

**ATIS CORPORATION BERHAD (446118 -T)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2002**

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2002

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/09/2002 RM'000	Preceding Year Corresponding Quarter 30/09/2001 RM'000	Current Year To-date 30/09/2002 RM'000	Preceding Year Corresponding Period 30/09/2001 RM'000
Revenue	58,621	47,912	154,929	128,165
Operating Expenses	(49,554)	(39,755)	(130,995)	(110,327)
Other Operating Income/(Expenses)	(234)	(173)	(424)	(251)
Profit from Operations	8,833	7,984	23,510	17,587
Finance Costs	(329)	(280)	(1,044)	(770)
Profit Before Taxation	8,504	7,704	22,466	16,817
Taxation	(1,934)	(1,654)	(6,293)	(4,796)
Profit After Taxation	6,570	6,050	16,173	12,021
Minority Interest	(994)	(1,013)	(1,292)	(874)
Pre-acquisition profit*	-	-	(7,327)	-
Net profit for the period	<u>5,576</u>	<u>5,037</u>	<u>7,554</u>	<u>11,147</u>
Earnings per share (sen) :-				
(a) Basic	<u>4.68</u>	<u>4.20</u>	<u>13.65</u>	<u>9.29</u>
(b) Fully diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

The Condensed Consolidated Income Statements should be read in conjunction with the Prospectus of the Group dated 29 June 2002.

Comparative figures for the preceding year corresponding quarter and preceding year corresponding period have been prepared for illustrative purposes only as if the entire restructuring scheme including the acquisition of subsidiaries as detailed in Note 11 to the Notes to this Quarterly Report had been effected on 1 January 2001.

* Acquisition of subsidiaries was completed on 24 May 2002

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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2002

	As at end of current quarter 30/09/2002 RM'000
Property, plant and equipment	24,628
Intangible assets	1,267
Quoted Investment	40
Current assets	
Inventories	33,364
Trade receivables	78,338
Other receivables, deposits and prepayments	4,403
Fixed deposit, cash and bank balances	29,881
	145,986
Current liabilities	
Trade payables	34,149
Other payables and accruals	4,728
Bank borrowings	17,919
Provision for taxation	6,787
	63,583
Net current assets	82,403
	<u>108,338</u>
Share capital	60,000
Reserves	41,085
Shareholders' funds	<u>101,085</u>
Minority interest	5,837
Long term liabilities	
Bank borrowings	841
Deferred taxation	575
	1,416
	<u>108,338</u>
Net tangible assets per share (RM)	<u>0.83</u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Prospectus of the Group dated 29 June 2002

Note-

No comparative figures as this is the first year the Company announced its consolidated results in compliance with the Kuala Lumpur Stock Exchange's ("KLSE") requirement in conjunction to the admission of the Company to the Main Board of the KLSE on 7 August 2002.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER
 ENDED 30 SEPTEMBER 2002**

	Current Year To-date 30/09/2002 RM'000
Net Profit Before Tax*	15,139
Adjustment for :-	
Non-cash items	(3,326)
Non-operating items	88
Operating profit before changes in working capital	<u>11,901</u>
Changes in working capital	
Net change in current assets	(20,922)
Net change in current liabilities	(10,830)
Net cash flows used in operating activities	<u>(19,851)</u>
Investing Activities	
Equity Investments	3,678
Other Investments	(1,569)
Net cash flows from investing activities	<u>2,109</u>
Financing Activities	
Proceed from right issues	9,944
Proceed from public issues, net of listing expenses	25,826
Net drawdown of bank borrowings	3,607
Net cash flows from financing activities	<u>39,377</u>
Net Change in Cash and Cash Equivalents	21,635
Cash and Cash Equivalents at beginning of year	297
Cash and Cash Equivalents at end of period	<u><u>21,932</u></u>

**The Condensed Consolidated Cash Flow Statements should be read in
 conjunction with the Prospectus of the Group dated 29 June 2002**

* Net profit before taxation after deducting pre-acquisition profit

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED
30 SEPTEMBER 2002**

	Share Capital RM'000	Non-distributable		Distributable	Total RM'000
		Share Premium RM'000	Reserve on Consolidation RM'000	Reserve Retained Profits RM'000	
For the 9 months ended 30.09.2002					
Balance at beginning of period	300	-	-	(9)	291
Issuance of shares					
- Acquisition of subsidiaries	41,150	5,001	12,128	-	58,279
- Right issue	9,040	904	-	-	9,944
- Public issue	9,510	19,020	-	-	28,530
Listing expenses	-	(2,704)	-	-	(2,704)
Amortisation of reserve on consolidation for the period	-	-	(809)	-	(809)
Net profit for the period	-	-	-	7,554	7,554
Balance at end of period	<u>60,000</u>	<u>22,221</u>	<u>11,319</u>	<u>7,545</u>	<u>101,085</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Prospectus of the Group dated 29 June 2002.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2002**

The figures have not been audited.

1. Accounting and policies and methods of computation

The interim financial report has been prepared in accordance with MASB 26" Interim Financial Report" and should be read in conjunction with the Prospectus of the Group dated 29 June 2002.

