

**ATIS CORPORATION BERHAD (446118 -T)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2002**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2002 RM'000	Preceding Year Corresponding Quarter 31/12/2001 RM'000	Current Year To-date 31/12/2002 RM'000	Preceding Year Corresponding Period 31/12/2001 RM'000
Revenue	60,988	43,571	215,917	171,736
Operating Expenses	(52,755)	(38,297)	(183,750)	(148,624)
Other Operating Income/(Expenses)	(207)	150	(631)	(101)
Profit from Operations	8,026	5,424	31,536	23,011
Finance Costs	(329)	(343)	(1,373)	(1,113)
Share of results of associated company	(49)	-	(49)	-
Profit Before Taxation	7,648	5,081	30,114	21,898
Taxation	(2,147)	(1,645)	(8,440)	(6,441)
Profit After Taxation	5,501	3,436	21,674	15,457
Minority Interest	(1,366)	(640)	(2,658)	(1,514)
Pre-acquisition profit*	559	-	(6,768)	-
Net profit for the period	<u>4,694</u>	<u>2,796</u>	<u>12,248</u>	<u>13,943</u>
Earnings per share (sen) :-				
(a) Basic	<u>3.91</u>	<u>2.33</u>	<u>17.06</u>	<u>11.62</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 pursuant to the listing of ATIS on the Main Board of the KLSE (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 pursuant to the listing of ATIS on the Main Board of the KLSE was completed on 24 May 2002

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 ENDED 31 DECEMBER 2002**

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**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2002**

	<b>As at end of current quarter 31/12/2002 RM'000</b>
<b>Property, plant and equipment</b>	27,797
<b>Intangible assets</b>	914
<b>Quoted Investment</b>	40
<b>Current assets</b>	
Inventories	33,092
Trade receivables	82,404
Other receivables, deposits and prepayments	4,271
Fixed deposit, cash and bank balances	23,235
	143,002
<b>Current liabilities</b>	
Trade payables	30,914
Other payables and accruals	5,586
Borrowings	18,011
Provision for taxation	5,249
	59,760
<b>Net current assets</b>	83,242
	<u>111,993</u>
<b>Share capital</b>	60,000
<b>Reserves</b>	45,173
<b>Shareholders' funds</b>	<u>105,173</u>
<b>Minority interest</b>	5,370
<b>Long term liabilities</b>	
Borrowings	502
Deferred taxation	948
	1,450
	<u>111,993</u>
<b>Net tangible assets per share (RM)</b>	<u>0.87</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

**ATIS CORPORATION BERHAD (446118 -T)  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER  
 ENDED 31 DECEMBER 2002**

The figures have not been audited

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR  
 ENDED 31 DECEMBER 2002**

	RM'000
Net Profit Before Tax*	19,128
<b>Adjustment for :-</b>	
Non-cash items	656
Non-operating items	456
	<hr/>
<b>Operating profit before changes in working capital</b>	<b>20,240</b>
<b>Changes in working capital</b>	
Net change in current assets	(24,434)
Net change in current liabilities	(17,467)
	<hr/>
<b>Net cash flows used in operating activities</b>	<b>(21,661)</b>
<b>Investing Activities</b>	
Equity Investments	3,982
Other Investments	(5,295)
	<hr/>
<b>Net cash flows used in investing activities</b>	<b>(1,313)</b>
<b>Financing Activities</b>	
Proceed from right issues	9,944
Proceed from public issues, net of listing expenses	25,826
Net drawdown of bank borrowings	2,211
Dividend paid to minority shareholders	(882)
	<hr/>
<b>Net cash flows from financing activities</b>	<b>37,099</b>
Net Change in Cash and Cash Equivalents	14,125
Cash and Cash Equivalents at beginning of year	297
	<hr/>
Cash and Cash Equivalents at end of year	<b>14,422</b>

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

\* Net profit before tax after deducting pre-acquisition profit before tax of RM11 million

**ATIS CORPORATION BERHAD (446118 -T)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2002**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED  
31 DECEMBER 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	
Balance at 1 January 2002	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 year	-	-	(1,415)	-	(1,415)
Net profit for the year	-	-	-	12,248	12,248
Balance at 31 December 2002	<u>60,000</u>	<u>22,221</u>	<u>10,713</u>	<u>12,239</u>	<u>105,173</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 FOURTH QUARTER  
ENDED 31 DECEMBER 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 of 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.

