

Interim Report for the
Fourth Quarter Ended
31 December 2011

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ATIS CORPORATION BERHAD (446118 -T)
INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31/12/2011 RM'000	31/12/2010 RM'000	31/12/2011 RM'000	31/12/2010 RM'000
Revenue	242,386	248,635	920,450	750,159
Operating expenses	(233,786)	(255,461)	(869,033)	(706,421)
Other operating Income	499	1,615	5,854	4,020
Profit from operations	9,099	(5,211)	57,271	47,758
Finance costs	(5,144)	(4,529)	(20,881)	(9,106)
Net profit / (loss) on financial assets and financial liabilities at fair value	1,903	(5,462)	242	(5,766)
Negative goodwill arising from acquisition of subsidiary	-	42,239	-	42,239
Share of profit in associates	(2,513)	2,331	(2,326)	5,077
Profit before taxation	3,345	29,368	34,306	80,202
Income tax expense	17 (3,156)	(2,996)	(15,138)	(12,385)
Profit for the period	<u>189</u>	<u>26,372</u>	<u>19,168</u>	<u>67,817</u>
Profit attributable to:				
Owners of the parent	1,250	(9,563)	15,254	24,854
Non-controlling interest	(1,061)	35,935	3,914	42,963
Profit for the period	<u>189</u>	<u>26,372</u>	<u>19,168</u>	<u>67,817</u>
Earnings per share (sen) :-	25			
(a) Basic	<u>0.85</u>	<u>(6.51)</u>	<u>10.39</u>	<u>16.96</u>
(b) Fully diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31/12/2011 RM'000	31/12/2010 RM'000	31/12/2011 RM'000	31/12/2010 RM'000
Profit for the period	189	26,372	19,168	67,817
Other Comprehensive Income:				
Foreign exchange translation differences	(470)	151	155	(777)
Fair value of available-for-sale financial assets	(4)	(2)	(21)	(8)
Fair value adjustment on cash flow hedge	-	1,172	-	1,883
Other Comprehensive Income for the period	<u>(474)</u>	<u>1,321</u>	<u>134</u>	<u>1,098</u>
Total Comprehensive Income for the period	<u>(285)</u>	<u>27,693</u>	<u>19,302</u>	<u>68,915</u>
Total comprehensive income attributable to:				
Owners of the parent	1,038	(8,633)	15,519	26,298
Non-controlling interest	(1,323)	36,326	3,783	42,617
Total comprehensive income for the period	<u>(285)</u>	<u>27,693</u>	<u>19,302</u>	<u>68,915</u>

The Condensed Consolidated Income Statement and Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 31 December 2010.

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The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at end of current quarter 31/12/2011 RM'000	(Audited) As at preceding financial year ended 31/12/2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	65,728	57,665
Investments properties	14,326	38,819
Investment in associates	39,063	34,764
Other investments	48,667	23,565
Intangible assets	32,600	29,875
Land held for property development	108,058	211,426
Deferred tax assets	6,484	11,832
Total non-current assets	314,926	407,946
Current assets		
Inventories	455,409	458,478
Trade receivables	239,994	234,195
Other receivables, deposits and prepayments	31,746	45,928
Current tax assets	4,259	4,238
Assets classified as held for sale	190,139	50,798
Cash and cash equivalents	138,729	135,175
Total current assets	1,060,276	928,812
TOTAL ASSETS	1,375,202	1,336,758
EQUITY AND LIABILITIES		
Share capital	79,934	79,934
Reserves	242,031	229,249
Total equity attributable to shareholders of the company	321,965	309,183
Non-controlling interest	253,410	248,752
Total equity	575,375	557,935
Non-current liabilities		
Loans and borrowings	21 298,987	192,077
Deferred tax liabilities	29,986	44,185
Total non-current liabilities	328,973	236,262
Current liabilities		
Trade payables	127,454	102,061
Other payables and accruals	85,101	53,456
Loans and borrowings	21 167,797	238,389
Derivative financial instrument	(148)	7,477
Current tax liabilities	11,866	10,530
Deferred revenue	78,784	130,648
Total current liabilities	470,854	542,561
Total equity and liabilities	1,375,202	1,336,758
Net assets per share (RM)*	2.19	2.11

* 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 Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 31 December 2010.

