

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

Interim Report for the  
Fourth Quarter Ended  
31 March 2006

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**ATIS CORPORATION BERHAD (446118 -T)  
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2006**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	<u>Note</u>	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
		<b>Current Year Quarter 31/3/2006 RM'000</b>	<b>Preceding Year Corresponding Quarter 31/3/2005 RM'000</b>	<b>Current Year To-date 31/3/2006 RM'000</b>	<b>Preceding Year Corresponding Period 31/3/2005 RM'000</b>
Revenue		93,861	88,031	406,552	362,057
Operating Expenses		(86,171)	(91,276)	(372,738)	(328,935)
Other Operating Income		96	1,492	2,462	3,354
Profit from Operations		7,786	(1,753)	36,276	36,476
Finance Costs		(1,235)	(784)	(4,018)	(3,254)
Share of profit/(loss) in associated company		205	-	351	(68)
Profit/(Loss) Before Taxation		6,756	(2,537)	32,609	33,154
Taxation	17	(1,633)	745	(9,535)	(10,027)
Profit/(Loss) After Taxation		5,123	(1,792)	23,074	23,127
Minority Shareholders' Interests		52	(292)	(922)	(718)
Net profit/(loss) for the financial period		<u>5,175</u>	<u>(2,084)</u>	<u>22,152</u>	<u>22,409</u>
Earnings/(loss) per share (sen) :-	25				
(a) Basic		<u>3.26</u>	<u>(1.31)</u>	<u>13.95</u>	<u>14.11</u>
(b) Fully diluted		<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>

**The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 31 March 2005**

**Note**

Genetec Technology Berhad ("GT") had on 7 November 2005 listed on the MESDAQ Market of Bursa Malaysia Securities Berhad. GT will be de-merged from the ATIS Group thus resulting in the deconsolidation of its Industrial Automation division.

**CONDENSED CONSOLIDATED INCOME STATEMENTS OF GENETEC TECHNOLOGY BERHAD**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/3/2006 RM'000	Preceding Year Corresponding Quarter 31/3/2005 RM'000	Current Year To-date 31/3/2006 RM'000	Preceding Year Corresponding Period 31/3/2005 RM'000
Revenue	9,947	8,030	38,260	28,259
Operating Expenses	(9,644)	(7,170)	(35,587)	(26,436)
Other Operating Income	51	50	98	149
<b>Profit from Operations</b>	<b>354</b>	<b>910</b>	<b>2,771</b>	<b>1,972</b>
Finance Costs	(19)	(46)	(298)	(190)
<b>Profit Before Taxation</b>	<b>335</b>	<b>864</b>	<b>2,473</b>	<b>1,782</b>
Taxation	331	(313)	281	(575)
<b>Profit After Taxation</b>	<b>666</b>	<b>551</b>	<b>2,754</b>	<b>1,207</b>

ATIS CORPORATION BERHAD (446118 -T)  
 INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2006

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CONDENSED CONSOLIDATED BALANCE SHEETS

	<u>Note</u>	As at end of current quarter 31/3/2006 RM'000	As at preceding financial year end 31/3/2005 RM'000
Property, plant and equipment		55,927	42,997
Long term investments		88	88
Investment in an associate		8,656	-
Goodwill		11,144	15,776
Deferred tax assets		911	1,816
<b>Current assets</b>			
Inventories		51,470	54,906
Trade receivables		153,707	138,062
Other receivables		13,589	13,031
Tax recoverable		1,042	704
Cash and cash equivalents		13,996	19,092
		233,804	225,795
<b>Current liabilities</b>			
Trade payables		44,030	46,299
Other payables		10,181	8,552
Borrowings	21	99,118	77,914
Hire purchase liabilities		31	253
Provision for taxation		1,507	4,105
Dividend payable		13	2,858
		154,880	139,981
<b>Net current assets</b>		78,924	85,814
		155,650	146,491
<b>Share capital</b>		79,397	79,390
<b>Reserves</b>		71,867	55,455
<b>Shareholders' funds</b>		151,264	134,845
<b>Negative goodwill</b>		3,346	5,966
<b>Minority shareholder's interest</b>		810	4,530
<b>Long term liabilities</b>			
Hire purchase liabilities		77	432
Deferred taxation liabilities		153	718
		230	1,150
		155,650	146,491
<b>Net assets per share (RM)*</b>		0.95	0.85

\* Net assets per share attributable to shareholders of the Company : Shareholder's funds/Number of issued and paid-up ordinary shares

