

10. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

10.1 Major Shareholders and Promoters

10.1.1 Major Shareholders' and Promoters' shareholdings in the Company are as follows:

Name	Nationality/ Place of Incorporation	No. of Shares after the Public Issue			
		Direct	%	Indirect	%
Plentiful Summit	Malaysia	16,000,000	13.33	-	-
Evolusi Impian	Malaysia	20,000,000	16.67	-	-
Chen Khai Voon	Malaysian	22,712,000	18.93	^{*i} 36,000,000	30.00
Intra Teguh	Malaysia	7,246,000	6.04	-	-
Hamidon bin Abdullah	Malaysian	16,500,000	13.75	^{**ii} 7,246,000	6.04

Notes:

^{*i} Deemed interest by virtue of his shareholdings in Plentiful Summit and Evolusi Impian. The new Shares have been issued to Chen Khai Voon pursuant to the Acquisitions. As at the date of this Prospectus, he is still the registered holder of the said Shares. However, the Shares are expected to be transferred to Plentiful Summit and Evolusi Impian, investment holding companies owned by Chen Khai Voon prior to the listing of the Company on the KLSE. Information on Plentiful Summit and Evolusi Impian is disclosed in Sections 10.5.1 and 10.5.2 of this Prospectus.

^{**ii} Deemed interest by virtue of his shareholdings in Intra Teguh. The new Shares have been issued to Hamidon bin Abdullah pursuant to the Acquisition of KVCN. As at the date of this Prospectus, he is still the registered holder of the said Shares. However, the Shares are expected to be transferred to Intra Teguh, an investment holding company owned by Hamidon bin Abdullah prior to the listing of the Company on the KLSE. Information on Intra Teguh is disclosed in Section 10.5.3 of this Prospectus.

10.1.2 Profile

A brief write-up of Chen Khai Voon and Hamidon bin Abdullah is set out in Section 10.2.2 of this Prospectus.

10.1.3 Major shareholders' directorships and major shareholdings in other public companies for the past two (2) years

The directorships and major shareholdings of the major shareholders of ATIS in other public companies incorporated in Malaysia for the past two (2) years as at 17 June 2002, are as follows:

Name	Company	Appointed	Directorship	No. of ordinary shares held			
				Direct	%	Indirect	%
Hamidon bin Abdullah	EP Manufacturing Berhad	20.01.97	Executive Chairman	6,021,733	15.09	14,345,465*	35.95

Note:

* Deemed interest by virtue of his shareholdings in EP Properties (M) Sdn Bhd.

10. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

10.1.4 Changes in major shareholders/promoters and their shareholdings in ATIS for the past three (3) years:

Name	As at 31.12.99				As at 31.12.00				As at 31.12.01				After the Acquisitions, Rights Issue and reduction in par value as at 24 May 2002			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of ordinary shares of RM1.00 each	%	No. of ordinary shares of RM1.00 each	%	No. of ordinary shares of RM1.00 each	%	No. of ordinary shares of RM1.00 each	%	No. of ordinary shares of RM1.00 each	%	No. of ordinary shares of RM1.00 each	%	No. of ordinary shares of RM0.50 each	%	No. of ordinary shares of RM0.50 each	%
Suw Lee Ping	1	50.00	-	-	1	50.00	-	-	150,000	50.00	-	-	365,000	0.36	-	-
Ooi Choo Hoon	-	-	-	-	1	50.00	-	-	150,000	50.00	-	-	365,000	0.36	-	-
Siew Voon Fong	1	50.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chen Khai Voon	-	-	-	-	-	-	-	-	-	-	-	-	58,712,000	58.14	-	-
Hamidon bin Abdullah	-	-	-	-	-	-	-	-	-	-	-	-	23,746,000	23.52	-	-
Mohd Shahrom bin Abd Rahim	-	-	-	-	-	-	-	-	-	-	-	-	5,772,000	5.72	-	-
Mohd Nizam bin Mohamed	-	-	-	-	-	-	-	-	-	-	-	-	5,698,000	5.64	-	-

10.2 Board

10.2.1 Directors' shareholdings in the Company

The shareholdings of the Directors in the Company after the Public Issue are as follows:

Name	Direct		Indirect	
	No. of Shares held	%	No. of Shares held	%
Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain	-	-	-	-
Chen Khai Voon	22,712,000	18.93	*i36,000,000	30.00
Lee Kok Keong	-	-	-	-
Hamidon bin Abdullah	16,500,000	13.75	**7,246,000	6.04
Sa Chee Peng	-	-	-	-
Chen Siew Chong @ Chin Siew Chong	-	-	-	-
Tunku Ahmad Burhanuddin bin Tunku Datuk Seri Adnan	-	-	-	-
Lim Yong Jin	-	-	-	-

Notes:

* Deemed interest by virtue of his shareholdings in Plentiful Summit and Evolusi Impian. The new Shares have been issued to Chen Khai Voon pursuant to the Acquisitions. As at the date of this Prospectus, he is still the registered holder of the said Shares. However, the Shares are expected to be transferred to Plentiful Summit and Evolusi Impian, investment holding companies owned by Chen Khai Voon, prior to the listing of the Company on the KLSE. Information on Plentiful Summit and Evolusi Impian is disclosed in Sections 10.5.1 and 10.5.2 of this Prospectus.

** Deemed interest by virtue of his shareholdings in Intra Teguh. The new Shares have been issued to Hamidon bin Abdullah pursuant to the Acquisition of KVCM. As at the date of this Prospectus, he is still the registered holders of the said Shares. However, the Shares are expected to be transferred to Intra Teguh, an investment holding company owned by Hamidon bin Abdullah, prior to the listing of the Company on the KLSE. Information on Intra Teguh is disclosed in Section 10.5.3 of this Prospectus.

**i The table above does not include allocations of the Public Issue Shares reserved for eligible Directors and employees of the ATIS Group pursuant to the Public Issue.

10. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

10.2.2 Profile

The details of the Directors of ATIS are as follows:

Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain, aged 62 is the Chairman and Independent Non-Executive Director and a Chairman of the Audit Committee of ATIS. He was appointed to the Board and Audit Committee of ATIS on 6 June 2002. He is a graduate from Command and Staff College Indonesia and Joint Service Staff College Australia. Dato' Haji Fauzi has since 1960, served many years in the Malaysian Army and the Royal Malaysian Air Force, and held various positions in the command and staff appointment before retiring in November 1994 as the Deputy Chief of Air Force. He was Joint-Chairman of the planning and execution of air exercises with Thailand and Indonesia and was also involved in the training and operations along the border of Malaysia and Thailand. Dato' Haji Fauzi was formerly on the Board of Lembaga Tabung Angkatan Tentera (LTAT) and Armitage Shanks Bhd. Dato' Haji Fauzi was appointed as Non-Executive Director of of South Peninsular Industries Berhad on 1 November 1995, Non-Executive Director of British American Tobacco (Malaysia) Berhad (*formerly known as Rothmans Pall Mall (Malaysia) Bhd.*) on 16 December 1994 and Non-Executive Director of MCM Tech Berhad on 17 September 2001.

Mr. Chen Khai Voon, aged 42, is an Executive Director of ATIS. He was appointed to the Board of ATIS on 28 May 2002. He is the founder and Managing Director of the KVCN Group and is involved in formulating corporate strategies and plans for the ATIS Group. He is also instrumental to the success of the ATIS Group. Upon completing High School Certificate and Diploma in Accounting in 1981, he started his career with an audit firm, Messrs. Tan Choon Chye for about one (1) year. From 1982 to 1986, he gained exposure to the treasury and banking matters when he was employed as a clerk in the foreign exchange department in two (2) local financial institutions, D&C Bank Berhad and Pacific Bank Berhad. Before founding the KVCN Group in 1989, he was the marketing executive of Lewden Electric (M) Sdn Bhd, an electrical trading company for a period of three (3) years.

Encik Hamidon bin Abdullah, aged 49, was appointed as a Non-Executive Director of ATIS on 6 June 2002. He is an established entrepreneur and is the controlling shareholder and Executive Chairman of EP Manufacturing Bhd ("EPMB"), a company listed on the Second Board of the KLSE since 1997. EPMB and its subsidiaries ("EPMB Group") are principally involved in the manufacturing of automotive products and composite products. He founded the EPMB Group in 1988 and also owns several private limited companies engaged in manufacturing activities, principally for the automotive sector. Encik Hamidon graduated with a Bachelor degree in Applied Mathematics & Computer Science in 1974 and a Masters in Urban Planning in 1975 from the University of Adelaide, Australia. Upon graduation in 1975, he started his career as a system analyst with the South Australia Highway Department. After four (4) years, he was engaged as an urban planning consultant with P.G. Pakpoys & Associates (KL). In 1983, he was invited to join an architect firm, Hijjas Kasturi & Associates as one of its partners. After three (3) years, he left the partnership to start his own business, KB Teknik Sdn Bhd.

10. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Mr. Lee Kok Keong, aged 32, was appointed as an Executive Director and a Member of the Audit Committee of ATIS on 28 May 2002 and 6 June 2002 respectively. He also holds the position of Director, Group Operations of the ATIS Group. After completing Sijil Tinggi Pelajaran Malaysia in 1991, he joined KVCN as sales executive and rose to the position of Branch Manager of KVCNS in June 1995. As Branch Manager, he was responsible for the performance of the branch and oversaw the entire branch operations from sales and purchasing to finance and administration and training of salesmen. Under his leadership, KVCNS grew rapidly into a sales center registering revenue of RM10 million in 1998. In 1999, he was promoted to his current position of Director, Group Operations where he is responsible for key operational divisions at the KVCN Group head office, purchasing, logistics, warehouse, management information system as well as product development.

Mr. Sa Chee Peng, aged 32, was appointed as a Non-Executive Director of ATIS on 6 June 2002. He was appointed as Director, Sales & Marketing of the KVCN Group on 1 January 1999, a position he currently holds. As Director of Sales & Marketing, he formulates sales strategies and oversees the smooth implementation of these plans to ensure that the KVCN Group achieves its yearly sales targets. He graduated from Universiti Pertanian Malaysia with a Bachelor Degree in Agriculture Business. After his graduation in 1993, he joined KVCS in June 1994 as a sales executive and after three (3) years, he was promoted as the Chief Operating Officer of KVCC.

Ms. Chen Siew Chong @ Chin Siew Chong, aged 39, was appointed as a Non-Executive Director of ATIS on 6 June 2002. She currently holds the position of Head of Procurement of the KVCN Group. She holds the task of managing entire procurement operations from inventories planning, sourcing of inventories from local and overseas suppliers to timely delivery of inventories to KVCN's nationwide network of sales centers. After completing secondary education in 1981, she started her career as an accounts clerk in a textile company. After four (4) years, she joined a trading company, Lewden Electric (M) Sdn. Bhd. and was engaged as its Accounts Executive for about nine (9) years. On 1 March 1994, she joined KVCN as an Assistant Manager in the Marketing Department and since then, she specializes in the area of procurement and customer service support.

Tunku Ahmad Burhanuddin bin Tunku Datuk Seri Adnan, aged 40, was appointed as an Independent Non-Executive Director and a Member of the Audit Committee of ATIS on 6 June 2002. Tunku Ahmad graduated with Association of Certified Accountants in 1984 and was admitted as an associate of the Chartered Association of Certified Accountants and a member of the Malaysian Institute of Accountants in 1998. He was made a Fellow of the Chartered Association of Certified Accountants in 2001.

Tunku Ahmad has over eighteen (18) years of experience in the financial and banking industries. He has been with the Commerce Asset-Holding Berhad Group ("CAHB Group") since 1984 and was appointed as Executive Director and Chief Executive Officer of Commerce Asset Fund Managers Sdn Bhd on May 1998, a Director of Commerce Asset Ventures Sdn Bhd on 6 February 1995 and a Director of Commerce Trust Berhad on 5 October 2001. During his time with the Bank of Commerce Berhad, he worked in various departments from Finance, Credit Administration, Internal Audit, Retail and Corporate Banking. In 1994, he was appointed as the Financial Controller of CAHB whereby he was responsible for the day-to-day management of the company and group accounts and managed the group's investor relations. He also has experience in general commerce whereby for three (3) years he was the Group General Manager and Company Secretary for a diversified private holding company, Lenggang Holdings Sdn Bhd.

10. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Mr. Lim Yong Jin, aged 42, was appointed as an Independent Non-Executive Director of ATIS on 6 June 2002. He graduated with a Bachelor of Mechanical Engineering Degree in Production & Management Option from University of Technology, Malaysia in 1983. He has wide experience in the manufacturing sector, especially the storage industry and has successfully set-up many start-up operations including several manufacturing facilities in the Asia Region. Over the last eight (8) years, he has held key management positions in several MNCs and he is presently the Vice President Asian Operations of MCMS Sdn Bhd ("MCMS"). In 1983, he began his career as a Staff Process Engineer with Motorola Semiconductor Sdn Bhd. After five (5) years, he joined Baxter Healthcare International, Penang as the Production Section Manager. He served this company for about two (2) years and later moved to join Applied Magnetics Malaysia Sdn Bhd ("AMM") as the Thin Film Slider Fab & IIGA Operations Manager. In January 1994, he left AMM with his last held position of Development & Product Engineering Manager to join MKE-Quantum Components LLC ("MKE-Quantum"), Batam, Indonesia as the General Manager.

He was also appointed as a Director of MKE-Quantum. In November 1998, he joined MCMS as the General Manager. Within the span of one (1) year, he was promoted to the position of Managing Director of MCMS and in December 2000, he was promoted to his current position of Vice President Asian Operations.

10.2.3 Directorships and/or major shareholdings held by the Directors in other public companies in Malaysia for the past two (2) years

Save as disclosed below, none of the Directors of ATIS or its subsidiaries have held any directorships and/or major shareholdings in other public companies in Malaysia for the past two (2) years.

Name	Company	Appointed/ (Resigned)	Directorship	←No. of ordinary shares held→			
				Direct	%	Indirect	%
Hamidon bin Abdullah	EP Manufacturing Bhd	20.01.97	Executive Chairman	6,021,733	15.09	14,345,465*	35.95
Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain	South Peninsular Industries Berhad	01.11.95	Non-Executive Director	-	-	-	-
	British American Tobacco (Malaysia) Berhad	16.12.94	Non-Executive Director	1,000	#	-	-
	MCM Tech Berhad	17.09.01	Non-Executive Director	-	-	-	-
Tunku Ahmad Burhanuddin bin Tunku Datuk Seri Adnan	EP Manufacturing Berhad	(29.01.02)	Independent Non-Executive Director	-	-	-	-
	BBMB Unit Trust Management Bhd	13.12.00	Independent Non-Executive Director	-	-	-	-
	Commerce Trust Berhad	05.10.01	Independent Non-Executive Director	-	-	-	-
	Federal Furniture Holding (M) Berhad	30.03.02	Independent Non-Executive Director	-	-	-	-

Notes:

* Deemed interest by virtue of his shareholdings in EP Properties (M) Sdn Bhd.

Negligible.

10. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**10.2.4 Aggregate remuneration and benefits of directors**

The range of aggregate remuneration and benefits of the existing Directors of ATIS for services rendered in all capacities within the Group and the number of Directors within the specified range are as set out below:

Range of remuneration per annum	Year ended 31 December 2001 No. of Directors	Year ending 31 December 2002 No. of Directors
More than RM300,000 but less than RM400,000	1	1
More than RM200,000 but less than RM300,000	-	
More than RM100,000 but less than RM200,000	2	2
More than RM50,000 but less than RM100,000	1	1
Less than RM50,000	-	4

For the financial year ended 31 December 2001, the remuneration and fees paid to the Directors for services to the subsidiary companies was RM652,164. For the financial year ending 31 December 2002, the amount of remuneration and fees proposed to be paid to the Directors for services to the Company and its subsidiary companies is estimated to be RM802,000.

10.3 Audit Committee

The details of the Audit Committee of ATIS are as follows:

Name	Designation	Directorship
Mej Jen (Rtd) Dato' Haji Fauzi Bin Hussain	Chairman of the Committee	Chairman and Independent Non-Executive Director
Mr. Lee Kok Keong	Member of the Committee	Executive Director
Tunku Ahmad Burhanuddin bin Tunku Datuk Seri Adnan	Member of the Committee	Independent Non-Executive Director

10.4 Management

Profiles of the key management, including key technical personnel, are as follows:

Name	Position
1. Mr. Tam Kim Sum, William	Chief Executive Officer of ATIS
2. Encik Ab Manan bin Ab Majid	Executive Chairman of WPI
3. Mr. Yee Kim Yuen	Managing Director of TSIH
4. Mr. Chin Kem Weng	Managing Director of GT
5. Mr. Yeoh Tay Hean	Director and Chief Executive Officer of GPT

Industrial Supply & Service Support Segment

1. Mr. Chew Yik Wai	Director of Buying Department
2. Mr. Yap Wan Loong	Director of Branch Operations

10. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Position
<u>Industrial Automated Equipment Segment</u>	
1. Mr. Tan Kok Ang	Director of Business Development
2. Mr. Teh Tiang Ting, Nicholas	Head of Operations
3. Mr. Ooi Eng Sun	Head of Engineering
4. Mr. Sow Ewe Lee	Manager, Replication Department
<u>Plastic Injection Moulding Segment</u>	
1. Mr. Tan Swan Chiew	Operation Manager
2. Mr. Lim Boon Siew	Engineering Manager
<u>Group Finance Department</u>	
1. Ms. Ong Phoe Be	Head of Corporate Finance
2. Mr. Hew Voon Foo	Financial Controller

10.4.1 Profile

Mr. Tam Kim Sum, William, aged 49, is the Chief Executive Officer of ATIS. He has wide experience and exposure to both the public and corporate sectors in Hong Kong. He was employed in top management positions of a few major business conglomerates. He held various positions such as the Deputy General Manager of Ventex (HK) Ltd and Vista Travel Services Ltd from 1978 to 1982, Marketing Manager in Hutchinson & Whampoa Group from May 1982 to September 1987, General Manager of the Hong Kong and China Retail Division in The Swire Group from October 1993 to August 1994, Chief Executive Officer of Fotomax (F.E.) Ltd. in the Li & Fung Group from September 1994 to January 1996 and was Group Managing Director of the Nationbase Group of Companies in Hong Kong and China from February 1996 to 1997. He left the corporate sector in early 1997 to start his own training and management consultancy business. He joined the KVCM Group in September 2001 as its Chief Operating Officer and was subsequently appointed to his current position in 2001.

He has also served the Hong Kong Tourist Association and the Hong Kong Sports Institute as their Liaison Officer from September 1976 to December 1977 and Director in Marketing Services from October 1987 to September 1993 respectively. He holds a Bachelor of Social Science in 1976 from the Chinese University of Hong Kong.

Encik Ab Manan Bin Ab Majid, aged 52, was appointed to the Board of Directors of WPI on 6 June 1995. On 12 January 2001, he was appointed as the Executive Chairman of WPI. He obtained a Diploma in Public Administration from Institute Technology Mara in 1979 and City & Guild of London Certificate in Electrical Engineering from Secondary Trade School, Johor Bahru in 1968.

En. Ab Manan began his career as an electrical technician in 1969 at Food & Specialties (Nestles) Sdn Bhd. After three (3) years, he joined the National Institute & Scientific Research from 1972 to 1975 as an electrical/mechanical technician. He continued to pursue his keen interest in the area of research by joining the MIRDC/Plastic Center of Standards Institute of Research in Malaysia ("SIRIM") in 1976 as a Senior Technician. In 1991, he was promoted as the Acting Assistant Research Officer in the Metallurgy Center of SIRIM. With the exposure and training in United Kingdom and India during his employment with SIRIM, he was exposed to a wide job scope including research and development, training, budgeting, laboratory testing and general management. His dedication and excellent employment service has earned him the coveted "Perkhidmatan Cemerlang SIRIM" award in 1993.

10. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

With his extensive knowledge and expertise in the plastic industry, he decided to leave SIRIM in 1995 to set up his own business of manufacturing plastic components and parts. This led to the establishment of WPI on 6 June 1995. With over twenty (20) years in SIRIM, En. Ab Manan has developed a high standard of product quality and he was instrumental in setting-up the quality control procedures for the manufacturing processes of WPI. His contribution and efforts in this area had assisted the company obtain its ISO 9002 accreditation in 1999.

Mr. Yee Kim Yuen, aged 42, is the Managing Director of TSIH. He has been the Director and Chief Executive Officer of TSIH since 4 November 1993. He has also been on the Board of TSSA and AYS since 24 April 1997 and 24 August 1999 respectively. He has vast experience and exposure to the industrial hardware industry. After completing secondary education in 1982, he started his career as a sales executive in Weng Heng Engineering Hardware, a company principally engaged in the supply and distribution of industrial hardware products. After gaining experience and knowledge in this industry, Mr. Yee decided to establish his own industrial hardware business in 1990 by entering into a partnership called Super Engineering Hardware & Trading. The growth of this partnership over the next three (3) years prompted him to set up Thian Soon Engineering Hardware Sdn Bhd in 1993.

Mr. Chin Kem Weng, aged 32, is the Managing Director of GT. He has been the Director and Chief Executive Officer of GT since 27 October 1997. He has a Diploma in Mechanical Engineering from Institute Technology of Butterworth and is familiar with SMC Pneumatic and PLC programming, specialising in the area of design. Upon graduation in 1991, Mr. Chin joined Applied Magnetics Malaysia Sdn Bhd (Disc Drive Recording Heads Group) ("Applied Magnetics") as a Technical Specialist. He was largely involved in the design of mechanical tooling and maintenance of automation equipment. After having gained two (2) years of experience at Applied Magnetics, he joined Quantum Peripheral Indonesia ("Quantum") as an expatriate engineer and managed the automation project at the plant. Later, he was sent to Quantum in US for a year, undertaking research and development work related to new technology. With his expertise and technical know-how, especially in the area of design, Mr. Chin decided to leave Quantum in 1997 to start his own company, GT that specialises in the design and manufacture of customised automated and semi-automated machines.

Mr. Yeoh Tay Hean, aged 34, has been the Director and Chief Executive Officer of GPT since 28 November 2000. Mr. Yeoh has over thirteen (13) years of experience in the plastic industry. In 1987, he began his career as a technician in Advance Metal Form Industry Sdn Bhd after completing secondary education. After gaining the relevant technical know-how, he joined Precico Sdn Bhd ("Precico") in 1989. It was in Precico that Mr. Yeoh developed his skills and experience in the plastic industry. Within four (4) years, he was promoted to Process Specialist. In 1995, Mr. Yeoh joined WPI as its Factory Manager where after four (4) years, he was promoted to be the General Manager. Mr. Yeoh was also a former Director of WPI.

Mr. Chew Yik Wai, aged 40, is the Director of Buying Department of the TSIH Group. He is one of the pioneer staff of TSIH and is now also the General Manager, Buying Department. He plays a crucial role in managing the buying patterns of the TSIH Group as well as sourcing for new product range and quality products at more competitive prices. His skill in this area has been honed through over nineteen (19) years of hands-on experience in this industry. He started his career at an early age of eighteen (18) as a sales executive at Tai Kwong Hardware (K.L) Sdn Bhd ("Tai Kwong") after completing secondary education. After fifteen (15) years at Tai Kwong, he started Soon Hupp Hardware, a business partnership. In 1995, he left the partnership to join TSIH.

10. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Mr. Yap Wan Loong, aged 40, was appointed Director of Branch Operations for the KVCM Group in December 1999. Mr. Yap is one of the pioneers of KVCM and has vast hands-on experience in sales and branch operations. He completed secondary education in 1978. In 1979, he started his career as a mechanic and after three (3) years, he joined Pembinaan Elektrik Samar Sdn Bhd in 1982, whereby he obtained more than seven (7) years of experience in sales of industrial electrical and electronics products.

He joined KVCM in July 1989 as a sales executive and was promoted to Branch Manager of KVCS, the first branch of KVCM in 1994. His forte lies in the development of salesmen and he has conducted various internal training programs in identifying and developing potential Sales and Branch Managers. He was also in-charge of the initial set-up of all the subsequent seven (7) branches of the KVCM Group. The management has recognized his significant contribution to the development of the KVCM Group and he was subsequently promoted him to his current position of Director of Branch Operations. As the Director of Branch Operations, he oversees the smooth running of all branches as well as the planning and initial set-up of new branches.