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INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-Distributable							Distributable	Total Shareholders' Equity RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Treasury Shares RM'000	Hedge Reserve RM'000	Revaluation Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000			
12 months ended 31 December 2010											
Balance at 1 January 2010	79,934	9,220	272	(16,832)	(1,883)	-	-	192,031	262,742	33,983	296,725
Total comprehensive income for the year	-	-	(431)	-	1,883	-	(8)	24,854	26,298	42,617	68,915
Resale of treasury shares	-	-	-	1,105	-	-	-	-	1,105	-	1,105
Repurchase of treasury shares	-	-	-	(4)	-	-	-	-	(4)	-	(4)
Fair value adjustment upon an associate becoming a subsidiary	-	-	-	-	-	19,042	-	-	19,042	-	19,042
Realisation of revaluation reserve	-	-	-	-	-	(3,366)	-	3,366	-	-	-
Subscription of shares in subsidiary by minority shareholders	-	-	-	-	-	-	-	-	-	962	962
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	205,704	205,704
Acquisition of minority interest	-	-	-	-	-	-	-	-	-	(31,346)	(31,346)
Dividends to minority shareholders	-	-	-	-	-	-	-	-	-	(3,168)	(3,168)
Balance at 31 December 2010	79,934	9,220	(159)	(15,731)	-	15,676	(8)	220,251	309,183	248,752	557,935
12 months ended 31 December 2011											
Balance at 1 January 2011	79,934	9,220	(159)	(15,731)	-	15,676	(8)	220,251	309,183	248,752	557,935
Repurchase of treasury shares	-	-	-	(1)	-	-	-	-	(1)	(3,705)	(3,706)
Total comprehensive income for the year	-	-	278	-	-	-	(13)	15,254	15,519	3,783	19,302
Realisation of revaluation reserve	-	-	-	-	-	(7,080)	-	7,080	-	-	-
Change in stake arising from share repurchased by subsidiary	-	-	-	-	-	-	-	570	570	(570)	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	3,418	3,418
Acquisition of non-controlling interest	-	-	-	-	-	-	-	(163)	(163)	(111)	(274)
Subscription of shares in subsidiary by non-controlling interest	-	-	-	-	-	-	-	(3,142)	(3,142)	5,195	2,053
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(3,353)	(3,353)
Balance at 31 December 2011	79,934	9,220	119	(15,732)	-	8,596	(21)	239,849	321,965	253,410	575,375

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INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

NOTE	12 months ended 31/12/2011 RM'000	12 months ended 31/12/2010 RM'000
Profit before tax	34,306	80,202
Adjustment for :-		
Depreciation and amortisation	7,442	6,105
Other non-cash items	24,235	2,782
Non-operating items	21,555	(38,692)
Operating profit before changes in working capital	<u>87,538</u>	<u>50,397</u>
Changes in working capital		
Net change in current assets	(7,802)	(30,750)
Net change in current liabilities	(27,449)	28,308
Net cash used in operating activities	<u>52,287</u>	<u>47,955</u>
Investing Activities		
Proceeds from disposal of property, plant and equipment	6,306	631
Net cash flow for acquisition of subsidiary companies	(20,566)	(1,825)
Acquisition of minority interest	-	(22,213)
Subscription of shares in subsidiary by minority shareholders	-	962
Dividends received from an associate	965	1,814
Interest received	525	482
Net cash flow from disposal of subsidiaries	2,122	-
Increase in an investment in an associated company	(7,590)	(5,177)
Placement of pledged deposit	2,241	(401)
Other investment	(39,130)	(17,850)
Net cash used in investing activities	<u>(55,127)</u>	<u>(43,577)</u>
Financing Activities		
(Repayment)/ Net drawdown of bank borrowings	(106,772)	59,192
Net drawdown/ (repayment) of hire purchase liabilities	3,478	(577)
Net drawdown of term loan	129,739	36,284
Dividend paid to non-controlling interest	(3,353)	-
Repurchase of treasury shares	(3,706)	(4)
Resell of treasury shares	-	1,105
Interest paid	(14,288)	(11,281)
Net cash generated from financing activities	<u>5,098</u>	<u>84,719</u>
Net Change in Cash and Cash Equivalents	2,258	89,097
Cash and Cash Equivalents at beginning of year	124,621	35,524
Cash and Cash Equivalents at end of year	<u>126,879</u>	<u>124,621</u>

