

Unless otherwise stated, all abbreviations contained in this Abridged Prospectus are defined in the "Definitions" section of this Abridged Prospectus.

No securities will be allotted or issued based on this Abridged Prospectus after 6 months from the date of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY. All enquiries concerning the Rights Issue with Warrants, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur (Tel: +603 2783 9299).

This Abridged Prospectus, together with the NPA and RSF (collectively, the "Documents"), will be despatched only to our Entitled Shareholders whose names appear on our Record of Depositors as at 5.00 p.m. on 16 March 2020 at their registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia in writing by 5.00 p.m. on 16 March 2020. The Documents are not intended to (and will not be made to) comply with the laws of any country or jurisdiction other than Malaysia and are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal adviser and other professional advisers as to whether the acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue with Warrants, application for Excess Rights Shares with Warrants C, or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants would result in the contravention of any law of such countries or jurisdictions. We, Mercury Securities and/or the advisers named herein shall not accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of entitlements, application for Excess Rights Shares with Warrants C or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants made by any Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) (if applicable) are residents.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. The SC has not, in any way, considered the merits of this Rights Issue with Warrants. A copy of this Abridged Prospectus, together with the NPA and RSF, has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

Approval for the Rights Issue with Warrants has been obtained from our shareholders at our EGM convened on 10 February 2020. Approval has been obtained from Bursa Securities via its letter dated 20 January 2020 for the admission of the Warrants C to the Official List as well as the listing and quotation of the Rights Shares, Warrants C and the new Shares to be issued upon exercise of the Warrants C on the ACE Market of Bursa Securities (subject to the conditions specified in the said letter), which will commence after, among others, receipt of confirmation from Bursa Depository that all the CDS Accounts of successful Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) (if applicable) have been duly credited with the Rights Shares and Warrants C allotted to them and notices of allotment have been despatched to them. However, such admission, listing and quotation are not an indication that Bursa Securities recommends the Rights Issue with Warrants and are not to be taken as an indication of the merits of the Rights Issue with Warrants.

The SC is not liable for any non-disclosure on the part of the Company and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN SECTION 6 OF THIS ABRIDGED PROSPECTUS.



[Registration No. 200401006297 (644800-X)]

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 997,966,616 NEW ORDINARY SHARES IN ATS ("ATS SHARES" OR "SHARES") ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM0.035 PER RIGHTS SHARE TOGETHER WITH UP TO 748,474,962 FREE DETACHABLE WARRANTS IN ATS ("WARRANTS C") ON THE BASIS OF 4 RIGHTS SHARES TOGETHER WITH 3 FREE WARRANTS C FOR EVERY 2 EXISTING SHARES HELD BY THE ENTITLED SHAREHOLDERS OF THE COMPANY AT 5.00 P.M. ON 16 MARCH 2020

Principal Adviser



MERCURY SECURITIES SDN BHD

[Registration No. 198401000672 (113193-W)]

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date : Monday, 16 March 2020 at 5.00 p.m.

Last date and time for:

Sale of Provisional Allotments : Monday, 23 March 2020 at 5.00 p.m.

Transfer of Provisional Allotments : Wednesday, 25 March 2020 at 4.30 p.m.

Acceptance and payment : Tuesday, 31 March 2020 at 5.00 p.m.

Excess Rights Shares with Warrants Application C and payment : Tuesday, 31 March 2020 at 5.00 p.m.

This Abridged Prospectus is dated 16 March 2020

ALL ABBREVIATIONS AND DEFINED TERMS CONTAINED IN THIS ABRIDGED PROSPECTUS ARE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.

THE DIRECTORS OF THE COMPANY HAVE SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE WITH WARRANTS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THE SAID DOCUMENTATION. HAVING MADE ALL REASONABLE INQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH, IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.

MERCURY SECURITIES, BEING THE PRINCIPAL ADVISER FOR THE RIGHTS ISSUE WITH WARRANTS, ACKNOWLEDGES THAT BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE WITH WARRANTS.

SHAREHOLDERS / INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

INVESTORS SHOULD NOTE THAT THEY MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THE ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THE ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO THE COMPANY.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

THE DISTRIBUTION OF THE ABRIDGED PROSPECTUS, TOGETHER WITH THE NPA AND RSF (COLLECTIVELY, THE "DOCUMENTS") IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:-

2016 Rights Issue	- Rights issue with warrants exercise previously undertaken by the Company, which was completed on 25 October 2016
2017 Private Placement	- Private placement exercise previously undertaken by the Company which involved the issuance of 86,600,000 Shares, which was completed on 17 May 2017
2018 Private Placement	- Private placement exercise previously undertaken by the Company which involved the issuance of 42,189,000 Shares, which was completed on 3 July 2018
Abridged Prospectus	- This abridged prospectus dated 16 March 2020 in relation to the Rights Issue with Warrants
Act	- Companies Act, 2016, as amended from time to time and any re-enactment thereof
ATP	- AT Precision Tooling Sdn Bhd [Registration No. 200301025555 (627975-M)], a wholly-owned subsidiary of the Company
ATS or the Company	- AT Systematization Berhad [Registration No. 200401006297 (644800-X)]
ATS Group or the Group	- Collectively, ATS and its subsidiaries
ATS Shares or Shares	- Ordinary shares in the Company
ATT	- AT Technology Solution Sdn Bhd (formerly known as Fong's & AT Venture Sdn Bhd) [Registration No. 201501000193 (1125525-P)], a wholly-owned subsidiary of ATP
Bloomberg	- Bloomberg Finance Singapore L.P. and its affiliates
BNM	- Bank Negara Malaysia
Board	- Board of Directors of ATS
Bursa Depository	- Bursa Malaysia Depository Sdn Bhd [Registration No. 198701006854 (165570-W)]
Bursa Securities	- Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
By-laws	- The by-laws governing the SIS
CDS	- Central Depository System
CDS Account(s)	- Securities account(s) established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor
CHF	- Swiss francs
Closing Date	- 31 March 2020 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Rights Shares with Warrants C

DEFINITIONS (CONT'D)

CMSA	- Capital Markets and Services Act, 2007, as amended from time to time and any re-enactment thereof
Code	- Malaysian Code on Take-Overs and Mergers, 2016, as amended from time to time and any re-enactment thereof
Constitution	- Constitution / Memorandum and Articles of Association of the Company
Deed Poll B	- Deed poll constituting the Warrants B dated 5 September 2016
Deed Poll C	- Deed poll constituting the Warrants C dated 26 February 2020
Directors	- The directors of the Company
e-NPA	- Electronic NPA
e-RSF	- Electronic RSF
e-Subscription	- Electronic subscription
E&E	- Electrical and electronics
EGM	- Extraordinary general meeting of the Company
Entitled Shareholders	- Shareholders whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date in order to be entitled to participate in the Rights Issue with Warrants
Entitlement Date	- 16 March 2020 at 5.00 p.m., being the date on which the names of Shareholders must appear in the Record of Depositors of the Company in order to be entitled to participate in the Rights Issue with Warrants
EPS	- Earnings per share
Excess Rights Shares with Warrants C	- Rights Shares with Warrants C which are not taken up or not validly taken up by Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) prior to the Closing Date
Excess Rights Shares with Warrants C Application(s)	- Application(s) for additional Rights Shares with Warrants C in excess of the Provisional Allotments
Exercise Period	- Any time within a period of 5 years commencing from and including the date of issue of the Warrants C to the close of business at 5.00 p.m. on the Market Day immediately preceding the date which is the 5th anniversary from the date of issue of the Warrants C. Any Warrants C not exercised during the Exercise Period will thereafter lapse and cease to be valid
Exercise Price	- RM0.035, being the price at which 1 Warrant C is exercisable into 1 new Share, subject to adjustments in accordance with the provisions of the Deed Poll C
FEM	- Fong's Engineering & Manufacturing Pte Ltd (Singapore Registration No. 199501796Z), one of ATP's major customer based in Singapore

DEFINITIONS (CONT'D)

Foreign-Addressed Shareholders	- Shareholders who have not provided to the Company a registered address or an address in Malaysia for the service of documents which will be issued in connection with the Rights Issue with Warrants
FPE	- Financial period ended
FYE	- Financial year ended / ending, as the case may be
GDP	- Gross domestic product
HDD	- Hard disk drives
JVSA	- Joint venture and shareholders' agreement dated 5 November 2014 between ATP and FEM
kW	- Kilowatts
LAT	- Loss after tax
LBT	- Loss before tax
Listing Requirements	- ACE Market Listing Requirements of Bursa Securities, as amended from time to time
LPD	- 17 February 2020, being the latest practicable date prior to the printing of this Abridged Prospectus
LPS	- Loss per share
LTD	- 25 February 2020, being the last trading day prior to the date of fixing the issue price of the Rights Shares and Exercise Price
Market Day	- Any day on which Bursa Securities is open for trading in securities
Maximum Scenario	- Assuming all the Entitled Shareholders and/or their renounee(s) fully subscribe to their entitlements of the Rights Shares with Warrants C
Mercury Securities or the Principal Adviser	- Mercury Securities Sdn Bhd [Registration No. 198401000672 (113193-W)]
Minimum Scenario	- Assuming the Rights Issue with Warrants is undertaken on the Minimum Subscription Level
Minimum Subscription Level	- Minimum subscription level of 257,142,858 Rights Shares together with 192,857,142 Warrants C based on an issue price of RM0.035 per Rights Share to arrive at RM9.0 million
NA	- Net assets
New BPA	- Basic purchase agreement dated 5 July 2019 between ATP and Rieter for the supply and delivery of high-quality machined components such as aluminium profiles by ATP to Rieter, which is effective for a period of 3 years with automatic renewal for a further year
NPA	- Notice of provisional allotment in relation to the Rights Issue with Warrants
Official List	- The official list of the ACE Market of Bursa Securities

DEFINITIONS (CONT'D)

Old BPA	- Basic purchase agreement dated 24 March 2016 between ATT and FEM, which was terminated upon completion of the share purchase agreement dated 5 July 2019 between ATP and FEM for the sale by FEM of its 25% equity interest in ATT to ATP
PAT	- Profit after tax
Provisional Allotments	- The Rights Shares with Warrants C provisionally allotted to Entitled Shareholders
Record of Depositors	- A record of securities holders provided by Bursa Depository under the Rules of Bursa Depository
Registered Entitled Shareholders	- Entitled Shareholders who are the registered user of TIIH Online
Rieter	- Maschinenfabrik Rieter AG (also known as Rieter Machine Works Ltd)
Rieter Group	- Rieter and its subsidiaries
Rights Issue with Warrants	- Renounceable rights issue of up to 997,966,616 Rights Shares together with up to 748,474,962 free detachable Warrants C on the basis of 4 Rights Shares together with 3 free Warrants C for every 2 existing ATS Shares held by the Entitled Shareholders on the Entitlement Date
Rights Shares	- New ATS Shares to be allotted and issued pursuant to the Rights Issue with Warrants
RM and sen	- Ringgit Malaysia and sen respectively
RSF	- Rights subscription form in relation to the Rights Issue with Warrants
Rules of Bursa Depository	- The Rules of Bursa Depository as issued pursuant to the SICDA, as amended from time to time
Rules on Take-Overs, Mergers and Compulsory Acquisitions	- Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC pursuant to Section 377 of the CMSA, as amended from time to time
SC	- Securities Commission Malaysia
sf	- Square feet
Shareholders	- Registered holders of ATS Shares
SICDA	- Securities Industry (Central Depositories) Act, 1991 of Malaysia as amended from time to time and any re-enactment thereof
SIS	- Share issuance scheme of the Company which took effect on 29 October 2015
SIS Options	- Options granted under the SIS pursuant to the By-laws where each option holder can subscribe for 1 new ATS Share for every 1 SIS Option held
TEAP	- Theoretical ex-all price

DEFINITIONS (CONT'D)

TIIH Online	: Tricor's propriety-owned application to facilitate shareholders to subscribe for the Rights Shares with Warrants C provisionally allotted and to apply for Excess Rights Shares with Warrants C electronically
TNB	- Tenaga Nasional Berhad
Tricor or Share Registrar	- Tricor Investor & Issuing House Services Sdn Bhd [197101000970 (11324-H)]
Undertakings	- The written undertakings from the Undertaking Shareholders dated 17 February 2020 pursuant to which the Undertaking Shareholders have irrevocably and unconditionally undertaken, amongst others, to apply and subscribe in full for their entitlement of Rights Shares and additional Rights Shares not taken up by other Entitled Shareholders by way of excess Rights Shares application, to the extent such that the aggregate subscription proceeds of the Rights Shares received by ATS arising from the subscription by all Entitled Shareholders and/or their renouncee(s) amount to not less than RM9.0 million, details of which are set out in Section 3 of this Abridged Prospectus
Undertaking Shareholders	- Collectively, Mr. Mak Siew Wei (Executive Director of ATS) and Asiabio Capital Sdn Bhd (a Shareholder)
US	- United States of America
USD	- United States Dollars
VWAP	- Volume-weighted average market price
Warrants B	- ATS warrants 2016 / 2019 issued by the Company pursuant to the Deed Poll B which have expired on 17 October 2019
Warrants C	- Up to 748,474,962 free detachable warrants in ATS to be allotted and issued pursuant to the Rights Issue with Warrants

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DEFINITIONS (CONT'D)

In this Abridged Prospectus, all references to “the Company” are to ATS and references to “we”, “us”, “our” and “ourselves” are to the Company and, where the context otherwise requires, our subsidiaries. All references to “you” in this Abridged Prospectus are to the Entitled Shareholders.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any discrepancies in the tables included in this Abridged Prospectus between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise stated.

Certain statements in this Abridged Prospectus may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty that the Company’s plans and objectives will be achieved.

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ADVISERS' DIRECTORY

- PRINCIPAL ADVISER** : Mercury Securities Sdn Bhd
L-7-2, No. 2, Jalan Solaris
Solaris Mont' Kiara
50480 Kuala Lumpur, Malaysia
Tel : +603 - 6203 7227
Fax : +603 - 6203 7117
- SOLICITORS FOR THE RIGHTS
ISSUE WITH WARRANTS** : Mah-Kamariyah & Philip Koh
Advocates & Solicitors
3A07, Block B, Phileo Damansara II
15, Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 - 7956 8686
Fax : +603 - 7956 2208
- SHARE REGISTRAR** : Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 - 2783 9299
Fax : +603 - 2783 9222
- AUDITORS AND REPORTING
ACCOUNTANTS** : Ong & Wong Chartered Accountants Malaysia
Unit C-20-5, Block C, 20th Floor
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Wilayah Persekutuan
Tel : +603 - 2161 1000
Fax : +603 - 2166 9131
- STOCK EXCHANGE LISTING** : ACE Market of Bursa Securities

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SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS

This summary of the Rights Issue with Warrants only highlights the key information from other parts of the Abridged Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Abridged Prospectus.

