

ATLAN HOLDINGS BHD (173250-W)
Incorporated in Malaysia

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 AUG 2004
The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 31 AUG 2004

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 2nd Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Year to date
	31 Aug 2004 RM'000	31 Aug 2003 RM'000	31 Aug 2004 RM'000	31 Aug 2003 RM'000
1 Revenue	27,430	25,982	57,502	48,401
Cost of goods sold	<u>(20,614)</u>	<u>(18,475)</u>	<u>(42,892)</u>	<u>(35,288)</u>
Gross profit	6,816	7,507	14,610	13,113
Other Operating Income	195	189	411	406
Administrative expenses	(4,046)	(3,222)	(7,824)	(5,852)
Selling and distribution expenses	(333)	(414)	(678)	(784)
Profit from operations	<u>2,632</u>	<u>4,060</u>	<u>6,519</u>	<u>6,883</u>
Other Income	253	459	558	930
Finance expenses	(1,172)	(1,027)	(2,082)	(2,034)
Amortisation of goodwill	(75)	(75)	(149)	(124)
Profit before taxation	<u>1,638</u>	<u>3,417</u>	<u>4,846</u>	<u>5,655</u>
Taxation	<u>(483)</u>	<u>(690)</u>	<u>(1,209)</u>	<u>(1,161)</u>
Profit after taxation	1,155	2,727	3,637	4,494
Minority interest	(163)	(246)	(398)	(383)
Net profit attributable to shareholders	<u><u>992</u></u>	<u><u>2,481</u></u>	<u><u>3,239</u></u>	<u><u>4,111</u></u>
2 Earnings per share (sen) :-				
(i) Basic	<u>0.63</u>	<u>1.75</u>	<u>2.22</u>	<u>3.25</u>
(ii) Diluted	<u>NA</u>	<u>1.61</u>	<u>2.10</u>	<u>2.91</u>

The Condensed Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2004.

ATLAN HOLDINGS BHD (173250-W)
CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 AUG 2004

	Unaudited	Audited
	As at end of current quarter 31 Aug 2004 RM'000	As at preceding financial year end 29 Feb 2004 RM'000
ASSETS		
INTANGIBLE ASSETS	58,642	59,973
INVESTMENT PROPERTY	97,168	98,985
PROPERTY, PLANT & EQUIPMENT	47,314	49,341
CURRENT ASSETS		
<i>Inventories</i>	12,492	12,795
<i>Trade receivables</i>	14,776	13,889
<i>Other receivable, deposits & prepayments</i>	100,253	62,013
<i>Share issue expenses</i>	138	1
<i>Tax Recoverable</i>	244	335
<i>Fixed deposits with licensed bank</i>	21,055	21,676
<i>Cash & bank balances</i>	15,360	14,349
	164,318	125,058
TOTAL ASSETS	367,442	333,357
EQUITY AND LIABILITIES		
<i>Share Capital - Ordinary Shares</i>	129,585	129,585
<i>Irredeemable Convertible preference shares (Equity component *)</i>	24,044	24,394
<i>Reserves -</i>		
<i>Share Premium</i>	57,023	57,123
<i>Reserve on Consolidation</i>	13,995	14,372
<i>Exchange Translation Reserve</i>	9,906	11,888
<i>Accumulated losses c/f</i>	(242)	(3,120)
SHAREHOLDERS' EQUITY	234,311	234,242
DEFERRED LIABILITIES	4,526	4,342
DEFERRED TAX LIABILITIES	6,098	6,123
IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (Liability component *)	2,653	2,302
MINORITY INTEREST	4,158	3,760
CURRENT LIABILITIES		
<i>Trade payables</i>	15,648	15,782
<i>Other payables & accruals</i>	21,024	4,591
<i>Amount owing to a Director</i>	18,623	26
<i>Hire Purchase payable</i>	401	254
<i>Tax payable</i>	738	546
<i>ICPS dividend payable</i>	400	577
<i>Bank borrowings</i>	58,862	60,812
	115,696	82,588
TOTAL EQUITY AND LIABILITIES	367,442	333,357
NET TANGIBLE ASSETS PER ORDINARY SHARE (SEN)	117	116

The Condensed Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2004.