The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 31 March 2005

ATIS CORPORATION BERHAD (446118 -T)  
 INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2006  
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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	Capital Reserve RM'000	Retained Profits RM'000		
<b>12 months ended 31 March 2005</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	-	-	-	-	22,409	22,409	
Distribution of dividends	-	-	-	-	(8,574)	(8,574)	
<b>Balance at 31 March 2005</b>	<u>79,390</u>	<u>8,573</u>	<u>12</u>	<u>-</u>	<u>46,870</u>	<u>134,845</u>	
<b>12 months ended 31 March 2006</b>							
Balance at 1 April 2005	79,390	8,573	12	-	46,870	134,845	
Issuance of shares - Employees' Share Option Scheme ("ESOS")	7	7	-	-	-	14	
Currency translation differences	-	-	(30)	-	-	(30)	
Net profit for the financial year	-	-	-	-	22,152	22,152	
Distribution of dividends	-	-	-	-	(5,717)	(5,717)	
<b>Balance at 31 March 2006</b>	<u>79,397</u>	<u>8,580</u>	<u>(18)</u>	<u>-</u>	<u>63,305</u>	<u>151,264</u>	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 31 March 2005

**ATIS CORPORATION BERHAD (446118 -T)  
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2006**

The figures have not been audited

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>12 months ended 31/3/2006 RM'000</b>	<b>12 months ended 31/3/2005 RM'000</b>
Net Profit Before Tax	32,609	33,154
<b>Adjustment for :-</b>		
Depreciation and amortisation	8,534	8,592
Amortisation of negative goodwill	(2,620)	(2,613)
Allowance for doubtful debts	1,901	6,357
Other non-cash items	(705)	(62)
Non-operating items	3,464	2,951
<b>Operating profit before changes in working capital</b>	<b>43,183</b>	<b>48,379</b>
<b>Changes in working capital</b>		
Net change in current assets	(47,657)	(25,738)
Net change in current liabilities	3,697	(18,507)
<b>Net cash (used in)/generated from operating activities</b>	<b>(777)</b>	<b>4,134</b>
<b>Investing Activities</b>		
Equity Investments	(467)	(4,660)
Net cashflow for dilution in subsidiary company	(3,500)	-
Proceeds from issuance of shares to minority shareholders	2,058	-
Other Investments	(19,509)	(644)
<b>Net cash used in investing activities</b>	<b>(21,418)</b>	<b>(5,304)</b>
<b>Financing Activities</b>		
Proceeds from Employees' Share Option Scheme	14	87
Net drawdown of bank borrowings	15,964	(3,719)
Net drawdown of commercial paper	15,000	10,000
Repayment of hire purchase creditors	(327)	(581)
Payment of dividend	(8,562)	(8,572)
Interest paid	(3,685)	(3,100)
<b>Net cash generated from/(used in) financing activities</b>	<b>18,404</b>	<b>(5,885)</b>
Net Change in Cash and Cash Equivalents	(3,791)	(7,055)
Cash and Cash Equivalents at beginning of year	15,353	22,408
Cash and Cash Equivalents at end of year	11,562	15,353

**The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 31 March 2005**

**Note**

Genetec Technology Berhad ("GT") had on 7 November 2005 listed on the MESDAQ Market of Bursa Malaysia Securities Berhad. GT will be de-merged from the ATIS Group thus resulting in the deconsolidation of its Industrial Automation division.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS OF GENETEC TECHNOLOGY BERHAD**

	<b>12 months ended 31/3/2006 RM'000</b>	<b>12 months ended 31/3/2005 RM'000</b>
Net cash flows (used in)/from operating activities	(2,899)	167
Net cash flows used in investing activities	(1,587)	(289)
Net cash flows from financing activities	8,534	1,439
Net Change in Cash and Cash Equivalents	<u>4,048</u>	<u>1,317</u>

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2006**

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 Financial Reporting Standard (FRS) 134: (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 March 2005.

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 March 2005 except for the adoption of new FRS (MASB) standards.

The adoption of the other new FRS (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 Commercial Papers

<b>Face Value (RM'000)</b>	<b>Date</b>	<b>Tenor</b>	<b>Net Proceeds (RM'000)</b>
15,000	22 December 2005	183 days	14,686
10,000	23 January 2006	91 days	9,905
25,000	22 March 2006	92 days	24,761
20,000	22 March 2006	184 days	19,597

**7. Dividends paid**

An interim dividend of 2.5 sen per share less 28% tax totaling RM2,858,027 and final dividend of 5.0 sen per share less 28% tax totaling RM5,716,552 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 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	383,735	19,243	3,574	-	406,552
Inter-segment revenue	893	-	431	(1,324)	-
	<u>384,628</u>	<u>19,243</u>	<u>4,005</u>	<u>(1,324)</u>	<u>406,552</u>

