

Interim Report for the
Fifth Quarter Ended
31 March 2004

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**ATIS CORPORATION BERHAD (446118 -T)
INTERIM REPORT FOR THE FIFTH QUARTER ENDED 31 MARCH 2004**

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS

	<u>Note</u>	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31/3/2004 RM'000 (Note 1)	Preceding Year Corresponding Quarter 31/3/2003 RM'000	Current Year To-date # 31/3/2004 RM'000 (Note 1)	Preceding Year Corresponding Period # 31/3/2003 RM'000
Revenue		83,310	55,256	345,512	-
Operating Expenses		(73,256)	(48,382)	(300,127)	-
Other Operating Income		632	631	3,555	-
Profit from Operations		10,686	7,505	48,940	-
Finance Costs		(718)	(321)	(2,762)	-
Profit Before Taxation		9,968	7,184	46,178	-
Taxation	17	(2,181)	(2,096)	(12,484)	-
Profit After Taxation		7,787	5,088	33,694	-
Minority Interest		(681)	(495)	(2,875)	-
Net profit for the financial period		7,106	4,593	30,819	-
Earnings per share (sen) :-	25				
(a) Basic		4.55	2.94	19.75	-
(b) Fully diluted		4.53	N/A	19.74	-

ATIS has changed its financial year end from 31st December 2003 to 31st March 2004. Therefore, there are no comparative figures for the 15 months ended 31st March 2003 for the preceding year corresponding period. Cumulative quarter in the current year-to-date ended 31st March 2004 is in respect of the period from 1st January 2003 to 31st March 2004. Comparative figures in the preceding year corresponding quarter is in respect of the period from 1st January 2003 to 31st March 2003

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2002

Note 1 : MASB 28 - Discontinuing Operations

ATIS had on 23 April 2004 announced that its 51% owned subsidiary company, Genetec Technology Berhad ("GT") has entered into a conditional sale and purchase agreement to acquire Pejuta (Malaysia) Sdn Bhd, a wholly-owned subsidiary company of Sapura Telecommunications Berhad, via a share-swap arrangement. The proposed acquisition forms part of GT's planned listing on the MESDAQ Market of Bursa Malaysia Securities Berhad. The listing scheme also entails ATIS distributing almost all of its shares in GT to its existing shareholders on the basis of one (1) GT share for every seven (7) ordinary shares of RM0.50 each in ATIS. Upon completion of the capital distribution exercise, GT will be de-merged from the ATIS Group thus resulting in the deconsolidation of its Industrial Automation division. The revenue and results of the deconsolidated Genetec Technology Berhad are as follows:-

CONDENSED CONSOLIDATED INCOME STATEMENTS OF GENETEC TECHNOLOGY BERHAD

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/3/2004 RM'000	Preceding Year Corresponding Quarter 31/3/2003 RM'000	Current Year To-date # 31/3/2004 RM'000	Preceding Year Corresponding Period # 31/3/2003 RM'000
Revenue	6,123	5,209	28,803	-
Operating Expenses	(4,686)	(4,475)	(26,230)	-
Other Operating Income/(Expenses)	15	(51)	278	-
Profit from Operations	1,452	683	2,851	-
Finance Costs	(36)	(44)	(251)	-
Profit Before Taxation	1,416	639	2,600	-
Taxation	(489)	(179)	(821)	-
Net profit for the financial period	927	460	1,779	-

ATIS has changed its financial year end from 31st December 2003 to 31st March 2004. Therefore, there are no comparative figures for the 15 months ended 31st March 2003 for the preceding year corresponding period. Cumulative quarter in the current year-to-date ended 31st March 2004 is in respect of the period from 1st January 2003 to 31st March 2004. Comparative figures in the preceding year corresponding quarter is in respect of the period from 1st January 2003 to 31st March 2003

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CONDENSED CONSOLIDATED BALANCE SHEETS