Cash and cash equivalents included in the condensed consolidated statements of cash flows comprise the following statements of financial position amounts:

	31/12/2011 RM'000	31/12/2010 RM'000
Cash and bank balances (excluding cash and bank balances pledged)	79,417	89,804
Liquid investment	29,405	31,807
Deposit (excluding deposits pledged)	21,937	5,661
Bank overdrafts	(3,880)	(2,651)
	<u>126,879</u>	<u>124,621</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 31 December 2010.

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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 December 2010.

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 December 2010.

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 December 2010, except for those standards, amendments or interpretations which are effective from the annual period beginning 1 July 2010 and 1 January 2011.

The adoptions of these standards, amendments or interpretations have no significant impact on the financial statements of the Group upon their initial application.

The Group had early adopted IC Interpretation 15 ("IC 15"), Agreements for the Construction of Real Estate as a result of the early adoption of the said interpretation by a subsidiary. Pursuant to the adoption of IC 15, revenue recognition for property development activities should be recognised in accordance with the conditions for the sale of goods of para 14 of FRS 118, Revenue and the Group has recognised revenue from property development activities based on completion method.

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.

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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

During the year, the Company repurchased 1,000 of its issued ordinary shares from the open market at an average price of RM1.08 per share. The total consideration paid for the repurchase including transaction costs was RM1,122 and this was financed by internally generated funds. All ATIS Shares bought back are held as treasury shares in accordance with Section 67A Subsection 3(A)(b) of the Companies Act, 1965. As at 31 December 2011, a total of 13,057,280 ATIS Shares bought back were held as treasury shares.

7 Dividends paid

There was no dividend paid in the financial year under review.

8 Segmental reporting

Segmental information is presented in respect of the Group's main business segments that are industrial supply and property development.

	Industrial supply	Property development and investment	Consolidated
	RM'000	RM'000	RM'000
Business segments			
Revenue from external customers	744,683	175,767	920,450
Segment result	53,680	3,591	57,271
Results from operating activities			57,271
Interest expenses			(20,881)
Net gain on financial assets and financial liabilities at fair value			242
Share of profit / (loss) of associate companies			(2,326)
Profit before tax			34,306
Tax expense			(15,138)
Profit for the year			19,168

9 Valuation of property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation, amortisation and impairment loss.

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 financial year except for the following:

ATIS will undertake a privatisation exercise via "Selective Capital Repayment" ("SCR").

This corporate exercise is subject to the following approvals:-

1. Security Commission (SC)
2. Shareholders of ATIS via EGM to be convened
3. Existing financiers (banks) and/or creditors of ATIS and/ or its subsidiaries
4. High Court of Malaya
5. Any other relevant regulatory authorities where required

Upon completion of the proposed SCR, ATIS will make an application to Bursa Securities to de-list ATIS's entire issued and paid-up share capital from the official list of Bursa Securities.

This corporate exercise is expected to be completed by second quarter of 2012.