Key information	Summary										
(i) Number of Rights Shares to be issued and basis of allotment	<p>Basis: 4 Rights Shares together with 3 free Warrants C for every 2 existing Shares held by the Entitled Shareholders.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">Minimum Scenario</th> <th style="width: 20%; text-align: center;">Maximum Scenario</th> </tr> </thead> <tbody> <tr> <td>Number of Rights Shares to be issued</td> <td style="text-align: center;">257,142,858</td> <td style="text-align: center;">997,966,616</td> </tr> <tr> <td>Number of Warrants C attached</td> <td style="text-align: center;">192,857,143</td> <td style="text-align: center;">748,474,962</td> </tr> </tbody> </table> <p>The Rights Shares with Warrants C which are not taken up or not validly taken up by the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) prior to the Closing Date shall be made available for Excess Rights Shares with Warrants C Applications. It is the intention of the Board to allot the Excess Rights Shares with Warrants C, if any, in a fair and equitable manner in the following priority:-</p> <ul style="list-style-type: none"> (i) firstly, to minimise the incidence of odd lots; (ii) secondly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants C, taking into consideration their respective shareholdings in the Company as at the Entitlement Date; (iii) thirdly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants C, taking into consideration the quantum of their respective Excess Rights Shares with Warrants C Applications; and (iv) finally, on a pro-rata basis and in board lots, to the transferee(s) and/or renounee(s) who have applied for Excess Rights Shares with Warrants C, taking into consideration the quantum of their respective Excess Rights Shares with Warrants C Applications. <p>The Excess Rights Shares with Warrants C will firstly be allocated to minimise the odd lots (if any) held by each applicant of Excess Rights Shares with Warrants C. Thereafter, the allocation process will perform items (ii), (iii) and (iv) in succession. Any remaining balance of Excess Rights Shares with Warrants C will be allocated by performing the same sequence of allocation i.e. items (ii), (iii) and (iv) again in succession until all Excess Rights Shares with Warrants C are allotted.</p> <p>Please refer to Sections 2.1 & 10.6 of this Abridged Prospectus for further information.</p>			Minimum Scenario	Maximum Scenario	Number of Rights Shares to be issued	257,142,858	997,966,616	Number of Warrants C attached	192,857,143	748,474,962
	Minimum Scenario	Maximum Scenario									
Number of Rights Shares to be issued	257,142,858	997,966,616									
Number of Warrants C attached	192,857,143	748,474,962									
(ii) Price of the Rights Shares	<p>Issue price of the Rights Shares: RM0.035 per Rights Share Exercise Price for the Warrants C: RM0.035 per Warrant C</p> <p>Please refer to Section 2.2 of this Abridged Prospectus for further information.</p>										
(iii) Shareholders' undertaking	<p>Undertaking Shareholders and undertaking amount : Mr. Mak Siew Wei (Executive Director of ATS): RM5.0 million Asiabio Capital Sdn Bhd (a Shareholder): RM4.0 million</p> <p>Minimum Rights Shares to be subscribed for if none of the other Entitled Shareholders and/or their transferees and/or their renounees subscribe for the Rights Shares : 257,142,858 Rights Shares (representing 25.8% of the total number of 997,966,616 Rights Shares available for subscription under the Maximum Scenario)</p> <p>Please refer to Section 3 of this Abridged Prospectus for further information.</p>										

SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS (CONT'D)

Key information	Summary			
(iv) Utilisation of proceeds	The gross proceeds to be raised from the Rights Issue with Warrants will be utilised in the following manner:-			
	Utilisation of proceeds	Expected timeframe for utilisation from completion of the Rights Issue with Warrants	Minimum Scenario RM'000	Maximum Scenario RM'000
	(i) Expansion of production capacity	Within 18 months	9,000	9,000
	(ii) Repayment of bank borrowings	Within 3 months	-	10,728
	(iii) Working capital	Within 24 months	-	14,551
	(iv) Estimated expenses for the Rights Issue with Warrants	Immediate	-	650
	Total		9,000	34,929
	Please refer to Section 5 of this Abridged Prospectus for further information.			
(v) Risk factors	You should consider the following risk factors before subscribing for or investing in the Rights Issue with Warrants:-			
	(i) we are dependent on certain selected industries and key customer;			
	(ii) we are dependent on the performance of the Malaysian manufacturing sector; and			
	(iii) we may not be able to achieve sufficient benefits from the New BPA (further details of which are set out in Section 5(i) of this Abridged Prospectus) to offset the associated costs.			
	Please refer to Section 6 of this Abridged Prospectus for further information.			
(vi) Procedures for acceptance and payment	Acceptance of and payment for the Provisional Allotments allotted to you must be made on the RSF issued together with this Abridged Prospectus and must be completed in accordance with the notes and instructions of the RSF or by way of e-Subscription and must be conformed with the terms and conditions of TIH Online contained therein.			
	The last day, date and time for acceptance of and payment for the Provisional Allotments and the Excess Rights Shares with Warrants is on Monday, 31 March 2020 at 5.00 p.m.			
	Please refer to Section 10 of this Abridged Prospectus for further information.			

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AT SYSTEMATIZATION BERHAD
(644800-X)

[Registration No. 200401006297 (644800-X)]
(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

Registered Office

35, 1st Floor
Jalan Kelisa Emas 1
Taman Kelisa Emas
13700 Seberang Jaya
Penang

16 March 2020

Board of Directors:-

Dato' Nik Ismail Bin Dato' Nik Yusoff (Independent Non-Executive Chairman)
Choong Lee Aun (Managing Director)
Mak Siew Wei (Executive Director)
Dr. Ch'ng Huck Khoon (Independent Non-Executive Director)

To: Entitled Shareholders

Dear Sir / Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 997,966,616 RIGHTS SHARES AT AN ISSUE PRICE OF RM0.035 PER RIGHTS SHARE TOGETHER WITH UP TO 748,474,962 FREE DETACHABLE WARRANTS C ON THE BASIS OF 4 RIGHTS SHARES TOGETHER WITH 3 FREE WARRANTS C FOR EVERY 2 EXISTING SHARES HELD BY THE ENTITLED SHAREHOLDERS AT 5.00 P.M. ON 16 MARCH 2020

1. INTRODUCTION

On 7 January 2020, Mercury Securities had, on behalf of the Board, announced that the Company proposes to undertake the Rights Issue with Warrants.

On 20 January 2020, Mercury Securities had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 20 January 2020 granted its approval for the following:-

- (i) admission of the Warrants C to the Official List;
- (ii) listing and quotation of the Rights Shares and Warrants C; and
- (iii) listing and quotation of the new Shares to be issued arising from the exercise of the Warrants C.

The approval of Bursa Securities for the above is subject to the following conditions:-

Condition	Status of compliance
(i) ATS and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue with Warrants;	To be met
(ii) ATS and Mercury Securities to inform Bursa Securities upon the completion of the Rights Issue with Warrants;	To be met
(iii) ATS to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed; and	To be met
(iv) ATS to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of the Warrants C as at the end of each quarter together with a detailed computation of listing fees payable.	To be met

The Board is pleased to inform that the Shareholders had, during the EGM held on 10 February 2020, approved the Rights Issue with Warrants.

On 26 February 2020, Mercury Securities had, on behalf of the Board, announced that the Board had on even date resolved to fix the issue price of the Rights Shares at RM0.035 per Rights Share as well as the Exercise Price at RM0.035 per Warrant C.

On 27 February 2020, Mercury Securities had, on behalf of the Board, announced that the Entitlement Date for the Rights Issue with Warrants has been fixed at 5.00 p.m. on 16 March 2020.

No person is authorised to give any information or make any representation not contained in this Abridged Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by Mercury Securities or the Company in connection with the Rights Issue with Warrants.

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS WHICH SETS OUT THE DETAILS OF THE RIGHTS ISSUE WITH WARRANTS AND RISK FACTORS ASSOCIATED WITH THE RIGHTS ISSUE WITH WARRANTS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

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2. PARTICULARS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Details of the Rights Issue with Warrants

The Rights Issue with Warrants entails a provisional allotment of up to 997,966,616 Rights Shares together with up to 748,474,962 free Warrants C on a renounceable basis of 4 Rights Shares together with 3 free Warrants C for every 2 existing Shares held by the Entitled Shareholders on the Entitlement Date, at an issue price of RM0.035 per Rights Share.

The actual number of Rights Shares and Warrants C to be issued will depend on the eventual subscription level for the Rights Issue with Warrants. As at the LPD, the Company has 498,983,308 issued Shares.

As the Rights Shares and Warrants C are prescribed securities, the respective CDS Accounts of the Entitled Shareholders will be duly credited with the number of Provisional Allotments they are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. Entitled Shareholders will find the NPA as enclosed in this Abridged Prospectus, notifying Entitled Shareholders of the crediting of such securities into their respective CDS Accounts, and the RSF as enclosed in this Abridged Prospectus, enabling Entitled Shareholders to subscribe for the Provisional Allotments as well as to apply for Excess Rights Shares with Warrants C if Entitled Shareholders so choose to.

An electronic notification on the Rights Issue with Warrants will also be sent to all Registered Entitled Shareholders on the date of despatch of the NPA and RSF. However, only Entitled Shareholders who have an address in Malaysia as stated in our Record of Depositors or who have provided our Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus, together with the NPA and RSF and the electronic notification.

The Warrants C are attached to the Rights Shares without any cost and will be issued only to Entitled Shareholders and/or their transferee(s) and/or their renounee(s) who subscribe for the Rights Shares. The Warrants C are exercisable into new Shares and each Warrant C will entitle its holder to subscribe for 1 new Share at the Exercise Price. The Warrants C will be immediately detached from the Rights Shares upon issuance and traded separately. The Warrants C will be issued in registered form and constituted by the Deed Poll C. The salient terms of the Warrants C are set out in Section 2.5 of this Abridged Prospectus.

Any dealings in the Company's securities will be subject to, amongst others, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares, Warrants C and new Shares to be issued and allotted upon the exercise of the Warrants C will be credited directly into the respective CDS Accounts of successful applicants and holders of Warrants C who exercise their Warrants C (as the case may be). No physical certificates will be issued to the successful applicants of the Rights Shares with Warrants C, nor will any physical share certificates be issued for the new Shares to be issued arising from the exercise of the Warrants C.

The Rights Issue with Warrants is renounceable in full or in part. Accordingly, the Entitled Shareholders may fully or partially renounce their entitlements under the Rights Issue with Warrants. However, the Rights Shares and Warrants C cannot be renounced separately. As such, the Entitled Shareholders who renounce all of their Rights Share entitlements will not be entitled to the Warrants C. If the Entitled Shareholders accept only part of their Rights Share entitlements, they shall be entitled to the Warrants C in proportion to their acceptance of the Rights Share entitlements.

The Rights Shares with Warrants C that are not taken up or not validly taken up by Entitled Shareholders and/or their transferee(s) and/or their renounee(s), if applicable, shall be made available for Excess Rights Shares with Warrants C Applications.

Fractional entitlements arising from the Rights Issue with Warrants, if any, will be disregarded and dealt with by the Board in such manner and on such terms and conditions as the Board in its absolute discretion deems fit or expedient and in the best interests of the Company.

Notices of allotment will be despatched to the successful applicants of the Rights Shares with Warrants C within 8 Market Days from the last date for acceptance and payment of the Rights Shares with Warrants C or such other period as may be prescribed by Bursa Securities.

The Warrants C will be admitted to the Official List and the listing and quotation of the Rights Shares and Warrants C will commence 2 Market Days upon the receipt by Bursa Securities of an application for quotation for these securities as specified under the Listing Requirements, which will include amongst others, confirmation that all notices of allotment have been despatched to the successful applicants, and after receipt of confirmation from Bursa Depository that all CDS Accounts of successful applicants have been duly credited with the Rights Shares and Warrants C.

2.2 Basis of determining the issue price of the Rights Shares and the Exercise Price

Issue price of the Rights Shares

The Board had fixed the issue price of the Rights Shares at RM0.035 per Rights Share after taking into consideration, amongst others, the following:-

- (i) the funding requirements of the Group as set out in Section 5 of this Abridged Prospectus;
- (ii) the TEAP⁽¹⁾ of ATS Shares of RM0.0373, calculated based on the 5-day VWAP of ATS Shares up to and including the LTD of RM0.0454; and
- (iii) the rationale for the Rights Issue with Warrants, as set out in Section 4 of this Abridged Prospectus.

The issue price of RM0.035 per Rights Share represents a discount of approximately 6.17% to the TEAP of ATS Shares of RM0.0373, calculated based on the 5-day VWAP of ATS Shares up to and including the LTD of RM0.0454.

Note:-

- (1) TEAP is computed as follows:-

$$\text{TEAP} = \frac{(A \times X) + (B \times Y) + (C \times Z)}{A + B + C}$$

where:-

- A = Number of Rights Shares
- B = Number of Warrants C
- C = Number of existing Shares
- X = Issue price of the Rights Shares
- Y = Exercise Price
- Z = 5-day VWAP of ATS Shares up to and including the LTD

and the ratio of A:B:C is 4:3:2, in accordance with the entitlement basis of 4 Rights Shares together with 3 free Warrants C for every 2 existing Shares held.

Exercise Price

The Board had fixed the Exercise Price at RM0.035 per Warrant C after taking into consideration, amongst others, the TEAP of ATS Shares based on the 5-day VWAP of ATS Shares up to and including the LTD of RM0.0454.

The Exercise Price represents a discount of approximately 6.17% to the TEAP of ATS Shares of RM0.0373, calculated based on the 5-day VWAP of ATS Shares up to and including the LTD of RM0.0454.

2.3 Ranking of the Rights Shares and new Shares to be issued arising from the exercise of the Warrants C

(i) Rights Shares

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 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 the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such Rights Shares.

(ii) New Shares to be issued arising from the exercise of the Warrants C

The new Shares to be issued arising from the exercise of the Warrants C shall, upon allotment, issuance and full payment of the Exercise Price, rank *pari passu* in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares.

2.4 Last date and time for acceptance and payment

The Closing Date is 5.00 p.m. on **Tuesday, 31 March 2020**.

2.5 Salient terms of the Warrants C

Issuer	:	ATS
Issue size	:	Up to 748,474,962 Warrants C to be issued pursuant to the Rights Issue with Warrants.
Form and detachability	:	The Warrants C will be issued in registered form and constituted by the Deed Poll C. The Warrants C which are to be issued with the Rights Shares will immediately be detached from the Rights Shares upon allotment and issuance and will be traded separately on Bursa Securities.
Board lot	:	For the purpose of trading on Bursa Securities, a board lot of Warrants C shall be 100 units of Warrants C, or unless otherwise revised by the relevant authorities.
Tenure	:	5 years commencing on and including the date of issuance of the Warrants C.

- Exercise Period : The Warrants C may be exercised during the Exercise Period i.e. at any time within a period of 5 years commencing from and including the date of issuance of the Warrants C to the close of business at 5.00 p.m. on the Market Day immediately preceding the date which is the 5th anniversary from the date of issuance of the Warrants C. Any Warrants C not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.
- Exercise Price : The Exercise Price is RM0.035 per Warrant C. The Exercise Price and/or the number of Warrants C in issue during the Exercise Period shall however be subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll C.
- Subscription rights : Each Warrant C shall entitle its registered holder to subscribe for 1 new Share at any time during the Exercise Period at the Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll C.
- Mode of exercise : The holders of Warrants C are required to lodge a subscription form with the Share Registrar, duly completed, signed and stamped or to lodge the subscription form electronically at the website of the Share Registrar. Payment of the subscription moneys must be made in Ringgit Malaysia by banker's draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia in favour of "**ATS Warrants C Account**" or by way of internet bank transfer to "**ATS Warrants C Account**" or via online payment gateway for the electronic subscription form lodged for the full amount of the subscription moneys payable in respect of the New Shares in respect of which the subscription rights are exercised.
- Adjustments to the Exercise Price and/or the number of Warrants C : Subject to the provisions of the Deed Poll C, the Exercise Price and/or the number of unexercised Warrants C in issue may be subject to adjustments by the Board in consultation with an approved adviser appointed by the Company or the auditors in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants C, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the provisions of the Deed Poll C.
- Rights of the Warrant C holders : The Warrants C do not confer on their holders any voting rights or any right to participate in any form of distribution and/or offer of further securities in the Company until and unless such holders of Warrants C exercise their Warrants C for new Shares in accordance with the provisions of the Deed Poll C and such new Shares have been allotted and issued to such holders.

- Ranking of the new Shares to be issued pursuant to the exercise of the Warrants C : The new Shares to be issued arising from the exercise of the Warrants C in accordance with the provisions of the Deed Poll C shall, upon allotment, issuance and full payment of the Exercise Price, rank *pari passu* in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares arising from the exercise of the Warrants C.
- Rights of the Warrant C holders in the event of winding up, liquidation, compromise and/or arrangement : Where a resolution has been passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with 1 or more companies, then:-
- (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the holders of Warrants C (or some other persons designated by them for such purpose by special resolution) shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the holders of the Warrants C; and
- (ii) in any other cases, every Warrant C holder shall be entitled to exercise his / her Warrants C at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of the Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement, whereupon the Company shall allot the relevant new Shares to the Warrant C holder credited as fully paid subject to the prevailing laws, and such Warrant C holder shall be entitled to receive out of the assets of the Company which would be available in liquidation if he / she had on such date been the holder of the new Shares to which he / she would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all subscription rights of the Warrants C shall lapse and cease to be valid for any purpose.
- Modification of rights of Warrant C holders : Save as otherwise provided in the Deed Poll C, a special resolution of the Warrant C holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrant C holders.

Modification of Deed Poll C : Any modification to the terms and conditions of the Deed Poll C may be effected only by a further deed poll, executed by the Company and expressed to be supplemental to the Deed Poll C. Any of such modification shall however be subjected to the approval of Bursa Securities (if so required).

No amendment or addition may be made to the provisions of the Deed Poll C without the sanction of a special resolution unless the amendments or additions are required to correct any typographical errors or relate purely to administrative matters or are required to comply with any provisions of the prevailing laws or regulations of Malaysia or in the opinion of the Company, will not be materially prejudicial to the interests of the Warrant C holders.

Listing : The Warrants C will be listed and traded on the ACE Market of Bursa Securities. The listing and quotation of the Warrants C on the ACE Market of Bursa Securities is subject to a minimum of 100 holders of Warrants C.

Transferability : The Warrants C shall be transferable in the manner provided under the SICDA and the Rules of Bursa Depository.

Deed Poll C : The Warrants C shall be constituted by the Deed Poll C.

Governing laws : The Warrants C and the Deed Poll C shall be governed by the laws and regulations of Malaysia.

2.6 Details of other corporate exercises

As at the date of this Abridged Prospectus, save for the Rights Issue with Warrants, the Board confirmed that there are no other corporate exercises which have been approved by the regulatory authorities but are pending completion.

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3. MINIMUM SUBSCRIPTION LEVEL AND SHAREHOLDERS' UNDERTAKING

ATS intends to raise a minimum of RM9.0 million from the Rights Issue with Warrants to meet the funding requirements of the Group, which will be channelled towards the utilisation as set out in Section 5 of this Abridged Prospectus.

In view of the above, the Board has determined to undertake the Rights Issue with Warrants on the Minimum Subscription Level.