	<u>Note</u>	As at end of current quarter 31/3/2004 RM'000	As at preceding financial year end 31/12/2002 RM'000
Property, plant and equipment		40,505	27,798
Long term investments		88	40
Intangible assets		17,984	714
Current assets			
Inventories		41,049	33,090
Trade receivables		126,562	82,007
Other receivables, deposits and prepayments		7,349	4,144
Cash and cash equivalents		32,303	23,319
		207,263	142,560
Current liabilities			
Trade payables		43,141	30,964
Other payables and accruals		7,168	5,617
Borrowings	21	72,827	17,155
Hire purchase liabilities		327	888
Provision for taxation		4,913	5,220
		128,376	59,844
Net current assets		78,887	82,716
		137,464	111,268
Share capital		79,369	60,000
Reserves		45,202	34,146
Shareholders' funds		124,571	94,146
Negative goodwill		8,476	10,714
Minority interest		3,241	5,154
Long term liabilities			
Hire purchase liabilities		107	455
Deferred taxation		1,069	799
		1,176	1,254
		137,464	111,268
Net tangible assets per share (RM)		0.72	0.87

The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2002

**ATIS CORPORATION BERHAD (446118 -T)
INTERIM REPORT FOR THE FIFTH QUARTER ENDED 31 MARCH 2004**

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Non- Distributable Share Premium RM'000	Distributable Retained Profits RM'000	Total RM'000
<u>15 months ended 31 March 2004</u>				
Balance at 1 January 2003	60,000	22,221	11,925	94,146
Issuance of shares				
- Bonus Issue	18,000	(18,000)	-	-
- Employees' Share Option Scheme ("ESOS")	1,369	4,380	-	5,749
Bonus Issue and ESOS expenses	-	(95)	-	(95)
Net profit for the financial period	-	-	30,819	30,819
Dividend	-	-	(6,048)	(6,048)
Balance at 31 March 2004	<u>79,369</u>	<u>8,506</u>	<u>36,696</u>	<u>124,571</u>

ATIS has changed its financial year end from 31st December 2003 to 31st March 2004. Therefore, there are no comparative figures for the 15 months ended 31st March 2003 for the preceding year corresponding period.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2002

**ATIS CORPORATION BERHAD (446118 -T)
INTERIM REPORT FOR THE FIFTH QUARTER ENDED 31 MARCH 2004**

The figures have not been audited

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	15 months ended 31/3/2004 RM'000
Net Profit Before Tax	46,178
Adjustment for :-	
Depreciation and amortisation	6,357
Amortisation of negative goodwill	(3,104)
Other non-cash items	1,089
Non-operating items	1,663
Operating profit before changes in working capital	52,183
Changes in working capital	
Net change in current assets	(27,528)
Net change in current liabilities	(21,903)
Net cash generated from operating activities	2,752
Investing Activities	
Equity Investments	(32,422)
Other Investments	(14,469)
Net cash used in investing activities	(46,891)
Financing Activities	
Proceed from Employees' Share Option Scheme	5,749
Payment of Bonus Issue and Employees' Share Option Scheme expenses	(95)
Net drawdown of bank borrowings	11,377
Proceed from issuance of commercial papers	44,660
Repayment of hire purchase creditors	(1,125)
Dividend paid to minority shareholders	(396)
Payment of dividend	(6,048)
Interest paid	(1,154)
Net cash generated from financing activities	52,968
Net Change in Cash and Cash Equivalents	8,829
Cash and Cash Equivalents at beginning of period	14,477
Cash and Cash Equivalents at end of period	<u>23,306</u>

**ATIS has changed its financial year end from 31st December 2003 to 31st March 2004.
Therefore, there are no comparative figures for the 15 months ended 31st March 2003 for the
preceding year corresponding period.**

**The Condensed Consolidated Cash Flow Statement should be read in conjunction with the
Audited Financial Statements for the Year Ended 31 December 2002**

MASB 28 - Discontinuing Operations

ATIS had on 23 April 2004 announced that its 51% owned subsidiary company, Genetec Technology Berhad ("GT") has entered into a conditional sale and purchase agreement to acquire Pejuta (Malaysia) Sdn Bhd, a wholly-owned subsidiary company of Sapura Telecommunications Berhad, via a share-swap arrangement. The proposed acquisition forms part of GT's planned listing on the MESDAQ Market of Bursa Malaysia Securities Berhad. The listing scheme also entails ATIS distributing almost all of its shares in GT to its existing shareholders on the basis of one (1) GT share for every seven (7) ordinary shares of RM0.50 each in ATIS. Upon completion of the capital distribution exercise, GT will be de-merged from the ATIS Group thus resulting in the deconsolidation of its Industrial Automation division. The condensed cash flow statement of Genetec Technology Berhad is as follows:-

