

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

Interim Report for the  
Second Quarter Ended  
30 September 2009

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

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/9/2009 RM'000	Preceding Year Corresponding Quarter 30/9/2008 RM'000	Current Year To-date 30/9/2009 RM'000	Preceding Year Corresponding Year 30/9/2008 RM'000
Revenue	112,748	143,664	221,845	279,423
Operating expenses	(89,434)	(132,701)	(192,147)	(257,727)
Other operating Income	108	243	993	822
Profit from operations	23,422	11,206	30,691	22,518
Finance costs	(901)	(1,711)	(2,007)	(3,491)
Share of profit in associates	805	783	474	2,557
Profit before taxation	23,326	10,278	29,158	21,584
Tax expense	17 (2,145)	(2,575)	(3,474) -	(5,153)
Net profit for the financial year	<u>21,181</u>	<u>7,703</u>	<u>25,684</u>	<u>16,431</u>
Attributable to:				
Equity holders of the parent	20,290	7,057	23,960	15,372
Minority interests	891	646	1,724	1,059
Net profit for the financial year	<u>21,181</u>	<u>7,703</u>	<u>25,684</u>	<u>16,431</u>
Earnings per share (sen) :-	25			
(a) Basic	<u>13.89</u>	<u>4.63</u>	<u>16.28</u>	<u>10.09</u>
(b) Fully diluted	<u>N/A</u>	<u>4.54</u>	<u>N/A</u>	<u>9.90</u>

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

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CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited) As at end of current quarter 30/9/2009 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	52,614	52,660
Prepaid lease payments	2,703	2,743
Investments properties	11,287	11,446
Investment in associates	17,127	15,587
Other investments	23,099	15,029
Intangible assets	13,171	13,201
Deferred tax assets	233	863
<b>Total non-current assets</b>	<b>120,234</b>	<b>111,529</b>
<b>Current assets</b>		
Inventories	68,472	56,665
Trade receivables	155,629	145,765
Other receivables, deposits and prepayments	16,011	9,426
Amount due from associates	527	691
Current tax assets	3,237	4,180
Assets classified as held for sale	-	843
Cash and cash equivalents	55,590	56,984
<b>Total current assets</b>	<b>299,466</b>	<b>274,554</b>
<b>TOTAL ASSETS</b>	<b>419,700</b>	<b>386,083</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	79,934	79,934
Reserves	156,773	134,885
<b>Total equity attributable to shareholders of the company</b>	<b>236,707</b>	<b>214,819</b>
<b>Minority interests</b>	<b>36,969</b>	<b>21,016</b>
<b>Total equity</b>	<b>273,676</b>	<b>235,835</b>
<b>Non-current liabilities</b>		
Loans and borrowings	21 48,000	58,080
Deferred tax liabilities	1,088	843
<b>Total non-current liabilities</b>	<b>49,088</b>	<b>58,923</b>
<b>Current liabilities</b>		
Trade payables	47,848	34,836
Other payables and accruals	10,006	10,644
Loans and borrowings	21 34,090	41,405
Current tax liabilities	4,992	4,440
<b>Total current liabilities</b>	<b>96,936</b>	<b>91,325</b>
<b>Total equity and liabilities</b>	<b>419,700</b>	<b>386,083</b>
<b>Net assets per share (RM)*</b>	<b>1.62</b>	<b>1.45</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, net of treasury shares

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

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 INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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>6 months ended 30 September 2008</b>									
Balance at 1 April 2008	79,397	8,579	(205)	874	-	109,192	197,837	3,762	201,599
Share option exercised	1,065	-	-	-	-	-	1,065	-	1,065
Transfer to share premium for share options exercised	(546)	546	-	-	-	-	-	-	-
Foreign exchange translation differences	-	-	327	-	-	-	327	242	569
Repurchased of treasury shares	-	-	-	-	(9,776)	-	(9,776)	-	(9,776)
Net profit for the financial period	-	-	-	-	-	15,372	15,372	1,059	16,431
<b>Balance at 30 September 2008</b>	<b>79,916</b>	<b>9,125</b>	<b>122</b>	<b>874</b>	<b>(9,776)</b>	<b>124,564</b>	<b>204,825</b>	<b>5,063</b>	<b>209,888</b>
<b>6 months ended 30 September 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	-	-	446	-	-	-	446	382	828
Repurchased of treasury shares	-	-	-	-	(2,518)	-	(2,518)	-	(2,518)
Net profit for the financial year	-	-	-	-	-	23,960	23,960	1,724	25,684
Disposal of subsidiary to minority interest	-	-	-	-	-	-	-	13,847	13,847
<b>Balance at 30 September 2009</b>	<b>79,934</b>	<b>9,220</b>	<b>240</b>	<b>-</b>	<b>(16,815)</b>	<b>164,128</b>	<b>236,707</b>	<b>36,969</b>	<b>273,676</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 SECOND QUARTER ENDED 30 SEPTEMBER 2009**