Mr. Tan Kok Ang, aged 45, is the Business Development Director of GT. He obtained a Diploma in Mechanical Engineering from Bedford Institute of Technology in 1976 and has over twenty-five (25) years of hands-on experience in areas of production and engineering such as mould fabrication, tool, die and equipment maintenance to equipment and tool design. Upon graduation in 1976, he joined Micro Machining as a machinist. After four (4) years, he left to join Advance Micro Devices Sdn Bhd and was working as a Senior Technician in the Tool, Die & Equipment Maintenance Department for twelve (12) years.

Equipped with over sixteen (16) years of experience in fabrication and maintenance of equipment, Mr. Tan decided to venture into designing when he joined Applied Magnetics as a design engineer in 1991. He later moved on to Quantum in 1994 as an Equipment Engineering Manager. With his strong background in factory operations and production, he was selected by the management to set-up a new plant in Batam, Indonesia. At Quantum, he headed a group of engineers and technicians. Mr. Tan resigned from Quantum in 1998 to join GT as its Operational Director in October 1998. He left in April 2000 to join Genevision (M) Sdn Bhd but rejoined GT on 1 June 2001.

Mr. Teh Tiang Ping Nicholas, aged 37, is the Head of Operations of GT. He graduated from Universiti Utara Malaysia with a Bachelor Degree (Honours) in Accounting in 1991. He is also a member of the Malaysian Institute of Accountants ("MIA"). He joined GT in December 2001 and is in charge of the smooth running of five (5) key departments, namely Production, Quality Control, Purchasing & Logistics, Human Resource, Facilities & Administration and Finance. He commenced his career with KPMG Peat Marwick in 1991 and after 4 years, he joined AMG Marketing Sdn Bhd as the Finance and Administration Manager. Prior to joining GT in December 2002, he was the Finance and Administration Manager in Glaspec (M) Sdn Bhd for six (6) years.

Mr. Ooi Eng Sun, aged 33, is Head of Engineering of GT. He holds a Degree in Engineering (Electronics/Computer) from Universiti Pertanian Malaysia. After his graduation in 1995, he joined Quantum as an Equipment Engineer. At Quantum, he was responsible for the maintenance and upgrading of equipment. After his two (2) year stint in Quantum, Mr. Ooi joined Powermatic Sdn Bhd in early 1997 and was involved in the design of the airport SCADA software as well as the design of the airport monitory and control systems.

10. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Mr. Ooi left Powermatic Sdn Bhd in December 1997 to join GT and was one of the pioneer staff and part of the key management and technical team, which contributed significantly to the development of GT.

Mr. Sow Ewe Lee, aged 32, is the Manager, Replication Department of GT. He holds a Master of Science in Mechatronics from the University of De Montfort, Leicester, United Kingdom. Upon his graduation in 1996, he joined Hitachi Semiconductor (M) Sdn Bhd as a design engineer and was involved in designing circuit and developing software. After a year, he left to join Quantum as an automation engineer where he gained experience in the area of automation system design and set-up. Mr. Sow's forte lies in the area of software programming.

In 1998, he left Quantum to join GT as its senior software engineer. Mr. Sow left GT in April 2000 to join Genevision (M) Sdn Bhd but rejoined GT in June 2001.

Mr. Tan Swan Chiew, aged 46, is currently the Operation Manager of WPI. He oversees the smooth running of the entire factory operations from production planning, production, quality control, purchasing to administrative matters. Mr Tan has more than twenty (20) years of hands-on experience in the plastic injection industry. Upon completing secondary school in 1976, he joined an architect firm as an apprentice for about a year. His experience in this industry began in 1978 when he joined Friendship Plastic Industries Sdn Bhd as its Production Head. After gaining seven (7) years of experience in the technical know-how of the production processes, he joined Mattel (KL) Sdn Bhd ("Mattel") as the Industrial Engineer for four (4) years. In 1989, he left Mattel to join Multipet Sdn Bhd from 1989 to 1998 as Production Manager. Prior to joining WPI in 2001, he was working as the Factory Manager of Fairpoint Plastic Sdn Bhd for approximately three (3) years.

Mr. Lim Boon Siew, aged 39, is the Engineering Manager of GPT. Mr. Lim's initial career years from 1982 to 1990 were focused in the area of machine commissioning where he was working as a Boilerman cum Senior Fitter. His exposure to the plastic injection moulding industry began in 1990 when he was attached to Royal Swiss Sdn Bhd ("Royal Swiss"). During his employment, he had the opportunity to gain knowledge and experience in plastic injection products. After two (2) years at Royal Swiss, he joined B. Braun Sdn Bhd from 1992 to 1994 where he worked with a group of technicians and mould setters to ensure that the products met the quality requirements. Prior to joining GPT in May 2001, he was working as Production Engineering Manager in Professional Tools & Dies ("PT&D") for eight (8) years. In PT&D, he managed and supervised a team involved in quality assurance and production engineers and technicians. He was also a member of the ISO 9002 committee, which led to the successful accreditation of ISO 9002 by SIRIM.

Ms. Ong Phoe Be, aged 32, is the Head of Corporate Finance of ATIS. She is currently a member of the Malaysian Institute of Certified Public Accountants ("MICPA"). She completed the MICPA professional course in June 1994 and was attached with KPMG, an Audit Firm in Malaysia for four (4) years from December 1989 to September 1994.

Ms. Ong has wide experience in finance related matters, ranging from accounting to corporate finance. Her exposure to corporate finance began in Arab-Malaysian Merchant Bank Berhad ("AMMB") in 1994. She left AMMB in 1996 and moved on to Tanco Holdings Berhad, a company listed on the Main Board of the Kuala Lumpur Stock Exchange. She was the Head of Corporate Planning Department for about four (4) years before she joined KVCM in June 2000 as its Head of Corporate Finance.

10. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Mr. Hew Voon Foo, aged 41, is the Financial Controller of KVCM. He commenced his career in 1980 at Messrs. Tan Choon Chye as an audit assistant. He then left in 1983 to pursue a professional qualification from the Chartered Institute of Management Accountants at Tunku Abdul Rahman College where he successfully graduated in 1986.

After graduation, he joined Messrs. Wong Yow Seng & Co as an audit senior for three (3) years. In 1989, he joined Goodmeat (M) Sdn Bhd as the Accounts Manager, and after 1½ years, he left the company to join KB Teknik Sdn Bhd as the Accounts Manager. He was in KB Teknik Sdn Bhd for five (5) years before joining KVCM on Oct 1996 as the Financial Controller. Mr. Hew was also appointed as an Independent Non-Executive Director and a member of the Audit Committee of EPMB on 17 April 2002.

10.4.2 Save as disclosed in Section 10.4.1 above, none of the key management of the Group have held any directorships or major shareholdings in other public corporations for the past two (2) years.

10.4.3 As at 17 June 2002, none of the key management of the Group have any shareholdings, direct or indirect, in the Group.

10.5 Major Shareholders**10.5.1 Profile of Plentiful Summit**

Plentiful Summit was incorporated in Malaysia under the Companies Act, 1965 as a private limited company on 24 January 2002. Plentiful Summit is principally an investment holding company. The authorised share capital of Plentiful Summit is RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 10,000 shares have been issued and fully paid-up. The details of the Directors and major shareholders of Plentiful Summit are as follows:

Name	<-----Direct----->		<-----Indirect----->	
	No. of shares held	%	No. of shares held	%
Chen Khai Voon	9,999	99.99	-	-
Chen Siew Chong @ Chin Siew Chong	1	*	-	-

Note:

* *Negligible*

Plentiful Summit does not have any major shareholdings in other public companies since its incorporation.

Upon completion of the transfer to Plentiful Summit of the 16,000,000 Shares belonging to Chen Khai Voon, the voting power of the said Shares would essentially be transferred to Plentiful Summit. Nevertheless, Chen Khai Voon would retain his interest in ATIS through Plentiful Summit.

10. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**10.5.2 Profile of Evolusi Impian**

Evolusi Impian was incorporated in Malaysia under the Companies Act, 1965 as a private limited company on 23 April 2002. Evolusi Impian is principally an investment holding company. The authorised share capital of Evolusi Impian is RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 10,000 shares have been issued and fully paid-up. The details of the Directors and major shareholders of Evolusi Impian are as follows:

Name	<-----Direct----->		<-----Indirect----->	
	No. of shares held	%	No. of shares held	%
Chen Khai Voon	9,999	99.99	-	-
Chen Voon Choy	1	*	-	-

Note:

* *Negligible*

Evolusi Impian does not have any major shareholdings in other public companies since its incorporation.

Upon completion of the transfer to Evolusi Impian of the 20,000,000 Shares belonging to Chen Khai Voon, the voting power of the said Shares would essentially be transferred to Evolusi Impian. Nevertheless, Chen Khai Voon would retain his interest in ATIS through Evolusi Impian.

10.5.3 Profile of Intra Teguh

Intra Teguh was incorporated in Malaysia under the Companies Act, 1965 as a private limited company on 22 April 2002. Intra Teguh is principally an investment holding company. The authorised share capital of Intra Teguh is RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 10,000 shares have been issued and fully paid-up. The details of the Directors and major shareholders of Intra Teguh are as follows:

Name	<-----Direct----->		<-----Indirect----->	
	No. of shares held	%	No. of shares held	%
Hamidon bin Abdullah	9,999	99.99	-	-
Dr. Linden Hamidon Nee Fong	1	*	-	-

Note:

* *Negligible*

Intra Teguh does not have any major shareholdings in other public companies since its incorporation.

Upon completion of the transfer to Intra Teguh of the 7,246,000 Shares belonging to Hamidon bin Abdullah, the voting power of the said Shares would essentially be transferred to Intra Teguh. Nevertheless, Hamidon bin Abdullah would retain his interest in ATIS through Intra Teguh.

10. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**10.6 Employees**

The Group currently has 672 employees. Its employees could be generally segregated into six (6) categories as follows:

Category	Industrial Supply and Service Support	Average years of service	Industrial Automated Equipment	Average years of service	Plastic Injection Moulding	Average years of service	Total Group
Managerial	58	5.4	6	2.1	4	3.6	68
Technical*	-	-	68	1.9	23	1.3	91
Executives	116	2.6	10	2.7	1	2.0	127
Distribution and logistics	148	2.3	3	0.4	-	2.8	151
Factory operators	-	-	8	0.2	107	1.8	115
Clerical	97	1.7	15	1.0	8	2.1	120
Total	419		110		143		672

Note:

- * *Technical category comprises of R&D engineers, technicians, machinists and quality control/quality assurance personnel.*

All the employees are Malaysians except for Mr. Tam Kim Sum, William who holds a Hong Kong citizenship and whose profile is disclosed in Section 10.4 of this Prospectus.

The employees of the Group do not belong to any labour union and enjoy a cordial relationship with the management. There have been no instances of strike action by the employees since the Group started operations.

The Group organizes training programs for its employees on an ad-hoc basis. Over the last three (3) years, the Group has organized self-development and self-improvement training programs such as management development and motivational courses for managers in the Industrial Supply & Service Support Segment. These programs were designed to improve their managerial skills and for personal development. For the Industrial Automated Segment, training programs such as "5S Towards A Quality Environment", "Training on Understanding ISO 9000" and "Establishing ISO 9000 Quality System" were arranged for the managers. GT is in the process of preparing documentation for the ISO 9000 certification. For the Plastic Injection Moulding Segment, the training currently provided to these workers are basic training on operating of equipment.

10.7 Family Relationships

Save as disclosed below, none of the Directors and key management of the Group are related to each other.

Chen Siew Chong @ Chin Siew Chong is the sister of Chen Khai Voon.

10. INFORMATION ON SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

10.8 Declaration by Directors and Key Management

No Director, key management or person nominated to become a Director or key management is or was involved in the following events:

- (i) A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key management;
- (ii) Such person was convicted in a criminal proceedings or is a named subject of a pending criminal proceedings; or
- (iii) Such person was the subject of any order, judgment or ruling of any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

10.9 Service Contracts

None of the Directors of ATIS and key management have any existing or proposed service contracts with ATIS or its subsidiaries, excluding contracts expiring or terminable by the employing company without payment or compensation (other than statutory compensation).

