

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

Interim Report for the  
First Quarter Ended  
30 June 2009

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**ATIS CORPORATION BERHAD (446118 -T)  
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2009**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/6/2009 RM'000	Preceding Year Corresponding Quarter 30/6/2008 RM'000	Current Year To-date 30/6/2009 RM'000	Preceding Year Corresponding Year 30/6/2008 RM'000
Revenue	109,097	135,759	109,097	135,759
Operating expenses	(102,713)	(125,026)	(102,713)	(125,026)
Other operating Income	885	579	885	579
Profit from operations	7,269	11,312	7,269	11,312
Finance costs	(1,106)	(1,780)	(1,106)	(1,780)
Share of profit in associates	(331)	1,774	(331)	1,774
Profit before taxation	5,832	11,306	5,832	11,306
Tax expense	17 (1,329)	(2,578)	(1,329)	(2,578)
Net profit for the financial year	<u>4,503</u>	<u>8,728</u>	<u>4,503</u>	<u>8,728</u>
Attributable to:				
Equity holders of the parent	3,670	8,315	3,670	8,315
Minority interests	833	413	833	413
Net profit for the financial year	<u>4,503</u>	<u>8,728</u>	<u>4,503</u>	<u>8,728</u>
Earnings per share (sen) :-	25			
(a) Basic	<u>2.30</u>	<u>5.23</u>	<u>2.30</u>	<u>5.23</u>
(b) Fully diluted	<u>N/A</u>	<u>5.12</u>	<u>N/A</u>	<u>5.12</u>

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 31 March 2009

ATIS CORPORATION BERHAD (446118 -T)  
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2009

The figures have not been audited

CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited) As at end of current quarter 30/6/2009 RM'000	(Audited) As at preceding financial year end 31/03/2009 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	52,725	52,660
Prepaid lease payments	2,723	2,743
Investments properties	11,369	11,446
Investment in associates	18,236	15,587
Other investments	22,178	15,029
Intangible assets	13,187	13,201
Deferred tax assets	498	863
<b>Total non-current assets</b>	<b>120,916</b>	<b>111,529</b>
<b>Current assets</b>		
Inventories	53,832	56,665
Trade receivables	152,578	145,765
Other receivables, deposits and prepayments	16,579	9,426
Amount due from associates	1,100	691
Current tax assets	4,221	4,180
Assets classified as held for sale	-	843
Cash and cash equivalents	42,161	56,984
<b>Total current assets</b>	<b>270,471</b>	<b>274,554</b>
<b>TOTAL ASSETS</b>	<b>391,387</b>	<b>386,083</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	79,934	79,934
Reserves	137,043	134,885
<b>Total equity attributable to shareholders of the company</b>	<b>216,977</b>	<b>214,819</b>
<b>Minority interests</b>	22,122	21,016
<b>Total equity</b>	239,099	235,835
<b>Non-current liabilities</b>		
Loans and borrowings	21 48,000	58,080
Deferred tax liabilities	1,350	843
<b>Total non-current liabilities</b>	<b>49,350</b>	<b>58,923</b>
<b>Current liabilities</b>		
Trade payables	44,630	34,836
Other payables and accruals	6,921	10,644
Loans and borrowings	21 46,672	41,405
Current tax liabilities	4,715	4,440
<b>Total current liabilities</b>	<b>102,938</b>	<b>91,325</b>
<b>Total equity and liabilities</b>	<b>391,387</b>	<b>386,083</b>
<b>Net assets per share (RM)*</b>	<b>1.36</b>	<b>1.34</b>

\* 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 2009

ATIS CORPORATION BERHAD (446118 -T)  
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2009

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-Distributable					Distributable	Total Shareholders' Equity RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Share Option Reserve RM'000	Treasury Shares RM'000	Retained Profits RM'000			
<b>3 months ended 30 June 2008</b>									
Balance at 1 April 2008	79,397	8,579	(205)	874	-	109,192	197,837	3,762	201,599
Share option exercised	766	-	-	-	-	-	766	-	766
Transfer to share premium for share options exercised	(393)	393	-	-	-	-	-	-	-
Foreign exchange translation differences	-	-	214	-	-	-	214	161	375
Repurchased of treasury shares	-	-	-	-	(3,748)	-	(3,748)	-	(3,748)
Net profit for the financial period	-	-	-	-	-	8,315	8,315	413	8,728
<b>Balance at 30 June 2008</b>	<b>79,770</b>	<b>8,972</b>	<b>9</b>	<b>874</b>	<b>(3,748)</b>	<b>117,507</b>	<b>203,384</b>	<b>4,336</b>	<b>207,720</b>
<b>3 months ended 30 June 2009</b>									
Balance at 1 April 2009	79,934	9,220	(206)	-	(14,297)	140,168	214,819	21,016	235,835
Share options exercised	-	-	-	-	-	-	-	-	-
Transfer to share premium for share options exercised	-	-	-	-	-	-	-	-	-
Foreign exchange translation differences	-	-	306	-	-	-	306	273	579
Repurchased of treasury shares	-	-	-	-	(1,818)	-	(1,818)	-	(1,818)
Net profit for the financial year	-	-	-	-	-	3,670	3,670	833	4,503
Disposal of subsidiary to minority interest	-	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2009</b>	<b>79,934</b>	<b>9,220</b>	<b>100</b>	<b>-</b>	<b>(16,115)</b>	<b>143,838</b>	<b>216,977</b>	<b>22,122</b>	<b>239,099</b>