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:

- (i) In February 2011, Skyline Technology (M) Sdn Bhd, a 51%-owned subsidiary of KVC Industrial Supplies Sdn Bhd ("KVC"), which is a 64%-owned subsidiary of ATIS has incorporated Skyline Technology Engineering Sdn Bhd ("STESB") by a subscription of its entire total issued and paid-up capital of 100,000 ordinary shares of RM1.00 each at par.
- (ii) In April 2011, KVC entered into separate Sale and Purchase Agreements with Khong Lee Mee , Tham Kin Foong (John), Chong Wai Tat @ Choong Wai Tat, Yeoh Cheng Twan @ Yeoh Kong Liang and Yeoh Kim Wah @ Yeoh Kim Hoe (hereinafter collectively referred to as "the Former Shareholders") for the purpose of acquiring 2,766,043 ordinary shares of RM1.00 each in the share capital of Syarikat See Wide Letrik Sdn Bhd ("SSWLSB") from the Former Shareholders for a total cash consideration of RM22,100,000.00 thereby resulting in SSWLSB becoming a 85%-owned subsidiary of KVC.
- (iii) In May 2011, KVC acquired an additional 82,000 ordinary share of RM1.00 each, representing 10% of the total paid-up capital of Li Tech Switchgear (M) Sdn Bhd ("LTSSB") for a total cash consideration of RM199,919. Following the acquisition of 10% equity interest, LTSSB became a 61.22%-owned subsidiary of KVC.
- (iv) In May 2011, the Company accepted an offer by Ideal Region Sdn Bhd for the purchase of 2,004,900 ordinary shares of RM1.00 each representing 4.01% of the total issued and paid-up share capital in ATIS IDR Ventures Sdn Bhd ("AIV") for cash consideration of RM2,004,900. Following the disposal of 4.01% equity interest, ATIS's shareholdings in AIV will reduce to 51.00% of the issued and paid-up share capital of AIV.
- (v) In May 2011, the Group's subsidiary, Pembangunan Bandar Mutiara Sdn Bhd ("PBM") acquired 2,302,400 ordinary shares of RM1.00 each in Palmington Sdn Bhd ("Palmington") for a cash consideration of RM2,340,000, representing 40% of the equity interest in Palmington. Pursuant to the acquisition, Palmington has become a 40%-owned associate company of PBM.

11 Changes in the composition of the Group (Cont'd)

- (vi) KVC has on 28 June 2011 entered into the Share Sale Agreement with Messrs Yap Wan Loong and Stella Tan Mei Lee for the proposed disposal of KVC's entire shareholdings in the following wholly-owned subsidiaries for a total cash consideration of RM1,959,238.26:-
1. KVC Industrial Supplies (Kuantan) Sdn Bhd
 2. KVC Industrial Supplies (Johor) Sdn Bhd
 3. KVC Industrial Supplies (Melaka) Sdn Bhd
 4. KVC Industrial Supplies (N.S.) Sdn Bhd
 5. KVC Industrial Supplies (Perak) Sdn Bhd
 6. KVC Maritime Supplies And Engineering Sdn Bhd
 7. KVC Electrical Components Sdn Bhd
- (vii) In July 2011, Pressto Asia Sdn Bhd ("PASB") acquired an additional 30,000 ordinary share of SGD1.00 each, representing 30% of the total paid-up capital of Pressto Singapore Pte Ltd ("PSPL") for a total cash consideration of SGD30,000 (approximately RM73,950). Subsequently, PASB disposed of 20,000 ordinary share of SGD1.00 each, representing 20% of the total paid-up capital of PSPL for a total cash consideration of SGD120,000 (approximately RM295,800). Following the disposal of 20% equity interest, PSPL became a 70%-owned subsidiary of PASB.

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 22.02.2012, being the date not earlier than 7 days from the date of issuance of this interim report.