11. APPROVALS AND CONDITIONS

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of ATIS on the Main Board of KLSE, the Company undertook a restructuring exercise as discussed in Section 9.3 of this Prospectus, which was approved by the SC, FIC and MITI on the dates set out below:

Authority	Date of approval
SC	8 March 2002 and 29 April 2002
FIC	14 August 2001
MITI	9 September 2001

The conditions set down by the SC, FIC and MITI in their approvals of the restructuring exercise and the listing of ATIS on the Main Board of the KLSE are as follows:

Authority	Details of Conditions Imposed	Status of Compliance
FIC	ATIS is to obtain the approvals of the MITI and SC	ATIS obtained the approvals of the MITI and SC on 9 September 2001; and 8 March 2002 and 29 April 2002 respectively.
MITI	ATIS is to obtain the approvals of the FIC and SC	ATIS obtained the approvals of the FIC and SC on 14 August 2001; and 8 March 2002 and 29 April 2002 respectively.
SC	<p>i) The utilisation of proceeds raised from the Rights Issue and Public Issue are subject to the following:</p> <p>a) Approval from the SC should be sought for any changes to the utilisation of proceeds other than for the core business of ATIS;</p> <p>b) Shareholders' approval is required for any deviation by twenty-five percent (25.0%) or more from the utilisation as determined. If the deviation is less than twenty-five percent (25.0%), appropriate disclosure should be made to the shareholders of ATIS;</p> <p>c) Any extension of time on the period of utilisation already determined by ATIS should be approved by the Board of Directors of ATIS through resolution and communicated to the KLSE; and</p> <p>d) Appropriate disclosure on the status of utilisation is required to be made in the quarterly and annual report of ATIS until all the proceeds have been fully utilised.</p> <p>ii) The promoters and substantial shareholders of ATIS are required to provide a written undertaking to the SC that they are not involved and should not be involved in businesses that are similar/in competition with the ATIS Group's business.</p>	<p>Will comply, if applicable.</p> <p>Will comply, if applicable.</p> <p>Will comply, if applicable.</p> <p>Will comply, if applicable.</p> <p>The letters of undertaking dated 26 April 2002 by Chen Khai Voon and Hamidon bin Abdullah have been submitted to the SC.</p>

11. APPROVALS AND CONDITIONS (Cont'd)

- | | | |
|------|---|---|
| iii) | The Directors of the individual companies within the ATIS Group, whose audited accounts have been qualified, are required to provide a statutory declaration that the said accounts have been prepared on a true and fair basis notwithstanding that the accounts have been qualified. | The statutory declarations dated 8 May 2002 have been submitted to the SC. |
| iv) | ATIS is required to make full disclosure of the following in the Prospectus: | |
| | (a) the primary reason of ATIS for not revising the profit and cashflow forecast and projections as a result of the world economic downturn; | Complied. Appropriate disclosure has been made in Section 6.2 of this Prospectus. |
| | (b) the plans taken/to be taken by ATIS to mitigate the risks associated with the business operations of the ATIS Group. | Complied. Appropriate disclosure has been made in Section 6 of this Prospectus. |
| v) | The Directors of ATIS have to ensure that the audited financial statements of the ATIS Group are prepared in accordance with the accounting standards prescribed by the Malaysian Accounting Standards Board. | Complied / to be complied by the Company. |
| vi) | Any transactions between the ATIS Group and any persons connected with the promoters/Directors/major shareholders of ATIS must be conducted on terms that are at arms-length and which are not detrimental to the ATIS Group. The Audit Committee of ATIS is required to monitor and report such transactions, if any, on an annual basis in the annual report of ATIS. | The promoters, Directors and major shareholders of ATIS have taken note of the condition and will comply with this condition if applicable. |
| vii) | CIMB/ATIS is required to fully comply with the requirements in relation to the listing of companies as set out in the Policies and Guidelines on Issue/Offer of Securities, particularly as set out in paragraph 10.17 whereby ATIS should not venture into activities that are not related to its core business within three (3) years after its listing. | Complied/to be complied by the Company. |

12. RELATED PARTY TRANSACTIONS

12.1 Related-party transactions

- 12.1.1 Save as disclosed below, there are no transactions, existing or potential entered or to be entered by ATIS or its subsidiaries, which involved the interest, direct or indirect, of Directors, major shareholders and/or persons connected with such Directors or major shareholder as defined under Section 122A of the Companies Act, 1965.
- (i) KVCN, a company in which Chen Khai Voon has deemed interest by virtue of his shareholdings in ATIS, had sold industrial electrical and electronic products to Lewden Electric (M) Sdn Bhd ("LEM") amounting to RM64,255 and had purchased products amounting RM14,449 for the five (5) months until 31 May 2002. Cheong Kok Kien is a Director of LEM and has a substantial financial interest in the company. Cheong Kok Kien is the spouse of Chen Kim Lian who is in turn the sister of Chen Khai Voon. Chen Khai Voon is a Director of KVCN. For the financial year ending 31 December 2002, the Group expects to continue its business relationship with LEM. The transactions are expected to be conducted on an arms' length basis.
 - (ii) KVCN, a company in which Chen Khai Voon has deemed interest by virtue of his shareholdings in ATIS, had purchased stationery from Lewden Press (M) Sdn Bhd ("LP") amounting to RM5,382 for the five (5) months until 31 May 2002. Cheong Kok Kien is a Director of LP and has deemed interest of 100% via LEM. Cheong Kok Kien is the spouse of Chen Kim Lian who is in turn the sister of Chen Khai Voon. Chen Khai Voon is a Director of KVCN. For the financial year ending 31 December 2002, the Group expects to continue its business relationship with LP. The transactions are expected to be conducted on an arms' length basis.
 - (iii) TSIH, a company in which Yee Kim Yuen is a director and has substantial financial interest, had sold industrial hardware products to Kimpress Sdn Bhd ("Kimpress") amounting to RM11,662 for the five (5) months until 31 May 2002. Yee Kim Yuen is a Director and has substantial financial interest in Kimpress. For the financial year ending 31 December 2002, the Group expects to continue its business relationship with Kimpress. The transactions are expected to be conducted on an arms' length basis.
 - (iv) TSIH, a company in which Chen Khai Voon has deemed interest by virtue of his shareholdings in ATIS, had sold industrial hardware products to Bennova Mechanical Engineering Sdn Bhd ("BME") amounting to RM50,704 for the five (5) months until 31 May 2002. Chen Khai Voon is a Director and has a substantial financial interest in BME. For the financial year ending 31 December 2002, the Group expects to continue its business relationship with BME. The transactions are expected to be conducted on an arms' length basis.
 - (v) WPI, a company in which Hamidon bin Abdullah has deemed interest by virtue of his shareholding in ATIS, has sold plastic injection moulding parts to EP Polymers (M) Sdn Bhd ("EP") and Earntrade Industries Sdn Bhd ("Earntrade") amounting to RM14,112 and RM171,394 respectively for the five (5) months to 31 May 2002. Hamidon bin Abdullah is a Director in both EP and Earntrade. He has a deemed interest in EP and has substantial financial interest in Earntrade. For the financial year ending 31 December 2002, the Group expects to continue its business relationship with EP and Earntrade. The transactions are expected to be conducted on an arms' length basis.

12. RELATED PARTY TRANSACTIONS (Cont'd)

- (vi) The TSHI Group, which Hamidon Bin Abdullah has deemed interest by virtue of his shareholding in ATIS, had sold industrial hardware products to EP Moulds & Dies (M) Sdn Bhd ("EP Moulds"), EP and PEPS-JV (M) Sdn Bhd ("PEPS-JV") amounting to RM8,804, RM7,154 and RM24,902 for the five (5) months until 31 May 2002. Hamidon Bin Abdullah is a Director in both EP and Peps-JV. He has a deemed interest in EP and EP Moulds and has substantial financial interest in Peps-JV. For the financial year ending 31 December 2002, the Group expects to continue its business relationship with EP Moulds, EP and PEPS-JV. The transactions are expected to be conducted on an arms' length basis.
- (vii) KVCC, a company in which Hamidon Bin Abdullah has deemed interest by virtue of his shareholdings in ATIS, had sold industrial electrical and electronic products to EP amounting to RM34,792 for the five (5) months until 31 May 2002. Hamidon Bin Abdullah is a Director and has a deemed interest in EP. For the financial year ending 31 December 2002, the Group expects to continue its business relationship with EP. The transactions are expected to be conducted on an arms' length basis.

12.1.2 Significant related party transactions with amounts exceeding RM50,000 between ATIS or its subsidiaries, involving the interest, direct or indirect, of Directors, major shareholders and/or persons connected with Directors or major shareholders as defined under Section 122A of the Companies Act, 1965 for the last five (5) financial year ended 31 December 2001 are shown below. During these five (5) financial years, the structure of the ATIS Group was not in place as the Acquisitions were only completed on 23 May 2002. The respective Directors of KVCM, TSHI, GT and WPI are of the opinion that the following transactions have been entered into in the normal course of business and have been conducted on an arms' length basis.

(i) KVCM Group	1997	1998	1999	2000	2001
	RM'000	RM'000	RM'000	RM'000	RM'000
Sales to:					
LEM ⁽ⁱ⁾	-	-	-	339	274
Laserfab Technologies Sdn Bhd ("LTSB") ⁽ⁱⁱ⁾	-	-	-	-	257
Purchases from:					
LEM ⁽ⁱ⁾	-	-	-	200	383
Purchases paid on behalf by KVCM					
Cotel Precision Industries Sdn Bhd ("CPI") ⁽ⁱⁱⁱ⁾				724	143

Notes:

⁽ⁱ⁾ LEM is principally engaged in trading of industrial electrical & electronic products. Cheong Kok Kien is a Director of LEM and has a substantial financial interest in the company. Cheong Kok Kien is the spouse of Chen Kim Lian who is in turn the sister of Chen Khai Voon. Chen Khai Voon is a Director of KVCM.

⁽ⁱⁱ⁾ LTSB is engaged in the development of laser marking machines. Chen Khai Voon is a director and substantial shareholders of both LTSB and KVCM.

⁽ⁱⁱⁱ⁾ CPI is principally engaged in the trading of precision measurement equipment. Chen Khai Voon was a director and substantial shareholder of CPI. He resigned as Director and disposed off his shareholdings in CPI to an unrelated third party in May 2001.

12. RELATED PARTY TRANSACTIONS (Cont'd)

(ii) TSIH Group	1997 RM'000	1998* RM'000	1999* RM'000	2000* RM'000	2001 RM'000
Sales to:					
PB Steel Sdn Bhd ("PBS") ⁽ⁱ⁾	-	270	701	751	119
BME ⁽ⁱⁱ⁾	-	-	-	-	145

* As the financial year end of TSIH is non-coterminous with ATIS prior to the financial year ended 31 December 2000, the quantum of these transactions have been pro-rated to 31 December where appropriate.

Notes:

⁽ⁱ⁾ PBS is engaged in the business of trading in steel products. The Directors and shareholders of PBS are persons connected with Yee Kim Yuen, the Director of TSIH within the ambit of S122A of the Companies Act, 1965. With effect from March 2001, there were no more transactions between PBS and TSIH.

⁽ⁱⁱ⁾ BME is engaged in the design and manufacture of equipment and systems used for environmental requirements. Chen Khai Voon is both the Director and substantial shareholder of BME and TSIH.

(iii) GT Group	1997 RM'000	1998^ RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Purchases from:					
Berjasa Precision Engineering Sdn Bhd ("Berjasa") ⁽ⁱ⁾	-	490	1,436	2,095	-
Expenses paid on behalf by GT					
Berjasa ⁽ⁱ⁾	-	-	-	622	-
Genevision (M) Sdn Bhd ("GV") ⁽ⁱⁱ⁾	-	-	-	142	236
Purchase of plant machinery and other fixed assets,					
Berjasa	-	-	-	275	-
Bennova Precision Engineering (M) Sdn Bhd ("BPE") ⁽ⁱⁱⁱ⁾	-	-	-	448	-

^ GT commenced operations on 3 September 1997 and the first audited accounts was for the sixteen (16)-month financial period from 3 September 1997 to 31 December 1998.

Notes:

⁽ⁱ⁾ Berjasa was engaged in the business of providing precision tooling services. Chen Khai Voon is both the Director and substantial shareholder of Berjasa and GT. It has been dormant since October 2000. In 2001, there were no more occurrence of transactions between Berjasa and GT.