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 2009

**ATIS CORPORATION BERHAD (446118 -T)  
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2009**

The figures have not been audited

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	NOTE	(Unaudited) 3 months ended 30/6/2009 RM'000	(Unaudited) 3 months ended 30/6/2008 RM'000
Profit before tax		5,832	11,306
<b>Adjustment for :-</b>			
Depreciation and amortisation		1,101	1,328
Other non-cash items		-	(379)
Non-operating items		510	(237)
<b>Operating profit before changes in working capital</b>		<u>7,443</u>	<u>12,018</u>
<b>Changes in working capital</b>			
Net change in current assets		(18,582)	(13,464)
Net change in current liabilities		13,487	9,930
<b>Net cash generated from/(used in) operating activities</b>		<u>2,348</u>	<u>8,484</u>
<b>Investing Activities</b>			
Net proceeds from disposal of a subsidiary	1	-	14
Investment from quoted investment		(5,000)	-
Increase in an investment in an associated company		(3,000)	-
Other Investments		(2,361)	2,290
<b>Net cash generated from/(used in) investing activities</b>		<u>(10,361)</u>	<u>2,304</u>
<b>Financing Activities</b>			
Net repayment of bank borrowings and bonds		(4,074)	(16,347)
Net repayment of hire purchase liabilities		(1,452)	(402)
Net drawdown/(repayment) of term loan		713	(399)
Proceeds from exercise of ESOS		-	766
Repurchase of treasury shares		(1,818)	(3,748)
Interest paid		(179)	(1,450)
<b>Net cash generated/ (used) from financing activities</b>		<u>(6,810)</u>	<u>(21,580)</u>
Net Change in Cash and Cash Equivalents		(14,823)	(10,792)
Cash and Cash Equivalents at beginning of year		56,984	32,553
Cash and Cash Equivalents at end of year		<u>42,161</u>	<u>21,761</u>

**The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 31 March 2009**

**ATIS CORPORATION BERHAD (446118 -T)  
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2009**

The figures have not been audited

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

**Note 1**

In May 2008, KVC Industrial Supplies Sdn Bhd ("KVC"), a wholly-owned subsidiary completed the disposal of its entire shareholding in R&R Industrial Products (Malacca) Sdn Bhd, comprising 100,000 ordinary shares of RM1.00 each for a cash consideration of RM89,279.

The disposal of the subsidiary had the following effect on the Group's net assets as at the date of deconsolidation:-

	<b>RM'000</b>
Other assets	(17)
Cash and cash equivalent	(75)
Other liabilities	<u>2</u>
Net assets disposed	(90)
Goodwill on consolidation	<u>(86)</u>
	(176)
Proceeds for disposal of a subsidiary	<u>89</u>
Loss on disposal of a subsidiary	<u>(87)</u>
	89
Proceeds for disposal of a subsidiary	89
Cash and cash equivalent of a subsidiary deconsolidated	<u>(75)</u>
	<u>14</u>

Note 1

**The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 31 March 2009**

**INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2009**

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 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 2009.

The same 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 2009.

These explanatory notes attached to the interim financial report provides an explanation of the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2009.

**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 years 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 years 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, resale and repayment of debt and equity securities for the current financial year-to-date except for the following:

(a) Share buybacks

On 25 September 2008, the shareholders of the Company renewed their approval for the Company's plan to repurchase its own ordinary shares. As at 30 June 2009, the Company repurchased 13,246,980 of its issued ordinary shares from the open market at an average price of RM1.22 per share. The total consideration paid for the repurchase including transaction costs was RM16,115,418 and this was financed by internally generated funds. The shares repurchased were retained as treasury shares.

(b) Issuance of Commercial Papers

Other than the above, 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:

Face Value RM'000	Issued Date	Tenor (Days)	Net Proceeds RM'000
15,000	17 April 2009	91	14,837

**7 Dividends paid**

There was no dividend paid in the financial year 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 except for the following:

KVC has disposed the entire investment of 100,000 ordinary shares of RM1.00 each in KVC Industrial Supplies (Klang) Sdn Bhd (“KVC KLG”) and KVC Industrial Supplies (Selangor) Sdn Bhd KVC (SEL”) for a cash consideration of RM120,000 and RM387,503 each to Messrs Wong Heng Keong and Stella Tan Mei Lee. As a result, KVC KLG and KVC SEL will cease to be subsidiaries of KVC.

ATIS has subscribed 5,100 ordinary shares of RM1/- each for cash, representing 51% of the total issued and paid-up share capital of ELKOM Transformer Components Marketing Sdn Bhd (ELKOM), a newly incorporated company in Malaysia. As a result, ELKOM has become a 51%-owned subsidiary of ATIS.