**ATIS CORPORATION BERHAD**  
**(Company No : 446118-T)**

**8. Segmental reporting**

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

<b>Business segment</b>	<b>Investment Holding</b> <b>RM ' 000</b>	<b>Industrial</b>	<b>Industrial</b>	<b>Plastic</b>	<b>Eliminations</b> <b>RM ' 000</b>	<b>Consolidated</b> <b>RM ' 000</b>
		<b>Supply &amp; Service Support</b> <b>RM ' 000</b>	<b>Automated Equipment</b> <b>RM ' 000</b>	<b>Injection Moulding</b> <b>RM ' 000</b>		
<b>Revenue</b>						
Revenue from external Customers	-	187,018	22,481	6,418	-	215,917
Inter-segment revenue	-	29,983	50	-	(30,033)	-
	<b>-</b>	<b>217,001</b>	<b>22,531</b>	<b>6,418</b>	<b>(30,033)</b>	<b>215,917</b>

**Results**

Profit/(loss) from operations	(3)	29,518	3,188	(1,167)	-	31,536
Finance Costs						(1,373)
Share of result of associated company						(49)
Profit Before Taxation						30,114
Taxation						(8,440)
Minority Interest						(2,658)
Pre-acquisition profit						(6,768)
Net Profit for the year						12,248

**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 financial year that have not been reflected in the financial statement for the year.

## **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 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.

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.

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 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.

### **ii) Renounceable rights issue (“Rights Issue”)**

Renounceable rights issue of 9,040,000 shares at an issue price of RM1.10 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 RM1.00 per share to RM0.50 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 RM1.00 each to 100,980,000 ordinary shares of RM0.50 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.

**ATIS CORPORATION BERHAD**  
**(Company No : 446118-T)**

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.

- (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 a half year from 2002 to end of 2003 in the following manner:-

	<b>Proposed Utilisation RM’000</b>	<b>Paid RM’000</b>	<b>Status Balance to be utilised RM’000</b>
a) Construction of an integrated one (1)-stop industrial supply and distribution center in Bandar Baru Bangi	5,000	3,509	1,491
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	1,225	2,775
d) Repayment of bank borrowings	5,000	5,000	-
e) Working capital	16,974	16,974	-
f) Estimated listing expenses	2,500	2,704	(204)
<b>Total</b>	<b>38,474</b>	<b>29,412</b>	<b>9,062</b>

**12. Changes in contingent liabilities or contingent assets**

There were no material changes in contingent liabilities or contingent assets since the date of Prospectus dated 29 June 2002 to 24 February 2003, being the date not earlier than 7 days from the date of issuance of this quarterly report.



### **13. Review of performance**

The Group achieved strong growth in revenue and profit before tax for the current financial period. Revenue increased by 25.7% from RM171.7 million in 2001 to RM215.9 million for the current financial year. The good performance was mainly attributable to expansion in its customer base, product range and market segment. The growth in revenue coupled with improved margin led to a higher profit before tax of RM30.1 million for the current financial year.

### **14. Comparison with preceding quarter's results**

The Group's revenue in the quarter under review increased to RM61.0 million from RM58.6 million in the previous quarter. Profit before taxation declined slightly to RM7.6 million due to change in product mix.

### **15. Prospects**

The Group expects growth in its core businesses with further expansion in its customer base, product range and market segment. Hence, the Directors of the Group anticipate the operating performance of the Group for the next quarter to be satisfactory.

### **16. Profit forecast/profit guaranteed**

The actual profit after taxation and minority interests of RM19.0 million is higher than the corresponding profit forecast of RM18.6 million as disclosed in the Prospectus dated 29 June 2002.

### **17. Tax Expense**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year</u> <u>Quarter</u>	<u>Preceding</u> <u>Year</u> <u>Corresponding</u> <u>Quarter</u>	<u>Current Year</u> <u>To-date</u>	<u>Preceding</u> <u>Year</u> <u>Corresponding</u> <u>Period</u>
	<b>31/12/2002</b>	<b>31/12/2001</b>	<b>31/12/2002</b>	<b>31/12/2001</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Taxation				
- Current Year	2,092	1,679	8,542	6,475
- Prior Year	(118)	(20)	(275)	(20)
Deferred taxation	173	(14)	173	(14)
	<b>2,147</b>	<b>1,645</b>	<b>8,440</b>	<b>6,441</b>

The effective tax rate in the preceding year corresponding quarter is higher than the statutory tax rate due mainly to certain expenses which are not deductible for tax purposes and losses of certain subsidiary companies cannot be offset for tax purposes against profit of other subsidiaries company within the Group.