To meet the Minimum Subscription Level, the Company has procured the Undertakings from the Undertaking Shareholders. Details of the Undertakings are as follows:-

Undertaking Shareholders	Existing direct shareholdings as at the LPD		Minimum Rights Shares to be subscribed for pursuant to the Undertakings			Assuming none of the other Entitled Shareholders subscribe for their Rights Shares	
	No. of Shares	(1)%	Subscription based on entitlement	Subscription based on excess application	(2)Total	No. of Shares held after the Rights Issue with Warrants	(3)%
Mak Siew Wei	1,845,666	0.37	3,691,332	139,165,811	142,857,143	144,702,809	19.14
Asiabio Capital Sdn Bhd	22,694,000	4.55	45,388,000	68,897,715	114,285,715	136,979,715	18.12

Notes:-

(1) Based on the issued share capital of 498,983,308 Shares as at the LPD.

(2) Based on issue price of RM0.035 per Rights Share.

(3) Based on the enlarged share capital of 756,126,166 Shares under the Minimum Scenario.

Pursuant to the Undertakings, the Undertaking Shareholders have:-

- (i) irrevocably and unconditionally warranted that they shall not sell or in any other way dispose of or transfer their existing interest in the Company or any part thereof during the period commencing from the date of the Undertakings up to the Entitlement Date; and
- (ii) confirmed that they have sufficient financial means and resources to fulfil their obligations under the Undertakings.

Mercury Securities has verified the sufficiency of financial resources of the Undertaking Shareholders for the purpose of subscribing for the Rights Shares and excess Rights Shares pursuant to the Undertakings.

The Undertaking Shareholders have confirmed that their subscription for Rights Shares and excess Rights Shares pursuant to the Undertakings will not give rise to any mandatory take-over offer obligation under the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions immediately after the completion of the Rights Issue with Warrants.

In the event that the Undertaking Shareholders trigger the obligation to undertake a mandatory take-over offer under the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions pursuant to the Undertakings, a separate announcement will be made. Nonetheless, the Undertaking Shareholders have confirmed that they will at all times observe and ensure compliance with the provisions of the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions and will seek from the SC the necessary exemptions from undertaking such mandatory take-over offer, if required.

As the Minimum Subscription Level will be fully satisfied via the Undertakings, the Company will not procure any underwriting arrangement for the remaining Rights Shares not subscribed for by other Entitled Shareholders.

The Undertakings are not expected to result in any breach in the public shareholding spread requirement by the Company under Rule 8.02(1) of the Listing Requirements, which stipulates that a listed corporation must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders. As at the LPD, the Company does not hold any treasury shares.

The pro forma public shareholding spread under the Minimum Scenario is illustrated as follows:-

Particulars	As at the LPD		(I) After the Rights Issue with Warrants		(II) After (I) and assuming full exercise of the Warrants C	
	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(3)%
	Issued share capital	498,983,308	100.00	756,126,166	100.00	948,983,309
<u>Less:</u> Directors, substantial shareholders and their associates	⁽⁴⁾ 1,845,666	0.37	⁽⁴⁾ 328,877,357	43.50	521,734,500	54.98
Public shareholding spread	497,137,642	99.63	427,248,809	56.50	427,248,809	45.02

Notes:-

- (1) Based on the issued share capital of 498,983,308 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 756,126,166 Shares pursuant to the Undertakings.
- (3) Based on the enlarged issued share capital of 948,983,309 Shares assuming full exercise of the Warrants C.
- (4) As at the LPD, Asiabio Capital Sdn Bhd is not a substantial Shareholder. However, it will become a substantial Shareholder after the Rights Issue with Warrants following its subscription of 114,285,715 Rights Shares pursuant to the Undertaking.

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4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

The Rights Issue with Warrants will enable the Company to raise funds and channel them towards the utilisation as set out in Section 5 of this Abridged Prospectus.

After due consideration of the various options available, the Board is of the opinion that the Rights Issue with Warrants is the most suitable means of fund raising for the Company for the following reasons:-

- (i) it will involve the issuance of new ATS Shares without diluting the Entitled Shareholders' shareholdings provided that they subscribe in full for their respective entitlements under the Rights Issue with Warrants and exercise their Warrants C subsequently;
- (ii) it provides an opportunity for the Entitled Shareholders to participate in the equity offering of the Company on a pro-rata basis; and
- (iii) it will enable the Company to raise the requisite funds without incurring additional interest expense from bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs.

The free Warrants C which are attached to the Rights Shares are intended to provide an added incentive to the Entitled Shareholders to subscribe for the Rights Shares. In addition, the free Warrants C will provide the Entitled Shareholders with an opportunity to increase their equity participation in the Company at a pre-determined exercise price during the tenure of the Warrants C and will allow the Entitled Shareholders to further participate in the future growth of the Company as and when the Warrants C are exercised.

The exercise of the Warrants C in the future will allow the Company to obtain additional funds without incurring additional interest expenses from borrowings. Furthermore, should the Company increase its borrowings in the future, the exercise of Warrants C will increase Shareholders' funds and lower the Company's gearing, thereby providing the Company with flexibility in terms of the options available to meet its funding requirements.

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5. UTILISATION OF PROCEEDS

In the Company's circular to Shareholders dated 23 January 2020, it was disclosed that the Rights Issue with Warrants will raise gross proceeds of RM24.9 million under the Maximum Scenario, based on an illustrative issue price of RM0.025 per Rights Share.

Subsequently, on 26 February 2020, the Board had resolved to fix the issue price at RM0.035 per Rights Share after taking into consideration, amongst others, the factors set out in Section 2.2 of this Abridged Prospectus.

Arising from the above, the additional proceeds of RM10.0 million under the Maximum Scenario will be allocated for the working capital of the Group, further details of which are set out in Section 5(iii) below.

Hence, based on the issue price of RM0.035 per Rights Share, the gross proceeds to be raised from the Rights Issue with Warrants are intended to be utilised in the following manner:-

Utilisation of proceeds	Expected timeframe for utilisation from completion of the Rights Issue with Warrants	⁽¹⁾ Minimum Scenario		Maximum Scenario	
		RM'000	%	RM'000	%
(i) Expansion of production capacity	Within 18 months	9,000	100.0	9,000	25.8
(ii) Repayment of bank borrowings	Within 3 months	-	-	10,728	30.7
(iii) Working capital	Within 24 months	-	-	14,551	41.6
(iv) Estimated expenses for the Rights Issue with Warrants	Immediate	⁽²⁾ -	-	650	1.9
Total		9,000	100.0	34,929	100.0

Notes:-

(1) Any additional proceeds raised in excess of the RM9.0 million under the Minimum Scenario will be allocated up to its respective maximum allocation under the Maximum Scenario in the following order:-

- (i) estimated expenses for the Rights Issue with Warrants;
- (ii) repayment of bank borrowings; and
- (iii) working capital.

(2) Under the Minimum Scenario, the expenses for the Rights Issue with Warrants shall be funded via internally generated funds.

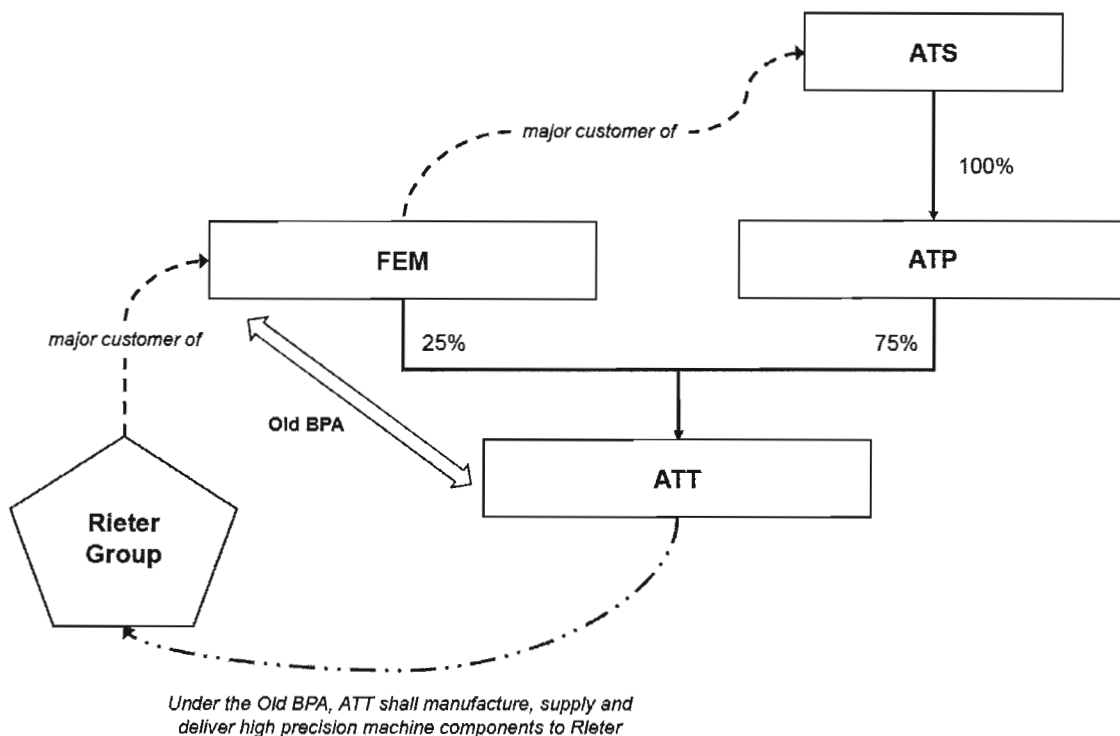
Pending the utilisation of the proceeds from the Rights Issue with Warrants as and when they may be utilised, the unutilised proceeds shall be placed in interest-bearing deposits and/or money market financial instruments.

(i) Expansion of production capacity

In January 2015, ATT was incorporated as a joint venture company between ATP and FEM (one of ATP's major customer) pursuant to the JVSA. ATT was 75%-owned by ATP and 25%-owned by FEM.

In March 2016, ATT had entered into the Old BPA with FEM for the manufacture, supply and delivery of high precision machine components such as aluminium profiles to the Rieter Group (one of FEM's major customer) in accordance with the specifications set out in the Old BPA.

The relationship between the relevant parties under the Old BPA is illustrated below:-



Subsequently, the Group had utilised proceeds of RM8.0 million raised from the 2016 Rights Issue to finance the acquisition of specialised machineries to manufacture components that meet the specifications set out in the Old BPA. These machineries were acquired in October 2016.

On 5 July 2019:-

- (a) ATP had entered into a share purchase agreement ("**SPA**") with FEM to acquire the remaining 25% equity interest in ATT from FEM for a purchase consideration of RM1.00 ("**Acquisition**"). In addition, the JVSA and the Old BPA shall be terminated with effect from the completion of the Acquisition ("**Terminations**").

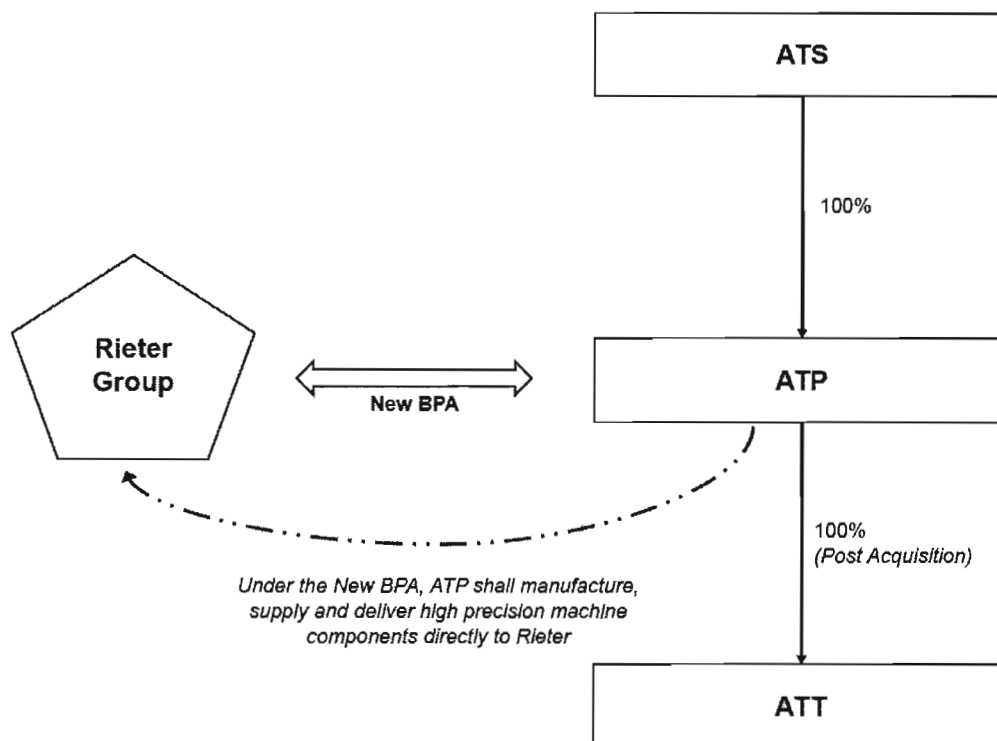
The Acquisition was completed on 18 July 2019 and the Terminations were deemed effective on the same day.

- (b) ATP had entered into the New BPA with Rieter for the manufacture and supply of high precision machine components to the Rieter Group.

The Acquisition and Terminations were undertaken pursuant to FEM's intention to exit its involvement in ATT, which specialises in textile machining parts, in order for FEM to focus on its core speciality of medical machining parts.

Meanwhile, the New BPA allows ATP to have a direct supply arrangement with Rieter instead of going through FEM.

The relationship between the relevant parties under the New BPA is illustrated below:-



This direct arrangement with the Rieter Group is expected to facilitate better communication and faster delivery of products to Rieter as compared to the previous arrangement under the Old BPA which involved ATT and FEM. In turn, this will help to promote smoother operations and foster closer business relationship with Rieter.

With the machineries that were acquired earlier in October 2016, the Group currently has the capacity to produce 110 tonnes of aluminium profiles per annum in accordance with the specifications set out in the New BPA. However, under the New BPA, Rieter has indicated its forecasted annual requirement⁽¹⁾ of 350 to 400 tonnes⁽²⁾ of aluminium profiles commencing from the beginning of the calendar year 2020.

Notes:-

- (1) The forecasted annual requirement is on a rolling basis every year i.e. at the end of each calendar year, Rieter will provide the forecasted annual requirement for the following year to ATP.
- (2) As this is only a forecast, Rieter is not obliged to purchase such amount under the New BPA. In this regard, we wish to highlight the risk that the actual sales order by Rieter may be lesser than anticipated. In such event, the Group's earnings would be affected.

Notwithstanding the above, we wish to highlight that the usage of these specialised machineries is not solely limited to producing a specific type of aluminium profile for Rieter only. These machineries can also be used to manufacture other aluminium profile with customised specifications depending on the customer's desired usage. These customers may include those from the semi-conductor, medical and O&G industries, amongst others.

As such, in the event of prolonged undercapacity, the Group may explore utilising these specialised machineries to produce other types of products for other customers. For information, the machineries that were acquired earlier in October 2016 have been utilised by the Group to produce other types of products for other customers during periods of undercapacity.

As such, in order to meet the forecasted annual requirement from Rieter, the Group intends to utilise proceeds of RM9.0 million to finance the expansion of its production capacity in the following manner:-

	Purpose	Description	RM'000
(i)	Acquisition of specialised machineries ⁽³⁾	Costs to acquire and install 4 specialised machineries with the capability of manufacturing high precision machine components in accordance with the specifications set out in the New BPA	(1)(2)4,770
(ii)	Operating expenses ⁽⁴⁾	Purchases of raw materials such as aluminium, sub-contractor costs, labour costs, transportation costs and utilities	4,230
			9,000

Notes:-

(1) Estimated based on quotations obtained by the Group:-

Machineries	Quantity	Cost per unit	Total
		RM'000	RM'000
Double column machining center	2	1,550	3,100
Computer numerical control milling machine	1	1,080	1,080
Computer numerical control milling machine with rotary table	1	590	590
Total			4,770

Any excess proceeds will be reallocated for operating expenses. Likewise, any shortfall will be funded from the portion allocated for operating expenses.

(2) The Group may proceed to acquire the specialised machineries via a combination of hire purchase financing and internally generated funds even before it has received the proceeds from the Rights Issue with Warrants.

In such an event, once the Group has received the proceeds from the Rights Issue with Warrants, such proceeds will be used to repay any hire purchase financing drawn down as well as replenish any internally generated funds used for the purpose of acquiring the specialised machineries.

As at the LPD, one of the machineries (computer numerical control milling machine) has been acquired in November 2019 for RM1.08 million via hire purchase financing. The hire purchase financing incurs an effective interest rate of 3.40% and has a tenure of 4 years. The said machinery has since commenced operation in December 2019.

(3) The specialised machineries will be installed at the Group's existing factory in Plot 49, Bayan Lepas Industrial Park. The complete set of machineries are expected to be acquired and commence production progressively by the second quarter of 2020.

