

Interim Report for the  
Fourth Quarter Ended  
31 March 2005

Contents

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Condensed Consolidated Income Statements	1
Condensed Consolidated Balance Sheets	2
Condensed Consolidated Statement of Changes in Equity	3
Condensed Consolidated Cash Flow Statement	4
Notes to the Condensed Financial Statements	5 - 12

**ATIS CORPORATION BERHAD (446118 -T)  
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2005**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	<u>Note</u>	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31/3/2005 RM'000	Preceding Year Corresponding Quarter 31/3/2004 RM'000	Current Year To-date 31/3/2005 RM'000	Preceding Year Corresponding Period # 31/3/2004 RM'000
Revenue		88,384	82,138	362,410	289,084
Operating Expenses		(89,295)	(74,753)	(326,954)	(253,244)
Other Operating Income		725	2,151	2,587	4,443
(Loss)/Profit from Operations		(186)	9,536	38,043	40,283
Finance Costs		(742)	(715)	(3,212)	(2,438)
Share of associated company		-	-	(68)	-
(Loss)/Profit Before Taxation		(928)	8,821	34,763	37,845
Taxation	16	(121)	(1,988)	(10,893)	(10,195)
(Loss)/Profit After Taxation		(1,049)	6,833	23,870	27,650
Minority Shareholders' Interests		(291)	(529)	(717)	(2,228)
Net (loss)/profit for the financial period		(1,340)	6,304	23,153	25,422
(Loss)/Earnings per share (sen) :-	24				
(a) Basic		(0.84)	4.04	14.58	16.30
(b) Fully diluted		N/A	4.02	N/A	16.28

# ATIS has changed its financial year end from 31 December 2003 to 31 March 2004. Therefore, comparative figures in the preceding year corresponding period is in respect of the period from 1 April 2003 to 31 March 2004

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the Financial Period Ended 31 March 2004

ATIS CORPORATION BERHAD (446118 -T)  
 INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2005

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CONDENSED CONSOLIDATED BALANCE SHEETS

	<u>Note</u>	As at end of current quarter 31/3/2005 RM'000	As at preceding financial year end 31/3/2004 RM'000
Property, plant and equipment		43,008	40,502
Long term investments		88	88
Interest in joint-ventures		300	-
Goodwill		15,776	17,766
Deferred tax assets		1,450	213
<b>Current assets</b>			
Inventories		54,976	40,966
Trade receivables		140,075	127,096
Other receivables		12,047	7,718
Tax recoverable		491	296
Cash and cash equivalents		19,211	32,186
		226,800	208,262
<b>Current liabilities</b>			
Trade payables		46,095	47,293
Other payables		8,679	5,083
Borrowings	20	77,913	72,546
Hire purchase liabilities		379	326
Provision for taxation		4,493	4,869
Dividend payable		2,857	2,857
		140,416	132,974
<b>Net current assets</b>		86,384	75,288
		147,006	133,857
<b>Share capital</b>		79,390	79,369
<b>Reserves</b>		56,200	41,541
<b>Shareholders' funds</b>		135,590	120,910
<b>Negative goodwill</b>		5,966	8,477
<b>Minority interest</b>		4,529	3,090
<b>Long term liabilities</b>			
Borrowings	20	-	266
Hire purchase liabilities		308	113
Deferred taxation liabilities		613	1,001
		921	1,380
		147,006	133,857
<b>Net tangible assets per share (RM)</b>		0.79	0.70

The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the Financial Period Ended 31 March 2004

