

Headline	ATSB remains resilient on the back of diversified businesses		
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# ATSB remains resilient on the back of diversified businesses

*Company is expected to achieve about RM20m in revenue for the period*

by AYISY YUSOF

AT SYSTEMATIZATION Bhd (ATSB) is expected to break-even, or at least maintain a slight improvement of its revenue for the financial year ending Feb 29, 2017.

ED Mak Siew Wei said the company is expected to achieve about RM20 million in revenue for the period, banking on the group's strategic partnership with Singapore-based Fong's Engineering and Manufacturing Pte Ltd (FEM).

"For the first two years, we have been given a minimum guarantee purchase amount worth RM8.7 million each year to produce textile machines. We just signed a purchase order for two new machines," he told reporters after ATSB AGM in Petaling Jaya last Friday.

Mak added, within the next two months, the company expects the purchase order for the machines will start contributing to its revenue from the textile projects based in Switzerland.

ATSB said the strategic partnership with FEM is expected to bring in new business opportunities for the group and allow customers from other sectors.

On the group's business

diversification into solar power, Mak said the sector will be a passive income for the group, driven by its two solar photovoltaic (PV) plants located in Bayan Lepas, Penang.

"We have completed our 425kW Solar PV plant last year and it is now connected to Tenaga Nasional Bhd's (TNB) grid system. We have signed a renewable energy power purchase agreement (REPPA) with

TNB on Nov 17, 2015, for a concession period of 21 years," he said.

The 425kW solar plant would contribute an about RM540,000 annual income to the group and it would take six years to recover its investment, ATSB said.

Meanwhile, ATSB's 300kW solar plant, which is under construction, is expected to be completed by the year-end and would only contribute RM360,000 annually to the group as early as 2017.

"The construction of our 300kW solar plant began in March. It is located at our manufacturing plant in Bayan Lepas, Penang. We have also signed a REPPA for a concession period of 21 years," Mak added.

Moving forward, ATSB is

keen to diversify its business to be profitable, especially in the solar power segment as it provides a stable recurring income to the group.

"At the moment, we have to wait for the Sustainable Energy Development Authority of Malaysia to open the quota. Once it is opened, we would tender for the solar power project," he said.

ATSB's main business is in the hard-disk drive (HDD) manufacturing sector, which contributes about 50% of its total revenue.

Meanwhile, its semiconductor and medical device manufacturing facility contributes about 25% and 20% respectively.

ATSB is targeting to raise a maximum amount of RM30.4 million from the proposed rights issue based on an illustrative issue price of RM0.04 sen per rights share.

"The proceeds will be utilised for the construction of our solar PV plant, acquisition of specialised machinery, repayment of bank borrowings and working capital," Mak said.

The company hopes the rights issue receives good subscrip-

tions rate and it will promote financial stability to the group.

The group will also continue its ongoing efforts to improve its production efficiency, intensify its business development and sales initiatives to reach out different customer base.

On the medical sector, ATSB has disembarked on a project to obtain Quality Management System (QMS) ISO 13485 Certification in the area of medical devices.

"We believe the certification is an effective solution to meet the requirements for a QMS. We anticipate that we should be able to get this certification by Oct this year," Mak said.

The group added the cert will serve as a licence for its business in the medical segment that helps to create opportunity with the availability of the ISO.

On the prospect, ATSB said it will continue operating its existing businesses with the main focus on fabrication of industrial and engineering parts.

"Although the global demand for HDD product is weaker now, we will continue to work towards reducing dependence on a single major customer from the HDD market," Mak said.

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*Pic by Ismail Che Rus*

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