⁽ⁱⁱ⁾ GV is presently a dormant company. It was engaged in the business of designing vision related systems. The amount owing has been fully repaid by GV on 31 January 2002. Chen Khai Voon is both the Director and substantial shareholders of GV and GT.

12. RELATED PARTY TRANSACTIONS (Cont'd)

⁽ⁱⁱⁱ⁾ BPE was engaged in the business of providing precision tooling services. Chen Khai Voon is both the Director and substantial shareholder of BPE and GT. It has been dormant since January 2000. Since then, there were no transactions between BPE and GT.

(iv) WPI	1997	1998	1999	2000	2001
	RM'000	RM'000	RM'000	RM'000	RM'000
Repayment of loan by LTSB					
LTSB ⁽ⁱ⁾	-	-	-	-	65

Notes:

⁽ⁱ⁾ LTSB is engaged in the development of laser marking machines. Goh Chong Chuang is the Director and substantial shareholder of both LTSB and WPI.

12.2 Conflict of interest

- 12.2.1 There is no conflict of interest between the Group and its Adviser, Reporting Accountants and Solicitors.
- 12.2.2 Save as disclosed below, none of the Directors or major shareholders of ATIS or its subsidiaries and/or persons connected with such Directors or major shareholder as defined under Section 122A of the Companies Act, 1965 has any interest, direct or indirect, in any business carrying on a similar trade as ATIS or its subsidiaries.

LEM is principally engaged in the business of trading of electrical and electronic products. This business is owned and managed by Cheong Kok Kien, who is also a major shareholder (holding approximately 52.5% in LEM) and a Director of LEM. The remaining shareholders in LEM are the brothers of Cheong Kok Kien, who are also directors of LEM. Cheong Kok Kien is the spouse of Chen Kim Lian who is in turn the sister of Chen Khai Voon. In the Directors' opinion, there is no conflict of interest as LEM and the KVCM Group are separate businesses operated by two (2) separate teams of management and neither has any influence on each other.

12.3 Declaration

- (i) CIMB hereby confirms that there are no existing or potential conflicts of interest in its capacity either as the Adviser, the Underwriter or Placement Agent for the Public Issue.
- (ii) Messrs. Sim Hazlina & Co. has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the Solicitors for the Public Issue.
- (iii) Messrs. KPMG has given its confirmation that there are no existing or potential conflicts of interest in its capacity as Reporting Accountants and Auditors.

13. OTHER INFORMATION CONCERNING THE GROUP

13.1 Licenses and Permits

The licenses and permits which have been obtained by the Group and which are still applicable as at the date of their Prospectus are as follows:

WPI

Authority	Date Issued	Licence No.	Type of business approved	Equity conditions	Status
MITI	28/11/2000	A 012462	Manufacturing licence for the production of plastic injection moulded parts and components for the electrical/electronic and automotive industries; silk screening, tempo printing, hot stamping and sub-assemblies of plastic injection moulded parts and components therefrom	Approval for the manufacturing licence is subject to, amongst others, at least 70% equity has to be held by Malaysians, which includes a 30% equity to be held by Bumiputeras	Met

GT

Authority	Date Issued	Licence No.	Type of business approved	Equity conditions	Status
MITI	30/04/2002	A 013442	Automated and semi-automated machines and equipment for semiconductor/disk drive industry and parts thereof	-	Met

13.2 Landed Properties

A summary of the information on landed properties owned by the Group are as follows:

Property	Registered/ beneficial owner	Approximate Tenure/ Approximate Age of building	Description/ existing use	Land area / built- up area sq. ft.	Audited net book value @ 31.12.01 RM
KVCM GROUP					
No. 9, Jalan Kalong, Off Jln Sg. Besi, 55200 K.L. held under P.N. No.2401 Lot 1011 (formerly known as C.T. No.13518 Lot No. 25 Section 69 in the Town & District of Kuala Lumpur (Undivided one-quarter share)	Kompres Electric (M) Sdn Bhd (now known as KVCM)	99 years expiring in 2081/ 20 years	Leasehold/ Office	~*/ 1,716	159,854
No. 7, Jalan Kalong, Off Jln Sg. Besi, 55200 K.L. held under P.N. No.2401 Lot 1011 (formerly known as C.T. No.13518 Lot No. 25 Section 69 in the Town & District of Kuala Lumpur. (Undivided one-quarter share).	Kompres Electric (M) Sdn Bhd (now known as KVCM)	99 years expiring in 2081/ 20 years	Leasehold/ Office	~*/ 1,716	187,662
1) Parcel No D3/03 2) Parcel No D3/02 3) Parcel No.D3/04 4) Parcel No.D3/29 5) Parcel No.D3/05 all of which are held under HS (M) 03680 P.T. No. 4998, HS (D) 39088 P.T. No. 5152, HS (D) 39090 P.T. No. 5187, HS (D) 38835 P.T. No. 5154 all in the Mukim of Semenyih, District of Ulu Langat, State of Selangor.	KVCI	~ / 8 years	Freehold/ Apartment	~*/ 2,700	118,072

13. OTHER INFORMATION CONCERNING THE GROUP (Cont'd)

Property	Registered/ beneficial owner	Approximate Tenure/ Approximate Age of building	Description/ existing use	Land area / built- up area sq. ft.	Audited net book value @ 31.12.01 RM
1) Parcel 298 - G 2) Parcel 298 - 1 3) Parcel 298 - 2 of No. 21, Jln Perai Jaya, 13600, Seberang Jaya Tengah, Penang held under I.I.S. (D) 5361 P.T. No. 3844, Mukim 1, Daerah Seberang Perai Tengah, Penang	KVCI	99 years expiring in 2094 / 7 years	Leasehold/ Office	~*/ 3,185	427,800
1) Parcel 297 - G 2) Parcel 297 - 1 3) Parcel 297 - 2 of No.19, Jln Perai Jaya, 13600 Seberang Jaya Tengah, Penang held under I.I.S.(D) 5361. P.T. No. 3844, Mukim 1, Daerah Seberang Perai Tengah, Penang	KVCPG	99 years expiring in 2094 / 7 years	Leasehold/ Office	~*/ 3,185	424,209
EMR No.1282 Lot No.1413, Mukim Tanjong Kupang, Daerah Johor Bahru, Negeri Johor	KVCI	-	Freehold / Vacant Land	92,565	479,942
Industrial Area Lot 3, Jln P/12, Kawasan Perusahaan Bangi Seksyen 10, Bandar Baru Bangi held under H.S. (D) 52705 P.T.Lot No. 40854, Bandar Baru Bangi, Daerah Ulu Langat, Negeri Selangor.	KVCM	99 years expiring in 2098	Leasehold/ Vacant Land	61,032	930,580
Industrial Area Lot 7, Jln P/12, Kawasan Perusahaan Bangi Seksyen 10, Bandar Baru Bangi held under H.S. (D) 52707, P.T. Lot No. 40856, Bandar Baru Bangi, Daerah Ulu Langat, Negeri Selangor.	KVCM	99 years expiring in 2098	Leasehold/ Vacant Land	61,450	1,235,039
No.35, Jln Taming 7, Tmn Taming Jaya, 43300 Balakong held under H.S. (D) 13392 P.T. No. 9085, Mukim Kajang, District of Ulu Langat, Negeri Selangor.	Kompress Electric (M) Sdn Bhd (now known as KVCM)	- / 9 years	Freehold/ Light Industrial Factory	2,000/ 2,815	204,502
No.15, Jln Lahat 2, Tmn Badrishah, 31500 Lahat, Ipoh, Perak held under Pajakan Negeri No. Pendaftaran 28663, Lot No. 134896, Mukim of Hulu Kinta, District of Kinta.	KVCPK	990 years expiring in 2978 / 11 years	Leasehold/ Office	1,399/ 2,450	176,857
No.31, Jln Teras Jemang 27/B, Tmn Bunga Negara, 40000 S.A held under I.I.S. (D) 63878 P.T. No.1158, Mukim Damansara, District of Potaling, Negeri Selangor.	KVCS	- / 11 years	Freehold/ Office	1,600/ 3,060	262,251
PT 5786, Jln TS 2/1G, Taman Semarak, 71800 Nilai held under H.S. (D) 73664 P.T. No.5779, Mukim I Abu, Daerah Seremban, Negeri Sembilan.	KVCNS	- / 7 years	Freehold/ Office	1,799/ 3,432	224,831
No.120, Jln Rosmerah 2/16, Tmn Johor Jaya, 81100 Johor Bahru held under H.S. (D) 86135 P.T.D 48563, Mukim of Plentong, District of Johor Bahru, State of Johor.	KVCJB	- / 11 years	Freehold/ Office	1,540/ 2,970	341,224
Parcel No. 10, Storey No. 4, Block E held under Title No. 7321, P.T. Lot No. 1513, Mukim Kelemak, District of Alor Gajah, State of Melaka.	KVCI	99 years expiring in 2091 / under construction	Leasehold/ Apartment	~*/ 674	30,297

13. OTHER INFORMATION CONCERNING THE GROUP (Cont'd)

Property	Registered/ beneficial owner	Approximate Tenure/ Approximate Age of building	Description/ existing use	Land area / built- up area sq. ft.	Audited net book value @ 31.12.01 RM
H.S. (D) 102318, P.T. No.515, Pekan Bukit Kepayang, Daerah Seremban, Negeri Sembilan.	KVCM	- / 6 years	Freehold/ 3 storey Shop -Office	1,000/ 2,862	285,424
TSIH Group					
No. 7, Jalan 1/1, Taman Industri Selesa Jaya, 43300 Balakong, Selangor Darul Ehsan held under H.S.(D) 34236 P.T. No. 25756 and H.S.(D) 35081 P.T. No. 25760 both in Mukim Kajang, Daerah Ulu Langat, Negeri Selangor	TSIH	- / 2 year	Freehold/ Land with 1½ storey factory	22,889/ 19,711	2,141,604
No.49, 49-1, 49-2, Jalan SB Indah 1/2 A, Taman Sg. Besi Indah, 43300 Sri Kembangan, Selangor held under H.S. (M) 20912 P.T. 19160 Jalan Balakong Serdang, Mukim Petaling Negeri Selangor	TSIH	99 years expiring in 2092 / 8 years	Leasehold / 3 storey shop office	1,539/ 4,618	374,169
One (1) lot of agricultural land held under QT (M) 1672, L. O. No.40, Mukim Kajang, District of Ulu Langat in the State of Selangor Darul Ehsan.	TSIH	99 years expiring in 2073/-	Leasehold/ Vacant Land	35,924	540,000 (Purchase price as per sale & purchase dated 23 April 01)
All that piece of land held under Geran 28190 Lot No. 22201, Geran 28189 Lot No. 22200, Geran 28188 Lot No. 22199, Geran 28186, Lot No. 22197, Geran 28185 Lot No. 22196, all of which are in the Mukim and District of Kelang, State of Selangor. (Shah Alam Technology Park)	TSIH	- / 2 year	Freehold/ Land with 1½ storey (semi- detached) factory	8,113/ 5,117	886,586
Plot No SB 046 Lot No 849 in the Mukim of Bukit Katil, District of Melaka, State of Melaka.	TSIH	99 years expiring in 2083 / pending construction	Leasehold / Single storey semi-detached factory	5,000/ 1,500	As at to date only RM51,218 has been paid
Plot No TB 045 Lot No 847 in the Mukim of Bukit Katil, District of Melaka, State of Melaka	TSIH	99 years expiring in 2083 / pending construction	Leasehold / Double storey terrace factory	1,540/ 1,760	As at to date only RM34,512 has been paid
Lot No. 250 held under HS (D) 81280 PT No. 3609 in the Mukim of Setul, District of Seremban, Negeri Sembilan	TSIH	99 years expiring in 2093 / 1 year	Leasehold/ 1½ storey terraced factory	3000/ 3,010	232,086
Block A, Level 3A, Unit 03, Kuchai Square held under PN 14905 Lot No 33899 to PN 14910 Lot No 33904; PN 15106 Lot No 33826 to PN 15111 Lot No 33831; PN 15238 Lot No 33891; and PN 15243 Lot No 33896 all of which are in the Mukim of Petaling, District of Wilayah Persekutuan	TSIH	99 years expiring in 2086/ under construction	Leasehold/ Shopoffice	-*/ 829	As at to date RM128,706 has been paid
Sub - Lot No. JB -1A - 049, Trm Perindustrian, Bukit Serdang Seksyen 14, Seri Kembangan, Selangor held under H.S. (M) 23278 P.T. Lot No. 24163 in the Mukim and District of Petaling, Selangor.	AYS	99 years expiring in 2093/ 5 years	Leasehold/ Land with 1½ storey light industrial terraced factory	2,000/ 2,563	379,800

13. OTHER INFORMATION CONCERNING THE GROUP (Cont'd)

Property	Registered/ beneficial owner	Approximate Tenure/ Approximate Age of building	Description/ existing use	Land area / built- up area sq. ft.	Audited net book value @ 31.12.01 RM
GT GROUP					
A23-03A, Type B, Storey No 23, Block A Menara Kenanga held under GRN 42507 Lot No. 1194, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan.	GT	- / 5 years	Freehold/ Condominium	~*/ 861	194,545

Note:

* *The strata title to the land has yet to be divided by the relevant authorities. As such, the land area is currently unavailable.*

13.3 Transactions in the acquisition of properties during the two (2) years preceding the date of this Prospectus

Save as disclosed below, the Group has not acquired any properties in the two (2) years preceding the date of this Prospectus.