ATIS CORPORATION BERHAD (446118 -T)  
 INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2005  
 The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Non- Distributable		Distributable	Total RM'000
		Share Premium RM'000	Exchange Fluctuation Reserve RM'000	Retained Profits RM'000	
<b><u>12 months ended 31 March 2004</u></b>					
Balance at 1 April 2003	60,000	22,221	-	16,518	98,739
Issuance of shares					
- Bonus issue	18,000	(18,000)	-	-	-
- Employees' Share Option Scheme ("ESOS")	1,369	4,380	-	-	5,749
Share issue expenses	-	(95)	-	-	(95)
Net profit for the financial year	-	-	-	25,422	25,422
Distribution of dividends	-	-	-	(8,905)	(8,905)
<b>Balance at 31 March 2004</b>	<b>79,369</b>	<b>8,506</b>	<b>-</b>	<b>33,035</b>	<b>120,910</b>
<b><u>12 months ended 31 March 2005</u></b>					
Balance at 1 April 2004	79,369	8,506	-	33,035	120,910
Issuance of shares					
- Employees' Share Option Scheme ("ESOS")	21	67	-	-	88
Currency translation differences	-	-	12	-	12
Net profit for the financial year	-	-	-	23,153	23,153
Distribution of dividends	-	-	-	(8,573)	(8,573)
<b>Balance at 31 March 2005</b>	<b>79,390</b>	<b>8,573</b>	<b>12</b>	<b>47,615</b>	<b>135,590</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the Financial Period Ended 31 March 2004

**ATIS CORPORATION BERHAD (446118 -T)**  
**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2005**

The figures have not been audited

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>12 months ended 31/3/2005 RM'000</b>	<b>12 months ended 31/3/2004 # RM'000</b>
Net Profit Before Tax	34,763	37,845
<b>Adjustment for :-</b>		
Depreciation and amortisation	8,588	5,482
Amortisation of negative goodwill	(2,613)	(2,498)
Allowance for doubtful debts	4,654	1,197
Other non-cash items	213	128
Non-operating items	2,511	1,525
<b>Operating profit before changes in working capital</b>	<b>48,116</b>	<b>43,679</b>
<b>Changes in working capital</b>		
Net change in current assets	(25,723)	(21,393)
Net change in current liabilities	(18,501)	(17,493)
<b>Net cash generated from operating activities</b>	<b>3,892</b>	<b>4,793</b>
<b>Investing Activities</b>		
Equity Investments	(4,960)	(32,470)
Other Investments	(180)	(11,610)
<b>Net cash used in investing activities</b>	<b>(5,140)</b>	<b>(44,080)</b>
<b>Financing Activities</b>		
Proceeds from Employees' Share Option Scheme	88	5,749
Payment of Bonus Issue and Employees' Share Option Scheme Expenses	-	(95)
Net drawdown of bank borrowings	(3,719)	9,515
Net drawdown of commercial paper	10,000	45,000
Repayment of hire purchase creditors	(401)	(862)
Payment of dividend	(8,573)	(6,048)
Interest paid	(2,879)	(1,813)
<b>Net cash (used in)/generated from financing activities</b>	<b>(5,484)</b>	<b>51,446</b>
Net Change in Cash and Cash Equivalents	(6,732)	12,159
Cash and Cash Equivalents at beginning of period	22,408	10,249
Cash and Cash Equivalents at end of year/period	<u>15,676</u>	<u>22,408</u>

# ATIS has changed its financial year end from 31 December 2003 to 31 March 2004. Therefore, comparative figures in the preceding year corresponding period is in respect of the period from 1 April 2003 to 31 March 2004

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the Financial Period Ended 31 March 2004

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2005**

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 period ended 31 March 2004.

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 period ended 31 March 2004 except for the adoption of new MASB standards.

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 cyclicity 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**

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 the following new number of ordinary shares of RM0.50 each pursuant to exercise of share options by eligible employees pursuant to an Employees' Share Option Scheme

**ATIS CORPORATION BERHAD (446118-T)**  
**(Incorporated in Malaysia)**

Date of issuance	Number of ordinary shares of RM0.50 each issued
23 April 2004	8,500
25 May 2004	5,200
23 July 2004	13,000
25 August 2004	15,000

; and

ii) Issuance of Commercial Papers

Face Value (RM'000)	Date	Tenor	Net Proceeds (RM'000)
50,000	22 June 2004	92 days	49,616
55,000	22 September 2004	91 days	54,596
55,000	21 December 2004	91 days	54,605
55,000	22 March 2005	91 days	54,607

**7. Dividends paid**

An interim dividend of 2.5 sen per share less 28% tax totaling RM2,857,276.80 proposed in respect of the previous financial period and final dividend of 5.0 sen per share less 28% less tax totaling RM5,716,054.80 was paid by the Company during the current financial year-to-date.