Cable Solutions (SEA) Pte Ltd, a 70%-owned subsidiary of ATIS has subscribed 90,000 ordinary shares of USD1/- each fully paid-up, representing 90% of the total issued and paid-up share capital of PT Cable Solutions Indonesia, a newly incorporated company in Indonesia

## **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 25.08.2009, being the date not earlier than 7 days from the date of issuance of this interim report.

## **13 Review of performance**

For the current quarter, the Group recorded revenue of RM109.1 million. This represents a decrease of RM26.7 million or 19.6% as compared to the preceding year corresponding quarter. With revenue of RM109.1 million, the Group pre-tax profit recorded at RM5.8 million against RM11.3 million in the same period.

## **14 Comparison with preceding quarter’s results**

The Group’s revenue increased by RM12.4 million or 12.8% to RM109.1 million as compared to RM96.7 million in the preceding quarter in tandem with improved market sentiment. Correspondingly, net profit after minority interest of the Group increased to RM3.7 million from RM1.5 million.

## **15 Prospects**

The global economic slowdown will inevitably have an adverse impact on the Group’s business. Measures have been put in place to mitigate a likely slowdown in the Group’s earnings in the near term.

The Board of Director however believes that despite an economic slowdown the longer term prospects of the Group remains resilient given its strong fundamental to withstand any potential slowdown.

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

**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>
	<b>30.6.2009</b>	<b>30.6.2008</b>	<b>30.6.2009</b>	<b>30.6.2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
In respect of current year:				
- income tax	1,290	2,579	1,290	2,579
- deferred tax	19	(21)	19	(21)
- associate company	20	20	20	20
	<u>1,329</u>	<u>2,578</u>	<u>1,329</u>	<u>2,578</u>

The effective tax rate for the current quarter is lower than statutory tax rate due to the utilization of the business losses carried forward.

**18 Sale of unquoted investments and/or properties**

There was 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 purchases or disposals of quoted securities during the current quarter and financial year to date under review.

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

	<b>RM'000</b>
At Cost	<u>20,029</u>
At Net Book Value	<u>20,029</u>
At Market Value	<u>11,825</u>

**20 Status of corporate proposals**

<b>Date of Announcement</b>	<b>Subject</b>	<b>Status</b>
3 April 2009	Disposal of entire investment of 100,000 ordinary shares of RM1.00 each in KVC Industrial Supplies (Klang) Sdn Bhd ("KVC KLG") and KVC Industrial Supplies (Selangor) Sdn Bhd (KVC SEL") for a cash consideration of RM120,000 and RM387,503 each to Messrs Wong Heng Keong and Stella Tan Mei Lee.	Completed
10 April 2009	ATIS has subscribed 5,100 ordinary shares of RM1/- each for cash, representing 51% of the total issued and paid-up share capital of ELKOM Transformer Components Marketing Sdn Bhd, a newly incorporated company in Malaysia.	Completed
27 May 2009	Cable Solutions (SEA) Pte Ltd, a 70%-owned subsidiary of ATIS has subscribed 90,000 ordinary shares of USD1/- each fully paid-up, representing 90% of the total issued and paid-up share capital of PT Cable Solutions Indonesia, a newly incorporated company in Indonesia	Completed

**21 Group's borrowings and debt securities**

Particulars of the Group's loans and borrowings as at 30 June 2009 are as follows:-

	<b>RM'000</b>
<u>Current portion</u>	
Banker's acceptances and trust receipts	18,202
Commercial paper	15,000
Hire purchase liabilities	986
Overdraft bank	1,124
Term loan	11,360
	<u>46,672</u>
<u>Non-current portion</u>	
Hire purchase liabilities	-
Term loan	48,000
	<u>48,000</u>
	<u>94,672</u>

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

	<b>Currency '000</b>	<b>RM'000</b>
Malaysian Ringgit		93,548
Singapore Dollars		1,124
		<u>94,672</u>

**22 Off balance sheet risk financial instruments**

There were no financial instruments with off balance sheet risk as at 25.08.2009 (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 25.08.2009 (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.

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

**25 Earnings per share**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.6.09 RM'000	Preceding Year Corresponding Quarter 30.6.08 RM'000	Current Year To-date 30.6.09 RM'000	Preceding Year Corresponding Year 30.6.08 RM'000
<b>Basic earnings per share EPS</b>				
Net profit attributable to shareholders	3,670	8,315	3,670	8,315
Adjusted Weighted average number of ordinary shares in issue	159,774	159,128	159,774	159,128
Basic EPS (sen)	2.30	5.23	2.30	5.23
<b>Diluted earnings per share EPS</b>				
Net profit attributable to shareholders	3,670	8,315	3,670	8,315
Adjusted Weighted average number of ordinary shares in issue	NA	162,491	NA	162,491
Diluted EPS (sen)	NA	5.12	NA	5.12

The diluted earnings per share are not applicable during the current year quarter and current year to-year as the ESOS scheme has been expired on 19 February 2009.

By Order of the Board  
ATIS Corporation Berhad

Cheang Chee Leong  
Chief Financial Officer

Selangor Darul Ehsan  
18 August 2009