

Interim Report for the
Third Quarter Ended
31 December 2007

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ATIS CORPORATION BERHAD (446118 -T)
 INTERIM REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2007

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS

| | Note | Individual Quarter | | Cumulative Quarter | |
|--|------|--|--|--|---|
| | | Current Year Quarter 31/12/2007 RM'000 | Preceding Year Corresponding Quarter 31/12/2006 RM'000 | Current Year To-date 31/12/2007 RM'000 | Preceding Year Corresponding Period 31/12/2006 RM'000 |
| Revenue | | 137,808 | 119,152 | 391,018 | 335,576 |
| Operating Expenses | | (127,546) | (112,029) | (362,267) | (310,227) |
| Other Operating Income | | 844 | 1,524 | 1,430 | 2,463 |
| Profit from Operations | | 11,106 | 8,647 | 30,181 | 27,812 |
| Finance Costs | | (2,024) | (1,539) | (5,342) | (4,305) |
| Share of profit / (loss) in associates | | 521 | (714) | 1,570 | (1,640) |
| Profit Before Taxation | | 9,603 | 6,394 | 26,409 | 21,867 |
| Taxation | 17 | (2,381) | (1,402) | (7,051) | (5,812) |
| Net profit for the financial period | | <u>7,222</u> | <u>4,992</u> | <u>19,358</u> | <u>16,055</u> |
| Attributable to: | | | | | |
| Equity holders of the parent | | 7,269 | 4,856 | 19,197 | 15,590 |
| Minority Shareholders' Interests | | (47) | 136 | 161 | 465 |
| Net profit for the financial period | | <u>7,222</u> | <u>4,992</u> | <u>19,358</u> | <u>16,055</u> |
| Earnings per share (sen) :- | 25 | | | | |
| (a) Basic | | <u>4.58</u> | <u>3.06</u> | <u>12.09</u> | <u>9.82</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 THIRD QUARTER ENDED 31 DECEMBER 2007

The figures have not been audited

CONDENSED CONSOLIDATED BALANCE SHEETS

| | (unaudited) As at end of current quarter 31/12/2007 RM'000 | (audited) As at preceding financial year end 31/3/2007 RM'000 |
|--|--|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 31,297 | 47,907 |
| Prepaid lease payments | 3,792 | 3,561 |
| Investments properties | 35,034 | 14,615 |
| Investment in subsidiary | - | - |
| Investment in associates | 9,490 | 6,786 |
| Other investments | 29 | 29 |
| Goodwill | 14,516 | 13,649 |
| Deferred tax assets | 890 | 961 |
| Current assets | | |
| Other investments | - | 5,629 |
| Inventories | 94,975 | 71,142 |
| Trade receivables | 185,382 | 176,563 |
| Other receivables | 21,925 | 19,072 |
| Amount due from an associate | 202 | 403 |
| Tax recoverable | 1,723 | 2,083 |
| Assets classified as held for sale | 1,914 | 2,379 |
| Cash and cash equivalents | 21,497 | 15,324 |
| | 327,618 | 292,595 |
| TOTAL ASSETS | 422,666 | 380,103 |
| EQUITY AND LIABILITIES | | |
| Share capital | 79,397 | 79,397 |
| Reserves | 109,754 | 90,563 |
| Equity attributable to equity holders of the parent | 189,151 | 169,960 |
| Minority shareholder's interest | 3,033 | 2,625 |
| Total equity | 192,184 | 172,585 |
| Non-current liabilities | | |
| Loans and borrowings | 21 6,663 | 6,400 |
| Hire purchase liabilities | 2,312 | 162 |
| Deferred taxation liabilities | 1,365 | 1,438 |
| | 10,340 | 8,000 |
| Current liabilities | | |
| Trade payables | 47,842 | 56,695 |
| Other payables | 12,878 | 9,966 |
| Loans and borrowings | 21 154,903 | 130,268 |
| Hire purchase liabilities | 319 | - |
| Provision for taxation | 4,200 | 2,589 |
| | 220,142 | 199,518 |
| | 422,666 | 380,103 |
| Net assets per share (RM)* | 1.19 | 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 Balance Sheets 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 THIRD QUARTER ENDED 31 DECEMBER 2007

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Non-Distributable | | | | Distributable | | Minority Interest RM'000 | 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 | | |
| 9 months ended 31 December 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 | - | - | - |
| Balance at 1 April 2006 (Restated) | 79,397 | 8,579 | - | (27) | 66,675 | 154,624 | 824 | 155,448 |
| Equity accounting for share of reserve in associated companies | - | - | - | - | 469 | 469 | - | 469 |
| Acquisition of new subsidiary | - | - | - | - | - | - | 1,212 | 1,212 |
| Currency translation differences | - | - | - | (142) | - | (142) | (106) | (248) |
| Net profit for the financial period | - | - | - | - | 15,590 | 15,590 | 465 | 16,055 |
| Dividends | - | - | - | - | (5,717) | (5,717) | - | (5,717) |
| Balance at 31 December 2006 | 79,397 | 8,579 | - | (169) | 77,017 | 164,824 | 2,395 | 167,219 |
| 9 months ended 31 December 2007 | | | | | | | | |
| Balance at 1 April 2007 | 79,397 | 8,579 | - | (114) | 82,098 | 169,960 | 2,625 | 172,585 |
| Currency translation differences | - | - | - | (25) | 19 | (6) | 247 | 241 |
| Net profit for the financial period | - | - | - | - | 19,197 | 19,197 | 161 | 19,358 |
| Balance at 31 December 2007 | 79,397 | 8,579 | - | (139) | 101,314 | 189,151 | 3,033 | 192,184 |