**18. Sale of unquoted investments and/or properties**

	<b>Individual Quarter Current Year Quarter 31/12/02 RM'000</b>	<b>Cumulative Quarter Current Year To Date 31/12/02 RM'000</b>
Loss on disposal of land and building	<u>(10)</u>	<u>(10)</u>

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

**19. Purchase /Disposal of quoted securities**

	<b>Individual Quarter Current Year Quarter 31/12/02 RM'000</b>	<b>Cumulative Quarter Current Year To Date 31/12/02 RM'000</b>
The Group's dealings in quoted securities for the current quarter and financial year-to-date are as follows:-		
Total purchases	<u>-</u>	<u>-</u>
Total disposals	<u>-</u>	<u>1.3</u>
Total loss on disposal	<u>-</u>	<u>(0.3)</u>

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

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

**20. Status of corporate proposals**

<b>Date of Announcement</b>	<b>Subject</b>	<b>Status</b>
7 January 2003	Proposed acquisition of the entire equity interest in GEIC Technology Sdn Bhd for a total cash consideration of RM405,000.00	Pending submission to Foreign Investment Committee

The status of utilisation of proceeds from the Public and Rights Issue is disclosed in Note 11.

**21. Group's borrowings and debt securities**

Particulars of the Group's borrowings as at 31 December 2002 are as follows:-

		<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
Short Term	- Bank Overdraft	1,547	-	1,547
	- Bills Payable	15,621	-	15,621
	- Hire Purchase Liabilities	843	-	843
		<u>18,011</u>	<u>-</u>	<u>18,011</u>
Long Term	- Hire Purchase Liabilities	502	-	502
		<u><b>18,513</b></u>	<u><b>-</b></u>	<u><b>18,513</b></u>

The above Group's borrowings are denominated in Ringgit Malaysia

**22. Off balance sheet risk financial instruments**

Forward foreign exchange contracts ("FCY") are entered into by subsidiaries in currencies other than their functional currency to manage exposure to fluctuations in foreign currency exchange rates on specific transactions. As at 24 February 2003 (being the latest practicable date which is not later than 7 days from the date of issuance of this quarterly report), the FCY which has been entered into by the Group is as follow:

<b>Currency</b>	<b>Contract amount in FCY'000</b>	<b>Date of contract</b>	<b>Value date of Contract</b>	<b>Equivalent amount in RM'000</b>
US Dollar	1,350	20/09/2002	24/03/2003	<u>5,151</u>

Exchange gains and losses arising on contracts entered into as hedges of anticipated future transactions are deferred until the date of such transaction, at which time they are included in the measurement of such transactions. All other exchange gains and losses relating to hedge instruments are recognised in the income statement in the same period as the exchange differences on the underlying hedged items. Gains and losses on contracts that are no longer designated as hedges are included in the income statement.

The above instruments are executed with creditworthy financial institutions and the Directors are of the view that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength. The Group also has no significant concentrations of market risk in relation to the above financial instruments.

**23. Changes in material litigations**

There were no impending material litigations as at 24 February 2003 (being the latest practicable date which is not later than 7 days from the date of issuance of this quarterly report).

**24. Dividend**

Subject to the approval of the shareholders at the forthcoming Annual General Meeting, the Board is recommending the payment of a first and final dividend of 14% less 28% taxation:

- (a) i. Amount per share : 7 sen (less 28% taxation)  
 ii. Total dividend for the current financial year : RM 6.0 million (net)
- (b) Date payable : To be announced at a later date; and
- (c) The date of entitlement of dividend will be announced later.

**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 year and weighted average number of ordinary shares outstanding during the year as follows:-

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year</u> <u>Quarter</u>	<u>Preceding</u> <u>Year</u> <u>Corresponding</u> <u>Quarter</u>	<u>Current Year</u> <u>To-date</u>	<u>Preceding</u> <u>Year</u> <u>Corresponding</u> <u>Period</u>
	<b>31/12/2002</b>	<b>31/12/2001</b>	<b>31/12/2002</b>	<b>31/12/2001</b>
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
Issued ordinary shares at beginning of year	300	300	300	300
Acquisition of subsidiaries	41,150	41,150	25,817	41,150
Right issue	9,040	9,040	5,548	9,040
Reduction in par value	50,490	50,490	30,709	50,490
Public issue	19,020	19,020	9,432	19,020
Weighted average number of ordinary shares	120,000	120,000	71,806	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 pursuant to the listing of ATIS on the Main Board of the KLSE (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.

**ATIS CORPORATION BERHAD**  
**(Company No : 446118-T)**

By Order of the Board  
ATIS Corporation Berhad

Goh Chok Siang  
Group Accountant

Selangor Darul Ehsan  
27 February 2003