- (4) The Group has forecasted an annual operating expenditure of RM3.56 million arising from the New BPA. In this regard, the allocated proceeds of RM4.23 million is estimated to last for approximately 14 months. Once the RM4.23 million allocated for operating expenses has been fully utilised, the operating expenses are expected to be funded via internally generated funds from the New BPA as well as trade financing facilities to be obtained.

With the new machineries to be acquired, coupled with the existing machineries, the Group would have a total capacity to produce 400 tonnes of aluminium profiles per annum in accordance with the specifications set out in the New BPA. This would be sufficient to meet Rieter's forecasted annual requirement of high precision machine components pursuant to the New BPA.

Moreover, the New BPA includes an exclusivity clause whereby ATP undertakes to supply high precision machine components exclusively to the Rieter Group for a period of 10 years from its first delivery to the Rieter Group⁽¹⁾. Notwithstanding that, the New BPA does not have a corresponding exclusivity clause on the Rieter Group and as such, the Rieter Group may source for high precision machine components from other suppliers.

Note:-

- (1) Under the New BPA, the first delivery has been undertaken on 15 January 2020. In view thereof, the exclusivity period should end on 15 January 2030.

(ii) Repayment of bank borrowings

As at the LPD, the total outstanding principal amount of the Group's bank borrowings stood at approximately RM12.1 million (excluding overdraft of RM0.3 million and hire purchase facilities of RM3.1 million).

The Group intends to utilise proceeds of up to approximately RM10.7 million towards the repayment of the following bank borrowings:-

Maximum Scenario

Name of bank	Facility	Outstanding principal amount as at the LPD RM'000	Repayment amount RM'000	Estimated annual interest savings RM'000
CIMB Bank Berhad	Term Loan 1 ⁽¹⁾	6,223	6,223 ⁽⁴⁾	317 ⁽⁵⁾
CIMB Bank Berhad	Term Loan 2 ⁽²⁾	2,773	2,773 ⁽⁴⁾	144 ⁽⁶⁾
CIMB Bank Berhad	Term Loan 3 ⁽³⁾	1,732	1,732 ⁽⁴⁾	81 ⁽⁷⁾
Total		10,728	10,728	542

Notes:-

- (1) This term loan was drawn down in August 2018 by AT Engineering Solution Sdn Bhd (a wholly-owned subsidiary of the Company) to part-finance the expansion of production space in relation to the setting up of a new production line in the fabrication of sheet metal. This term loan has a tenure of 10 years.

- (2) This term loan was drawn down in December 2016 by ATP to finance tooling and maintenance costs for its existing machineries and equipment as well as to part-finance the construction costs for its 300kW solar photovoltaic plant. This term loan has a tenure of 10 years.
- (3) This term loan was drawn down in December 2016 by ATP to finance its working capital. This term loan has a tenure of 15 years.
- (4) Under the Maximum Scenario, the Group intends to allocate proceeds of up to RM10.7 million to fully repay these term loans. However, as these term loans are subject to monthly repayments, the outstanding principal amount at the point of repayment may be lower than the current amount as at the LPD. In this event, any surplus proceeds following full repayment of these term loans shall be reallocated for working capital purposes.
- (5) Based on an effective interest rate of 5.10% per annum.
- (6) Based on an effective interest rate of 5.20% per annum.
- (7) Based on an effective interest rate of 4.70% per annum.

(iii) Working capital

As at the LPD, the Group's cash and bank balances stood at RM1.67 million.

Moving forward, taking into consideration the anticipated increase in business activity in tandem with the growth of the Group's business, the Group expects its working capital requirements to increase further.

As such, the Group intends to utilise the balance of the proceeds for working capital purposes in the following manner:-

Utilisation	Percentage allocation %	Maximum Scenario RM'000
Day-to-day operating expenses ⁽¹⁾ including material costs, subcontractor costs, tooling costs and factory overheads	60	8,731
Administrative expenses ⁽¹⁾ including staff remuneration, marketing costs, transportation costs, professional fees for consultants and solicitors, secretarial fees and audit fees	40	5,820
Total	100	14,551

Note:-

- (1) The actual breakdown of these expenses cannot be determined at this juncture as it will depend on the actual operating and administrative requirements of the Group at the relevant time.

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(iv) Estimated expenses for the Rights Issue with Warrants

The breakdown of the estimated expenses for the Rights Issue with Warrants is illustrated below:-

Estimated expenses	RM'000
Professional fees	500
Fees to relevant authorities	60
Printing, despatch and advertising expenses	50
Miscellaneous charges	40
Total	650

The actual gross proceeds to be raised from the Rights Issue with Warrants will depend on the actual number of Rights Shares that will be issued as well as the issue price of the Rights Shares, which shall be determined in due course.

The exact quantum of proceeds that may be raised by the Company from the exercise of the Warrants C would depend on the actual number of Warrants C exercised. The proceeds from the exercise of the Warrants C will be received on an "as and when basis" over the tenure of the Warrants C.

Strictly for illustrative purposes, based on the exercise price of RM0.035 per Warrant C, the Company will raise gross proceeds of up to approximately RM26.20 million upon full exercise of the Warrants C under the Maximum Scenario. Any proceeds arising from the exercise of the Warrants C in the future will be used to finance future working capital requirements including payment of salaries to staff of the Group, operating expenses and administrative expenses such as utilities, rental costs, transportation costs, marketing costs and other miscellaneous items. The exact breakdown cannot be determined at this juncture and would depend on the actual requirements at the relevant time.

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6. RISK FACTORS

You should carefully consider, in addition to the other information contained in this Abridged Prospectus, the following risk factors before subscribing for or investing in the Rights Issue with Warrants:-

6.1 Risks relating to the Group

6.1.1 Dependency on selected industries and key customer

The Group designs and manufactures precision components and fabricates precision tools, moulds, dies, jigs and fixtures for use in precision engineering applications primarily for the semiconductor and HDD industries.

For the 9-month FPE 31 December 2019, customers from the semiconductor and HDD industries contributed 51.2% and 22.2% of the Group's total revenue respectively. Moreover, the revenue contribution from the HDD industry was contributed by a single customer.

Any adverse development in the semiconductor or HDD industries, or any adverse development in our relationship with the key customer or the business performance of the key customer, may adversely affect the Group's revenue and earnings.

6.1.2 Dependency on the performance of the Malaysian manufacturing sector

The Group is principally involved in the fabrication of industrial and engineering parts as well as the design and manufacturing of industrial automation systems. Apart from mainly the HDD and semiconductor industries, the Group's customers also comprise manufacturers involved in other various segments of the Malaysian manufacturing sector.

Thus, the Group's business is dependent on the performance of the manufacturing sector in Malaysia. In turn, the performance of the Malaysian manufacturing sector is dependent on several key factors such as economic growth, government policies on taxes and international trade, exchange rate movements and costs of raw materials as well as labour. Further details on the industry overview and prospects of the manufacturing sector in Malaysia are set out in Section 7.2 of this Abridged Prospectus.

Any deterioration in the performance of the Malaysian manufacturing sector may have an adverse effect on the performance of the Group's business. In particular, the ongoing trade war and technology dispute between the US and China as well as the outbreak of coronavirus has impacted global trade, and such effects may trickle down to either benefit or adversely affect the performance of the Malaysian manufacturing sector.

6.1.3 Inability to achieve sufficient benefits from the New BPA

As set out in Section 5(i) of this Abridged Prospectus, the Group has entered into the New BPA with Rieter for the manufacture and supply of high precision machine components to the Rieter Group. Part of the proceeds to be raised from the Rights Issue with Warrants are intended to be utilised towards the expansion of the Group's production capacity to meet Rieter's forecasted annual requirement of aluminium profiles under the New BPA.

There is no assurance that the anticipated benefits arising from the New BPA such as increased revenue and earnings will be sufficient to offset the costs associated with the expansion of the Group's production capacity, which includes the cost to acquire certain specialised machineries, as well as other resources and manpower that the Group has and will continue to commit to service Rieter during the tenure of the New BPA.

As set out in Section 5(i) of this Abridged Prospectus, the expansion of production capacity is expected to allow the Group to produce 400 tonnes of aluminium profiles per annum, thus being sufficient to meet Rieter's forecasted annual requirement of 350 to 400 tonnes of aluminium profiles under the New BPA. However, as the annual requirement indicated by Rieter is only a forecast, Rieter is not obliged to purchase such amount under the New BPA.

Moreover, while the New BPA includes an exclusivity clause whereby ATP undertakes to supply high precision machine components exclusively to the Rieter Group for a period of 10 years from its first delivery to the Rieter Group, the New BPA does not have a corresponding exclusivity clause on the Rieter Group. As such, the Rieter Group may source for high precision machine components from other suppliers.

In this regard, there is a possibility that the actual sales order by Rieter may be lesser than anticipated and not sufficient to cover the associated costs to expand the Group's production capacity. In such event, the Group's revenue and earnings would be adversely affected.

As set out in Section 5(i) of this Abridged Prospectus, the specialised machineries can also be used to manufacture other types of products instead of solely limited to producing a specific type of aluminium profile for Rieter only. However, there is no assurance that the Group will be able to utilise the specialised machineries sufficiently to generate enough profits to cover the associated costs in the event of prolonged undercapacity where the actual sales order by Rieter is lesser than anticipated.

6.2 Risks relating to the Rights Issue with Warrants

6.2.1 Failure or delay in the completion of the Rights Issue with Warrants

The Rights Issue with Warrants may be terminated or delayed in the event of a material adverse change of events or circumstances (such as force majeure events including without limitation, acts of government, natural disasters including without limitation the occurrence of a tsunami and/or earthquakes, acts of terrorism, strikes, national disorder, declaration of a state of war or accidents, or any change in law, regulation, policy or ruling), which is beyond the control of the Group and the Principal Adviser, arising prior to the completion of the Rights Issue with Warrants.

There can be no assurance that the abovementioned factors or events will not cause a failure or delay in the completion of the Rights Issue with Warrants. In the event the Rights Shares have been allotted to the successful Entitled Shareholders and/or their renounee(s) and/or their transferee(s), if applicable, and the Rights Issue with Warrants is subsequently cancelled or terminated other than due to a stop order issued by the SC pursuant to Section 245 of the CMSA, a return of monies to the successful applicants can only be achieved by way of cancellation of share capital under the Act. Such cancellation may require the approval of the shareholders by way of a special resolution in a general meeting, consent of the Company's creditors (where applicable) and either the confirmation of the High Court of Malaya or a solvency statement by the Board. There can be no assurance that such monies can be returned within a short period of time under such circumstances.

In the event the Rights Issue with Warrants cannot be implemented or completed for any reason, the Company will undertake the necessary procedures to ensure the refund of monies is made in full without interest in respect of any application for the subscription of the Rights Shares with Warrants C including the Excess Rights Shares with Warrants C within 14 days after the Company becomes liable to do so, in accordance with the relevant provisions of the CMSA. If such monies are not repaid within 14 days after the Company becomes liable to do so, the Company will repay such monies in accordance with Section 245(7) of the CMSA.

6.2.2 Capital market risk

The market price of the new securities arising from the Rights Issue with Warrants, like all listed securities traded on Bursa Securities, is subject to fluctuation. The respective price of the Company's securities is influenced by, amongst others, the prevailing market sentiments, the volatility of the stock market, movements in interest rates and the outlook of the industry in which the Company operates in.

In view of the foregoing, there can be no assurance that the Shares (together with the Rights Shares and any new Shares issued pursuant to the exercise of the Warrants C) will trade at or above the TEAP disclosed in Section 2.2 of this Abridged Prospectus after the completion of the Rights Issue with Warrants.

The Warrants C are new instruments issued by the Company. Therefore, there can be no assurance that an active market for the Warrants C will develop upon listing on Bursa Securities, or if developed, will be sustainable. In addition, there is no assurance that the Warrants C will be "in-the-money" during the Exercise Period.

Accordingly, there is no assurance that the market price of the Warrants C will be at a level that meets the specific investment objectives or targets of any subscriber of the Warrants C.

6.2.3 Forward-looking statements and other information

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of future results and others are forward-looking in nature, which are subject to uncertainties and contingencies. All statements, other than statements of historical data, included in this Abridged Prospectus, including without limitation, those regarding the financial position, risk factors, prospects and future plans of the Group are forward-looking statements.

Such forward-looking statements are based on the estimates and assumptions made by the Company, unless stated otherwise, and although the Board believes these forward-looking statements to be reasonable at this point in time given the prevailing circumstances, they are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied in such forward-looking statements.

In light of these uncertainties, the inclusion of such forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by the Company, the Principal Adviser and/or other advisers in relation to the Rights Issue with Warrants that the plans and objectives of the Group will be achieved.

7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS

7.1 Malaysian economy

The Malaysian economy expanded by 3.6% in the fourth quarter of 2019 (3Q 2019: 4.4%), supported by higher private sector spending (7.4%; 3Q 2019: 5.4%). However, growth was affected by a decline in net exports. On the supply side, higher growth in the services and construction sectors was weighed down by supply disruptions in the commodities sector. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 0.6% (3Q 2019: 0.9%). For 2019 as a whole, the economy expanded by 4.3% (2018: 4.7%).

Private consumption growth increased to 8.1% (3Q 2019: 7.0%), anchored by positive income and employment growth. This was supported by sustained spending on necessities, such as food and transportation, and leisure-related expenditure, such as restaurants and hotels, and recreational services.

Growth in the manufacturing sector moderated (3.0%; 3Q 2019: 3.6%). E&E production was affected by continued weakness in the global demand for semiconductors. Production disruptions in the commodities sector also had a negative impact on downstream manufacturing activities. Growth in the consumer-related cluster was weaker mainly due to a contraction in oil palm production. In the primary-related cluster, growth moderated following closures of major downstream oil refineries and lower gas liquefaction activities. However, the pace of moderation was cushioned by the operationalisation of large oil refinery and petrochemical facilities in Johor.

(Source: Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2019, BNM)

The prospect of the Malaysian economy remains robust amid increasing uncertainties in the external environment. Real GDP is expected to grow by 4.7% in 2019 and 4.8% in 2020. The growth is underpinned by resilient domestic demand, particularly household spending following stable labour market and low inflation. Meanwhile, private investment is expected to grow at a slower pace in 2019 and gain traction in 2020 following the resumption of infrastructure projects coupled with ongoing capital spending in the services and manufacturing sectors. Favourable private sector expenditure activity will offset the impact of lower public expenditure in 2019. However, economic growth is expected to rebound in 2020 with improvement in public corporations' capital outlays.

(Source: Economic Outlook 2020, Ministry of Finance Malaysia)

7.2 Manufacturing sector in Malaysia

During the first half of 2019, the manufacturing sector expanded by 4.2% mainly supported by domestic-oriented industries. Meanwhile, export-oriented industries grew at a slower pace due to modest expansion in the E&E subsector in line with softer global demand for electronic products. For the year (2019), the sector is expected to grow 4% with the Manufacturing Production Index and sales expanding 4.1% and 6.1%, respectively, between January and July. In 2020, the manufacturing sector is estimated to grow 4.1% driven by steady improvement in the export-oriented industries coupled with sustained expansion in the domestic-oriented industries.

In 2019, the E&E subsector, constituting 40.8% of export-oriented industries is forecast to expand moderately by 3.6% due to the downturn in the semiconductor cycle and the escalating trade war between the US and China. Meanwhile, petroleum, chemical, rubber and plastics products subsector is projected to grow 3.4% supported by continued demand for rubber gloves following Ebola outbreak in Africa and rising healthcare awareness worldwide. The domestic-oriented industries are expected to remain resilient, particularly driven by the consumer-related cluster, including transport equipment as well as food and beverages.

In 2020, the performance of the export-oriented industries is anticipated to improve in tandem with the uptick in electronics cycle, especially during the second half of the year. Manufacturers in Malaysia are also expected to benefit from the changes in the global electronics supply chain following the US-China trade and technology dispute. Furthermore, expanding demand for artificial intelligence (AI), Internet of Things (IoT), big data analytics (BDA) and fifth-generation cellular network (5G) is anticipated to support the E&E subsector. Likewise, production of petrochemicals and oleochemicals is expected to increase with the commencement of Refinery and Petrochemical Integrated Development (RAPID). The domestic-oriented industries are expected to be driven by both consumer- and construction-related clusters.

In the consumer-related cluster, food subsector will continue to expand due to higher demand from households as well as tourists amid Visit Malaysia 2020 (VM2020). Outlook for the construction-related clusters is expected to rebound with higher demand for non-metallic mineral products, basic metal and fabricated metal products. The higher production will be supported by the implementation of new and on-going infrastructure projects such as the East Coast Rail Link (ECRL), Mass Rapid Transit Line 2 (MRT2), Light Rail Transit Line 3 (LRT3), Klang Valley Double Tracking 2 (KVDT2) as well as Pan Borneo Highway and Central Spine Road.

(Source: Economic Outlook 2020, Ministry of Finance Malaysia)

7.3 Prospects and future plans for the Group

Moving forward, the Group's future prospects are expected to be driven by the following:-

(i) New BPA with Rieter

The New BPA with Rieter as set out in Section 5 of this Abridged Prospectus represents a continuation of the Group's supply relationship with Rieter following the exit of FEM. Unlike the Old BPA where an intermediary is involved, the New BPA allows the Group to supply high precision machine components directly to Rieter.

