

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

Interim Report for the
Financial Period Ended
31 December 2009

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ATIS CORPORATION BERHAD (446118 -T)
INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual Quarter		Cumulative Quarter	
	Current Financial Period Quarter	Preceding Year Corresponding Quarter	Current Financial Period	Preceding Year Corresponding Period
	<u>Note</u> 31/12/2009 RM'000	31/12/2008 RM'000	31/12/2009 RM'000	31/12/2008 RM'000
Revenue	132,030	121,709	353,875	401,132
Operating expenses	(101,620)	(107,569)	(293,767)	(365,296)
Other operating Income	1,336	2,896	2,329	3,718
Profit from operations	31,746	17,036	62,437	39,554
Finance costs	(1,313)	(2,151)	(3,320)	(5,642)
Share of profit in associates	1,082	363	1,556	2,920
Profit before taxation	31,515	15,248	60,673	36,832
Tax expense	17 (2,817)	(891)	(6,291)	(6,044)
Net profit for the financial year	<u>28,698</u>	<u>14,357</u>	<u>54,382</u>	<u>30,788</u>
Attributable to:				
Equity holders of the parent	28,185	13,311	52,145	28,683
Minority interests	513	1,046	2,237	2,105
Net profit for the financial year	<u>28,698</u>	<u>14,357</u>	<u>54,382</u>	<u>30,788</u>
Earnings per share (sen) :-	25			
(a) Basic	<u>19.32</u>	<u>8.80</u>	<u>35.53</u>	<u>19.04</u>
(b) Fully diluted	<u>N/A</u>	<u>8.68</u>	<u>N/A</u>	<u>18.77</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 FINANCIAL PERIOD ENDED 31 DECEMBER 2009

The figures have not been audited

CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited) As at end of current financial period Note 31/12/2009 RM'000	(Audited) As at preceding financial year end 31/03/2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	51,392	52,660
Prepaid lease payments	2,683	2,743
Investments properties	11,193	11,446
Investment in associates	110,204	15,587
Other investments	7,515	15,029
Intangible assets	13,227	13,201
Deferred tax assets	901	863
Total non-current assets	197,115	111,529
Current assets		
Inventories	79,942	56,665
Trade receivables	167,142	145,765
Other receivables, deposits and prepayments	13,298	9,426
Amount due from associates	549	691
Current tax assets	2,834	4,180
Assets classified as held for sale	-	843
Cash and cash equivalents	36,977	56,984
Total current assets	300,742	274,554
TOTAL ASSETS	497,857	386,083
EQUITY AND LIABILITIES		
Share capital	79,934	79,934
Reserves	183,090	134,885
Total equity attributable to shareholders of the company	263,024	214,819
Minority interests	33,922	21,016
Total equity	296,946	235,835
Non-current liabilities		
Loans and borrowings	21 67,894	58,080
Deferred tax liabilities	875	843
Total non-current liabilities	68,769	58,923
Current liabilities		
Trade payables	58,048	34,836
Other payables and accruals	11,733	10,644
Amount due to associates	20	-
Loans and borrowings	21 53,872	41,405
Derivative financial instrument	3,594	-
Current tax liabilities	4,875	4,440
Total current liabilities	132,142	91,325
Total equity and liabilities	497,857	386,083
Net assets per share (RM)*	1.80	1.45

* 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

ATIS CORPORATION BERHAD (446118 -T)
INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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	Hedge Reserve RM'000	Retained Profits RM'000			
9 months ended 31 December 2008										
Balance at 1 April 2008	79,397	8,579	(205)	874	-	-	109,192	197,837	3,762	201,599
Share option exercised	1,101	-	-	-	-	-	-	1,101	-	1,101
Transfer to share premium for share options exercised	(564)	564	-	-	-	-	-	-	-	-
Foreign exchange translation differences	-	-	(39)	-	-	-	-	(39)	27	(12)
Repurchased of treasury shares	-	-	-	-	(11,313)	-	-	(11,313)	-	(11,313)
Net profit for the financial period	-	-	-	-	-	-	28,683	28,683	2,105	30,788
Disposal of subsidiary to minority interest	-	-	-	-	-	-	-	-	14,853	14,853
Balance at 31 December 2008	79,934	9,143	(244)	874	(11,313)	-	137,875	216,269	20,747	237,016
9 months ended 31 December 2009										
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	-	-	478	-	-	-	-	478	422	900
Repurchased of treasury shares	-	-	-	-	(2,535)	-	-	(2,535)	-	(2,535)
Net profit for the financial year	-	-	-	-	-	-	52,145	52,145	2,237	54,382
Disposal of subsidiary to minority interest	-	-	-	-	-	-	-	-	13,847	13,847
Dividend paid to minority interest	-	-	-	-	-	-	-	-	(3,600)	(3,600)
Hedge reserve	-	-	-	-	-	(1,883)	-	(1,883)	-	(1,883)
Balance at 31 December 2009	79,934	9,220	272	-	(16,832)	(1,883)	192,313	263,024	33,922	296,946

