

Interim Report for the
Second Quarter Ended
30 September 2007

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ATIS CORPORATION BERHAD (446118 -T)
 INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2007

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30/9/2007 RM'000	Preceding Year Corresponding Quarter 30/9/2006 RM'000	Current Year To-date 30/9/2007 RM'000	Preceding Year Corresponding Period 30/9/2006 RM'000
Revenue		127,118	115,653	253,210	216,424
Operating Expenses		(117,664)	(107,306)	(234,721)	(198,402)
Other Operating Income		543	871	587	1,144
Profit from Operations		9,997	9,218	19,076	19,166
Finance Costs		(1,625)	(1,630)	(3,318)	(2,766)
Share of profit / (loss) in an associate		641	(320)	1,049	(926)
Profit Before Taxation		9,013	7,268	16,807	15,474
Taxation	17	(2,415)	(2,010)	(4,670)	(4,410)
Net profit for the financial period		<u>6,598</u>	<u>5,258</u>	<u>12,137</u>	<u>11,064</u>
Attributable to:					
Equity holders of the parent		6,538	5,161	11,929	10,735
Minority Shareholders' Interests		60	97	208	329
Net profit for the financial period		<u>6,598</u>	<u>5,258</u>	<u>12,137</u>	<u>11,064</u>
Earnings per share (sen) :-	25				
(a) Basic		<u>4.12</u>	<u>3.25</u>	<u>7.51</u>	<u>6.76</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 2007

ATIS CORPORATION BERHAD (446118 -T)
INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2007

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CONDENSED CONSOLIDATED BALANCE SHEET

	<u>Note</u>	As at end of current quarter 30/9/2007 RM'000	As at preceding financial year end 31/3/2007 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		54,623	47,907
Prepaid lease payments		3,663	3,561
Investments properties		14,220	14,615
Investment in an associate		7,795	6,786
Other investments		29	29
Goodwill		14,516	13,649
Deferred tax assets		938	961
Current assets			
Other investments		-	5,629
Inventories		84,444	71,142
Trade receivables		189,422	176,563
Other receivables		24,087	19,072
Amount due from an associate		427	403
Tax recoverable		2,051	2,083
Assets classified as held for sale		2,365	2,379
Cash and cash equivalents		15,084	15,324
		317,880	292,595
TOTAL ASSETS		413,664	380,103
EQUITY AND LIABILITIES			
Share capital		79,397	79,397
Reserves		102,563	90,563
Equity attributable to equity holders of the parent		181,960	169,960
Minority shareholder's interest		3,138	2,625
Total equity		185,098	172,585
Non-current liabilities			
Loans and borrowings	21	6,899	6,400
Hire purchase liabilities		2,429	162
Deferred taxation liabilities		1,544	1,438
		10,872	8,000
Current liabilities			
Trade payables		60,635	56,695
Other payables		11,464	9,966
Loans and borrowings	21	141,246	130,268
Hire purchase liabilities		410	-
Provision for taxation		3,939	2,589
		217,694	199,518
		413,664	380,103
Net assets per share (RM)*		1.15	1.07

* Net assets per share attributable to shareholders of the Company : Equity attributable to equity holders of the parent/Number of issued and paid-up ordinary shares

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 31 March 2007

ATIS CORPORATION BERHAD (446118 -T)
 INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2007

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-Distributable				Distributable			Total RM'000
	Share Capital RM'000	Share Premium RM'000	Reserve on Consolidation RM'000	Exchange Fluctuation Reserve RM'000	Retained Profits RM'000	Shareholders Fund RM'000	Minority Interest RM'000	
6 months ended 30 September 2006								
Balance at 1 April 2006	79,397	8,579	3,346	(27)	63,329	154,624	824	155,448
Reclassification of reserve on consolidation FRS3	-	-	(3,346)	-	3,346	-	-	-
	<u>79,397</u>	<u>8,579</u>	<u>-</u>	<u>(27)</u>	<u>66,675</u>	<u>154,624</u>	<u>824</u>	<u>155,448</u>
Equity accounting for share of reserve in associated companies	-	-	-	-	469	469	-	469
Currency translation differences	-	-	-	41	-	41	19	60
Net profit for the financial period	-	-	-	-	10,735	10,735	329	11,064
Balance at 30 September 2006	<u>79,397</u>	<u>8,579</u>	<u>-</u>	<u>14</u>	<u>77,879</u>	<u>165,869</u>	<u>1,172</u>	<u>167,041</u>
6 months ended 30 September 2007								
Balance at 1 April 2007	79,397	8,579	-	(114)	82,098	169,960	2,625	172,585
Currency translation differences	-	-	-	51	20	71	305	376
Net profit for the financial period	-	-	-	-	11,929	11,929	208	12,137
Balance at 30 September 2007	<u>79,397</u>	<u>8,579</u>	<u>-</u>	<u>(63)</u>	<u>94,047</u>	<u>181,960</u>	<u>3,138</u>	<u>185,098</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 2007

ATIS CORPORATION BERHAD (446118 -T)
INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2007