The figures have not been audited

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

		(Unaudited) 6 months ended 30/9/2009 RM'000	(Unaudited) 6 months ended 30/9/2008 RM'000
	NOTE		
Profit before tax		29,158	21,584
<b>Adjustment for :-</b>			
Depreciation and amortisation		2,211	2,267
Other non-cash items		1,113	986
Non-operating items		(12,892)	1,021
<b>Operating profit before changes in working capital</b>		<u>19,590</u>	<u>25,858</u>
<b>Changes in working capital</b>			
Net change in current assets		(27,860)	18,244
Net change in current liabilities		10,792	12,091
<b>Net cash generated from/(used in) operating activities</b>		<u>2,522</u>	<u>56,193</u>
<b>Investing Activities</b>			
Net proceeds from partial disposal of a subsidiary	1	28,272	14
Investment in quoted investment		(5,009)	-
Increase in an investment in an associated company		(1,106)	-
Other Investments		(4,154)	2,188
<b>Net cash generated from/(used in) investing activities</b>		<u>18,003</u>	<u>2,202</u>
<b>Financing Activities</b>			
Net (repayment)/drawdown of bank borrowings and bonds		(14,932)	12,859
Net repayment of hire purchase liabilities		(1,664)	(717)
Net (repayment)/drawdown of term loan		(798)	2,277
Proceeds from exercise of ESOS		-	1,065
Repurchase of treasury shares		(2,518)	(9,777)
Interest paid		(2,007)	(3,491)
<b>Net cash generated/ (used) from financing activities</b>		<u>(21,919)</u>	<u>2,216</u>
Net Change in Cash and Cash Equivalents		(1,394)	60,611
Cash and Cash Equivalents at beginning of year		56,984	32,553
Cash and Cash Equivalents at end of year		<u>55,590</u>	<u>93,164</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**

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**The figures have not been audited**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

**Note 1**

In September 2009, ATIS Corporation Berhad ("ATIS") completed the disposal of its 16% shareholding in KVC Industrial Supplies Sdn Bhd ("KVC"), comprising 80,000 ordinary shares of RM1.00 each for a cash consideration of RM28.272 million. The partial disposal has resulted to a gain of RM14.4 million to ATIS.

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	2
Net assets disposed	<u>(90)</u>
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	<u>14</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**

**INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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 except for a gain of disposal of 16% equity interest in a subsidiary amounting to RM14.4 million.

**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 September 2009, the Company repurchased 13,949,080 of its issued ordinary shares from the open market at an average price of RM1.21 per share. The total consideration paid for the repurchase including transaction costs was RM16,814,580 and this was financed by internally generated funds. The shares repurchased were retained as treasury shares.

**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-to-date except for the following:

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

Cable Solutions (SEA) Pte Ltd, a 70%-owned sub-sub-subsidiary of ATIS has acquired 9,800 shares of Baht 100/- each at par for cash, representing 49% of the total issued and paid-up share capital of Cable Solutions Thailand.

Atis has entered into a Share Sale Agreement with Otra Development B.V., a subsidiary of Sonepar SA, for the proposed disposal by ATIS of 80,000 ordinary shares of RM1.00 each representing 16% of the total issued and paid-up capital in KVC Industrial Supplies Sdn Bhd.

## **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 23.11.2009, being the date not earlier than 7 days from the date of issuance of this interim report.

## **13 Review of performance**

For the current period to date, the Group recorded revenue of RM221.8 million. This represents a decrease of RM57.6 million or 20.6% as compared to the preceding year corresponding period. The Group pre-tax profit recorded at RM29.2 million against RM21.6 million in the preceding year corresponding period, mainly attributed to gain on disposal of 16% equity interest in KVC of RM14.4 million.