CONDENSED CASH FLOW STATEMENT OF GENETEC TECHNOLOGY BERHAD

	15 months ended 31/3/2004 RM'000
Net cash flows used in operating activities	(130)
Net cash flows used in investing activities	(296)
Net cash flows from financing activities	905
Net Change in Cash and Cash Equivalents	<u>479</u>

INTERIM REPORT FOR THE FIFTH QUARTER ENDED 31 MARCH 2004

The figures have not been audited.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Accounting policies and methods of computation

The unaudited interim financial report has been prepared in accordance with MASB 26 "Interim Financial Report" and Part A of Appendix 9B of the Listing Requirements of the Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 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 audited financial statements for the financial year ended 31 December 2002 except for the adoption of new MASB standards.

MASB 28, Discontinuing Operations requires the results of the Group arising from discontinuing operations to be separately disclosed from continuing operations for both current reporting period(s) and the comparative periods(s). ATIS had on 23 April 2004 announced that ATIS will distribute almost all of its shares in GT to its existing shareholders upon the completion of the proposed listing exercise of GT on the MESDAQ Market of Bursa Malaysia Securities Berhad. GT will be de-merged from ATIS thus resulting in the deconsolidation of its results. The Group has applied MASB 28 for the deconsolidation of GT.

The adoption of the other new MASB standards does not have any material effect on the financial results of the Group for the financial year-to-date.

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 was 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

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current financial year-to-date except for the following:

- i) Issuance of 36,000,000 new ordinary shares of RM0.50 each on 18 March 2004 pursuant to a Bonus Issue on the basis of three (3) new ordinary shares for every ten (10) existing ordinary shares held;
- ii) Issuance of 2,737,600 new ordinary shares of RM0.50 each on 26 March 2004 pursuant to exercise of share options by eligible employees pursuant to an Employees' Share Option Scheme; and
- iii) Issuance of Commercial Papers

Face Value (RM'000)	Date	Tenor	Net Proceeds (RM'000)
45,000	22/03/2004	92 days	44,660

7. Dividends paid

A first and final dividend of 7 sen per share less 28% tax totaling RM6,048,000 proposed in respect of the previous financial year was paid by the Company during the current financial year-to-date.

8. Segmental reporting

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

Business segment	Investment RM ' 000	Industrial Supply RM ' 000	Industrial Automation RM ' 000	Plastic Injection Moulding RM ' 000	Eliminations RM ' 000	Consolidated RM ' 000
Revenue						
Revenue from external customers	-	307,704	28,712	9,096	-	345,512
Inter-segment revenue	13,500	-	91	-	(13,591)	-
	13,500	307,704	28,803	9,096	(13,591)	345,512

Results

Profit/(loss) from Operations	13,158	46,657	2,787	(1,259)	(13,500)	47,843
Interest expense						(2,154)
Interest income						489
Profit before taxation						46,178
Taxation						(12,484)
Minority interest						(2,875)
Net profit for the financial period						30,819

9. Valuation of property, plant and equipment

There were no valuations of property, plant and equipment in the current financial year-to-date or 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 interim period that have not been reflected in the financial statement for the interim period.

11. Changes in the composition of the Group

There were no material changes in the composition of the Group for the current quarter and financial year-to-date, except for the following:-

- i) completion of the acquisition of 100% equity interest in GEIC Technology Sdn Bhd by KVC Electric (M) Sdn Bhd on 30 April 2003;
- ii) completion of the acquisition of 100% equity interest in R&R Industrial Products (M) Sdn Bhd, R&R Industrial Products (Kuantan) Sdn Bhd, R&R Industrial Products (N.S.) Sdn Bhd, R&R Industrial Products (Malacca) Sdn Bhd, R&R Industrial Products (Johor Bahru) Sdn Bhd and Sysnet Controls Sdn Bhd by KVC Electric (M) Sdn Bhd on 31 October 2003; and
- iii) completion of the acquisition of the remaining 21.74% equity interest in TSA Industries Sdn Bhd by KVC Electric (M) Sdn Bhd on 23 December 2003.