The Group expects the direct access to Rieter will lead to better communication and closer business relationship between the parties. In addition, without an intermediary, the New BPA may also represent a win-win situation for both parties as Rieter may be able to purchase high precision machine components directly from the Group at a cheaper cost while the Group may be able to reap a higher profit margin by selling directly to Rieter.

Rieter's entry into the New BPA directly with the Group despite FEM's exit also signifies Rieter's willingness to continue purchasing high precision machine components manufactured by the Group. This represents Rieter's acknowledgement and confidence in the Group's ability to manufacture and deliver the products up to the quality and standards that are expected by Rieter.

Based in Winterthur (Switzerland), Rieter is a company that develops and manufactures machinery, systems and components used to convert natural and manmade fibers and their blends into yarns. Rieter is the only supplier worldwide to cover spinning preparation processes as well as all four end spinning processes currently established on the market. Furthermore, Rieter is a leader in the field of precision winding machines. With 16 manufacturing locations in 10 countries, the company employs a global workforce of some 5,150, about 20% of whom are based in Switzerland. Rieter is listed on the SIX Swiss Exchange under ticker symbol RIEN.

(Source: Rieter's website at www.rieter.com)

On 24 June 2019, Rieter announced that it has signed contracts with Cotton & Textile Industries Holding Co., Cairo (Egypt) for a total of CHF180 million⁽¹⁾. The contract comprises delivery of compact and ring-spinning systems over the next two years. This order is part of a comprehensive modernization program of the Egyptian textile industry. The order intakes are anticipated to be realized in 2019 with sales posted in the 2020/2021 financial years.

(Source: Rieter's website at www.rieter.com/media/media-releases/newsdetail/rieter-awarded-large-contract-from-egypt/)

At ITMA 2019⁽¹⁾, the Rieter Group signed contracts for seven projects with Cotton & Textile Industries Holding Company, Cairo (Egypt), for a total volume of around CHF180 million⁽²⁾.

The order intake for the first six projects in the amount of around CHF165 million⁽³⁾ was booked upon receipt of the down payment on October 7, 2019; sales are expected to be realised in financial years 2020/2021. The order includes deliveries of compact and ring spinning systems and is part of a comprehensive modernisation programme for the Egyptian textile industry.

(Source: Rieter's website at www.rieter.com/media/media-releases/newsdetail/order-intake-for-major-project-from-egypt-booked)

Notes:-

- (1) ITMA stands for International Textile Machinery Association. According to its website, ITMA 2019 is the world's largest international textile and garment technology exhibition.
- (2) Equivalent to RM760.0 million based on the exchange rate of CHF1:RM4.2224 as extracted from BNM's website as at the LPD.
- (3) Equivalent to RM696.7 million based on the exchange rate of CHF1:RM4.2224 as extracted from BNM's website as at the LPD.

Following the above, the Group is anticipating a consistent stream of orders for high precision machine components from Rieter over the next few years to support Rieter's supply chain requirements. Under the New BPA, Rieter had also indicated its intention of positioning the Group as one of Rieter's two preferred suppliers globally, where the Group will cover the Asian region and support approximately half of Rieter's total supply chain requirements.

In view of the above, coupled with Rieter's size and standing in the textile industry, the Group's strategic business relationship with Rieter is expected to augur well for the future prospects and earnings of the Group.

(ii) New production line in the fabrication of sheet metal

In December 2018, the Group via its wholly-owned subsidiary, AT Engineering Solution Sdn Bhd, commenced the operation of a new production line in the fabrication of sheet metal following the acquisition of specialised machineries and the expansion of production space of one of its existing manufacturing facilities in Bayan Lepas, Penang. The acquisition of specialised machineries and expansion of production space were funded via proceeds raised from the 2017 Private Placement and the 2018 Private Placement that were completed in May 2017 and July 2018 respectively as well as internally generated funds and bank borrowings.

Sheet metal products are widely used in various industries including, amongst others, the E&E, oil and gas, aerospace, automotive, telecommunication, consumer products and medical devices industries. Sheet metal products are used as, amongst others, parts, components and casings of machineries, vehicles, industrial tools, mechanical devices, electrical equipment and electronic appliances.

Currently, apart from the manufacturing of high precision machine components for Rieter, the Group is involved in the fabrication of, amongst others, parts and components used in the HDD industry as well as other industrial and engineering parts used in the E&E sector. Thus, the fabrication of sheet metal will complement the Group's existing fabrication capabilities, thereby allowing the Group to provide multiple solutions for its customers.

Since the commencement of operation of the new production line in December 2018, the business performance of the sheet metal business has not been encouraging due to, amongst others, lack of interest from customers to place orders for sheet metal. Moving forward, the Group intends to target a different market segment i.e. bigger companies as they are more likely to place bigger orders consistently as compared to smaller manufacturers. The Group will also leverage on the existing customers of its fabrication business to cross-sell its sheet metal products.

With the expansion of its product offering coupled with a change in business strategy as described above, the Group hopes to enhance its overall earnings moving forward.

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7.4 Details of fund-raising exercises undertaken by the Company in the past 3 years

7.4.1 2016 Rights Issue

On 25 October 2016, ATS completed a rights issue of shares with warrants exercise, raising proceeds of RM26.0 million.

The said proceeds have been utilised as follows:-

Utilisation of proceeds	Intended timeframe for utilisation from 25 October 2016	Actual proceeds raised RM'000	Actual utilisation up to the LPD RM'000	Balance available for utilisation RM'000
(i) Construction of solar photovoltaic plant ⁽¹⁾	Within 6 months	2,000	2,000	-
(ii) Acquisition of specialised machineries ⁽²⁾	Within 12 months	8,000	8,000	-
(iii) Repayment of borrowings	Immediate	6,315	6,315	-
(iv) Working capital	Up to 24 months	9,089	9,089	-
(v) Expenses for the 2016 Rights Issue	Immediate	580	580	-
Total		25,984	25,984	-

Notes:-

- (1) The Group has utilised proceeds of RM2.0 million for the construction of a 300 kW solar photovoltaic plant on its existing factory in Plot 49, Bayan Lepas Industrial Park.
- (2) The Group has utilised proceeds of RM8.0 million for the acquisition of specialised tooling machineries to manufacture high precision machine components for FEM, who will then supply the same to Rieter Group, pursuant to the Old BPA.

For information, the Old BPA has since been terminated and ATP has since entered into the New BPA with Rieter in July 2019. Thus, these machineries, together with the new machineries to be acquired as set out in Section 5(i) of this Abridged Prospectus, shall be utilised to manufacture high precision machine components directly for the Rieter Group pursuant to the New BPA.

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7.4.2 2017 Private Placement

On 17 May 2017, ATS completed the private placement of 86,600,000 new Shares, representing approximately 10% of the then existing total number of issued Shares, at an issue price of RM0.0411 each, raising proceeds of RM3.6 million.

The said proceeds have been utilised as follows:-

Utilisation of proceeds	Intended timeframe for utilisation from 17 May 2017	Actual proceeds raised RM'000	Actual utilisation up to the LPD RM'000	Balance available for utilisation RM'000
(i) Acquisition of specialised machineries ⁽¹⁾	Within 12 months	2,411	2,411	-
(ii) Expansion of production space ⁽²⁾	Within 8 months	1,000	1,000	-
(iii) Expenses for the 2017 Private Placement	Immediate	150	150	-
Total		3,561	3,561	-

Notes:-

- (1) The Group has utilised proceeds of RM2.4 million for the acquisition of specialised machineries to set up a new production line in the fabrication of sheet metal.
- (2) The Group has utilised proceeds of RM1.0 million for the expansion of production space in its existing factory in Plot 82, Bayan Lepas Industrial Park to accommodate the new machineries as stated in Note (1) above. With the demolition of the covered loading area and covered carpark (approximately 6,900 sf) coupled with an extension of the existing main building (approximately 10,500 sf), the main floor area of the factory was expanded from approximately 79,400 sf to 83,000 sf.

7.4.3 2018 Private Placement

On 3 July 2018, ATS completed the private placement of 42,189,000 new Shares, representing approximately 10% of the then existing total number of issued Shares, at an issue price of RM0.0577 each, raising proceeds of RM2.4 million.

The said proceeds have been utilised as follows:-

Utilisation of proceeds	Intended timeframe for utilisation from 3 July 2018	Actual proceeds raised RM'000	Actual utilisation up to the LPD RM'000	Balance available for utilisation RM'000
(i) Acquisition of additional specialised machineries ⁽¹⁾	Within 12 months	2,344	2,344	-
(ii) Expenses for the 2018 Private Placement	Immediate	90	90	-
Total		2,434	2,434	-

Note:-

(1) *The Group has utilised proceeds of RM2.3 million for the acquisition of additional specialised machineries to expand its production capacity for sheet metal fabrication.*

7.5 Steps undertaken or to be undertaken to improve the financial condition of the Group

In the past few years, the Group has undertaken the following initiatives to improve its financial condition:-

(i) New BPA with Rieter

As set out in Section 5(i) of this Abridged Prospectus, the Group had on 5 July 2019 entered into the New BPA with Rieter for the supply of high precision machine components to the Rieter Group. The New BPA was executed following the termination of the Old BPA.

Unlike the Old BPA, the New BPA allows the Group to supply high precision machine components directly to Rieter without involving an intermediary. This is expected to contribute positively to the future earnings of the Group. Further details on the benefits of the New BPA are set out in Section 7.3(i) of this Abridged Prospectus.

To meet the forecast annual requirement from Rieter under the New BPA, the Group intends to utilise proceeds from the Rights Issue with Warrants to expand its production capacity. Further details on the said utilisation are set out in Section 5(i) of this Abridged Prospectus.

(ii) New production line in the fabrication of sheet metal

As set out in Section 7.3(ii) of this Abridged Prospectus, the Group had in December 2018 commenced the operation of a new production line in the fabrication of sheet metal following the acquisition of 2 specialised machineries⁽¹⁾.

Note:-

(1) *The production capacity of these machines depend on the design and specifications of the sheet metal product being fabricated. Assuming the fabrication of an electronics machine cover made of electro-galvanised steel sheet with a size of approximately 288 milimetres ("mm") x 164 mm x 1.00 mm, these machines will have a production capacity of cutting approximately 42 pieces per hour and bending approximately 30 pieces per hour.*

The new production line will complement the Group's existing fabrication capabilities which include, amongst others, industrial and engineering parts used in the E&E sector. Thus, the new production line will allow the Group to provide multiple solutions to its customers. With the expansion of its product offering, the Group hopes to enhance its overall earnings moving forward.

To set up the new production line, the Group had acquired specialised machineries and expanded the production space of one of its existing manufacturing facilities in Bayan Lepas, Penang. These were funded via proceeds raised from the 2017 Private Placement and 2018 Private Placement that were completed in May 2017 and July 2018 respectively as well as internally generated funds and bank borrowings.

Since the commencement of operation of the new production line in December 2018, the business performance of the sheet metal business has not been encouraging and the sales generated has been less than anticipated. This was mainly due to lack of interest from customers to place orders for sheet metal.

In order to turnaround the business, the Group intends to target a different market segment i.e. bigger companies as they are more likely to place bigger orders consistently as compared to smaller manufacturers. The Group will also leverage on the existing customers of its fabrication business to cross-sell its sheet metal products.

(iii) Construction of solar photovoltaic plants

In December 2016, the Group had completed the construction of a 300kW solar photovoltaic plant on one of its existing manufacturing facilities in Bayan Lepas, Penang. The solar plant was constructed pursuant to renewable energy quota allocation ("**RE Quota**") of 300kW obtained from Sustainable Energy Development Authority Malaysia ("**SEDA**") under the Feed-in Tariff Programme ("**FIT Programme**").

The FIT Programme was established to promote renewable energy in Malaysia by inviting companies in the private sector to build photovoltaic installations for the contractual production and sale of renewable energy to TNB.

The construction of the 300kW solar plant was funded via proceeds raised from the 2016 Rights Issue as well as bank borrowings.

Prior to this, the Group already has an existing 425kW solar photovoltaic plant on its other manufacturing facility in Bayan Lepas, Penang pursuant to RE Quota of 425kW obtained from SEDA under the FIT Programme earlier.

Through the RE Quota, the 300kW and 425kW solar plants will be supplying renewable energy to TNB over a concession period of 21 years (commencing from 31 December 2016 to 30 December 2037 and 29 January 2016 to 28 January 2037 for the 300kW and 425kW RE Quota respectively). Thus, these solar plants provide an alternative source of income to supplement the Group's earnings moving forward.

7.6 Impact of the Rights Issue with Warrants and value creation to the Group and its Shareholders

The Rights Issue with Warrants will enable the Group to raise funds without incurring additional interest expense, thereby minimising any potential cash outflow in respect of interest servicing costs and preserving the Group's cash flow.

Notwithstanding the above, the consolidated EPS of the Group shall be diluted as a result of the increase in the number of ATS Shares in issue following the issuance of the Rights Shares and/or exercise of Warrants C in the future.

Further details on the effects of the Rights Issue with Warrants on the NA and gearing as well as the earnings and EPS of the Group are set out in Section 8 of this Abridged Prospectus.

The proceeds to be raised from the Rights Issue with Warrants has been earmarked by the Group mainly for the expansion of production capacity to cater for the New BPA with Rieter as set out in Section 5(i) of this Abridged Prospectus as well as the repayment of borrowings as set out in Section 5(ii) of this Abridged Prospectus.

As the Group's revenue is expected to increase in tandem with the expansion of production capacity to supply high precision machine components to Rieter, coupled with the interest savings to be derived from the repayment of borrowings, the Rights Issue with Warrants is expected to contribute positively to the future earnings of the Group. In turn, this would lead to an improvement in the Group's financial position and enhancement in Shareholders' value.

7.7 Adequacy of the Rights Issue with Warrants in addressing the financial concerns of the Group

Premised on Sections 7.5 and 7.6 above, the effects of the Rights Issue with Warrants as set out in Section 8 of this Abridged Prospectus as well as the industry overview and future prospects as set out in Sections 7.1, 7.2 and 7.3 of this Abridged Prospectus, the Board is of the view that the Rights Issue with Warrants is adequate to address the Group's financial concerns at this juncture.

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8. EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

8.1 Share capital

The pro-forma effects of the Rights Issue with Warrants on the issued share capital of the Company are as follows:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	Share capital RM	No. of Shares	Share capital RM
Issued share capital as at the LPD	498,983,308	56,935,104	498,983,308	56,935,104
New Shares to be issued pursuant to the Rights Issue with Warrants	257,142,858	(1)(3)5,105,082	997,966,616	(1)(3)20,957,635
New Shares to be issued assuming full exercise of the Warrants C	192,857,143	(2)(3)9,994,918	748,474,962	(2)(3)39,517,820
Enlarged issued share capital	948,983,309	72,035,104	2,245,424,886	117,410,559

Notes:-

- (1) Based on the issue price of RM0.035 per Rights Share and after accounting for the creation of warrant reserve.
- (2) Assuming all the Warrants C are fully converted into new Shares based on an exercise price of RM0.035 each and after accounting for the reversal of warrant reserve.
- (3) After accounting for the allocation of the proceeds of RM9.00 million and RM34.93 million under the Minimum Scenario and Maximum Scenario respectively as well as the estimated expenses relating to the Rights Issue with Warrants of approximately RM0.65 million between the Rights Shares and the Warrants C to be issued based on the illustrative fair values of the Rights Shares and the Warrants C respectively.

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8.2 NA and gearing

As at the LPD, there are no material transactions which may have a material effect on the operations, financial position and results of the Group since the Group's latest unaudited financial statements for 9-month FPE 31 December 2019.

The pro-forma effects of the Rights Issue with Warrants on the NA and gearing of the Group are as follows:-

Minimum Scenario

	Unaudited as at 31 December 2019 RM'000	(I) After subsequent events ⁽¹⁾ RM'000	(II) After (I) and the Rights Issue with Warrants ⁽²⁾⁽³⁾ RM'000	(III) After (II) and assuming full exercise of the Warrants C ⁽⁴⁾ RM'000
Share capital	55,545	56,935	62,040	72,035
Warrant reserve	-	-	3,245	-
Share option reserve	-	-	-	-
Accumulated losses / retained earnings	(1,346)	(1,508)	(1,508)	(1,508)
Shareholders' equity	54,199	55,427	63,777	70,527
Non-controlling interests	-	-	-	-
Total equity	54,199	55,427	63,777	70,527
No. of Shares in issue ('000)	464,083	498,983	756,126	948,983
NA per Share (RM)	0.12	0.11	0.08	0.07
Total borrowings ⁽⁵⁾ (RM'000)	10,826	12,091	12,091	12,091
Gearing (times)	0.20	0.22	0.19	0.17

Notes:-

- (1) After accounting for the following:-
- (i) granting and exercise of 1,300,000 and 33,600,000 SIS Options with exercise prices of RM0.040 and RM0.035 each respectively from 1 January 2020 up to the LPD; and
 - (ii) actual outstanding amount of borrowings (excluding overdraft and hire purchase facilities) as at the LPD of RM12.1 million.
- (2) Based on the issuance of 257,142,858 Rights Shares at an issue price of RM0.035 each together with 192,857,143 Warrants C under the Minimum Subscription Level.