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 THIRD QUARTER ENDED 31 DECEMBER 2007**

The figures have not been audited

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

| | 9 months ended 31/12/2007 RM'000 | 9 months ended 31/12/2006 RM'000 |
|---|---|---|
| Net Profit Before Tax | 26,409 | 21,867 |
| Adjustment for :- | | |
| Depreciation and amortisation | 3,846 | 3,312 |
| Allowance/ (Reversal) for doubtful debts | (2) | 1,120 |
| Other non-cash items | (194) | 132 |
| Non-operating items | 3,772 | 2,814 |
| Operating profit before changes in working capital | 33,831 | 29,245 |
| Changes in working capital | | |
| Net change in current assets | (34,218) | (48,830) |
| Net change in current liabilities | (13,482) | 12,570 |
| Net cash used in operating activities | (13,869) | (7,015) |
| Investing Activities | | |
| Net cashflow for acquisition in a subsidiary company | (1,466) | - |
| Proceeds from quoted investment | 5,979 | - |
| Addition investment in an associate | (1,193) | - |
| Other Investments | (3,443) | (13,758) |
| Net cash used in investing activities | (123) | (13,758) |
| Financing Activities | | |
| Net drawdown of bank borrowings | 26,358 | 24,668 |
| Net drawdown of commercial paper | - | 10,000 |
| Net drawdown/ (Repayment) of hire purchase liabilities | 479 | (121) |
| Payment of dividend | - | (5,717) |
| Interest paid | (5,342) | (3,669) |
| Net cash generated from financing activities | 21,495 | 25,161 |
| Net Change in Cash and Cash Equivalents | 7,503 | 4,388 |
| Cash and Cash Equivalents at beginning of year | 13,994 | 11,894 |
| Cash and Cash Equivalents at end of year | 21,497 | 16,282 |

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, plant and equipment | 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 THIRD QUARTER ENDED 31 DECEMBER 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 |
|------------------------------|------------------|--------------|--------------------------------|
| 15,000 | 28 February 2008 | 62 days | 14,903 |
| 20,000 | 28 March 2007 | 182 days | 19,571 |
| 30,000 | 18 April 2008 | 182 days | 29,357 |
| 15,000 | 27 June 2008 | 182 days | 14,678 |

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 19.02.2008, 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 RM391.0 million. This represents an increase of RM55.0 million or 16.0% as compared to the preceding year corresponding year. The increase was mainly contributed by revenue generated from oversea subsidiaries and non-ferrous metal business. With revenue of RM391.0 million, the Group recorded net profit of RM19.4 million against RM16.1 million in the preceding year.

14 Comparison with preceding quarter's results

For the current quarter, the Group's revenue increased by RM10.7 million or 8.4% to RM137.8 million as compared to RM127.1 million in the preceding quarter. Correspondingly, net profit of the Group increased to RM7.2 million from RM6.6 million. The improvement during the current quarter was mainly due to the better performance from non-ferrous metal business.

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 Year</u> |
| | 31/12/2007 | 31/12/2006 | 31/12/2007 | 31/12/2006 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| In respect of current year: | | | | |
| - income tax | 2,779 | 2,026 | 7,340 | 6,457 |
| - real property gain tax | 39 | - | 39 | - |
| - Over provision in prior years | (332) | (602) | (340) | (602) |
| - deferred tax | (124) | (22) | (45) | (43) |
| - associate company | 19 | - | 57 | - |
| | 2,381 | 1,402 | 7,051 | 5,812 |

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

(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 | 16 |

20 Status of corporate proposals

| Date of Announcement | Subject | Status |
|-----------------------------|--|---------------|
| 15 February 2008 | Proposed acquisition of 100,000 ordinary shares of RM 1.00 each in LT Switchgear (M) Sdn Bhd (LT) of RM120,000 and further subscription an additional 320,000 new ordinary shares of RM384,000.00, thereby resulting in LT becoming a 51.22% owned subsidiary company of ATIS. | Completed. |

21 Group's borrowings and debt securities

Particulars of the Group's loans and borrowings as at 31 December 2007 are as follows:-

| | RM'000 |
|----------------------------|-----------------------|
| <u>Current portion</u> | |
| Bank borrowings | 73,964 |
| Commercial paper | 80,000 |
| Term loan | 939 |
| | <u>154,903</u> |
| <u>Non-current portion</u> | |
| Term loan | 6,663 |
| | <u><u>161,566</u></u> |

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

| | Foreign Currency '000 | RM'000 |
|-------------------|--------------------------------------|-----------------------|
| Malaysian Ringgit | - | 158,143 |
| Singapore Dollars | 1,477 | 3,423 |
| | | <u><u>161,566</u></u> |

22 Off balance sheet risk financial instruments

There were no financial instruments with off balance sheet risk as at 19.02.2008 (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 19.02.2008 (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
26 February 2008