities Industry (Central Depositories) Act 1991 and any statutory modification, amendment or re-enactment thereof and any and every other legislation for the time being in force made thereunder
<b>Deposited Security</b>	:	Security, as defined in Section 2 of the Central Depositories Act, standing to the credit of a Securities Account of a Depositor and includes security in a Securities Account that is in suspense subject to the provisions of Central Depositories Act and the Rules
<b>Depositor</b>	:	A holder of a Securities Account
<b>Director(s)</b>	:	The directors for the time being of ATS or their alternates
<b>EPS</b>	:	Earnings per Share
<b>FYE</b>	:	Financial year ending/ended
<b>GDP</b>	:	Gross domestic product
<b>Government</b>	:	The government of Malaysia
<b>LAT</b>	:	Loss after tax
<b>Listing</b>	:	The admission to the official list and listing of and quotation for the entire enlarged issued and paid-up share capital of ATS comprising 167,450,765 ATS Shares on the MESDAQ Market of Bursa Securities
<b>LPS</b>	:	Loss per Share
<b>Market Day</b>	:	A day on which the Mesdaq Market of the Bursa Securities is open for trading in securities
<b>Members</b>	:	Any person/persons for the time being holding shares in the Company and whose names appear in the Company's Register of Members (except the Bursa Depository or its nominee company in whose name the Deposited Security is registered) including Depositors whose names appear on the Record of Depositors in respect of the shares in the Company
<b>MESDAQ MARKET Listing Requirements or MMLR</b>	:	The Listing Requirements of Bursa Securities for the MESDAQ Market

**DEFINITIONS**

<b>MESDAQ Market</b>	:	The MESDAQ Market of Bursa Securities
<b>MIH</b>	:	Malaysian Issuing House Sdn Bhd (258345-X)
<b>MITI</b>	:	Ministry of International Trade and Industry
<b>MNC</b>	:	Multinational company
<b>MTE</b>	:	Miako-Tech Engineering Sdn. Bhd. (Company no.177529-D)
<b>NAV</b>	:	Net asset value
<b>NBV</b>	:	Net Book Value
<b>NDP</b>	:	National Development Policy
<b>Novation of Debt</b>	:	Novation to ATS of RM1,008,673 owed to Beh Lai Lien, Lai Siaw Ling, Wong Pow Keong and Yap Kim Lean by ATE and MTE respectively. This amount was subsequently settled via issuance of 3,056,585 new ATS Shares on the basis of approximately 3.03 ATS Shares for every RM1.00 owed
<b>NTA</b>	:	Net tangible assets
<b>OSK</b>	:	OSK Securities Berhad (14152-V)
<b>PAT</b>	:	Profit after tax
<b>PBT</b>	:	Profit before tax
<b>Pegasus or Promoter</b>	:	Pegasus Options Sdn. Bhd. (Company no. 634302-X)
<b>PE Multiple</b>	:	Price earnings multiple
<b>Pink Form Allocation</b>	:	10,000,000 Issue Shares reserved for subscription by the Directors and eligible employees of ATS and its subsidiaries and persons who have contributed to the success of ATS and its subsidiaries
<b>Prospectus</b>	:	This Prospectus published in respect of this Public Issue
<b>Public Issue</b>	:	The Public Issue of a total of 50,000,000 ATS Shares at an Issue Price of RM0.33 per share, comprising:- <ul style="list-style-type: none"> <li>(i) 5,000,000 Public Issue Shares which will be made available for application by the public;</li> <li>(ii) 35,000,000 Public Issue Shares which will be made available for private placement to identified institutions/investors; and</li> <li>(iii) 10,000,000 Public Issue Shares which will be made available for application by eligible employees, directors and persons who have contributed to the success of the ATS Group.</li> </ul>
<b>Public Issue Price or Issue Price</b>	:	RM0.33 for each Public Issue Share
<b>Public Issue Share(s) or Issue Share(s)</b>	:	The 50,000,000 ATS Shares in the capital of ATS to be issued pursuant to the Public Issue and subject to the terms and conditions of this Prospectus

**DEFINITIONS**

<b>R&amp;D</b>	:	Research & development
<b>Record of Depositors</b>	:	A record provided by the Bursa Depository to the Company or its Registrar or its issuing house under Chapter 24.0 of the Rules
<b>RM and sen</b>	:	Ringgit Malaysia and Sen respectively
<b>Rmb</b>	:	Renminbi
<b>Rules</b>	:	Rules of the Bursa Depository and any appendices thereto, as amended or modified from time to time
<b>SC</b>	:	Securities Commission
<b>Securities</b>	:	Debentures, stocks, shares and other form of convertible securities of the Company and includes any right or option in respect thereof and the meaning assigned to it in the Central Depositories Act
<b>Securities Account</b>	:	An account established by the Depository for a Depositor for the recording of deposit of securities and for dealing in such securities as permitted under the Central Depositories Act and/or the Rules
<b>Shareholder(s)</b>	:	Shareholder(s) of ATS
<b>SME</b>	:	Small and medium enterprises
<b>SMIDEC</b>	:	Small and Medium Industries Development Corporation
<b>Vendor(s) of ATES</b>	:	Lee Lay Hoon and Tan Yeap Soon, for the Acquisition of ATES
<b>Vendor(s) of ATE</b>	:	Pegasus, Beh Lai Lien, Lai Siaw Ling, Wong Pow Keong and Yap Kim Lean, for the Acquisition of ATE
<b>Vendor(s) of MTE</b>	:	ATE, Wong Pow Keong and Yap Kim Lean, for the Acquisition of MTE
<b>Vendor(s) of ATP</b>	:	Lee Lay Hoon and Tan Yeap Soon, for the Acquisition of ATP

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**TECHNICAL DEFINITIONS**

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- Clean Room Class 1** : One of the classifications for Clean Rooms whereby there is no more than one particle equal or greater than 0.5 micron in one cubic foot of air
- Design** : Incorporates system design, engineering design and specifications, software design and specifications, material specifications, and functional specifications. Engineering design and specifications cover mechanical, electrical, electronics, and ergonomics
- Industrial Automation Systems and Machinery or IASM** : A set of machinery and equipment that are integrated to perform a series of manufacturing tasks automatically. The automated system utilises computer software to control and coordinate all the different parts, mechanisms, movements and timing of actions. Part of the automation system may incorporate robotics, vision system, sensors and conveyor transport systems to provide detection and varied movements
- Jigs and Fixtures** : A device to hold and position a workpiece as it guides, controls or limits a cutting tool
- Laser Marking System** : This system is controlled by computer software and is used for marking of electronic products that come in different form or shapes and is equipped with the Vision System
- Machining and Tooling** : A process where machinery or tool is used to form or shape metal or other materials. The process may include milling, drilling, turning and grinding
- Vision System** : An automated system incorporating a camera and sophisticated software for visual detection, such as markings, defects, colour recognition, measurement and co-planarity, that provides feedback to the automation system to activate an action

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