- (3) After accounting for the creation of warrant reserve based on the issuance of 192,857,143 Warrants C at an allocated fair value of RM0.0339 per Warrant C (computed based on the Trinomial option pricing model with data sourced from Bloomberg) and estimated expenses incidental to the Rights Issue with Warrants of approximately RM0.65 million.
- (4) Based on an exercise price of RM0.035 per Warrant C and after accounting for the reversal of warrant reserve.
- (5) Excluding overdraft and hire purchase facilities. If these are included, the total borrowings and gearing as at 31 December 2019 would be RM14.6 million and 0.27 times respectively. In relation thereto, the gearing of the Company is expected to reduce from 0.27 times to 0.23 times after the Rights Issue with Warrants and reduce further to 0.21 times after assuming full exercise of Warrants C.

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Maximum Scenario

	Unaudited as at 31 December 2019 RM'000	(I) After subsequent events ⁽¹⁾ RM'000	(II) After (I) and the Rights Issue with Warrants ⁽²⁾⁽³⁾ RM'000	(III) After (II) and assuming full exercise of the Warrants C ⁽⁴⁾ RM'000
Share capital	55,545	56,935	77,893	117,411
Warrant reserve	-	-	13,321	-
Share option reserve	-	-	-	-
Accumulated losses / retained earnings	(1,346)	(1,508)	(1,508)	(1,508)
Shareholders' equity	54,199	55,427	89,706	115,903
Non-controlling interests	-	-	-	-
Total equity	54,199	55,427	89,706	115,903
No. of Shares in issue ('000)	464,083	498,983	1,496,950	2,245,425
NA per Share (RM)	0.12	0.11	0.06	0.05
Total borrowings ⁽⁶⁾ (RM'000)	10,826	12,091	⁽⁵⁾ 1,363	1,363
Gearing (times)	0.20	0.22	0.02	0.01

Notes:-

- (1) After accounting for the following:-
 (i) granting and exercise of 1,300,000 and 33,600,000 SIS Options with exercise prices of RM0.040 and RM0.035 each respectively from 1 January 2020 up to the LPD; and
 (ii) actual outstanding amount of borrowings (excluding overdraft and hire purchase facilities) as at the LPD of RM12.1 million.
- (2) Based on the issuance of 997,966,616 Rights Shares at an issue price of RM0.035 per Rights Share together with 748,474,962 Warrants C assuming all the Entitled Shareholders and/or their renounce(s) fully subscribe for their respective entitlements.
- (3) After accounting for the creation of warrant reserve based on the issuance of 748,474,962 Warrants C at an allocated fair value of RM0.0339 per Warrant C (computed based on the Trinomial option pricing model with data sourced from Bloomberg) and estimated expenses incidental to the Rights Issue with Warrants of approximately RM0.65 million.
- (4) Based on an exercise price of RM0.035 per Warrant C and after accounting for the reversal of warrant reserve.
- (5) Under the Maximum Scenario, proceeds of up to RM10.7 million from the Rights Issue with Warrants will be utilised for repayment of bank borrowings as set out in Section 5(ii) of this Abridged Prospectus.
- (6) Excluding overdraft and hire purchase facilities. If these are included, the total borrowings and gearing as at 31 December 2019 would be RM14.6 million and 0.27 times respectively. In relation thereto, the gearing of the Company is expected to reduce from 0.27 times to 0.04 times after the Rights Issue with Warrants (after accounting for the repayment of bank borrowings as set out in Section 5(ii) of this Abridged Prospectus) and reduce further to 0.03 times after assuming full exercise of Warrants C.

8.3 Substantial Shareholders' shareholdings

The pro-forma effects of the Rights Issue with Warrants on the substantial Shareholders' shareholdings in the Company as at the LPD are as follows:-

Minimum Scenario

Substantial Shareholders	As at the LPD				(i) After the Rights issue with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Mak Siew Wei	1,845,666	0.37	-	-	144,702,809	19.14	-	-
Asiabio Capital Sdn Bhd	22,694,000	4.55	-	-	136,979,715	18.12	-	-
Fintec Global Berhad	-	-	⁽⁴⁾ 22,694,000	4.55	-	-	⁽⁴⁾ 136,979,715	18.12

Substantial Shareholders	(ii) After (i) and assuming full exercise of the Warrants C			
	Direct		Indirect	
	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽³⁾
Mak Siew Wei	251,845,666	26.54	-	-
Asiabio Capital Sdn Bhd	222,694,001	23.47	-	-
Fintec Global Berhad	-	-	⁽⁴⁾ 222,694,001	23.47

Notes:-

- (1) Based on the issued share capital of 498,983,308 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 756,126,166 Shares.
- (3) Based on the enlarged issued share capital of 948,983,309 Shares.
- (4) Deemed interested by virtue of its interest in Asiabio Capital Sdn Bhd.

Registration No. 200401006297 (644800-X)

Maximum Scenario

Under the Maximum Scenario, the Undertaking Shareholders will not emerge as substantial Shareholders of the Company.

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8.4 Earnings and EPS

The Rights Issue with Warrants is not expected to have any significant impact on the consolidated earnings and EPS of the Company for the current FYE 31 March 2020 as the Rights Issue with Warrants is only expected to be completed in the 2nd quarter of 2020.

The effects of the Rights Issue with Warrants on the consolidated earnings and EPS of the Company for the FYE 31 March 2021 will depend on, amongst others, the number of Rights Shares to be issued and the level of returns generated from the utilisation of the proceeds to be raised from the Rights Issue with Warrants.

For illustration, assuming the Rights Issue with Warrants had been completed on 1 April 2019 (being the beginning of the latest unaudited 9-month FPE 31 December 2019), the pro forma effects of the Rights Issue with Warrants on the consolidated losses and LPS of the Company would be as follows:-

	Unaudited 9-month FPE 31 December 2019	Pro forma I		Pro forma II	
		After the Rights Issue with Warrants		After Pro forma I and assuming full exercise of the Warrants C	
		Minimum Scenario	Maximum Scenario	Minimum Scenario	Maximum Scenario
(LAT) attributable to owners of the Company (RM'000)	(6,383)	(6,383)	(6,383)	(6,383)	(6,383)
Weighted average no. of Shares ('000)	464,083	721,226	1,462,050	914,083	2,210,525
(LPS) (sen)	(1.38)	(0.89)	(0.44)	(0.70)	(0.29)

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9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital and sources of liquidity

The Group's working capital is funded through cash generated from operating activities, credit extended by suppliers, credit facilities from financial institutions as well as the Group's existing cash and bank balances.

As at the LPD, we held cash and bank balances of RM1.67 million. We have also utilised bank overdraft facilities of RM0.27 million out of a credit limit of RM0.30 million.

The Board confirmed that, after taking into consideration the funds generated from the Company's operations as well as the proceeds to be raised from the Rights Issue with Warrants, the Group will have sufficient working capital available for a period of 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, the Group's total outstanding borrowings (all of which are interest bearing and denominated in RM) are set out as follows:-

Borrowings	Total (RM'000)
<u>Short-term borrowings (secured)</u>	
Term loans	1,823
Hire purchases	1,243
Bank overdraft	266
<u>Long-term borrowings (secured)</u>	
Term loans	10,268
Hire purchases	1,853
Total	15,453

There has not been any default on payments of either interest and/or principal sums on any borrowings throughout the past 1 financial year and subsequent financial period up to the LPD.

9.3 Contingent liabilities

As at the LPD, save as disclosed below, the Board confirmed that there are no other contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial results or position of the Group:-

Contingent liabilities	Total (RM'000)
<u>Corporate guarantees given</u>	
- to financial institutions for credit facilities	15,233
- to suppliers for credit terms granted to subsidiaries	424
Total	15,657

9.4 Material commitments

As at the LPD, save as disclosed below, the Board confirmed that there are no other material commitments incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial results or position of the Group:-

Capital commitments	Total (RM'000)
<u>Contracted but not provided for</u> - acquisition of specialised machineries	2,915

The above capital commitments are expected to be funded by internally-generated funds, bank borrowings and/or proceeds to be raised from the Rights Issue with Warrants.

10. INSTRUCTIONS FOR ACCEPTANCE AND PAYMENT

Full instructions for the acceptance of and payment for the Provisional Allotments as well as Excess Rights Shares with Warrants C Applications and the procedures to be followed should you and/or your transferee(s) and/or your renounee(s) (if applicable) wish to sell or transfer all or any part of your/his rights entitlement are set out in this Abridged Prospectus and the RSF. You and/or your transferee(s) and/or your renounee(s) (if applicable) are advised to read this Abridged Prospectus, the RSF and the notes and instructions printed therein carefully. In accordance with Section 232(2) of the CMSA, the RSF must not be circulated unless accompanied by this Abridged Prospectus.

Acceptance of and/or payment for the Provisional Allotments which do not conform strictly to the terms of this Abridged Prospectus, the RSF or the notes and instructions printed therein or which are illegible may be rejected at the absolute discretion of the Board.

10.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments that you are entitled to subscribe for in full or in part under the terms and conditions of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for such Rights Shares with Warrants C that you have been provisionally allotted as well as to apply for Excess Rights Shares with Warrants C if you choose to do so. This Abridged Prospectus and the RSF are also available from the registered office of the Company, the Share Registrar or Bursa Securities' website (<http://www.bursamalaysia.com>).

10.2 NPA

The Provisional Allotments are prescribed securities under Section 14(5) of the SICDA and therefore, all dealings in the NPA will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your transferee(s) and/or your renounee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making the applications.

10.3 Methods of acceptance and application

You may subscribe for the Provisional Allotments as well as apply for Excess Rights Shares with Warrants C, if you choose to do so, using either of the following methods:-

Method	Category of Entitled Shareholders
RSF	All Entitled Shareholders
e-Subscription	All Individual Entitled Shareholders

10.4 Procedures for acceptance and payment

10.4.1 By way of RSF

Acceptance of and payment for the Provisional Allotments allotted to you must be made on the RSF issued together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein. Acceptances which do not strictly conform to the terms and conditions of this Abridged Prospectus, the RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of the Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF. YOU ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY.

If you wish to accept all or part of your entitlement to the Provisional Allotments, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF with the relevant payment must be despatched by ORDINARY POST, COURIER or DELIVERED BY HAND (at your own risk) to the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, at the following address:-

Tricor Investor & Issuing House Services Sdn Bhd
 Unit 32-01, Level 32, Tower A
 Vertical Business Suite, Avenue 3, Bangsar South
 No.8, Jalan Kerinchi
 59200 Kuala Lumpur
 Tel : +603 - 2783 9299
 Fax : +603 - 2783 9222

OR

Customer Service Centre
 Unit G-3 Ground Floor
 Vertical Podium Avenue 3
 Bangsar South
 No. 8 Jalan Kerinchi
 59200 Kuala Lumpur

so as to arrive not later than 5.00 p.m. on **Tuesday, 31 March 2020**, being the last date and time for the acceptance and payment for the Rights Shares with Warrants C.

If you lose, misplace or for any other reason require another copy of the RSF, you may obtain additional copies from the registered office of the Company, the Share Registrar or Bursa Securities' website (<http://www.bursamalaysia.com>).

1 RSF must be used for acceptance of the Provisional Allotments standing to the credit of 1 CDS Account. Separate RSFs must be used for the acceptance of Provisional Allotments standing to the credit of more than 1 CDS Account. The Rights Shares with Warrants C accepted by you will be credited into the CDS Account(s) where the Provisional Allotments are standing to the credit.

Successful applicants to the Rights Shares with Warrants C will be given the Warrants C on the basis of 3 Warrants C for every 4 Rights Shares successfully subscribed for. The minimum number of Rights Shares that can be subscribed or accepted is 1 Rights Share. However, you should take note that a trading board lot comprises 100 Shares and 100 Warrants C. Fractions of a Rights Share and/or Warrant C arising from the Rights Issue with Warrants will be disregarded and the aggregate of such fractions shall be dealt with as the Board may at its absolute discretion deem fit and expedient and in the best interest of the Company.

In the event that the Rights Shares with Warrants C are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with Warrants C to the applicants who have applied for the Excess Rights Shares with Warrants C in the manner as set out in Section 10.6 of this Abridged Prospectus. Our Board reserves the right to accept any applicant in full or in part only without assigning any reasons.

A reply envelope is enclosed with this Abridged Prospectus. To facilitate the processing of the RSFs by the Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the Rights Shares accepted in the form of a banker's draft or cashier's order or money order or postal order drawn on a bank or post office in Malaysia and which must be made payable to "**ATS RIGHTS ISSUE ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name in block letters and your CDS Account number, and must be received by the Share Registrar by 5.00 p.m. on **Tuesday, 31 March 2020**. The payment must be made for the exact amount payable for the Rights Shares accepted. Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF THE BOARD.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU AND/OR YOUR TRANSFEREE(S) AND/OR YOUR RENOUNCEE(S) BY ORDINARY POST TO THE ADDRESS AS SHOWN ON THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. THE BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

YOU SHOULD NOTE THAT ANY RSF AND REMITTANCE LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

ACCEPTANCE AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES MUST BE MADE IN ACCORDANCE WITH THE RSF ENCLOSED WITH THIS ABRIDGED PROSPECTUS AND MUST BE COMPLETED STRICTLY IN ACCORDANCE WITH THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. ACCEPTANCES AND/ OR PAYMENTS WHICH DO NOT CONFORM WITH THE TERMS AND CONDITIONS OF THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF OR WHICH ARE ILLEGIBLE MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. OUR SHARE REGISTRAR WILL NOT CONTACT YOU AND/ OR YOUR RENOUNCEE(S)/ TRANSFEREE(S) (IF APPLICABLE) FOR SUCH ACCEPTANCES.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPACHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS AS SHOWN ON THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANT'S OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

10.4.2 By way of e-Subscription

Subsequent to the Entitlement Date, The Company will, at its discretion, authorise the Share Registrar to send an electronic notification to the Registered Entitled Shareholders. If you are a Registered Entitled Shareholder, you will be notified on the availability of e-Subscription for the Rights Issue with Warrants on TIIH Online website.

The e-NPA and the e-RSF are available to you upon your login to TIIH Online. You are advised to read the instructions as well as the terms and conditions of the e-Subscription.

The e-Subscription is only available to Entitled Shareholders who are individuals. Corporation or institutional Shareholders will have to complete the physical RSF for the application to the Rights Issue with Warrants C as set out in Section 10.4.1 above.

Individual Registered Entitled Shareholders who wish to subscribe for the Provisional Allotments and apply for Excess Rights Shares with Warrants C by way of e-Subscription shall take note of the following:-

- (a) any e-Subscription received by the Share Registrar after the Closing Date for Acceptance, Excess Application and Payment shall be regarded as null and void and of no legal effect unless the Board in its absolute discretion determines otherwise. Any e-Subscription, once received by the Share Registrar from you, is irrevocable and shall be binding on you;
- (b) you will receive notification to login to TIIH Online in respect of your shareholding in your CDS Account(s). Accordingly, for each CDS Account, you can choose to subscribe the Rights Shares with Warrants C which you are entitled to in whole or part thereof as stipulated in this Abridged Prospectus;
- (c) the e-Subscription made must be in accordance with the procedures of submitting e-Subscription using TIIH Online, the terms and conditions of e-Subscription, this Abridged Prospectus and the e-RSF. Any e-Subscription submitted that does not conform to the terms and conditions of TIIH Online, this Abridged Prospectus and the e-RSF may not be accepted at the sole discretion of The Company. The Company reserves the right at its absolute discretion to reject any e-Subscription which are incomplete or incorrectly completed;
- (d) the number of Rights Shares with Warrants C you are entitled to under the Rights Issue with Warrants is set out in the e-RSF. You are required to indicate the number of Rights Shares with Warrants C you wish to accept and number of Excess Rights Shares with Warrants C you wish to apply in the e-RSF;
- (e) the e-Subscription must be accompanied by remittance in RM which is to be made through online payment gateway;
- (f) a handling fee of **RM5.00 per e-RSF** is payable should you make e-Subscription. You will also need to pay a stamp duty of RM10.00 for each e-RSF; and
- (g) the new Shares arising from the Rights Shares with Warrants C accepted and Excess Rights Shares with Warrants C applied (if successful pursuant to Procedure for Excess Rights Shares Application as stated in this Abridged Prospectus) will be issued and credited into your CDS Account as stated in the Record of Depositors as at the last date for transfer of Provisional Allotments.

All Entitled Shareholders who wish to opt for e-Subscription, either in full or in part of your Provisional Allotments, please read and follow the procedures set below: -

(i) Sign up as a user of TIIH Online

- (a) Access TIIH Online at <https://tiih.online>.
- (b) Sign up a user of TIIH Online under "e-Services". You may refer to the tutorial guide posted on the homepage for assistance.
- (c) Registration will be approved within one working day by email.

- (d) Proceed to activate your account by re-setting your password.

Note: An email address is allowed to be used once to register as a new user account, and the same email address cannot be used to register another user account. If you are already a user of TIIH Online, you are not required to sign up again.