**8. Segmental reporting**

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

<b>Business segment</b>	<b>Industrial Supply RM ' 000</b>	<b>Industrial Automation RM ' 000</b>	<b>Plastic Injection Moulding RM ' 000</b>	<b>Eliminations RM ' 000</b>	<b>Consolidated RM ' 000</b>
<b>Revenue</b>					
Revenue from external customers	326,360	28,246	7,804	-	362,410
Inter-segment revenue	368	13	766	(1,147)	-
	<u>326,728</u>	<u>28,259</u>	<u>8,570</u>	<u>(1,147)</u>	<u>362,410</u>

<b>Business segment</b>	<b>Industrial Supply</b>	<b>Industrial Automation</b>	<b>Plastic Injection Moulding</b>	<b>Eliminations</b>	<b>Consolidated</b>
	<b>RM ' 000</b>	<b>RM ' 000</b>	<b>RM ' 000</b>	<b>RM ' 000</b>	<b>RM ' 000</b>
<b>Segment results</b>	35,874	1,872	140	-	37,886
Unallocated expenses					(593)
Operating profit					37,293
Interest expense					(2,879)
Interest income					417
Share of associated company					(68)
Profit before taxation					34,763
Taxation					(10,893)
Minority shareholders' interests					(717)
Net profit for the financial period					23,153

## 9. Valuation of property, plant and equipment

There were no valuations of property, plant and equipment in the current financial year-to-date or in previous financial period.

## 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 statements 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 Genevision (M) Sdn Bhd by Genetec Technology Berhad on 25 June 2004;
- ii) Completion of the acquisition of 30% equity interest in AZ Master (M) Sdn Bhd by KVC Electric (M) Sdn Bhd on 26 June 2004 and further acquisition of additional 21% equity interest in AZ Master (M) Sdn Bhd by KVC Electric (M) Sdn Bhd on 20 December 2004;
- iii) Completion of the acquisition of 100% equity interest in Metrosure Sdn Bhd by TSA Industries Sdn Bhd on 27 July 2004;
- iv) Completion of the internal restructuring involving the disposal by Genetec Technology Berhad of 51% equity interest in Genetec Plastic Technology (M) Sdn Bhd to Wawasan Plastic Industry Sdn Bhd on 30 September 2004;



**ATIS CORPORATION BERHAD (446118-T)**  
**(Incorporated in Malaysia)**

- v) Completion of the acquisition of 100% equity interest in Cotel Precision Industries Sdn Bhd by KVC Electric (M) Sdn Bhd on 30 September 2004;
- vi) The incorporation of FAS Technology Solution Sdn Bhd, a 60% owned subsidiary company of Genetec Technology Berhad on 22 October 2004;
- vii) Completion of the acquisition and subscription of 70% equity interest in Cable Solutions (SEA) Pte Ltd by KVC Electric (M) Sdn Bhd on 28 October 2004; and
- viii) The incorporation of AZ Master International Co. Limited, a wholly-owned subsidiary company of AZ Master (M) Sdn Bhd on 16 March 2005.

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

There were no material changes in contingent liabilities or contingent assets since the date of the last audited financial statements to 20 May 2005, being the date not earlier than 7 days from the date of issuance of this interim report.

**13. Review of performance**

The Group achieved revenue of RM362.4 million for the 12-month period ended 31 March 2005. This represents an increase of 25% over the previous year's corresponding period of RM289.1 million. Revenue in all business segments improved, in particular the Industrial Supply division.