ATLAN HOLDINGS BHD (173250-W)
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 31 AUG 2004

	Unaudited	
	Current year to date 31 AUG 2004 RM'000	Preceding year to date 31 AUG 2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,846	5,655
Adjustments for :-		
Allowance for doubtful debts	22	(6)
Amortisation of goodwill on consolidation	526	437
Amortisation of reserve on consolidation	(377)	(313)
Depreciation	2,065	2,033
Loss on disposal of property, plant and equipment	1	-
Interest income	(558)	(930)
ICPS dividends - liability component	40	33
Interest on bank overdrafts	159	145
Interest on bills payable	53	67
Interest on hire purchase	55	32
Interest on revolving credit	-	23
Interest on term loan	1,775	1,734
Property, plant and equipment written off	199	6
Provision for inventories written off	61	38
Provision for R & D expenses	30	-
Operating profit before working capital changes	<u>8,897</u>	<u>8,954</u>
Decrease / (Increase) in inventories	242	(5,405)
Increase in receivables	(39,537)	(46,083)
Increase / (Decrease) in payables	<u>34,875</u>	<u>(1,410)</u>
Cash from / (used in) operations	4,477	(43,944)
Interest paid	(2,026)	(2,001)
Tax paid	(847)	(1,428)
Net cash from / (used in) operating activities	<u>1,604</u>	<u>(47,373)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(715)	(1,140)
Acquisition of subsidiary companies	-	6,751
Proceeds from disposal of property, plant & equipment	2	1
Withdrawal of fixed deposit	-	231
Interest received	554	843
Net cash (used in) / from investing activities	<u>(159)</u>	<u>6,686</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of Rights shares	-	64,544
Proceeds from issuance of ICPS	-	919
Proceeds from issuance of ESOS	-	262
Drawdown on hire purchase	617	-
Repayment of revolving credit	-	(2,500)
Repayment of hire purchase payable	(183)	(129)
Repayment of term loans	(1,036)	(1,849)
Dividend paid	(577)	-
Share issue expenses	(236)	-
Net cash (used in) / from financing activities	<u>(1,415)</u>	<u>61,247</u>
Net increase in cash and cash equivalents	30	20,560
Effect on foreign exchange translation	220	(16)
Cash and cash equivalents brought forward	10,745	(5,459)
Cash and cash equivalents carried forward	<u>10,995</u>	<u>15,085</u>
REPRESENTED BY :		
Cash and bank balances	15,360	18,954
Bank overdrafts	<u>(4,365)</u>	<u>(3,869)</u>
	<u>10,995</u>	<u>15,085</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2004.

ATLAN HOLDINGS BHD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 AUG 2004

	← Non Distributable			→ Distributable			Total RM'000
	Share Capital RM'000	ICPS - Equity Component RM'000	Share Premium RM'000	Reserve on Consolidation RM'000	Currency Translation Reserve RM'000	Retained Profit / (Loss) RM'000	
6 months ended 31 Aug 2004							
Balance as at 1 Mar 2004	129,585	24,394	57,123	14,372	11,888	(3,120)	234,242
Net profit for the period	-	-	-	-	-	3,239	3,239
Amortisation	-	-	-	(377)	-	-	(377)
Translation differences	-	-	-	-	(1,982)	-	(1,982)
Share issue expenses	-	-	(100)	-	-	-	(100)
Dividend on ICPS	-	-	-	-	-	(361)	(361)
ICPS - classified as liability component	-	(350)	-	-	-	-	(350)
Balance as at 31 Aug 2004	129,585	24,044	57,023	13,995	9,906	(242)	234,311

	← Non Distributable			→ Distributable			Total RM'000
	Share Capital RM'000	ICPS - Equity Component RM'000	Share Premium RM'000	Reserve on Consolidation RM'000	Currency Translation Reserve RM'000	Retained Profit / (Loss) RM'000	
6 months ended 31 Aug 2003							
Balance as at 1 Mar 2003	17,929	-	11,067	-	-	(8,181)	20,815
Net profit for the period	-	-	-	-	-	4,111	4,111
Acquisition of subsidiary company	-	-	-	15,062	-	-	15,062
Amortisation	-	-	-	(313)	-	-	(313)
Translation differences	-	-	-	-	771	-	771
Issue of ordinary shares	105,187	-	41,062	-	-	-	146,249
Issue of ESOS	114	-	84	-	-	-	198
Issue of ICPS	-	36,290	-	-	-	-	36,290
Conversion of ICPS	5,403	(8,745)	4,160	-	-	-	818
Dividend on ICPS	-	-	-	-	-	(240)	(240)
ICPS - classified as liability component	-	(3,299)	-	-	-	-	(3,299)
Balance as at 31 Aug 2003	128,633	24,246	56,373	14,749	771	(4,310)	220,462

The Condensed Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2004.