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

The Group's revenue increased by RM3.6 million or 3.3% to RM112.7 million as compared to RM109.1 million in the preceding quarter in tandem with improved market sentiment. Net profit after minority interest of the Group increased to RM20.3 million from RM3.7 million. Excluding the gain on disposal of KVC as mentioned in Note 13, profit would have increased by 59.5% to RM5.9 million.

## **15 Prospects**

Whilst the global economy continues to show signs of recovery, the Board of Directors is optimistic of the Group's prospects. Barring any unexpected changes to the business environment, the management anticipates its performance for the remaining period of the year to be satisfactory.

As Sonepar is a major and reputable worldwide distributor of electrical equipments, the strengthening of strategic collaboration between Sonepar and ATIS also serves as a catalyst for ATIS to reinforce its position in the local market and further elevate it to overseas market. Given the strong

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fundamentals of ATIS Group and backed by support from Sonepar, the Board is of the view that the prospects of the Group will remain resilient in the long term.

**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>
	<b>30.9.2009</b>	<b>30.9.2008</b>	<b>30.9.2009</b>	<b>30.9.2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
In respect of current year:				
- income tax	2,120	2,099	3,410	4,678
- (Over)/under provision in prior years	2	-	2	-
- deferred tax	3	456	22	435
- associate company	20	20	40	40
	<u>2,145</u>	<u>2,575</u>	<u>3,474</u>	<u>5,153</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 except for the following:

(i) ATIS has acquired additional 5,000,000 ordinary shares of RM1.00 each in Mutiara Goodyear Development Berhad ("Mutiara") for cash consideration of RM 5,009,377.39 (including transaction costs).

(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>20,039</u>
At Net Book Value	<u>20,039</u>
At Market Value	<u>12,022</u>

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**20 Status of corporate proposals**

<b>Date of Announcement</b>	<b>Subject</b>	<b>Status</b>
3 September 2009	Cable Solutions (SEA) Pte Ltd, a 70%-owned subsidiary of ATIS has acquired 9,800 shares of Baht 100/- each at par for cash, representing 49% of the total issued and paid-up share capital of Cable Solutions (Thailand) Co., Ltd.	Completed
12 September 2009	Atis has entered into a Share Sale Agreement with Otra Development B.V., a subsidiary of Sonepar SA, for the proposed disposal by ATIS of 80,000 ordinary shares of RM1.00 each representing 16% of the total issued and paid-up capital in KVC Industrial Supplies Sdn Bhd for cash consideration of RM28.272 million.	Completed

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

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

	<b>RM'000</b>
<u>Current portion</u>	
Banker's acceptances and trust receipts	22,013
Commercial paper	-
Hire purchase liabilities	774
Overdraft bank	1,454
Term loan	9,849
	<u>34,090</u>
 <u>Non-current portion</u>	
Hire purchase liabilities	-
Term loan	48,000
	<u>48,000</u>
	<u>82,090</u>

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

	<b>Currency '000</b>	<b>RM'000</b>
Malaysian Ringgit		80,114
Singapore Dollars		1,956
Indonesian Rupiah		20
		<u>82,090</u>

**22 Off balance sheet risk financial instruments**

There were no financial instruments with off balance sheet risk as at 23.11.2009 (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 23.11.2009 (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.

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**25 Earnings per share**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.9.09 RM'000	Preceding Year Corresponding Quarter 30.9.08 RM'000	Current Year To-date 30.9.09 RM'000	Preceding Year Corresponding Period 30.9.08 RM'000
<b>Basic earnings per share EPS</b>				
Net profit attributable to shareholders	20,290	7,057	23,960	15,372
Adjusted Weighted average number of ordinary shares in issue	146,119	152,541	147,210	152,293
Basic EPS (sen)	13.89	4.63	16.28	10.09
<b>Diluted earnings per share EPS</b>				
Net profit attributable to shareholders	20,290	7,057	23,960	15,372
Adjusted Weighted average number of ordinary shares in issue	NA	155,526	NA	155,277
Diluted EPS (sen)	NA	4.54	NA	9.90

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

By Order of the Board  
ATIS Corporation Berhad

Teoh Phaik Ai  
Senior Finance Manager

Selangor Darul Ehsan  
30 November 2009