For the current quarter under review, the Group recorded a net loss of RM1.3 million on the back of revenue of RM88.4 million. This resulted in a net profit position of RM23.2 million for the current financial year as compared with RM25.4 million in previous year. This is mainly due to higher operating expenses arising from higher provision of doubtful debts on certain debtors, expenses associated with development of new markets / products and integration of newly acquired businesses.

**14. Prospects**

The Directors anticipate performance of the Group in the following financial year to be satisfactory.

**15. Profit forecast/profit guarantee**

This note is not applicable.

## 16. 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>31/3/2005</b>	<b>31/3/2004</b>	<b>31/3/2005</b>	<b>31/3/2004</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
In respect of current period/year:				
- income tax	1,763	2,685	12,523	10,983
- deferred tax	(1,659)	(22)	(1,659)	(129)
	104	2,663	10,864	10,854
In respect of prior year				
- income tax	17	(675)	29	(659)
	121	1,988	10,893	10,195

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 31 December 2003 to 31 March 2004. Therefore, comparative figures in the preceding year corresponding period is in respect of the period from 1 April 2003 to 31 March 2004*

## 17. 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.

## 18. Purchase /Disposal of quoted securities

(a) There were no purchase/disposal of quoted securities for the current quarter and financial year-to-date.

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

	<b>RM'000</b>
At Cost	29
At Net Book Value	29
At Market Value	25

**19. Status of corporate proposals**

<b>Date of Announcement</b>	<b>Subject</b>	<b>Status</b>
14 November 2003, 23 April 2004, 23 July 2004 and 26 July 2004	Proposed listing of Genetec Technology Berhad (“GT”), a 51% owned subsidiary of ATIS, on the MESDAQ Market of Bursa Malaysia Securities Berhad	Pending approvals from Securities Commission and Foreign Investment Committee.
18 February 2005 and 7 April 2005	Proposed acquisition of 60% equity interest in PT Fanah Jaya Maindo (“Fanah Jaya”) for a total cash consideration of RM2,500,000 thereby resulting in Fanah Jaya becoming a 60% owned subsidiary company of ATIS	Pending fulfillment of certain conditions precedent

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

Particulars of the Group's short term borrowings as at 31 March 2005 are as follows:-

	<b>RM'000</b>
<u>Secured</u>	
Bank borrowings	10,532
<u>Unsecured</u>	
Bank borrowings	12,381
Commercial paper	55,000
	<b>77,913</b>

The above Group's borrowings are denominated in the following currencies :

	<b>Foreign Currency '000</b>	<b>RM'000</b>
Malaysia	-	77,601
Singapore Dollars	135	312
		<b>77,913</b>

## **21. Off balance sheet risk financial instruments**

There were no financial instruments with off balance sheet risk as at 20 May 2005 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim report).

## **22. Changes in material litigations**

There were no impending material litigations as at 20 May 2005 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim report).

## **23. 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. Amount per share in the previous year corresponding period : 2.5 sen (less 28% taxation);  
iii. Total dividend for the current financial period: RM2,858,027.40 (net)
- (b) Date payable : 6 May 2005; and
- (c) The date of entitlement of dividend : 20 April 2005.

### (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 : 5 sen (less 28% taxation)  
iii. Total dividend for the current financial period : RM5,716,054.80 (net)
- (b) Date payable : To be announced at a later date; and
- (c) The date of entitlement of dividend will be announced later.

## **24. 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 financial period and weighted average number of ordinary shares outstanding during the financial period of 158.8 million (2004: 156.2 million) and 158.8 million (2004: 156.0 million) for the current year quarter and financial year-to-date respectively.

**(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 156.7 million and 156.2 million for the preceding year corresponding quarter and preceding year corresponding period, 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

Too Kok Thai  
Group Financial Controller

Selangor Darul Ehsan  
26 May 2005