12. Changes in contingent liabilities or contingent assets

There were no material changes in contingent liabilities or contingent assets since the date of last audited financial statements to 24 May 2004, being the date not earlier than 7 days from the date of issuance of this interim report.

13. Review of performance

For the 15-month period ended 31 March 2004, the Group recorded revenue of RM345.5 million with net profit of RM30.8 million. There are no comparative figures for the preceding year's corresponding period as ATIS has changed its financial year end from 31 December 2003 to 31 March 2004.

The Group achieved revenue of RM83.3 million for the quarter under review, an increase of RM28.1 million or 50.8% over the preceding year's corresponding quarter. The core business of Industrial Supply continued to register strong growth in its key product and market segments. The net profit for the quarter under review was RM7.1 million, an increase of RM2.5 million or 54.7% growth over the preceding year's corresponding quarter.

14. Comparison with preceding quarter's results

The Group achieved revenue of RM83.3 million for the quarter under review, an increase of RM6.5 million or 8.4% over the previous quarter of RM76.8 million. The growth was substantially contributed by growth in the Industrial Supply division. However, the Group reported a slightly lower net profit of RM7.1 million as compared to RM7.3 million in the previous quarter. This is mainly attributable to prudent provisions made on an annual basis in the current quarter.

15. Prospects

With the continuous growth in its core businesses, the Directors of the Group anticipate the performance of the Group for the next quarter to remain satisfactory.

16. Profit forecast/profit guarantee

This note is not applicable.

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>
	31/3/2004	31/3/2003	31/3/2004	31/3/2003
	RM'000	RM'000	RM'000	RM'000
In respect of current period/year:				
- income tax	2,775	2,096	13,169	-
- deferred tax	58	-	(49)	-
	<hr/> 2,833	<hr/> 2,096	<hr/> 13,120	<hr/> -
In respect of prior year				
- income tax	(652)	-	(636)	-
	<hr/> 2,181	<hr/> 2,096	<hr/> 12,484	<hr/> -

The effective tax rate 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 profits of other subsidiary companies within the Group.

ATIS has changed its financial year end from 31st December 2003 to 31st March 2004. Therefore, there are no comparative figures for the 15 months ended 31st March 2003 for the preceding year corresponding period. Cumulative quarter in the current year-to-date ended 31st March 2004 is in respect of the period from 1st January 2003 to 31st March 2004. Comparative figures in the preceding year corresponding quarter is in respect of the period from 1st January 2003 to 31st March 2003

18. Sale of unquoted investments and/or properties

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

19. Purchase /Disposal of quoted securities

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

	Current Year Quarter RM'000	Current Year- To-Date RM'000
Sales proceeds	22	22
Profit on disposal	<hr/> 11	<hr/> 11

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(b) The Group's investment in quoted securities as at the end of the reporting period are as follows:

	RM'000
At Cost	29
At Net Book Value	29
At Market Value	25

20. Status of corporate proposals

Date of Announcement	Subject	Status
14 November 2003	Proposed listing of Genetec Technology Berhad ("GT"), a 51% owned subsidiary of ATIS, on the MESDAQ Market of Bursa Malaysia Securities Berhad (the "Proposed GT Listing")	The application for the Proposed GT Listing to the Securities Commission, Bursa Malaysia Securities Berhad, Foreign Investment Committee and Ministry of International Trade and Industry which was submitted on 14 November 2003 has been withdrawn.
21 November 2003, 8 January 2004 & 25 March 2004	Proposed Bonus Issue and Proposed Employees' Share Option Scheme ("ESOS")	Approval from the Securities Commission and shareholders of the Company have been obtained on 7 January 2004 and 19 February 2004 respectively. The Proposed Bonus Issue has been completed on 25 March 2004 and the Proposed ESOS has been implemented on 20 February 2004.
6 April 2004	Proposed internal restructuring involving the proposed disposal by GT of 51,000 ordinary shares of RM1.00 each representing 51% of the issued and paid-up share capital of Genetec Plastic Technology (M) Sdn Bhd to Wawasan Plastic Industry Sdn Bhd, a wholly owned subsidiary of ATIS for cash consideration of RM1.00 (the "Proposed Internal Restructuring")	The application to the Foreign Investment Committee for the Proposed Internal Restructuring will be submitted in due course.