The figures have not been audited

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	6 months ended 30/9/2007 RM'000	6 months ended 30/9/2006 RM'000
Net Profit Before Tax	16,807	15,474
Adjustment for :-		
Depreciation and amortisation	2,377	2,203
Allowance/ (Reversal) for doubtful debts	(2)	195
Other non-cash items	3,875	650
Non-operating items	(1,049)	2,166
Operating profit before changes in working capital	22,008	20,688
Changes in working capital		
Net change in current assets	(29,678)	(17,692)
Net change in current liabilities	260	(6,620)
Net cash used in operating activities	(7,410)	(3,624)
Investing Activities		
Net cashflow for acquisition in a subsidiary company	Note 1 (1,466)	-
Proceeds from quoted investment	5,979	-
Other Investments	(5,546)	(5,842)
Net cash used in investing activities	(1,033)	(5,842)
Financing Activities		
Net drawdown of bank borrowings	11,113	17,056
Net drawdown of commercial paper	-	10,000
Net drawdown/ (Repayment) of hire purchase liabilities	2,512	(252)
Interest paid	(4,092)	(2,174)
Net cash generated from financing activities	9,533	24,630
Net Change in Cash and Cash Equivalents	1,090	15,164
Cash and Cash Equivalents at beginning of year	13,994	11,894
Cash and Cash Equivalents at end of year	15,084	27,058

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 31 March 2007

Note 1

In August 2007, the Company acquired 500,000 ordinary shares of RM1 each in Pressto Asia Sdn Bhd ("Pressto") of RM500,000 and further subscribed an additional of 1,500,000 new ordinary shares of RM1,500,000, thereby resulting in Pressto becoming a 80% owned subsidiary company in ATIS.

The fair value of the net assets acquired and cash flow arising from the acquisition is as follows:-

	RM'000
Property	4,135
Cash and cash equivalent	534
Other assets	725
Other liabilities	(3,978)
	1,416
Minority interests	(283)
Net asset	1,133
Goodwill	867
Purchase consideration, satisfied by cash	2,000
Cash and cash equivalent of a subsidiary	534
Net cash outflow for acquisition in a subsidiary company	1,466

INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2007

The figures have not been audited.

1 Notes To The Condensed Financial Statements

The interim financial report has been prepared in accordance with the requirements of the Financial Reporting Standard (FRS) 134: Interim Financial Reporting (previously known as MASB 26) issued by Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the audited financial statements of ATIS Corporation Berhad ("ATIS" or "the Company") for the year ended 31 March 2007. The accounting policies and methods of computation adopted by ATIS and its subsidiary companies ("ATIS Group" or "the Group") in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 March 2007.

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:

Issuance of Commercial Papers

Face Value RM'000	Date	Tenor	Net Proceeds RM'000
10,000	28 December 2007	182 days	9,801
20,000	28 December 2007	91 days	19,806
20,000	28 March 2008	182 days	19,571
30,000	18 April 2008	182 days	29,357

7 Dividends paid

There were no dividend paid in the financial period under review.

8 Segmental reporting

Segmental information is not presented as the Group is primarily engaged in one business segment which is industrial supply.

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 financial year that have not been reflected in the financial statements for the year.

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.

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 14 November 2007, 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 RM253.2 million. This represents an increase of RM36.7 million or 17% as compared to the preceding year corresponding year. The increase was mainly contributed by revenue generated from overseas subsidiaries and non-ferrous metal business. With revenue of RM253.2 million, the Group recorded net profit of RM12.1 million against RM11.1 million in the preceding year.

14 Comparison with preceding quarter's results

For the current quarter, the Group's revenue increased by RM1.0 million or 0.8% to RM127.1 million as compared to RM126.1 million in the preceding quarter. Correspondingly, net profit of the Group increased to RM6.6 million from RM5.5 million. The improvement during the current quarter was mainly due to the share of profit of associate and better performance from overseas subsidiaries.

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>	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To-date	Corresponding Year
	30/9/2007	30/9/2006	30/9/2007	30/9/2006
	RM'000	RM'000	RM'000	RM'000
In respect of current year:				
- income tax	2,352	1,996	4,571	4,431
- Over provision in prior years	(8)	-	(8)	(21)
- deferred tax	52	14	79	-
- associate company	19	-	38	-
	<u>2,415</u>	<u>2,010</u>	<u>4,670</u>	<u>4,410</u>

The effective tax rate for the current quarter is higher than statutory tax rate 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

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) The Group's purchase/disposal of quoted securities for the current quarter are as follows:

	<u>Current Quarter</u>
	RM'000
Sales proceeds	5,979
Cost	<u>5,629</u>
Profit	<u>350</u>

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

	RM'000
At Cost	<u>29</u>
At Net Book Value	<u>29</u>
At Market Value	<u>19</u>

20 Status of corporate proposals

Date of Announcement	Subject	Status
8 August 2007	Proposed disposal of 100% equity interest in Sysnet Controls Sdn Bhd (Sysnet) for a total cash consideration of RM 600,000 thereby resulting in Sysnet cease to be a subsidiary of KVC Industrial Supplies Sdn Bhd.	Completed.
13 August 2007	Proposed acquisition of 500,000 ordinary shares of RM 1.00 each in Pressto Asia Sdn Bhd (Pressto) of RM 500,000 and further subscription an additional 1,500,000 new ordinary shares of RM 1,500,000, thereby resulting in Pressto becoming a 80% owned subsidiary company of ATIS.	Completed.

21 Group's borrowings and debt securities

Particulars of the Group's loans and borrowings as at 30 September 2007 are as follows:-

	RM'000
<u>Current portion</u>	
Bank borrowings	60,307
Commercial paper	80,000
Term loan	939
	141,246
<u>Non-current portion</u>	
Tem loan	6,899
	148,145

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

	Foreign Currency '000	RM'000
Malaysian Ringgit	-	146,844
Singapore Dollars	562	1,301
		148,145

22 Off balance sheet risk financial instruments

There were no financial instruments with off balance sheet risk as at 14 November 2007 (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 14 November 2007 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim report).

24 Dividend

No dividend has been recommended by the Board for the current quarter and financial year-to-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 period and weighted average number of ordinary shares outstanding during the financial period of 158.8 million (2007: 158.8 million) and 158.8 million (2007: 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
21 November 2007