(ii) Procedures to make e-Subscription

- (a) Login to TIIH Online at <https://tiih.online> with your user name (i.e. your registered e-mail address) and password.
- (b) Select the corporate exercise name: ATS Rights Issue with Warrants.
- (c) Read and agree to the Terms & Conditions and confirm the Declaration.
- (d) Preview your CDS Account details and your Provisional Allotments.
- (e) Select the relevant CDS Account and insert the number of Rights Shares with Warrants C to subscribe and the number of Excess Rights Shares with Warrants C to apply (if applicable) in the e-RSF.
- (f) Review and confirm the number of Rights Shares with Warrants C which you are subscribing and the number of Excess Rights Shares with Warrants you are applying (if applicable) and the total amount payable for the Rights Shares with Warrants C and Excess Rights Shares with Warrants C (if applicable).
- (g) Payment of stamp duty at RM10 for each e-RSF and handling fee of RM5 for each e-RSF will be included in the total amount payable.
- (h) Proceed for payment via online payment gateway either through Maybank2U or any FPX participating bank which you have an internet banking account.
- (i) As soon as the online payment is completed, a confirmation message with details of your subscription and payment from TIIH Online and the relevant payment gateway will be sent to your registered e-mail address.
- (j) Print the payment receipt and your e-RSF for your reference and record.

(iii) Terms and conditions for e-Subscription

The e-Subscription of Rights Shares with Warrants C and Excess Rights Shares with Warrants C (if successful), shall be made on and subject to the terms and conditions appearing herein:-

- (a) After login to TIIH Online, you are required to confirm and declare the following information given are true and correct:-
- (i) you have attained 18 years of age as at the last day for subscription and payment;

- (ii) you have, prior to making the e-Subscription, received a printed copy of this Abridged Prospectus and/or have had access to this Abridged Prospectus from Bursa Securities' website at www.bursamalaysia.com, the contents of which you have read and understood;
 - (iii) you agree to all the terms and conditions for the e-Subscription as set out in this Abridged Prospectus and have carefully considered the risk factors as set out in this Abridged Prospectus, in addition to all other information contained in this Abridged Prospectus, before making the e-Subscription application;
- (b) you agree and undertake to subscribe for and to accept the number of Rights Shares with Warrants C and Excess Rights Shares with Warrants C applied (if applicable) for as stated in the e-RSF. Your confirmation of your subscription will signify, and will be treated as, your subscription of the number of Rights Shares with Warrants C that may be allotted to you.
- (c) by making and completing your e-Subscription, you, if successful, request and authorise Share Registrar or The Company to credit the Rights Shares with Warrants C allotted to you into your CDS Account;
- (d) you acknowledge that your e-Subscription is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of The Company or the Share Registrar and irrevocably agree that if:-
 - (i) the Company or the Share Registrar does not receive your e-Subscription; or
 - (ii) data relating to your e-Subscription application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to the Share Registrar, you will be deemed not to have made an e-Subscription and you may not make any claim whatsoever against the Company or the Share Registrar for the Rights Shares with Warrants C accepted and/or Excess Rights Shares with Warrants C applied for or for any compensation, loss or damage relating to the e-Subscription.
- (e) you will ensure that your personal particulars recorded with TIIH Online and Bursa Depository are correct. Otherwise, your e-Subscription may be rejected; you must inform Bursa Depository promptly of any change in address failing which the notification on the outcome of your e-Subscription will be sent to your address last maintained with Bursa Depository.

- (f) by making and completing an e-Subscription, you agree that:-
 - (i) in consideration of the Company agreeing to allow and accept your e-Subscription for the Provisional Allotment and Excess Rights Shares with Warrants C applied (if applicable), your e-Subscription is irrevocable and cannot be subsequently withdrawn; and
 - (ii) the Share Registrar will not be liable for any delays, failures or inaccuracies in the processing of data relating to your e-Subscription due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control.
- (g) the Share Registrar, on the authority of The Company, reserves the right to reject applications which do not conform to these instructions.
- (h) notification on the outcome of your e-Subscription for the Rights Shares with Warrants C and Excess Rights Shares with Warrants C will be despatched to you by ordinary post to the address as shown in the Record of Depositors of The Company at your own risk within the timelines as follows:-
 - (i) successful application - a notice of allotment will be despatched within 8 Market Days from the last day for application and payment for the Rights Shares; or
 - (ii) unsuccessful/partially successful application - the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day of application and payment for the Rights Shares.

The refund will be credited directly into your bank account if you have registered such bank account information to Bursa Depository for the purposes of cash dividend/distribution. If you have not registered such bank account information to Bursa Depository the refund will be by issuance of cheque and sent by ordinary mail to your last address maintained with Bursa Depository at your own risk.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY ACCEPTED APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCH BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

ALL RIGHTS SHARES AND WARRANTS C TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING SUCH RIGHTS SHARES AND THE WARRANTS C INTO THE CDS ACCOUNTS OF THE SUCCESSFUL APPLICANTS. NO PHYSICAL SHARE OR WARRANT CERTIFICATES WILL BE ISSUED.

If acceptance of and payment for the Provisional Allotments allotted to you (whether in full or in part, as the case may be) are not received by our Share Registrar by 5.00 p.m. on **Tuesday, 31 March 2020**, the provisional entitlement to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar.

The Board will then have the right to allot any Rights Shares with Warrants C not validly taken up to applicants applying for the Excess Rights Shares with Warrants C in the manner as set out in Section 10.7 of this Abridged Prospectus.

10.5 Procedures for part acceptance

If you do not wish to accept the Rights Shares with Warrants C provisionally allotted to you in full, you are entitled to accept part of your entitlements that can be subscribed / applied for. The minimum number of Rights Shares with Warrants C that may be subscribed or accepted is 1 Rights Share. Fractions of a Rights Share and/or Warrant C arising from the Rights Issue with Warrants will be disregarded and the aggregate of such fractions shall be dealt with as the Board may at its absolute discretion deem fit and expedient and in the best interest of the Company. Applicants should take note that a trading board lot comprises 100 Shares and 100 Warrants C respectively.

You must complete both Part I(A) of the RSF by specifying the number of Rights Shares with Warrants C which you are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to the Share Registrar in the same manner as set out in Section 10.4.1 and 10.4.2 of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

10.6 Procedures for sale or transfer of Provisional Allotments

As the Provisional Allotments are prescribed securities, should you wish to sell or transfer all or part of your entitlement to the Provisional Allotments to 1 or more persons, you may do so through your stockbroker during the period up to the last date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement on the open market during the period up to the last date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository during period up to the last date and time for transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository).

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL ALLOTMENTS, YOU ARE NOT REQUIRED TO DELIVER ANY DOCUMENT TO YOUR STOCKBROKER. YOU ARE HOWEVER ADVISED TO ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNT BEFORE SELLING OR TRANSFERRING.

If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Parts I(A) and II of the RSF and delivering the RSF together with the full amount payable on the balance of the Rights Shares with Warrants C applied for to the Share Registrar. Please refer to Section 10.4.1 and 10.4.2 of this Abridged Prospectus for the procedures for acceptance and payment.

YOU SHOULD NOTE THAT ANY RSF AND REMITTANCE LODGED WITH THE SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

10.7 Procedures for the Excess Rights Shares with Warrants C Application

10.7.1 By Way of RSF

If you wish to apply for additional Rights Shares with Warrants C in excess of your entitlement, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forwarding it with a separate remittance made in RM for the full amount payable for the Excess Rights Shares with Warrants C applied for, to our Share Registrar so as to arrive not later than 5.00 p.m. on **Tuesday, 31 March 2020**, being the last time and date for Excess Rights Shares with Warrants C Applications and payment.

Payment for the Excess Rights Shares with Warrants C Application(s) must be made in the same manner as set out in Section 10.4.1 of this Abridged Prospectus except that the banker's draft or cashier's order or money order or postal order drawn on a bank or post office in Malaysia must be made payable to **"ATS EXCESS RIGHTS ISSUE ACCOUNT"**, crossed **"ACCOUNT PAYEE ONLY"** and endorsed on the reverse side with your name in block letters and your CDS Account number, and must be received by our Share Registrar by 5.00 p.m. on **Tuesday, 31 March 2020**. The payment must be made for the exact amount payable for the Excess Rights Shares with Warrants C Application(s). Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

10.7.2 By Way of e-Subscription

If you are an Entitled Shareholder and/or a renounee/transferee who is an individual, you may apply for the Excess Rights Shares with Warrants via e-Subscription in addition to your Provisional Allotments. If you wish to do so, you may apply for the Excess Rights Shares with Warrants by following the same steps as set out in Section 10.4.2 of this Abridged Prospectus.

The e-Subscription for Excess Rights Shares with Warrants will be made on, and subject to, the same terms and conditions appearing in Section 10.4.2 of this Abridged Prospectus.

It is the intention of the Board to allot the Excess Rights Shares with Warrants C, if any, in a fair and equitable manner in the following priority:-

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants C, taking into consideration their respective shareholdings in the Company as at the Entitlement Date;
- (iii) thirdly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants C, taking into consideration the quantum of their respective Excess Rights Shares with Warrants C Applications; and
- (iv) finally, on a pro-rata basis and in board lots, to the transferee(s) and/or renounee(s) who have applied for Excess Rights Shares with Warrants C, taking into consideration the quantum of their respective Excess Rights Shares with Warrants C Applications.

The Excess Rights Shares with Warrants C will firstly be allocated to minimise the odd lots (if any) held by each applicant of Excess Rights Shares with Warrants C. Thereafter, the allocation process will perform items (ii), (iii) and (iv) in succession. Any remaining balance of Excess Rights Shares with Warrants C will be allocated by performing the same sequence of allocation i.e. items (ii), (iii) and (iv) again in succession until all Excess Rights Shares with Warrants C are allotted.

Notwithstanding the foregoing, the Board reserves the right to allot any Excess Rights Shares with Warrants C applied for under Part I(B) of the RSF or by way of e-Subscription in such manner as it deems fit and expedient and in the best interests of the Company subject always to such allocation being made on a fair and equitable basis, and that the intention of the Board as set out in Section 10.7.2 (i), (ii), (iii) and (iv) above is achieved. The Board also reserves the right at its absolute discretion not to accept any application for Excess Rights Shares with Warrants C, in full or in part, without assigning any reason thereof.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF THE BOARD.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE EXCESS RIGHTS SHARES WITH WARRANTS C APPLICATION OR APPLICATION MONIES IN RESPECT THEREOF. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

EXCESS RIGHTS SHARES WITH WARRANTS C APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. THE BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY SUCH APPLICATION OR TO ACCEPT ANY SUCH APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH WARRANTS C APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCH BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

10.8 Procedures to be followed by transferee(s) and/or renounee(s)

As a transferee and/or renounee, the procedures for acceptance, selling or transferring of Provisional Allotments, applying for the Excess Rights Shares with Warrants C and/or payment is the same as that which is applicable to Entitled Shareholders as described in Sections 10.3 to 10.7 of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

If you wish to obtain a copy of this Abridged Prospectus and/or accompanying RSF, you can request the same from the registered office of the Company, the Share Registrar or Bursa Securities' website (<http://www.bursamalaysia.com>).

TRANSFEREE(S) AND/OR RENOUNCEE(S) ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

10.9 CDS Account

Bursa Securities has already prescribed the Shares listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the new securities arising from the Rights Issue with Warrants are prescribed securities and, as such, all dealings with such securities will be by book entries through CDS Accounts and shall be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares with Warrants C. Failure to comply with these specific instructions or inaccuracy of the CDS Account number may result in your application being rejected.

Your subscription for the Rights Shares with Warrants C and application for excess Rights Shares with Warrants C, if any, shall signify your consent to receiving such Rights Shares with Warrants C as deposited securities that will be credited directly into your CDS Account. No physical certificates will be issued.

If you have multiple CDS Accounts into which the Provisional Allotments have been credited, you cannot use a single RSF to accept all these Provisional Allotments. Separate RSFs must be used for acceptance of Provisional Allotments credited into separate CDS Accounts. If successful, the Rights Shares with Warrants C that you subscribed for will be credited into the CDS Accounts where the Provisional Allotments are standing to the credit.

10.10 Notice of Allotment

Within 5 Market Days after the Closing Date, the Company will make the relevant announcements in relation to the subscription rate of the Rights Issue with Warrants.

Upon allotment of the Rights Shares in respect of your acceptance and/ or your renounee/ transferee acceptance (if applicable) and Excess Rights Shares with Warrants C Application (if any), the Rights Shares shall be credited directly into the respective CDS Account where the Provisional Allotments were credited. No physical certificates will be issued in respect of the Rights Shares. However, a notice of allotment will be despatched to you and/ or your renounee / transferee (if applicable), by ordinary post within 8 Market Days from Closing Date, or such other period as may be prescribed or allowed by Bursa Securities, at the address last shown on the Record of Depositors at your own risk.

Where any application for the Rights Shares is not accepted due to non-compliance with the terms of the Rights Shares or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest to you. The refund will be credited directly into your bank account if you have registered such bank account information to Bursa Depository for the purposes of cash dividend/distribution. If you have not registered such bank account information to Bursa Depository the refund will be by issuance of cheque and will be despatched to you within 15 Market Days from the Closing Date by ordinary post to the address shown on the Record of Depositors at your own risk.

Please note that a completed RSF and the payment thereof once lodged with our Share Registrar for the Rights Shares cannot be withdrawn subsequently.

10.11 Foreign-Addressed Shareholders

This Abridged Prospectus, the NPA and the RSF have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction other than Malaysia, and have not been (and will not be) lodged, registered or approved under any applicable securities or equivalent legislation (or with or by any regulatory authority or other relevant body) of any country or jurisdiction other than Malaysia.

The distribution of this Abridged Prospectus, the NPA and the RSF, as well as the acceptance of the Provisional Allotments and the subscription for or the acquisition of the Rights Shares with Warrants C may be restricted or prohibited (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain countries or jurisdiction under the relevant laws of those countries or jurisdictions.

This Abridged Prospectus, the NPA and the RSF are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue with Warrants will not be made or offered or deemed made or offered for acquisition or subscription of any Rights Shares, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue with Warrants to which this Abridged Prospectus relates is only available to Entitled Shareholders receiving this Abridged Prospectus, the NPA and the RSF or otherwise within Malaysia.

As a result, this Abridged Prospectus, the NPA and the RSF have not been (and will not be) sent to our Foreign-Addressed Shareholders. However, Foreign-Addressed Shareholders may collect this Abridged Prospectus, the NPA and the RSF from the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, who will be entitled to request such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting this Abridged Prospectus, the NPA and the RSF.

The Company will not make or be bound to make any enquiry as to whether you have a registered address in Malaysia or an address for service in Malaysia if not otherwise stated on our Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. The Company will assume that the Rights Issue with Warrants and the acceptance thereof by you would be in compliance with the terms and conditions of the Rights Issue with Warrants and would not be in breach of the laws of any jurisdiction. The Company will further assume that you had accepted the Rights Issue with Warrants in Malaysia and will at all applicable times be subject to the laws of Malaysia.

A Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) may only accept or renounce all or any part of his/their entitlements and exercise any other rights in respect of the Rights Issue with Warrants only to the extent that it would be lawful to do so, and our Company, the Board and officers, Mercury Securities and/or the advisers named herein ("**Parties**") would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any country or jurisdiction to which the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) is or might be subject to.

The Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) shall be solely responsible to seek advice from his/their legal and/or professional advisers as to whether the acceptance or renunciation in any manner whatsoever of his entitlement under the Rights Issue with Warrants would result in the contravention of the laws of the countries or jurisdictions to which he/they is/are or might be subject to. The Parties shall not accept any responsibility or liability in the event any acceptance or renunciation made by any Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction. The Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of his/their entitlements or to any net proceeds thereof.

The Company reserves the right, in our absolute discretion, to treat any acceptances as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional Allotments relating to any acceptance which is treated as invalid will be included in the pool of Rights Shares with Warrants available for excess application by other Entitled Shareholders and/or their transferee(s) and/or their renounee(s).

Each person, by accepting the delivery of this Abridged Prospectus, the NPA and the RSF, accepting any Provisional Allotments by signing any of the forms accompanying this Abridged Prospectus or subscribing for or acquiring the Rights Shares with Warrants C, will be deemed to have represented, warranted, acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:-

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Entitled Shareholder and/or his transferee(s) and/or his renounee(s) is or might be subject to;
- (ii) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) has complied with the laws to which the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) is or might be subject to in connection with the acceptance or renunciation;
- (iii) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) is not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation of the Provisional Allotments, be in breach of the laws of any jurisdiction to which that person is or might be subject to;
- (iv) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) is/are aware that the Rights Shares with Warrants C can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged or dealt with in any other way in accordance with all applicable laws in Malaysia;
- (v) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) has/have obtained a copy of this Abridged Prospectus and has/have read and understood the contents of this Abridged Prospectus, has/have had access to such financial and other information and has/have been provided the opportunity to ask such questions to the representatives of the Parties and receive answers thereto as the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) deem(s) necessary in connection with the Foreign-Addressed Shareholder and/or his transferee and/or his renounee's decision to subscribe for or purchase the Rights Shares and Warrants C; and

- (vi) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) has/have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares and Warrants C, and is/are and will be able, and is/are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and Warrants C.