- (i) On 21 October 2000, KVCJB had entered into a sale and purchase agreement with Yeo Miew Choo to acquire a double storey shop house erected on a piece of land held under H.S.(D) 86135 PTD 48563, Mukim of Plentong, District of Johor Bahru, State of Johor identified as No. 120, Jalan Rosmerah 2/16, Taman Johor Jaya, 81100 Johor Bahru for the purchase price of RM335,000 which was wholly satisfied by cash.
- (ii) On 10 February 2001, KVCI had entered into a sale and purchase agreement with Jabat Makmur Sdn Bhd to acquire a low cost apartment identified as Parcel No. 10 Storey No.4 Building Block E, Taman Mewah Housing Development erected on a piece of land held under H.S.(D) 7321 P.T. 1513, Mukim Kelemak, District Alor Gajah, Melaka for the purchase price of RM35,150 which was wholly satisfied by contra of a trade debt amounting to RM30,297 owing by MCC Technique Sdn Bhd to KVCI.
- (iii) On 23 April 2001, TSIH had entered into a sale and purchase agreement with Jahariah Binti Osman, Joharah Binti Osman, Hazizah Binti Osman, Maimunah Binti Osman, Suratani Binti Osman, Suratman Bin Osman, Mohamad Isa Bin Osman, Rosjana Bin Osman, Juraidah Binti Osman, Umi Kalthum Binti Osman, and Samsol Baharin Bin Osman to acquire a lot of agricultural land held under QT (M) 1672, L.O. No. 40, Mukim Kajang, District of Ulu Langat in the State of Selangor Darul Ehsan for a purchase price of RM540,000 which was wholly satisfied by cash.
- (iv) On 12 June 2001, KVCM had entered into a sale and purchase agreement with JDC (Malaysia) Corporation Sdn Bhd to acquire a three (3) storey shop office erected on a piece of land held under H.S.(D) 102318 P.T. No.515, Pekan Bukit Kepayang, Daerah Seremban, Negeri Sembilan for the purchase price of RM281,705 which was wholly satisfied by contra of a trade debt amounting to RM256,500 owing by Tenaga Arus Electrical Sdn Bhd to KVCI.

13. OTHER INFORMATION CONCERNING THE GROUP (Cont'd)

13.4 Transactions over the last five (5) financial years ended 31 December 2001 between the ATIS Group and companies in which the Directors of ATIS have held past directorships

- (i) Sa Chee Peng was a Director of Total Electric & Control (M) Sdn Bhd ("TEC") from 20 June 1996 to 19 December 2000. During this period, the sales from KVCN to TEC were about RM1.7 million, RM1.8 million, RM6.2 million and RM3.3 million respectively for the four (4) financial years ended 31 December 2000. The sales to TEC represented only 1.6%, 1.9%, 5.1% and 2.1% of the Group's revenue for the respective four (4) financial years ended 31 December 2000.
- (ii) Lee Kok Keong was a Director of Nilai Precision Tools & Die Sdn Bhd ("NPSB") for a six (6)-month period from 17 April 2000 to 21 October 2000. During this period, sales from KVCN to NPSB amounted to RM1.2 million which represented only 0.74% of the Group's revenue for the financial year ended 31 December 2001.

14. FINANCIAL INFORMATION

14.1 Profit and Dividend Records

The following is a summary of the proforma audited results of the Group for the past five (5) financial years ended 31 December 2001 prepared for illustrative purposes only and on the assumption that the structure of the Group has been in existence throughout the years under review:

	-----Year ended 31 December----->				
	1997	1998	1999	2000	2001
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	109,001	96,570	122,538	160,049	171,372
Profit before interest, depreciation and taxation	12,859	13,704	16,595	23,103	26,167
Interest expense	(734)	(918)	(683)	(686)	(994)
Interest income	170	474	299	230	299
Depreciation	(1,368)	(1,533)	(1,750)	(2,390)	(3,110)
PBT and minority interest	10,927	11,727	14,461	20,257	22,362
Taxation	(3,000)	(3,025)	(582)	(5,947)	(6,440)
PAT but before minority interest	7,927	8,702	13,879	14,310	15,922
Minority interest	(157)	(511)	(919)	(1,443)	(1,537)
PAT and minority interest	7,770	8,191	12,960	12,867	14,385
No. of Shares assumed in issue ('000)	82,900	82,900	82,900	82,900	82,900
Gross EPS (RM)*	0.13	0.14	0.17	0.24	0.27
Net EPS (RM)*	0.09	0.10	0.16	0.16	0.17

Notes:

- * Computed based on the number of ordinary shares assumed to be in issue of 82,900,000 Shares after the Acquisitions and the reduction in par value of ordinary shares in ATIS from RM1.00 each to RM0.50 each.
- (i) The summarized proforma consolidated results are prepared for illustrative purposes only and are based on the audited financial statements of the K'VCM Group, WPI and GT Group as ATIS, the holding company has been dormant since the date of incorporation.
- (ii) As the financial year end of TSIH and TSSA is non-coterminous with ATIS prior to the financial year ended 31 December 2000, the financial results of these subsidiaries have been prorated to 31 December where appropriate.
- (iii) In 1998, the decrease in revenue was mainly due to the downturn in economy, which dampened the domestic demand for the Group's products in the Industrial Supply & Service Support Segment. There was a decrease in volume but this was compensated by an increase in the selling price of certain product ranges. This segment's performance was not materially affected by the currency crisis as this was managed through hedging. The high interest rate environment did not have any material effect on the financial performance as the Group has a low gearing position. This decrease in revenue for the Industrial Supply & Service Support segment was mitigated by better performances by Industrial Automated Equipment Segment and Plastic Injection Moulding Segment with higher demand for their products and services from MNCs. Despite the decrease in revenue, the Group achieved better PBT due to improved product margin.
- (iv) The substantial increase in revenue and PBT in 1999 was mainly attributable to the overall recovery in the Malaysian economy. All three segments recorded an increase in revenue in 1999 resulting from an increase in the volume of products sold. The Industrial Supply & Service Support Segment contributed about 73.6% to the total increase in revenue.
- (v) In 2000, the Group achieved significant growth in revenue and PBT with stronger demand for ATIS' products in all three (3) segments. For the Industrial Supply & Service Support Segment, which contributed about 79.4% to the total increase in the Group's revenue, the Group established two new sales centers, one in Johor and Pulau Pinang respectively. In addition, there was also an increase in the customer base with the employment of more extensive sales strategies and broader product range offered by the Group.

14. FINANCIAL INFORMATION (Cont'd)

- (vi) *The continual growth in 2001 Group's revenue was mainly attributable to the higher volume of sales transactions in the Industrial Supply & Service Support Segment. There was stronger demand for ATIS' products especially the non-ferrous material product range.*
- (vii) *The effective tax rate in 1997 and 1998 was lower than the statutory tax rate applicable due to the availability of reinvestment allowance and pioneer status incentive in certain subsidiaries. No provision for income tax was made in 1999 in view of the income tax waiver under the Income Tax (Amendment) Act, 1999 except for TSHI and TSSA which financial year end fell on 28 February and 31 May respectively. Accordingly, the tax expense in 1999 relates to the tax expenses of TSHI and TSSA. The effective tax rate in 2000 and 2001 was higher than the statutory tax rate applicable due to certain expenses being disallowed by the Inland Revenue Board for tax purposes in respect of certain subsidiaries.*
- (viii) *There were no extraordinary and exceptional items during the years under review.*

Further details of the proforma audited results of the Group are set out in Section 15 of this Prospectus.

14.2 Segmental Analysis of Proforma Group Revenue and PBT by Companies and Divisions**(i) Analysis of revenue by companies**

	<-----Financial years ended 31 December----->				
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Companies					
- KVCM Group	103,133	86,444	105,564	135,354	149,917
- GT Group	1,665	4,997	10,852	14,310	15,476
- WPI	4,203	5,129	6,122	10,385	5,979
	109,001	96,570	122,538	160,049	171,372

(ii) Analysis of PBT by companies

	<-----Financial years ended 31 December----->				
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Companies					
- KVCM Group	9,763	10,295	12,362	16,686	21,842
- GT Group	355	1,065	1,384	2,061	1,141
- WPI	809	367	715	1,510	(621)
	10,927	11,727	14,461	20,257	22,362

(iii) Analysis of revenue by divisions

	<-----Financial years ended 31 December----->				
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Divisions					
- Industrial Supply and Service Support	103,133	86,444	105,564	135,354	149,917
- Industrial Automated Equipment	1,665	4,997	10,852	14,310	14,959
- Plastic Injection Moulding	4,203	5,129	6,122	10,385	6,496
	109,001	96,570	122,538	160,049	171,372

14. FINANCIAL INFORMATION (Cont'd)

(iv) Analysis of PBT by divisions

	←-----Financial years ended 31 December----->				
	1997	1998	1999	2000	2001
	RM'000	RM'000	RM'000	RM'000	RM'000
Divisions					
- Industrial Supply and Service Support	9,763	10,295	12,362	16,686	21,842
- Industrial Automated Equipment	355	1,065	1,384	2,061	1,684
- Plastic Injection Moulding	809	367	715	1,510	(1,164)
	10,927	11,727	14,461	20,257	22,362

14.3 Directors' Declaration of Financial Performance

Save as disclosed in this Prospectus, the financial conditions and operations of the Company and its subsidiaries were not affected by any of the following:

- (i) Known trends, demands, commitments, events or uncertainties that have had or that the Group reasonably expects to have a material favourable or unfavourable impact on the financial performance, position and operations of the Group;
- (ii) Material capital expenditure commitments;
- (iii) Unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the Group; and
- (iv) Known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

In 1998, the decrease in revenue was mainly due to the decrease in volume but this was compensated by an increase in the selling price of certain product ranges. The substantial increase in revenue and PBT in 1999 was mainly attributable to the increase in revenue in 1999 resulting from an increase in the volume of products sold. The growth in the Group's revenue in 2001 was mainly attributable to the higher volume of sales transactions.

14.4 Working Capital, Borrowings, Contingent Liabilities, Capital Commitments and Material Litigation**(i) Working Capital**

The Directors of ATIS are of the opinion that, after taking into account the cashflow forecast of the Group and banking facilities available, the Group will have adequate working capital for its present and foreseeable requirements.

14. FINANCIAL INFORMATION (Cont'd)

(ii) Borrowings

As at 17 June 2002, (being the latest practicable date prior to the printing of this Prospectus), the Group has borrowings (all interest-bearing) amounting to approximately RM14.783 million comprising the following:

	RM'000
Short-term	
Bank overdraft - Secured	222
Bankers' acceptances - Secured	8,148
Trust receipt - Secured	4,804
Term loans (secured) payable within 12 months	108
Hire purchase and lease financing	452
Long-term	
Hire purchase and lease financing	1,049
Total outstanding borrowings	<u>14,783</u>

As at 17 June 2002, the Group does not have any non-interest-bearing borrowings.

(iii) Contingent Liabilities

As at 17 June 2002, (being the latest practicable date prior to the printing of this Prospectus), neither ATIS nor its subsidiaries have any contingent liabilities which have a material effect on the financial position of ATIS or its subsidiaries.