13 Review of performance

The Group recorded revenue of RM920.4 million for the current financial year, an increase of RM170.3 million or 22.7% compared to the preceding year corresponding period. RM110.7 million of the increase was contributed by Nadayu Properties Berhad ("Nadayu") (formerly known as Mutiara Goodyear Development Berhad), a subsidiary acquired at the end of the third quarter of last year, while the balance of RM 59.6 million by Industrial Supply. The Group's pre-tax profit recorded at RM34.3 million, a drop of RM45.9 million against the preceding year corresponding period at RM80.2 million. Preceding year profit includes a negative goodwill of RM42.2 million arising from the acquisition of Nadayu. Excluding this negative goodwill, the group's pre-tax profit for last year would be RM 38.0 million. Share of associate profit for current year decreased by RM 3.7 million.

14 Comparison with preceding quarter's results

The Group's revenue of RM242.4 million for the current quarter, an increase of RM47.1 million or 24.1% compared to RM195.3 million in the preceding quarter, mainly due to Nadayu's revenue increase of RM46.9 million.

Net profit after non-controlling interest ("net profit") of the Group reported at RM1.3 million, a decrease of RM2.8 million as compared to net profit of RM4.1 million in the preceding quarter. The decrease is mainly due to a share of associate loss of RM2.5 million as compared to a share of associate profit of RM0.1 million in the preceding quarter.

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15 Prospects

In view of the current economic environment and barring any unexpected changes to the business environment, the Board of Directors anticipates its performance for the coming year to be satisfactory.

16 Profit forecast/profit guarantee

There was no profit forecast or profit guarantee issued by the Group.

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>
	<u>31.12.2011</u>	<u>31.12.2010</u>	<u>31.12.2011</u>	<u>31.12.2010</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Income tax - current period	18,554	7,958	32,273	16,690
- prior period	(1,746)	363	(1,746)	363
- utilisation of tax losses from group relief	-	(882)	-	(882)
Deferred tax - current period	(13,651)	(5,768)	(15,388)	(5,549)
- prior period	-	881	-	881
- utilisation of tax losses from group relief	-	882	-	882
Associate company		(438)		
	<u>3,156</u>	<u>2,996</u>	<u>15,138</u>	<u>12,385</u>

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20 Status of corporate proposals

Date of Announcement	Subject	Status
17 February 2011	<p>Skyline Technology (M) Sdn Bhd, a 51%-owned subsidiary of KVC Industrial Supplies Sdn Bhd ("KVC"), which is a 64%-owned subsidiary of ATIS has incorporated Skyline Technology Engineering Sdn Bhd ("STESB") by a subscription of its entire total issued and paid-up capital of 100,000 ordinary shares of RM1/- each at par.</p> <p>STESB was incorporated on 11 February 2011.</p>	Completed
11 April 2011	<p>KVC has on 9 April 2011 entered into separate Sale and Purchase Agreements with Khong Lee Mee , Tham Kin Foong (John), Chong Wai Tat @ Choong Wai Tat, Yeoh Cheng Twan @ Yeoh Kong Liang and Yeoh Kim Wah @ Yeoh Kim Hoe (hereinafter collectively referred to as "the Former Shareholders") for the purpose of acquiring 2,766,043 ordinary shares of RM1.00 each in the share capital of Syarikat See Wide Letrik Sdn Bhd ("SSWLSB") from the Former Shareholders for a total cash consideration of RM22,100,000.00 thereby resulting in SSWLSB becoming a 85%-owned subsidiary of KVC.</p>	Completed
14 April 2011	<p>On 14 April 2011, the Group's subsidiary, Pembangunan Bandar Mutiara Sdn. Bhd. subscribed for 3 million new redeemable preferred shares of USD0.01 par value, issued at USD1.00 each in Agathis One Ltd at a total cash consideration of USD3 million, equivalent to about RM9,126,086.</p>	Completed
4 May 2011	<p>On 4 May 2011, the Group's subsidiary, Pembangunan Bandar Mutiara Sdn Bhd ("PBM") subscribed for 2,302,400 ordinary shares of RM1.00 each in Palmington Sdn Bhd ('Palmington') for a cash consideration of RM2,340,000, representing 40% of the equity interest in Palmington. Palmington is a private company incorporated in Malaysia with a paid-up share capital of RM5,756,000 comprising of 5,756,000 ordinary shares of RM1.00 each. Palmington is principally involved in property development.</p>	Completed