<b>Business segment</b>	<b>Industrial Supply</b> RM ' 000	<b>Industrial Automation</b> RM ' 000	<b>Plastic Injection Moulding</b> RM ' 000	<b>Eliminations</b> RM ' 000	<b>Consolidated</b> RM ' 000
<b>Segment results</b>	36,172	3,168	(2,374)	-	36,966
Unallocated expenses					(447)
Operating profit					36,519
Interest expense					(4,018)
Interest income					108
Profit before taxation					32,609
Taxation					(9,535)
Minority shareholders' interests					(922)
Net profit for the financial period					22,152

## 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 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 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 disposal of 30.00% equity interest in TSA Truck Parts Industries Sdn Bhd (formerly known as Center De Abrasive Sdn Bhd) by TSA Industries Sdn Bhd on 22 April 2005.
- ii) Completion of subscription of 99.99% equity interest in Mitra Bintang Sdn Bhd by TSA Industries Sdn Bhd on 8 August 2005.
- iii) Completion of the listing of Genetec Technology Berhad (GT) on the MESDAQ Market of Bursa Malaysia Securities Berhad on 7 November 2005 resulting in ATIS Corporation Berhad's dilution of its equity interest in GT from 51.00% to 38.25%.

## **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 19 May 2006, being the date not earlier than 7 days from the date of issuance of this interim report.

## **13. Review of performance**

For the current year to date, the Group achieved revenue of RM406.6 million. This represents an increase of RM44.5 million or 12.3%. Despite a challenging business landscape, the Group managed to achieve higher growth from its business units in Malaysia and regionally. With revenue of RM406.6 million, the Group recorded net profit of RM22.2 million against RM22.4 million in the preceding year.

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

For the current quarter, the Group's revenue decreased by RM12.1 million or 11.4% to RM93.9 million as compared to RM106.0 million in the preceding quarter. Correspondingly, net profit of the Group reduced to RM5.2 million from RM5.7 million. The decrease in revenue is mainly attributable to low volume of sales during the festive period in the fourth quarter.

## **15. Prospects**

Barring unforeseen circumstances, the Board anticipates the performance of the Group 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 Quarter</u>	<u>Preceding Year Corresponding Quarter</u>	<u>Current Year To-date</u>	<u>Preceding Year Corresponding Period</u>
	<u>31/3/2006</u>	<u>31/3/2005</u>	<u>31/3/2006</u>	<u>31/3/2005</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
In respect of current year:				
- income tax	1,848	1,177	8,769	11,949
- deferred tax	(88)	(1,922)	883	(1,922)
- associate company	(127)	-	(117)	-
	<u>1,633</u>	<u>(745)</u>	<u>9,535</u>	<u>10,027</u>

The effective tax rate for the current quarter is lower than the statutory tax rate mainly due to over provision of tax for the previous quarters.

The effective tax rate is higher than the statutory tax for the current financial year to date mainly due 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.

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

Other than as disclosed in Note 11, 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

(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	<u>29</u>
At Net Book Value	<u>29</u>
At Market Value	<u>21</u>

## 20. Status of corporate proposals

<b>Date of Announcement</b>	<b>Subject</b>	<b>Status</b>
14 November 2003, 23 April 2004, 23 July 2004, 26 July 2004, 14 June 2005 and 7 July 2005	Proposed listing of Genetec Technology Berhad ("GT"), a 51% owned subsidiary of ATIS, on the MESDAQ Market of Bursa Malaysia Securities Berhad.	GT was officially listed on the MESDAQ Market of Bursa Malaysia Securities Berhad on 7 November 2005.

## 21. Group's borrowings and debt securities

Particulars of the Group's short term borrowings as at 31 March 2006 are as follows:-

	<b>RM'000</b>
<u>Secured</u>	
Bank borrowings	6,233
<u>Unsecured</u>	
Bank borrowings	22,885
Commercial paper	70,000
	99,118

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

	<b>Foreign Currency '000</b>	<b>RM'000</b>
Malaysian Ringgit	-	95,833
Singapore Dollars	1,457	3,285
		99,118

## 22. Off balance sheet risk financial instruments

There were no financial instruments with off balance sheet risk as at 19 May 2006 (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 19 May 2006 (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 pleased to recommend for the approval of the shareholders a First and Final Dividend of 10% less 28% tax for the year ended 31 March 2006 (31 March 2005: RM8,574,579 being 15% less 28% tax). The Book Closure and Payment Dates in respect of the aforesaid dividend will be determined by the Board at a later date.

### **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 financial year and weighted average number of ordinary shares outstanding during the financial year of 158.8 million (2005: 158.8 million) and 158.8 million (2005: 158.8 million) for the current year quarter and financial year-to-date respectively.

#### **(b) Diluted earnings per share**

It is not applicable to calculate the diluted earnings per share for the current quarter and financial year-to-date as any potential conversion of the Company's employee share options to ordinary shares would be antidilutive.

By Order of the Board  
ATIS Corporation Berhad

Cheang Chee Leong  
Chief Financial Officer

Selangor Darul Ehsan  
25 May 2006