(iv) Capital Commitments

As at 17 June 2002, (being the latest practicable date prior to the printing of this Prospectus), the Group has total capital commitments of approximately RM0.3 million as follows:

	RM'000
Remaining 80% of the purchase price for a single storey semi-detached factory located at Lot No. 849 in the Mukim of Bukit Katil, District of Melaka	184
Remaining 80% of the purchase price for a double storey terrace factory located at Lot No. 847 in the Mukim of Bukit Katil, District of Melaka	124
Remaining 5% of the purchase price for a shopoffice at Block A, Level 3A, Unit 3, Kuchai Square, Kuala Lumpur	7
	<u>315</u>

(v) Material Litigation

Neither the Company nor its subsidiaries are engaged in any litigation, either as plaintiff or defendant which has a material effect on the financial position of the Company and its subsidiaries and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Company and its subsidiaries.

14. FINANCIAL INFORMATION (Cont'd)

14.5 Consolidated Profit Forecast

Barring any unforeseen circumstances and the bases and assumptions set out below, the Directors of the ATIS Group forecast that the proforma consolidated PAT and minority interests of ATIS for the financial year ending 31 December 2002 will be as follows:

	Forecast RM'000
Revenue	220,047
Consolidated PBT	30,411
Less: Taxation	(8,202)
Consolidated PAT	22,209
Minority interest	(3,581)
Consolidated PAT and minority interest	18,628
Less : Pre-acquisition profit	^{*)} (7,800)
Consolidated PAT, minority interest and pre-acquisition profit	10,828
Net EPS based on weighted average share capital (RM)	^{**)} 0.262
Net EPS based on enlarged share capital (RM)	^{**i)} 0.155
PE Multiple based on net EPS before deducting pre-acquisition profit and on the enlarged share capital (times) ^{**)'}	9.7

Notes:

^{*)} Computed based on pro-rated five (5) months profit up to the date of the Acquisitions as at 31 May 2002.

^{**)'} Based on the consolidated PAT and minority interest before deducting pre-acquisition profit and weighted average number of Shares in issue of 71,028,219 Shares assuming the completion of the Public Issue on 31 July 2002.

^{**i)} Based on the consolidated PAT and minority interest before deducting pre-acquisition profit and enlarged share capital of 120,000,000 Shares.

^{**)'} Computed based on an issue price of RM1.50 per Share.

The principal bases and assumptions upon which the consolidated profit forecast have been prepared are as follows:

- (a) There will be no changes in the present structure or principal activities of ATIS Group.
- (b) There will be no significant changes in the existing accounting, management and operational policies of ATIS Group that will adversely affect the activities and performance of ATIS Group.
- (c) There will be no significant changes in the political, economic and market conditions which will materially affect the activities of ATIS Group and the demand, saleability and pricing of its products and services or the markets in which it operates which will adversely affect ATIS Group's performance and the business of its major customers.
- (d) There will be no material changes in the present legislation or Government regulations, rates and duties, levies and taxes which will adversely affect the operations of ATIS Group or the markets in which it operates.

14. FINANCIAL INFORMATION (Cont'd)

- (e) There will be no changes in the accounting policies presently adopted by ATIS Group. The acquisition of KVCN, WPI and GT will be accounted for using the acquisition method of accounting.
- (f) There will be no major changes in the existing key personnel and management of ATIS Group which will affect the marketing capability and level of activities of ATIS Group.
- (g) Existing financing facilities will remain available to ATIS Group and interest rates will not change significantly from those presently prevailing. In addition, ATIS Group will be able to obtain financing facility at the present prevailing interest rates.
- (h) Inflation rates and exchange rates of foreign currencies will not change materially from their present levels, specifically the Malaysian currency will continue to be at:
- | | | |
|--------|---|--------|
| 1 USD | : | RM3.83 |
| 1 SGD | : | RM2.08 |
| 1 EURO | : | RM3.40 |
- (i) There will be no major breakdown or disruption in the operational and manufacturing facilities, industrial disputes, disruption from supplies of materials or other abnormal factor both domestic and overseas, which will adversely affect ATIS Group's operations. ATIS Group will continue to maintain its purchasing arrangement and distributorships made with its existing suppliers or distributors.
- (j) Capital expenditure program will be implemented on schedule and there will be no material acquisitions or disposal of property, plant and equipment other than those planned.
- (k) There will be no significant changes in the labour costs, price of raw materials and other costs, which will adversely affect ATIS Group's profitability. There will also be no significant shortage in the skilled and unskilled labour required.
- (l) ATIS Group will achieve the selling prices forecast and there will be no major changes in the sales mix of ATIS Group's products and its customers segmentation.
- (m) All contracts/projects awarded and expected to be obtained will commence and complete according to schedule.
- (n) ATIS Group will declare an interim dividend of 10% less 28% tax for the year ending 31 December 2002 and the dividend will be paid in the following year.
- (o) Listing expenses estimated at RM2,500,000 is written off against the share premium account.
- (p) The restructuring exercise of ATIS Group will involve the Acquisitions, Rights Issue and reduction in par value from RM1.00 each to RM0.50 each, which is completed by 24 May 2002.
- (q) The gross proceeds from the public and rights issues amounting to RM38,474,000 would be received by the third quarter of the financial year ending 31 December 2002 and utilised as set out in Section 5.5 of this Prospectus.

The consolidated profit forecast had been prepared based on bases and accounting policies consistent with those previously adopted in the preparation of the audited financial statements of ATIS and its subsidiaries.

14. FINANCIAL INFORMATION (Cont'd)

14.6 Reporting Accountants' Letter on the Consolidated Profit Forecast
(Prepared for inclusion in this Prospectus)



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Chartered Accountants
Wisma KPMG
Jalan Dungun, Damansara Heights
50490 Kuala Lumpur, Malaysia

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50702 Kuala Lumpur
Malaysia

Tel : (603) 2095 3388
Fax : (603) 2095 0971

The Board of Directors
ATIS Corporation Berhad
(formerly known as KVC Corporation Berhad)
Lot 1, Jalan 8/12, Seksyen 10,
Kawasan Perusahaan Bangi,
43650 Bandar Baru Bangi,
Selangor Darul Ehsan

20 June 2002

Dear Sirs

Reporting Accountants' Letter On The Consolidated Profit Forecast For The Year Ending 31 December 2002

We have reviewed the accounting policies and calculations for the consolidated profit forecast for the year ending 31 December 2002 of ATIS Corporation Berhad ("ATIS") and its subsidiaries ("the Group"), for which the Directors are solely responsible, as set out in the Prospectus to be dated 29 June 2002 in connection with:

- i) the public issue of 19,020,000 new ordinary shares of RM0.50 each at an issue price of RM1.50 per new ordinary share payable in full on application comprising :
 - a) 6,000,000 new ordinary shares of RM0.50 each available for subscription by eligible employees and directors of ATIS Corporation Berhad and its subsidiaries;
 - b) 9,020,000 new ordinary shares of RM0.50 each by way of private placement; and
 - c) 4,000,000 new ordinary shares of RM0.50 each available for application by the Malaysian public;

and,

- ii) in conjunction with its listing on the Main Board of The Kuala Lumpur Stock Exchange.

In our opinion, the consolidated profit forecast for the year ending 31 December 2002, so far as the accounting policies and calculations are concerned, has been properly compiled on the basis of the assumptions made by the Directors as set out in the Prospectus and are presented on a basis consistent with the accounting policies normally adopted by the Group.

Yours faithfully

KPMG.

KPMG

Firm number : AF 0758
Chartered Accountants

David Lim

Lim Hun Soon @ David Lim
Partner

Approval number : 1514/5/04(J)



KPMG, a partnership established under Malaysian law, is a member of KPMG International, a Swiss entity.

14. FINANCIAL INFORMATION (Cont'd)

APPENDIX I-1

ATIS Corporation Berhad
(formerly known as KVC Corporation Berhad)
And Its Subsidiaries

Consolidated Profit Forecast
For The Year Ending 31 December 2002

The Directors forecast that, barring unforeseen circumstances, the consolidated profit forecast of the Group after taxation and minority interests for the year ending 31 December 2002 will be as follows:

	<i>Forecast</i> 2002 RM'000
Consolidated profit after taxation and minority interest	18,628
Less : Pre-acquisition profit	(7,800)*

Consolidated profit after taxation and minority interest	10,828
	=====

* Based on pro-rated five months profit up to the date of the acquisitions as at 23 May 2002

The principal bases and assumptions upon which the above consolidated profit forecast has been made are as follows :

1. There will be no changes in the present structure or principal activities of ATIS Group.
2. There will be no significant changes in the existing accounting, management and operational policies of ATIS Group that will adversely affect the activities and performance of ATIS Group.
3. There will be no significant changes in the political, economic and market conditions which will materially affect the activities of ATIS Group and the demand, saleability and pricing of its products and services or the markets in which it operates which will adversely affect ATIS Group's performance and the business of its major customers.
4. There will be no material changes in the present legislation or Government regulations, rates and duties, levies and taxes which will adversely affect the operations of ATIS Group or the markets in which it operates.
5. There will be no changes in the accounting policies presently adopted by ATIS Group. The acquisition of KVCM, WPI and GT will be accounted for using the acquisition method of accounting.
6. There will be no major changes in the existing key personnel and management of ATIS Group which will affect the marketing capability and level of activities of ATIS Group.

14. FINANCIAL INFORMATION (Cont'd)

APPENDIX I-2

7. Existing financing facilities will remain available to ATIS Group and interest rates will not change significantly from those presently prevailing. In addition, ATIS Group will be able to obtain financing facility at the present prevailing interest rates.
8. Inflation rates and exchange rates of foreign currencies will not change materially from their present levels, specifically the Malaysian currency will continue to be at:-
 - 1 USD : RM3.83
 - 1 SGD : RM2.08
 - 1 EURO : RM3.40
9. There will be no major breakdown or disruption in the operational and manufacturing facilities, industrial disputes, disruption from supplies of materials or other abnormal factor both domestic and overseas, which will adversely affect ATIS Group's operations. ATIS Group will continue to maintain its purchasing arrangement and distributorships made with its existing suppliers or distributors.
10. Capital expenditure program will be implemented on schedule and there will be no material acquisitions or disposal of property, plant and equipment other than those planned.
11. There will be no significant changes in the labour costs, price of raw materials and other costs, which will adversely affect ATIS Group's profitability. There will also be no significant shortage in the skilled and unskilled labour required.
12. ATIS Group will achieve the selling prices forecast and there will be no major changes in the sales mix of ATIS Group's products and its customers segmentation.
13. All contracts/projects awarded and expected to be obtained will commence and complete according to schedule.
14. ATIS Group will declare an interim dividend of 10% less 28% tax for the year ending 31 December 2002 and the dividend will be paid in the following year.
15. Listing expenses estimated at RM2,500,000 is written off against the share premium account.
16. The restructuring exercise of ATIS Group involved the following transactions which were completed by 24 May 2002:
 - i) Acquisition of the entire issued and paid-up share capital of KVC Electric (M) Sdn. Bhd. comprising 500,000 ordinary shares of RM1.00 each for a purchase consideration of RM40,433,999 to be satisfied by the issuance of 36,051,000 new shares at an issue price of approximately RM1.12 per share credited as fully paid-up.
 - ii) Acquisition of the entire issued and paid-up share capital of Wawasan Plastic Industry Sdn Bhd comprising 700,000 ordinary shares of RM1.00 each for a purchase consideration of RM3,448,432 to be satisfied by the issuance of 3,076,000 new shares at an issue price of approximately RM1.12 per share credited as fully paid-up.