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20 Status of corporate proposals (Cont'd)

Date of Announcement	Subject	Status
4 May 2011	On 4 May 2011, PBM entered into a Shareholders' Agreement with Tambun Indah Land Berhad, the remaining shareholder of Palmington Sdn. Bhd. ('Palmington') with an equity interest of 60%, to facilitate the arrangement between PBM and Tambun Indah Land Berhad to jointly develop land identified as 'Parcel R1', 'Parcel R2', 'Parcel R3', 'Parcel C' and 'Amenities Land' measuring approximately 526.7531 acres, situated in an ongoing township development known as Bandar Tasek Mutiara, Seberang Perai, Penang (Project Lands). In connection with the said joint development, PBM also had on even date entered into a Master Agreement and five separate Sale and Purchase Agreements with Palmington for the proposed disposal by PBM of the Project Lands to Palmington for an aggregate cash consideration of RM233,223,021 ("Proposed Palmington Disposal"). PBM will in accordance to the terms of Shareholders' Agreement be obliged to provide advances to Palmington and corporate guarantee in respect of banking facilities to be obtained to finance the payment of the balance of the disposal consideration, proportionate to its shareholding in Palmington ("Proposed Provision of Financial Assistance").	Completed
24 August 2011	The Board of ATIS's listed subsidiary i.e. Nadayu Properties Berhad's ("Nadayu") (formerly known as Mutiara Goodyear Development Berhad) announced that the shareholders of Nadayu Group, at an EGM held on even date, had approved the Proposed Palmington Disposal and the Proposed Provision of Financial Assistance.	
26 August 2011	MIMB Investment Bank Berhad, on behalf of the Board of Tambun Indah, announced that the shareholders of Tambun Indah, at an EGM held on even date, had approved the Proposed Palmington Disposal.	
7 December 2011	The Proposed Palmington Disposal and the Proposed Provision of Financial Assistance were completed on 7 December 2011.	
18 May 2011	ATIS has on 18 May 2011 accepted an offer by Ideal Region Sdn Bhd for the purchase from ATIS of 2,004,900 ordinary shares of RM1.00 each representing 4.01% of the total issued and paid-up share capital in ATIS IDR Ventures Sdn Bhd, a 55.01% subsidiary of ATIS for cash consideration of RM2,004,900.	Completed

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20 Status of corporate proposals (Cont'd)

Date of Announcement	Subject	Status
25 May 2011	Nadayu Board announced that Nadayu has on 25 May 2011 accepted the Offer Letter dated 19 May 2011 from UDA Holdings Berhad for the proposed acquisition of the freehold land measuring 3.56 acres held under 5 titles identified as Lot 3347 No. Geran 71811, Lot 3348 No. Geran 71812, Lot 3344 No. Geran 71808, Lot 3345 No. Geran 71809 and PT 435 HSD 116208 all in Seksyen 41, Mukim Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan for a total cash consideration of RM215.5 million ("Proposed UDA Acquisition").	Completed
12 July 2011	Maybank Investment Bank Berhad ("Maybank IB"), on behalf of Nadayu Board, announced that Nadayu had on even date entered into a conditional sale and purchase agreement with UDA to formalise the terms and conditions of the Proposed UDA Acquisition.	
27 July 2011	Maybank IB, on behalf of Nadayu Board announced that Nadayu through its solicitors, has received a letter from UDA dated 19 July 2011 informing Nadayu that UDA was unable to obtain the approval of UDA's shareholder for the Proposed Acquisition and as such UDA intends to terminate the SPA and refund the 10% deposit of the purchase price amounting to RM21,550,000 to Nadayu. Nadayu intended to seek clarification from UDA and its shareholders on their decision and will make an appeal on the matter to UDA.	
24 August 2011	Maybank IB, on behalf of Nadayu Board, announced that Nadayu had received the refund of the UDA Deposit and Nadayu had submitted and appeal to UDA in respect of the decision of the shareholders of UDA.	