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 FINANCIAL PERIOD ENDED 31 DECEMBER 2009

The figures have not been audited

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

		(Unaudited) 9 months ended 31/12/2009 RM'000	(Unaudited) 9 months ended 31/12/2008 RM'000
	NOTE		
Profit before tax		60,673	36,832
Adjustment for :-			
Depreciation and amortisation		3,288	3,194
Other non-cash items		3,323	(379)
Non-operating items		(36,113)	(17,866)
Operating profit before changes in working capital		<u>31,171</u>	<u>21,781</u>
Changes in working capital			
Net change in current assets		(50,363)	31,225
Net change in current liabilities		19,420	(7,595)
Net cash generated from/(used in) operating activities		<u>228</u>	<u>45,411</u>
Investing Activities			
Net proceeds from partial disposal of a subsidiary	1	28,272	36,164
Net cashflow for acquisition in subsidiary companies	2	-	(3,570)
Increase in an investment in an associated company		(54,669)	-
Other Investments		(8,375)	3,151
Net cash generated from/(used in) investing activities		<u>(34,772)</u>	<u>35,745</u>
Financing Activities			
Net drawdown/(repayment) of bank borrowings and bonds		10,740	(34,557)
Net repayment of hire purchase liabilities		(2,281)	(1,050)
Net drawdown/(repayment) of term loan		15,533	(1,198)
Proceeds from exercise of ESOS		-	1,101
Repurchase of treasury shares		(2,535)	(11,313)
Interest paid		(3,320)	(6,264)
Dividend paid to minority interest of a subsidiary		(3,600)	-
Net cash generated/ (used) from financing activities		<u>14,537</u>	<u>(53,281)</u>
Net Change in Cash and Cash Equivalents		(20,007)	27,875
Cash and Cash Equivalents at beginning of year		56,984	32,553
Cash and Cash Equivalents at end of year		<u>36,977</u>	<u>60,428</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 FINANCIAL PERIOD ENDED 31 DECEMBER 2009**

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:-

	RM'000
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	89
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>

In October 2008, ATIS Corporation Berhad ("ATIS"), disposal of its 20% equity shareholding in KVC Industrial Supplies Sdn Bhd ("KVC"), comprising 500,000 ordinary shares of RM1.00 each for a final cash consideration of RM36.15 million. The partial disposal has resulted to a gain of RM20.5 million to ATIS.

Note 2

- a) In December 2008, KVC has subscribed 70,000 ordinary shares of RM1.00 each fully paid-up, representing 70% of the total issued and paid-up share capital of Allied Fluid Engineering Sdn Bhd, a newly incorporated company in Malaysia at subscription sum of RM70,000.
- b) In December 2008, Presto Asia Sdn Bhd, an 80%-owned subsidiary of ATIS has subscribed 60 ordinary shares of SGD1 each fully paid-up, representing 60% of the total issued and paid-up share capital of Presto Singapore Pte Ltd, a newly incorporated company in Singapore at subscription sum of SGD60, equivalent to RM146.
- c) In December 2008, ATIS subscribed 1 million new ordinary shares of RM1.00 each in Kimpress Holdings Sdn Bhd ("KHSB"), representing 20% of the total issued and paid-up share capital of KHSB at a cash consideration of RM3.5 million.

INTERIM REPORT FOR THE QUARTER ENDED 31 DECEMBER 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 and the negative goodwill arises from the acquisition of an associate amounting to RM23.5 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 31 December 2009, the Company repurchased 13,967,380 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 RM16,832,356 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 completed the disposal 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 to Otra Development B.V., a subsidiary of Sonepar SA.

Atis has acquired additional 49,915,600 ordinary shares of RM1.00 each for cash, representing 21.6% of the total issued and paid-up share capital of Mutiara Goodyear Development Berhad ("Mutiara"). As a result, Mutiara has become a 30.28% associate of Atis.