14. FINANCIAL INFORMATION (Cont'd)

APPENDIX I-3

- iii) Acquisition of 51% of the issued and paid-up share capital of Genetec Technology Sdn Bhd comprising 510,000 ordinary shares of RM1.00 each for a purchase consideration of RM2,268,701 to be satisfied by the issuance of 2,023,000 new shares at an issue price of approximately RM1.12 per share credited as fully paid-up.
- iv) Renounceable rights issue of 9,040,000 shares at an issue price of RM1.10 per share on the basis of one (1) share for approximately every 4.6 existing shares held.
- v) Reduction in par value of RM1.00 per share to RM0.50 per share. Upon the completion of the reduction in the par value, the issued and paid-up capital of the Company has increased from 50,490,000 ordinary shares of RM1.00 each to 100,980,000 ordinary shares of RM0.50 each.
17. The gross proceeds from the public and rights issues amounting to RM38,474,000 would be received by the third quarter of the financial year ending 31 December 2002 and utilised as follows :

	<i>RM'000</i>
Proceeds from rights issue	9,944
Proceeds from public issue	28,530

	38,474
	=====
Utilisation :	
Construction of an integrated one-stop industrial supply and distribution center in Bandar Baru Bangi	5,000
Construction of a production factory-cum-office building for the Industrial Automated Equipment business unit in Bandar Baru Bangi	5,000
Acquisition of a production factory-cum-office building in Nilai to cater for the expansionary requirements of the Plastic Injection Moulding business unit and purchase of injection moulding machines	4,000
Repayment of bank borrowings	5,000
Working capital	16,974
Estimated listing expenses	2,500

	38,474
	=====

14. FINANCIAL INFORMATION (Cont'd)**14.7 Directors' Analysis on the Proforma Consolidated Profit Forecast for the financial year ending 31 December 2002**

The Directors of ATIS have reviewed and analysed the bases and assumptions used in arriving at the consolidated profit forecast of the ATIS Group for the financial year ended 31 December 2002 and are of the opinion that the consolidated profit forecast is fair and reasonable in light of the prospects of the various industries in which it operates, future plans, strategies and prospects of the ATIS Group as set out in Section 8 of this Prospectus and after taking into consideration the forecast gearing levels and the liquidity and working capital requirements of the Group

Profit forecast for the financial year ending 31 December 2002

Revenue is forecast at RM220.05 million for the financial year ending 31 December 2002, representing an increase of 28.4% from the proforma consolidated turnover for the financial year ended 2001. The expected increase is mainly due to the proposed product expansion plan and setting-up of two (2) new sales centers for the Industrial Supply & Service Support Segment. The Industrial Automated Equipment Segment is also expecting to achieve higher revenue in 2002 as the Group expects machine replication orders from a few major customers. As a result of the increase in revenue, the profit before taxation is forecast to increase by 36.0% to RM30.41 million as compared to the previous financial year.

14.8 Dividend Forecast

It is the policy of the Directors of ATIS to recommend dividends to allow shareholders to participate in the profits of the Company as well as leaving adequate reserves for the future growth of the Company.

The subsidiaries of ATIS declared net dividends amounting to RM10,086,400 for the financial year ended 31 December 2001 prior to the Acquisitions.

Based on the forecast consolidated PAT for the financial year ending 31 December 2002, the Directors of the Company anticipate that in the absence of unforeseen circumstances, the Company will be in a position to propose a final gross dividend of 5.0 sen per Share less 28% tax based on the issued and paid-up share capital of 120,000,000 Shares.

The intended appropriation of the forecast consolidated PAT for the financial year ending 31 December 2002 is as follows:

Financial year ending 31 December	Forecast 2002 RM'000
Consolidated PAT and minority interest	18,628
Less: Proposed dividend (Gross dividend of RM6.0 million less 28% tax)	<u>(4,320)</u>
Consolidated retained profit for the year	<u>14,308</u>
Gross dividend per Share (sen)	5.0
Net dividend per Share (sen)	3.6
Gross dividend yield (based on the issue price of RM1.50 per Share (%))	3.3
Net dividend yield (based on the issue price of RM1.50 per Share (%))	2.4
Gross dividend cover (times)	3.1
Net dividend cover (times)	4.3

14. FINANCIAL INFORMATION (Cont'd)

Future dividends may be waived if:

- (a) The Group is in a loss position for the relevant financial period; or
- (b) The Group has insufficient cashflows to meet any dividend payments.

Notwithstanding the above, the Directors have full discretion to propose the waiver of any future dividend payment as and when deemed necessary, if it is in the best interests of the Company.

14.9 Sensitivity Analysis

The principal bases and assumptions upon which the sensitivity analysis on the Group's PBT and PAT have been made are as follows:

- (i) The selected variable items will vary $\pm 5%$, $\pm 10%$ and $\pm 20%$ from the base case.
- (ii) The gross profit margin of its operations will be maintained at the same percentage as in the base case.
- (iii) Except for the selected variable items, the same assumptions for the other items in the base case shall apply.

The following scenario attempts to show the impact on profit resulting from changes in revenue and cost of sales.

(i) Changes in revenue**Consolidated profit forecast for the financial year ending 31 December 2002**

	-20%	-10%	-5%	0%	+5%	+10%	+20%
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
PBT	18,967	24,666	27,516	30,411	33,215	36,065	41,764
PAT	13,966	18,075	20,130	22,209	24,239	26,293	30,402

(ii) Changes in cost of sales**Consolidated profit forecast for the financial year ending 31 December 2002**

	-20%	-10%	-5%	0%	+5%	+10%	+20%
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
PBT	41,764	36,065	33,215	30,411	27,516	24,666	18,967
PAT	30,402	26,293	24,239	22,209	20,130	18,075	13,966

Comments

Based on the above assumptions, the sensitivity analysis shows that the Group will still remain profitable over the forecast year.

14. FINANCIAL INFORMATION (Cont'd)

14.10 Proforma Consolidated Balance Sheets

The following is a summary of the proforma consolidated balance sheets of ATIS as at 31 December 2001, prepared for illustrative purposes only, to show the effects of the Acquisitions, Rights Issue and Public Issue on the assumption that these transactions were completed on 31 December 2001 and should be read in conjunction with the notes thereon:

	Audited balance sheet at 31.12.2001 RM'000	Proforma I After the Acquisitions RM'000	Proforma II After Proforma I, Right Issue and reduction in par value from RM1.00 each to RM0.50 each RM'000	Proforma III After Proforma II and the Public Issue RM'000
Property, plant and equipment	-	24,543	24,543	38,543
Quoted investment	-	40	40	40
Goodwill	-	603	603	603
Current Assets				
Inventories	-	24,331	24,331	24,331
Trade and other receivables	-	61,205	61,205	61,205
Cash and cash equivalents	297	12,360	22,304	29,334
	297	97,896	107,840	114,870
Current Liabilities				
Trade and other payables	7	32,381	32,381	32,381
Bank borrowings	-	12,603	12,603	7,603
Provision for taxation	-	11,345	11,345	11,345
Dividend payable	-	9,986	9,986	9,986
	7	66,315	66,315	61,315
Net current assets	290	31,581	41,525	53,555
	290	56,767	66,711	92,741
Represented by:				
Share Capital	300	41,450	50,490	60,000
Share Premium	-	5,001	5,905	22,425
Reserve on consolidation	-	4,937	4,937	4,937
Accumulated loss	(10)	(10)	(10)	(10)
Shareholders' Funds	290	51,378	61,322	87,352
Minority interests	-	3,991	3,991	3,991
Bank borrowings	-	623	623	623
Deferred taxation	-	775	775	775
	290	56,767	66,711	92,741
NTA per ordinary share (RM)	"0.97	"1.22	"0.60	"0.72

Notes:

ⁱ Based on ordinary shares of RM1.00 each

ⁱⁱ Based on ordinary shares of RM0.50 each

14. FINANCIAL INFORMATION (Cont'd)

Notes to the Proforma Consolidated Balance Sheets

1. The Proforma Consolidated Balance Sheets of ATIS Group are based on the audited financial statements of ATIS, KVCM, WPI and GT as at 31 December 2001.
2. The Proforma Consolidated Balance Sheets of ATIS Group have been prepared using accounting principles and bases consistent with those previously adopted in the preparation of audited financial statements. The acquisition of KVCM, WPI and GT is accounted for using the acquisition method of accounting.
3. The Proforma Consolidated Balance Sheets are for illustrative purposes only to incorporate the following transactions as though they were effected on 31 December 2001.

3.1 Proforma 1

- (i) Acquisition of the entire issued and paid-up share capital of KVCM comprising 500,000 ordinary shares of RM1.00 each for a purchase consideration of RM40,433,999 to be satisfied by the issuance of 36,051,000 new shares at an issue price of approximately RM1.12 per share credited as fully paid-up.
- (ii) Acquisition of the entire issued and paid-up share capital of WPI comprising 700,000 ordinary shares of RM1.00 each for a purchase consideration of RM3,448,432 to be satisfied by the issuance of 3,076,000 new shares at an issue price of approximately RM1.12 per share credited as fully paid-up.
- (iii) Acquisition of 51% of the issued and paid-up share capital of GT comprising 510,000 ordinary shares of RM1.00 each for a purchase consideration of RM2,268,701 to be satisfied by the issuance of 2,023,000 new shares at an issue price of approximately RM1.12 per share credited as fully paid-up.

3.2 Proforma 2

Proforma 2 incorporates Proforma 1 and the following:

- (i) Renounceable rights issue of 9,040,000 shares at an issue price of RM1.10 per share on the basis of one (1) share for approximately every 4.58 existing shares held.
- (ii) Reduction in par value of RM1.00 per share to RM0.50 per share. Upon the completion of the reduction in the par value, the number of shares of the Company will increase from 50,490,000 ordinary shares of RM1.00 each to 100,980,000 ordinary shares of RM0.50 each.

14. FINANCIAL INFORMATION (Cont'd)

3.3 Proforma 3

Proforma 3 incorporates Proforma 2 and the following:

- (i) Public issue of 19,020,000 new ordinary shares of RM0.50 each at an issue price of RM1.50 per ordinary share.
- (ii) Write off of the estimated listing expenses of RM2.5 million against the share premium account.

4. The gross proceeds from the Rights and Public Issues will be utilized as follows:

	RM'000
Capital expenditure	14,000
Repayment of bank borrowings	5,000
Working capital	16,974
Estimated listing expenses	2,500
	<u>38,474</u>

5. Movement in share capital and share premium accounts:

	Share capital RM'000	Share Premium RM'000
Balance at 31 December 2001	300	-
Acquisitions - Proforma 1	41,150	5,001
Balance after Proforma 1	<u>41,450</u>	<u>5,001</u>
Rights issue - Proforma 2	9,040	904
Balance after Proforma 2	50,490	5,905
Public issue - Proforma 3	9,510	19,020
Less: Listing expenses	-	(2,500)
Balance after Proforma 3	<u>60,000</u>	<u>22,425</u>

14. FINANCIAL INFORMATION (Cont'd)

14.11 Reporting Accountants' Letter on the Proforma Consolidated Balance Sheets
(Prepared for inclusion in this Prospectus)



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The Board of Directors
ATIS Corporation Berhad
(formerly known as KVC Corporation Berhad)
Lot 1, Jalan 8/12, Seksyen 10,
Kawasan Perusahaan Bangi,
43650 Bandar Baru Bangi,
Selangor Darul Ehsan

20 June 2002

Dear Sirs

Reporting Accountants' Letter On The Proforma Consolidated Balance Sheets Of ATIS Corporation Berhad And Its Subsidiaries

We have reviewed the presentation of the Proforma Consolidated Balance Sheets of ATIS Corporation Berhad ("ATIS") and its subsidiaries ("the Group") as at 31 December 2001 for which the Directors are solely responsible, together with the notes set out in the Prospectus to be dated 29 June 2002 in connection with:

- i) the public issue of 19,020,000 new ordinary shares of RM0.50 each at an issue price of RM1.50 per new ordinary share payable in full on application comprising :
 - a) 6,000,000 new ordinary shares of RM0.50 each available for subscription by eligible employees and directors of ATIS Corporation Berhad and its subsidiaries;
 - b) 9,020,000 new ordinary shares of RM0.50 each by way of private placement; and
 - c) 4,000,000 new ordinary shares of RM0.50 each available for application by the Malaysian public;

and,

- ii) in conjunction with its listing on the Main Board of The Kuala Lumpur Stock Exchange.

In our opinion, the Proforma Consolidated Balance Sheets together with the accompanying notes thereon have been prepared for illustrative purposes only, have been properly prepared on a basis consistent with the accounting policies normally adopted by the Group.

Yours faithfully

KPMG

Firm number : AF 0758

Chartered Accountants

Lim Hun Soon @ David Lim

Partner

Approval number : 1514/5/04(J)



KPMG, a partnership entity under Malaysian law, is a member of the PwC International Business Association.