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20 Status of corporate proposals (Cont'd)

Date of Announcement	Subject	Status
30 June 2011	<p>KVC has on 28 June 2011 entered into the Share Sale Agreement with Messrs Yap Wan Loong and Stella Tan Mei Lee for the proposed disposal of KVC's entire shareholdings in the following wholly-owned subsidiaries for a total cash consideration of RM1,959,238.26:-</p> <ol style="list-style-type: none">1. KVC Industrial Supplies (Kuantan) Sdn Bhd2. KVC Industrial Supplies (Johor) Sdn Bhd3. KVC Industrial Supplies (Melaka) Sdn Bhd4. KVC Industrial Supplies (N.S.) Sdn Bhd5. KVC Industrial Supplies (Perak) Sdn Bhd6. KVC Maritime Supplies And Engineering Sdn Bhd7. KVC Electrical Components Sdn Bhd	Completed

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20 Status of corporate proposals (Cont'd)

Date of Announcement	Subject	Status
26 July 2011	<p>On 26 July 2011, Nadayu's subsidiary Puncak Kencana Sdn. Bhd. (PK) entered into the SPAs with Park Access Sdn. Bhd. for the proposed disposal of the following properties for a total cash consideration of RM42,642,000 :</p> <ul style="list-style-type: none"> i) a unit of office lot bearing the postal address of No. H-21B-03, Block H, Dataran Prima, Jalan PJU 1/37, 47301 Petaling Jaya, Selangor and 60 car park bays situated on the ground level adjacent to Block G, Block H and Block I of Dataran Prima Phase 1. ii) a unit of office lot bearing the postal address of No. F1-5B-05, Block F1, Dataran Prima, Jalan PJU 1/42, 47301 Petaling Jaya, Selangor and 777 car park bays situated on the ground level adjacent to Block E and Block F of Dataran Prima Phase 2 and Basement 1 and Basement 2 levels of Block E and F and all fixtures and fittings, plant machineries and equipments and movable chattels (if any), attached or erected on Block F Office Lot and Block E and F Car Park Bays. iii) a unit of office lot bearing the postal address of No. C2-25B-02, Block C2, Dataran Prima, Jalan PJU 1/39, 47301 Petaling Jaya, Selangor and 939 car park bays situated on the ground level adjacent to Block C and Block D of Dataran Prima Phase 3 and Basement 1 and Basement 2 levels of Block C and D and all fixtures attached or erected on Block C Office Lot and Block C and D Car Park Bays. iv) a unit of office lot bearing the postal address of B-3A-05, Tower B, Menara Prima, Jalan PJU 1/39, 47301 Petaling Jaya, Selangor and 1,311 car park bays located on the ground level adjacent to Tower A and Tower B of Menara Prima and Basement, Level 2, Level 3 and Level 3A of Prima Avenue and all fixtures attached or erected on Menara Prima Office Lot and Prima Avenue Car Park Bays. 	Completed
31 January 2012	The proposed disposals have been completed on 31 January 2012.	