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Date of Announcement	Subject	Status
23 April 2004	<p>Proposed acquisition by GT of the entire enlarged issued and paid-up share capital of Pejuta (Malaysia) Sdn Bhd (“Pejuta”), a wholly-owned subsidiary of Sapura Telecommunications Berhad (“Sapura”) for a total purchase consideration of RM121.08 million to be satisfied by the issuance of:</p> <ul style="list-style-type: none"> • 47.50 million new ordinary shares of RM0.10 each in GT (“GT Shares”) at an issue price of RM2.00 per GT Share; and • 13.04 million irredeemable convertible preference shares of RM0.10 each (“GT ICPS”) at an issue price of RM2.00 per GT ICPS; <p>in conjunction with the proposed listing exercise of GT on the MESDAQ Market of Bursa Malaysia Securities Berhad (the “Revised Proposed GT Listing”)</p>	<p>The application for the Revised Proposed GT Listing will be submitted to the relevant authorities in due course.</p>
5 May 2004	<p>Proposed acquisition of the entire equity interest in Metrosure Sdn Bhd (“Metrosure”) for a total cash consideration of RM231,000.00 thereby resulting in Metrosure becoming a wholly-owned subsidiary company of ATIS (the “Proposed Metrosure Acquisition”)</p>	<p>The application to the Foreign Investment Committee for the Proposed Metrosure Acquisition will be submitted in due course.</p>
11 May 2004	<p>Proposed acquisition of the entire equity interest in Cotel Precision Industries Sdn Bhd (“Cotel”) for a total cash consideration of RM2,500,000.00 thereby resulting in Cotel becoming a wholly-owned subsidiary company of ATIS (the “Proposed Cotel Acquisition”)</p>	<p>The application to the Foreign Investment Committee for the Proposed Cotel Acquisition will be submitted in due course.</p>

21. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 31 March 2004 are as follows:-

	Short-Term RM'000	Long-Term RM'000	Total RM'000
<u>Bank Borrowings</u>			
Secured	27,827	-	27,827
<u>Commercial Papers</u>			
Unsecured	45,000	-	45,000
	<u>72,827</u>	<u>-</u>	<u>72,827</u>

The above Group's borrowings are denominated in Ringgit Malaysia

22. Off balance sheet risk financial instruments

There were no financial instruments with off balance sheet risk as at 24 May 2004 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim report).

23. Changes in material litigations

There were no impending material litigations as at 24 May 2004 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim report).

24. Dividend

The Board of Directors is recommending the payment of the following dividend for the financial year-to-date:

(I) Interim dividend of 5% less 28% taxation

- (a) i. Amount per share : 2.5 sen (less 28% taxation)
- ii. No dividend were paid or recommended in the previous corresponding period;
- iii. Total dividend for the current financial period: RM2,857,276.80 (net)
- (b) Date payable : 26 April 2004; and
- (c) The date of entitlement of dividend : 15 April 2004.

(II) Final dividend of 10% less 28% taxation

Subject to the approval of the shareholders at the forthcoming Annual General Meeting, the Board is recommending the payment of a final dividend of 10% less 28% taxation:

- (a) i. Amount per share : 5 sen (less 28% taxation)
- ii. Amount per share in the previous year corresponding period : 7 sen (less 28% taxation)
- iii. Total dividend for the current financial period : RM5,714,553.60 (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 for the period and weighted average number of ordinary shares outstanding during the period of 156.0 million.

(b) Diluted earnings per share

The fully diluted earnings per ordinary share is calculated by dividing the Group's net profit attributable to ordinary shareholders for the period by the weighted average number of ordinary shares of 157.4 million and 157.3 million for the current quarter and financial year-to-date, respectively, after adjusting for the unissued ordinary shares in relation to options granted to employees pursuant to the Company's Employees Share Option Scheme.

By Order of the Board
ATIS Corporation Berhad

Goh Chok Siang
Group Accountant

Selangor Darul Ehsan
26 May 2004