The same accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the Prospectus of the Group dated 29 June 2002.

2. Qualification of audit report of the preceding annual financial statements

There were no qualifications on audit report of the preceding annual financial statements.

3. Seasonality or cyclically of interim operations

The operations of the Group are not significantly affected by any seasonality or cyclically factors.

4. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

5. Changes in estimates of amounts reported in prior interim periods of the current financial year-to-date or in prior financial year-to-date

There were no material changes in estimates in respect of amounts reported in prior interim periods of the current financial year-to-date or prior financial year-to-date.

6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

Save as disclosed in Note 11 below, there were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current financial year-to-date.

7. Dividends paid

There were no dividends paid during the financial year-to-date.

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8. Segmental reporting

The Group's segmental report for the financial year-to-date are as follows:-

Business segment	Investment Holding RM ' 000	Industrial Supply & Service Support RM ' 000	Industrial Automated Equipment RM ' 000	Plastic Injection Moulding RM ' 000	Eliminations RM ' 000	Consolidated RM ' 000
Revenue						
Revenue from external customers	-	136,598	13,077	5,254		154,929
Inter-segment revenue	-	20,595	50	-	(20,645)	-
	-	157,193	13,127	5,254	(20,645)	154,929

Results

Profit from operations	19	22,373	1,597	(479)	-	23,510
Finance Costs						(1,044)
Profit Before Taxation						22,466
Taxation						(6,293)
Minority Interest						(1,292)
Pre-acquisition profit						(7,327)
Net Profit for the period						7,554

9. Valuation of property, plant and equipment

There were no valuations of property, plant and equipment in the current financial year-to-date nor previous year.

10. Material events not reflected in the financial statements

The Board is not aware of any material events subsequent to the end of the period that have not been reflected in the financial statement for the period.

11. Changes in the composition of the Group

- (a) In connection 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 the KLSE, ATIS undertook the following exercises which were completed on 24 May 2002.

i) Acquisitions

Acquisition of the entire issued and paid-up share capital of KVC Electric (M) Sdn Bhd and its subsidiaries comprising 500,000 ordinary shares of RM 1.00 each for a purchase consideration of RM 40,433,999 to be satisfied by the issuance of 36,051,000 new shares at an issue price of approximately RM 1.12 per share credited as fully paid-up.

Acquisition of the entire issued and paid-up share capital of Wawasan Plastic Industry Sdn Bhd comprising 700,000 ordinary shares of RM 1.00 each for a purchase consideration of RM 3,448,432 to be satisfied by the issuance of 3,076,000 new shares at an issue price of approximately RM 1.12 per share credited as fully paid-up.

Acquisition of 51% of the issued and paid-up share capital of Genetec Technology Sdn Bhd and its subsidiary comprising 510,000 ordinary shares of RM 1.00 each for a purchase consideration of RM 2,268,701 to be satisfied by the issuance of 2,023,000 new shares at an issue price of approximately RM 1.12 per share credited as fully paid-up.

ii) Renounceable rights issue (“Rights Issue”)

Renounceable rights issue of 9,040,000 shares at an issue price of RM 1.10 per share on the basis of approximately one (1) share for every existing 4.6 shares held.

iii) Reduction in par value

Reduction in par value of RM 1.00 per share to RM 0.50 per share. Upon the completion of the reduction in the par value, the issued and paid-up share capital of the Company has increased from 50,490,000 ordinary shares of RM 1.00 each to 100,980,000 ordinary shares of RM 0.50 each.

(b) In connection with (a) above, ATIS has undertaken a Public Issue of 19,020,000 new ordinary shares of RM0.50 each at an issue price of RM1.50 per new ordinary share (“Public Issue”) comprising:-

- i) 6,000,000 new ordinary shares of RM0.50 each available for subscription by eligible employees and directors of ATIS and its subsidiaries;
- ii) 9,020,000 new ordinary shares of RM0.50 each by way of private placement; and
- iii) 4,000,000 new ordinary shares of RM0.50 each available for application by the Malaysia public.

The entire issued and paid-up share capital of ATIS of RM60,000,000 comprising 120,000,000 ordinary shares of RM0.50 each was listed on the Main Board of the KLSE on 7 August 2002.

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- (c) Thian Soon Industrial Hardware Sdn Bhd (“TSIH”), a 78.26% subsidiary of the Group acquired the remaining 20% equity in Center De Abrasive Sdn Bhd thereby increasing the TSIH’s equity to 100%.

Status of the utilisation of proceeds

The total gross proceeds of RM38,474,000 from the Public and Rights Issue will be utilised over a period of one and the half years from 2002 to end of the 2003 in the following manner:-

	Proposed Utilisation RM’000	Paid RM’000	Status Balance to be utilised RM’000
a) Construction of an integrated one (1)-stop industrial supply and distribution center in Bandar Baru Bangi	5,000	460	4,540
b) Construction of a production factory-cum-office building for the Industrial Automated Equipment business unit in Bandar Baru Bangi	5,000	-	5,000
c) 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	-	4,000
d) Repayment of bank borrowings	5,000	-	5,000
e) Working capital	16,974	12,742	4,232
f) Estimated listing expenses	2,500	2,704	(204)
Total	38,474	15,906	22,568

12. Contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets as at date of this report.

13. Review of performance

Revenue of the Group for the 9-month period ended 30 September 2002 at RM154.9 million was 21% higher as compared to the previous year of RM128.2 million. The good performance was mainly contributed by continuous growth in its major product ranges and customer base. The increase in revenue and improved margin led to a higher profit before taxation of RM22.5 million for the current 9-month period.