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 18.02.2010, 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 RM353.9 million. This represents a decrease of RM47.2 million or 11.8% as compared to the preceding year corresponding period. The Group pre-tax profit recorded at RM60.7 million against RM36.8 million in the preceding year corresponding period, mainly attributed to gain on disposal of 16% equity interest in KVC of RM14.4 million and the negative goodwill that arises from the acquisition of Mutiara, an associate amounting to RM23.5 million.

14 Comparison with preceding quarter's results

The Group's revenue increased by RM19.3 million or 17.1% to RM132.0 million as compared to RM112.7 million in the preceding quarter in tandem with improved market sentiment. Net profit after minority interest of the Group increased to RM28.2 million from RM20.3 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 next financial 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 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 Financial Period Quarter</u>	<u>Preceding Year Corresponding Quarter</u>	<u>Current Financial Period</u>	<u>Preceding Year Corresponding Period</u>
	<u>31.12.2009</u>	<u>31.12.2008</u>	<u>31.12.2009</u>	<u>31.12.2008</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
In respect of current year:				
- income tax	2,851	1,502	6,261	6,180
- (Over)/under provision in prior years	-	(196)	2	(196)
- deferred tax	(54)	(435)	(32)	-
- associate company	20	20	60	60
	<u>2,817</u>	<u>891</u>	<u>6,291</u>	<u>6,044</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.

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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 54,915,600 ordinary shares of RM1.00 each in Mutiara for cash consideration of RM 53,535,737 (including transaction costs). As a result, Mutiara has become a 30.28% associate of Atis, and thus were accounted for using the equity method.

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

	RM'000
At Cost	<u>29</u>
At Net Book Value	<u>29</u>
At Market Value	<u>27</u>

20 Status of corporate proposals

Date of Announcement	Subject	Status
8 October 2009	Atis has acquired additional 8,529,900 ordinary shares of RM1.00 each in Mutiara for cash consideration of RM8,274,003, representing 3.69% of the issued and paid-up share capital of Mutiara	Completed
12 October 2009	Atis has entered into a Share Sale Agreement with Weida (M) Bhd for the proposed acquisition by Atis of 20,000,000 ordinary shares of RM1.00 each in Mutiara, representing 8.66% of the issued and paid-up share capital of Mutiara for cash consideration of RM19.40 million.	Completed
21 October 2009	Atis has entered into a Share Sale Agreement with Mr. Lim Beng Guan and Laman Arif Sdn Bhd for the proposed acquisition by Atis of a total of 21,385,700 ordinary shares of RM1.00 each in Mutiara, representing 9.26% of the issued and paid-up share capital of Mutiara for cash consideration of RM20.74 million.	Completed

21 Group's borrowings and debt securities

Particulars of the Group's loans and borrowings as at 31 December 2009 are as follows:-

	RM'000
<u>Current portion</u>	
Banker's acceptances and trust receipts	48,014
Commercial paper	-
Hire purchase liabilities	157
Overdraft bank	1,126
Term loan	4,575
	<u>53,872</u>
<u>Non-current portion</u>	
Term loan	67,894
	<u>67,894</u>
	<u>121,766</u>

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

	Currency '000	RM'000
Malaysian Ringgit		74,341
US Dollar		46,289
Singapore Dollars		1,126
Indonesian Rupiah		10
		<u>121,766</u>

22 Off balance sheet risk financial instruments

There were no financial instruments with off balance sheet risk as at 18.02.2010 (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 18.02.2010 (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 Financial Period Quarter 31.12.09 RM'000	Preceding Year Corresponding Quarter 31.12.08 RM'000	Current Financial Period 31.12.09 RM'000	Preceding Year Corresponding Period 31.12.08 RM'000
Basic earnings per share EPS				
Net profit attributable to shareholders	28,185	13,311	52,145	28,683
Adjusted Weighted average number of ordinary shares in issue	145,918	151,256	146,778	150,609
Basic EPS (sen)	19.32	8.80	35.53	19.04
Diluted earnings per share EPS				
Net profit attributable to shareholders	28,185	13,311	52,145	28,683
Adjusted Weighted average number of ordinary shares in issue	NA	153,421	NA	152,774
Diluted EPS (sen)	NA	8.68	NA	18.77

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
25 February 2010