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20 Status of corporate proposals (Cont'd)

Date of Announcement	Subject	Status
4 August 2011	Board of Directors of ATIS ("Board") wishes to announce that the Board had on 4 August 2011, received a letter from Evolusi Impian Sdn Bhd ("EISB") on behalf of the Non-Entitled Shareholders (as set out in Section 2.2 of the announcement dated 4 August 2011), being the major shareholder of ATIS and its parties acting in concert, requesting for the Company to undertake a selective capital repayment exercise pursuant to Section 64 of the Companies Act, 1965 ("Act"), subject to the Non-Entitled Shareholders obtaining the approval from the Securities Commission Malaysia ("SC") for the Proposed Exemption (details as set out in Section 3 of the announcement) ("Offer Letter").	On-going
19 December 2011	The Board, save for the Interested Directors (as set out in Section 6 of the announcement) wishes to announce that it has decided to present the Proposed SCR to ATIS' shareholders for their consideration. SC had, vide its letter dated 16 December 2011, granted its approval for the Proposed Exemption.	

21 Group's borrowings and debt securities

Particulars of the Group's loans and borrowings as at 31 December 2011 are as follows:-

	RM'000
<u>Current portion</u>	
Banker's acceptances and trust receipts	57,439
Hire purchase liabilities	2,275
Bank overdrafts	6,077
Bridging loan	1,210
Onshore Foreign Currency Loan	455
Foreign loan against import	2,189
Term loans	98,043
	<u>167,689</u>
<u>Non-current portion</u>	
Term loans	275,102
Bridging loan	20,286
Hire purchase liabilities	3,706
	<u>299,094</u>
	<u>466,783</u>

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21 Group's borrowings and debt securities (Cont'd)

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

	RM'000
Malaysian Ringgit	394,181
US Dollar	71,891
Singapore Dollar	711
	<u>466,783</u>

22 Off balance sheet risk financial instruments

There were no financial instruments with off balance sheet risk as at 22.02.2012 (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 22.02.2012 (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 Notes to the Condensed Consolidated Income Statement

Profit before tax is arrived at after charging / (crediting) the following items:

	Current Year Quarter 31/12/2011 RM'000	Current Year To-date 31/12/2011 RM'000
Interest Income	(413)	(1,651)
Other income including investment income	(86)	(4,203)
Interest expenses	5,144	20,881
Depreciation and amortisation	2,013	7,519
Provision for and write off of receivables	1,092	845
Provision for and write off of inventories	(1,446)	(25)
(Gain)/ loss on disposal of quoted or unquoted investment or properties	(1,879)	(420)
Impairment of assets	1,004	2,274
Foreign exchange (gain) or loss	1,395	864
(Gain)/ loss on derivatives	(1,903)	(242)
Exceptional items (with details)		
- Gain on disposal of Subsidiaries	(250)	(250)

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26 Earnings per share (EPS)

(a) Basic EPS

The calculations of the basic earnings per share of the Group is based on the net profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the period.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.11	Preceding Year Corresponding Quarter 31.12.10	Current Year To-date 31.12.11	Preceding Year Corresponding Period 31.12.10
	RM'000	RM'000	RM'000	RM'000
Basic EPS				
Net profit attributable to owner of the parents	1,250	(9,563)	15,254	24,854
Adjusted Weighted average number of ordinary shares in issue	146,811	146,812	146,811	146,547
Basic EPS (sen)	0.85	(6.51)	10.39	16.96

(b) Diluted EPS

Not applicable as there was no dilutive potential ordinary shares for the current period and financial year-to-date.

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27 Realised and unrealised profits/ losses

	As at 31.12.11 RM'000	As at 31.12.10 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	484,800	389,568
- Unrealised	7,592	13,578
	<u>492,392</u>	<u>403,146</u>
Total share of retained profits from associated companies:		
- Realised	8,783	7,029
- Unrealised	3,095	984
Less: Consolidation adjustments	<u>(264,421)</u>	<u>(190,908)</u>
Total group retained profits as per consolidated accounts	<u>239,849</u>	<u>220,251</u>

By Order of the Board
ATIS Corporation Berhad

Teoh Phaik Ai
Financial Controller

Selangor Darul Ehsan
29 February 2012