NOTWITHSTANDING ANYTHING HEREIN, THE FOREIGN-ADDRESSED SHAREHOLDERS AND ANY OTHER PERSON HAVING POSSESSION OF THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS ARE ADVISED TO INFORM THEMSELVES OF AND TO OBSERVE ANY LEGAL REQUIREMENTS APPLICABLE TO THEM. NO PERSON IN ANY TERRITORY OUTSIDE OF MALAYSIA RECEIVING THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS MAY TREAT THE SAME AS AN OFFER, INVITATION OR SOLICITATION TO SUBSCRIBE FOR OR ACQUIRE ANY RIGHTS SHARES AND WARRANTS C UNLESS SUCH OFFER, INVITATION OR SOLICITATION COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER REGULATORY OR LEGAL REQUIREMENTS ON SUCH TERRITORY.

11. TERMS AND CONDITIONS

The issuance of the Rights Shares and Warrants C pursuant to the Rights Issue with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, the Deed Poll C, the NPA and RSF.

12. FURTHER INFORMATION

You are requested to refer to the enclosed Appendices for further information.

Yours faithfully
For and on behalf of the Board of
AT SYSTEMATIZATION BERHAD


MAK SIEW WEI
Executive Director

APPENDIX I – INFORMATION ON THE COMPANY

1. SHARE CAPITAL

As at the LPD, the issued share capital of the Company is RM56,935,103.83 comprising 498,983,308 Shares.

2. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Please refer to Section 8.3 of this Abridged Prospectus for information on the Substantial Shareholders' shareholdings before and after the Rights Issue with Warrants.

3. DIRECTORS

The details of the Board as at the LPD are set out in the table below:-

Name (<i>Designation</i>)	Age	Address	Nationality
Dato' Nik Ismail Bin Dato' Nik Yusoff <i>(Independent Non-Executive Chairman)</i>	74	No. 3, Jalan Oniks Dua 7/11B Seksyen 7 40000 Shah Alam Selangor Darul Ehsan	Malaysian
Choong Lee Aun <i>(Managing Director)</i>	54	22, Lintang Delima 13 Island Glades 11700 Gelugor Pulau Pinang	Malaysian
Mak Siew Wei <i>(Executive Director)</i>	45	30, Jalan Sepah Puteri 5/16 Bandar Seri Utama 47810 Petaling Jaya Selangor	Malaysian
Dr. Ch'ng Huck Khoon <i>(Independent Non-Executive Director)</i>	51	No. 28 Jalan Deva Pada 10400 George Town Pulau Pinang	Malaysian

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APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)

Save as disclosed below, none of the Directors have any direct and/or indirect shareholding in the Company as at the LPD. The pro forma effects of the Rights Issue with Warrants on the shareholding of the Directors are as follows:-

Minimum Scenario

Director	As at the LPD				(i) After the Rights Issue with Warrants				(ii) After (i) and assuming full exercise of the Warrants C			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%	No. of Shares	(3)%	No. of Shares	(3)%
Mak Siew Wei	1,845,666	0.37	-	-	144,702,809	19.14	-	-	251,845,666	26.54	-	-

Notes:-

- (1) Based on the issued share capital of 498,983,308 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 756,126,166 Shares.
- (3) Based on the enlarged issued share capital of 948,983,309 Shares.

Maximum Scenario

Director	As at the LPD				(i) After the Rights Issue with Warrants				(ii) After (i) and assuming full exercise of the Warrants C			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%	No. of Shares	(3)%	No. of Shares	(3)%
Mak Siew Wei	1,845,666	0.37	-	-	5,536,998	0.37	-	-	8,305,497	0.37	-	-

Notes:-

- (1) Based on the issued share capital of 498,983,308 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 1,496,949,924 Shares.
- (3) Based on the enlarged issued share capital of 2,245,424,886 Shares.

APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)**4. HISTORICAL FINANCIAL INFORMATION**

The following table sets out a summary of the financial information of the Group for the 13-month FPE 31 March 2017, FYE 31 March 2018, FYE 31 March 2019 and 9-month FPE 31 December 2019:-

	Audited			Unaudited	
	13-month FPE 31 March 2017	FYE 31 March 2018	FYE 31 March 2019	9-month FPE 31 December 2018	9-month FPE 31 December 2019
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	18,242	23,086	20,613	16,085	14,219
Cost of sales	(17,607)	(20,057)	(19,650)	(13,353)	(13,304)
GP	636	3,029	963	2,732	915
Other income	2,295	2,341	1,750	1,280	678
Administrative and general expenses	(12,230)	(10,598)	(12,364)	(7,236)	(7,316)
Selling and distribution expenses	(64)	(93)	(142)	(102)	(103)
Finance costs	(928)	(636)	(726)	(512)	(593)
(LBT)	(10,291)	(5,956)	(10,519)	(3,838)	(6,419)
Taxation	(28)	(29)	1,424	(45)	1
(LAT)	(10,319)	(5,985)	(9,095)	(3,883)	(6,418)
Profit / (loss) attributable to:-					
- owners of the Company	(10,105)	(5,628)	(8,746)	(3,689)	(6,383)
- non-controlling interests	(213)	(357)	(349)	(194)	(35)
(LAT)	(10,319)	(5,985)	(9,095)	(3,883)	(6,418)
GP / (GL) margin (%)	3.48	13.12	4.67	16.98	6.44
PAT / (LAT) margin (%)	(56.56)	(25.92)	(44.12)	(24.14)	(45.14)

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APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)

Historical financial position

	Audited			Unaudited
	As at 31 March 2017	As at 31 March 2018	As at 31 March 2019	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Non-current assets	55,595	63,209	60,731	60,746
Current assets	28,415	25,947	19,448	20,352
Total assets	84,010	89,156	80,179	81,098
Share capital	25,984	53,111	55,545	55,545
Share premium	5,912	-	-	-
Share option reserve	3,602	378	569	-
Revaluation reserve	6,461	6,308	-	-
Warrant reserve	23,621	23,621	6,496	-
Accumulated losses	(4,038)	(9,553)	(1,051)	(1,346)
Total equity attributable to owners of the Company	61,542	73,866	61,559	54,199
Non-controlling interests	(129)	(486)	(835)	-
Total equity	61,413	73,380	60,724	54,199
Non-current liabilities	15,017	9,254	11,062	11,888
Current liabilities	7,580	6,522	8,393	15,011
Total liabilities	22,597	15,776	19,455	26,899
Total equity and liabilities	84,010	89,156	80,179	81,098

Historical cash flow

	Audited			Unaudited
	13-month FPE 31 March 2017	FYE 31 March 2018	FYE 31 March 2019	9-month FPE 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Net cash from / (used in)				
Operating activities	(6,935)	(666)	(5,284)	5,532
Investing activities	(11,737)	(8,551)	(8,116)	(3,198)
Financing activities	22,706	11,300	4,682	(2,201)
Net increase / (decrease) in cash and cash equivalents	4,034	2,083	(8,718)	133
Effects of exchange rate changes on cash and cash equivalents	1	5	7	3
Cash and cash equivalents at beginning of the year / period	3,472	7,507	9,595	885
Cash and cash equivalents at end of the year / period	7,507	9,595	885	1,021

APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)

(i) 9-month FPE 31 December 2019 vs 9-month FPE 31 December 2018

The Group's revenue for 9-month FPE 31 December 2019 decreased by 11.60% to RM14.22 million as compared to the previous corresponding period. This was mainly due to lower fabrication orders from customers in the HDD, medical and automation manufacturing segments.

The Group achieved a lower GP of RM0.92 million (GP margin of 6.44%) in 9-month FPE 31 December 2019 as compared to RM2.73 million (GP margin of 16.98%) in the previous corresponding period. Apart from the lower fabrication orders as set out above, the lower GP was mainly due to lower GP margin following higher depreciation and fixed overhead expenses for machineries that were acquired in October 2018 and April 2019 as well as expanded production space that was constructed in November 2018.

The Group recorded a higher LAT of RM6.42 million in 9-month FPE 31 December 2019 as compared to a LAT of RM3.88 million in the previous corresponding period, representing an increase of 65.28%. Apart from the lower GP, the higher LAT was mainly due to the following:-

- (a) lower rental income of RM0.54 million (9-month FPE 31 December 2018: RM1.12 million) following the termination of tenancy by one of the Group's tenants; and
- (b) one-off fair value loss on quoted shares held by the Group, namely ordinary shares in Trive Property Group Berhad, of RM1.07 million (9-month FPE 31 December 2018: nil) arising from the decrease in market price of such quoted shares.

For 9-month FPE 31 December 2019, the Group recorded an increase in cash and cash equivalents of RM0.13 million (FYE 31 March 2019: decrease of RM8.72 million) mainly due to the following:-

- (a) longer credit terms provided by trade creditors which contributed to the Group recording net cash generated from operating activities of RM5.53 million; and
- (b) proceeds from the disposal of used machineries and motor vehicle amounting to RM2.82 million.

The above was partly utilised to fund the acquisition of machineries amounting to RM6.02 million.

(ii) FYE 31 March 2019 vs FYE 31 March 2018

The Group's revenue for FYE 31 March 2019 decreased by 10.71% to RM20.61 million as compared to RM23.09 million in the previous financial year. This was mainly due to lower fabrication orders from customers in the HDD and semiconductor industries.

The Group recorded a lower GP of RM0.96 million (GP margin of 4.67%) in FYE 31 March 2019 as compared to a GP of RM3.03 million (GP margin of 13.12%) in the previous financial year. Apart from lower revenue, the lower GP was due to higher cost of sales following higher depreciation and fixed overhead expenses for machineries that were acquired in October 2018 as well as expanded production space that was constructed in November 2018.

APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)

In 2018, the Group acquired specialised machineries and expanded its production space to set up a new production line in the fabrication of sheet metal. The production line commenced operation in December 2018. Subsequent to this, the sales generated from the sheet metal business were less than anticipated (due to the lack of interest from customers to place orders for sheet metal) and have not been sufficient to cover the depreciation and fixed overhead expenses associated with the new production line.

The Group recorded a higher LAT of RM8.70 million in FYE 31 March 2019 as compared to a LAT of RM5.99 million in the previous financial year, representing an increase of 45.24%. Apart from lower GP, the higher LAT was also contributed by the following:-

- (a) higher depreciation of property, plant and equipment of RM4.34 million (FYE 31 March 2018: RM3.79 million) following the acquisition of specialised machineries and expansion of production space for the new production line in the fabrication of sheet metal as set out above; and
- (b) higher write-off of property, plant and equipment of RM1.04 million (FYE 31 March 2018: RM0.02 million) arising from the demolition of old buildings / structures and covered car park at the Group's premises as part of renovations to accommodate the expansion of production space for the new production line in the fabrication of sheet metal as set out above.

For FYE 31 March 2019, the Group recorded a decrease in cash and cash equivalents of RM8.72 million (FYE 31 March 2018: increase of RM2.08 million) mainly due to the following:-

- (a) acquisition of machineries for the sheet metal business amounting to RM4.89 million;
- (b) expansion of production space for the new production line for the sheet metal business amounting to RM2.47 million;
- (c) fixed costs remaining relatively unchanged despite lower sales, which contributed to the Group recording net cash used from operating activities of RM5.28 million;
- (d) subscription of new ordinary shares in Trive Property Group Berhad pursuant to its private placement exercise for RM2.92 million; and
- (e) net repayment of finance lease liabilities amounting to RM1.66 million.

The above was mainly funded by the following:-

- (a) net drawdown of term loans amounting to RM4.74 million;
- (b) proceeds of RM2.43 million from the 2018 Private Placement which was completed in July 2018; and
- (c) proceeds from the disposal of machineries amounting to RM2.70 million.

APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)

(iii) FYE 31 March 2018 vs 13-month FPE 31 March 2017

The Group's revenue for FYE 31 March 2018 increased by 26.55% to RM23.09 million as compared to 13-month FPE 31 March 2017 (the annualised revenue for 13-month FPE 31 March 2017 was RM16.84 million, representing an increase of RM6.25 million or 37.11% on an annualised basis). This was mainly driven by higher fabrication orders from customers in the HDD, semiconductor and medical industries.

The Group recorded a higher GP of RM3.03 million (GP margin of 13.12%) in FYE 31 March 2018 as compared to a GP of RM0.64 million (GP margin of 3.48%) in the 13-month FPE 31 March 2017.

Apart from higher revenue, the higher GP was contributed by higher GP margin which in turn was mainly contributed by the commencement of sale of renewable energy to TNB in June 2017 through the Group's 300kW solar photovoltaic plant constructed in December 2016.

The Group's LAT for FYE 31 March 2018 decreased by 42.00% to RM5.99 million as compared to 13-month FPE 31 March 2017 (the annualised LAT for 13-month FPE 31 March 2017 was RM9.53 million, representing a decrease of RM6.25 million or 37.15% on an annualised basis). Apart from higher GP, the lower LAT was contributed by lower share-based payment expenses of RM1.06 million (13-month FPE 31 March 2017: RM3.60 million) as the Company granted less SIS Options to eligible employees. However, this was partly offset by higher impairment loss on receivables of RM1.57 million (13-month FPE 31 March 2017: RM0.01 million) mainly due to the non-recoverability of advances made to AT Engineering Sdn Bhd back when it was a wholly-owned subsidiary of the Company before it was disposed of in FYE 28 February 2014. The advances were made at that time for working capital purposes.

For FYE 31 March 2018, the Group recorded a decrease in cash and cash equivalents of RM2.08 million (FYE 31 March 2017: increase of RM4.03 million) mainly due to the following:-

- (a) on-going costs incurred for the expansion of production space for the new production line for the sheet metal business amounting to RM6.02 million;
- (b) acquisition of machineries amounting to RM3.57 million; and
- (c) net repayment of finance lease liabilities and term loans amounting to RM6.29 million.

The above was mainly funded by the following:-

- (a) proceeds of RM13.71 million from the exercise of SIS Options; and
- (b) proceeds of RM3.56 million from the 2017 Private Placement which was completed in May 2017.

APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)

5. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of ATS Shares traded on Bursa Securities for the past 12 months preceding the date of this Abridged Prospectus are as follows:-

	High RM	Low RM
2019		
January	0.055	0.045
February	0.055	0.045
March	0.055	0.045
April	0.055	0.050
May	0.055	0.040
June	0.050	0.040
July	0.055	0.040
August	0.055	0.045
September	0.050	0.040
October	0.080	0.045
November	0.095	0.055
December	0.075	0.035
2020		
January	0.055	0.035
February	0.050	0.035

Last transacted market price on 6 January 2020, being the last Market Day immediately prior to the announcement of the Rights Issue with Warrants (RM)	RM 0.040
Last transacted market price on 12 March 2020, being the Market Day immediately prior to the ex-date for the Rights Issue with Warrants	0.030
Last transacted market price on at the LPD (RM)	0.040

(Source: Bloomberg)

APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)

6. OPTION TO SUBSCRIBE FOR SHARES

As at the LPD, save for the Provisional Allotments and Excess Rights Shares with Warrants C, no option to subscribe for the Shares has been granted or is entitled to be granted to any person.

7. MATERIAL CONTRACTS

Save as disclosed below, as at the LPD, the Board confirmed that there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Group during the 2 years preceding the date of this Abridged Prospectus:-

- (i) share purchase agreement dated 5 July 2019 entered into between FEM (as vendor) and ATP (as purchaser) wherein FEM agreed to sell and ATP agreed to purchase 25,000 ordinary shares in ATT (representing the remaining 25% of the issued share capital of ATT not already owned by ATP) for a total consideration of RM1.00. The said agreement was completed on 18 July 2019.

8. MATERIAL LITIGATION

As at the LPD, the Board confirmed that the Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of the Group and the Board confirmed that there are no proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group.

9. CONSENTS

- (i) The written consents of the Principal Adviser, Share Registrar, Auditors and Reporting Accountants as well as the Solicitors for the Rights Issue with Warrants for the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not been subsequently withdrawn.
- (ii) The written consent of Bloomberg for the inclusion in this Abridged Prospectus of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data appear has been given before the issuance of this Abridged Prospectus and has not been subsequently withdrawn.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company following the date of this Abridged Prospectus during normal business hours from Monday to Friday (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:-

- (i) Constitution of ATS;
- (ii) the Undertakings referred to in Section 3 of this Abridged Prospectus;
- (iii) the material contract referred to in Section 7 above;
- (iv) the letters of consent referred to in Section 9 above; and
- (v) the Deed Poll C.

APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)

11. RESPONSIBILITY STATEMENT

- (i) The Board has seen and approved this Abridged Prospectus, together with the NPA and RSF, and they collectively and individually accept full responsibility for the accuracy of the information contained therein and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in these documents false or misleading.

- (ii) Mercury Securities, being the Principal Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of their knowledge and belief, this Abridged Prospectus constitutes full and true disclosure of all material facts concerning the Rights Issue with Warrants.

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