14. Comparison with preceding quarter's results

The Group's revenue in the quarter under review increased by 22% to RM58.6 million. This was mainly due to the higher sales recorded by both the ISSS and IAE divisions. The IAE division achieved a substantial increase in its revenue with higher demand in its automation equipments from its major customers. The higher revenue and improved margin resulted in a higher profit before taxation of RM8.5 million as against RM6.9 million in the preceding quarter.

15. Prospects

Barring any unforeseen circumstances, the Directors of the Group expect the operating performance of the Group for the next quarter to be in line with the expectation previously announced.

16. Profit forecast/profit guaranteed

This note is not applicable

17. Tax Expense

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year Quarter</u>	<u>Preceding Year Corresponding Quarter</u>	<u>Current Year To-date</u>	<u>Preceding Year Corresponding Period</u>
	<u>30/09/2002</u>	<u>30/09/2001</u>	<u>30/09/2002</u>	<u>30/09/2001</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Taxation				
- Current Year	2,142	1,654	6,450	4,796
- Prior Year	(208)	-	(157)	-
	1,934	1,654	6,293	4,796

The effective tax rate in the current year quarter and preceding year corresponding quarter is lower than the statutory tax rate due mainly to the availability of pioneer status incentive granted to a subsidiary company.

18. Sale of unquoted investments and/or properties

There were no sale of unquoted investments and/or properties for the current quarter and financial year to-date.

19. Purchase /Disposal of quoted securities

<u>Individual Quarter</u>	<u>Cumulative Quarter</u>
Current Year Quarter 30/9/02 RM'000	Current Year To Date 30/9/02 RM'000

The Group's dealings in quoted securities for the current quarter and financial year-to-date are as follows:-

Total purchases	-	-
Total disposals	<u>1.3</u>	<u>1.3</u>
Total profit/(loss) on disposal	<u>(0.3)</u>	<u>(0.3)</u>

The Group's investments in quoted securities as at end of the reporting period are as follows:-

At Cost	40
At Net Book Value	<u>40</u>
At Market Value	<u>35</u>

20. Status of corporate proposals

There were no corporate proposals announced but not completed as at the date of this report.

21. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 30 September 2002 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term	17,919	-	17,919
Long Term	841	-	841
	<u>18,760</u>	<u>-</u>	<u>18,760</u>

The above Group's borrowings are denominated in Ringgit Malaysia

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22. Off balance sheet risk financial instruments

As at 20 November 2002 (being the latest practicable date which is not later than 7 days from the date of issuance).

Currency	Contract amount in FCY'000	Date of contract	Value date of Contract	Equivalent amount in RM'000
US Dollar	16	15/11/2002	13/12/2002	61
	2,000	20/09/2002	24/03/2002	7,631
Singapore Dollar	203	12/11/2002 – 14/11/2002	29/11/2002 – 31/12/2002	439
Euro Dollar	7	24/10/2002	29/11/2002	25
Total				8,156

23. Changes in material litigations

There were no material litigations pending since 30 September 2002 up to 20 November 2002 (being the latest practicable date which is not later than 7 days from the date of issuance of this quarterly report).

24. Dividend

The Board does not recommend any interim dividend for the financial year quarter ended 30 September 2002.

25. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per ordinary share is based on net profit attributable to ordinary shareholders of the periods and weighted average number of ordinary shares outstanding during the period as follows:-

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year Quarter</u>	<u>Preceding Year Corresponding Quarter</u>	<u>Current Year To-date</u>	<u>Preceding Year Corresponding Period</u>
	<u>30/09/2002</u>	<u>30/09/2001</u>	<u>30/09/2002</u>	<u>30/09/2001</u>
	<u>'000</u>	<u>'000</u>	<u>'000</u>	<u>'000</u>
Issued ordinary shares at beginning of period	300	300	300	300
Acquisition of subsidiaries	41,150	41,150	20,575	41,150
Right issue	9,040	9,040	4,354	9,040
Reduction in par value	50,490	50,490	23,946	50,490
Public issue	18,193	19,020	6,153	19,020
Weighted average number of ordinary shares	119,173	120,000	55,328	120,000

The weighted average number of ordinary shares for the preceding year's corresponding quarter and preceding year's corresponding period have been calculated as if the entire restructuring scheme including the acquisition of subsidiaries as detailed in Note 11 above had been effected on 1 January 2001.

(b) Diluted earnings per share

This note is not applicable.

By Order of the Board
 ATIS Corporation Berhad

Goh Chok Siang
 Group Accountant

Selangor Darul Ehsan
 26 November 2002