

ATLAN HOLDINGS BHD (173250-W)
Incorporated in Malaysia

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 AUG 2005
The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 31 AUG 2005

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 2nd Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Year to date
	31 Aug 2005 RM'000	31 Aug 2004 RM'000	31 Aug 2005 RM'000	31 Aug 2004 RM'000
1 Revenue	37,097	27,430	74,440	57,502
Cost of goods sold	<u>(27,948)</u>	<u>(20,614)</u>	<u>(53,990)</u>	<u>(42,892)</u>
Gross profit	9,149	6,816	20,450	14,610
Other Operating Income	252	195	562	411
Administrative expenses	(5,498)	(4,046)	(11,208)	(7,824)
Selling and distribution expenses	(714)	(333)	(1,404)	(678)
Profit from operations	<u>3,189</u>	<u>2,632</u>	<u>8,400</u>	<u>6,519</u>
Other Income	258	253	420	558
Finance expenses	(2,527)	(1,172)	(5,261)	(2,082)
Share of results of associated company	12,816	-	16,688	-
Amortisation of goodwill / reserve	(322)	(75)	(682)	(149)
Profit before taxation	<u>13,414</u>	<u>1,638</u>	<u>19,565</u>	<u>4,846</u>
Taxation:				
Company and subsidiaries	(289)	(483)	(939)	(1,209)
Associated company	(957)	-	(1,317)	-
	<u>(1,246)</u>	<u>(483)</u>	<u>(2,256)</u>	<u>(1,209)</u>
Profit after taxation	12,168	1,155	17,309	3,637
Minority interest	(3,895)	(163)	(5,632)	(398)
Net profit attributable to shareholders	<u><u>8,273</u></u>	<u><u>992</u></u>	<u><u>11,677</u></u>	<u><u>3,239</u></u>
2 Earnings per share (sen) :-				
(i) Basic	<u>4.29</u>	<u>0.59</u>	<u>6.05</u>	<u>2.10</u>
(ii) Diluted	<u>4.24</u>	<u>NA</u>	<u>5.99</u>	<u>1.98</u>

The Condensed Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2005.

ATLAN HOLDINGS BHD (173250-W)
CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 AUG 2005

	Unaudited	Audited
	As at end of current quarter 31 Aug 2005 RM'000	As at preceding financial year end 28 Feb 2005 RM'000
ASSETS		
PROPERTY, PLANT & EQUIPMENT	141,976	149,141
INTANGIBLE ASSETS	58,119	59,921
INVESTMENT IN ASSOCIATED COMPANY **	275,204	262,009
AMOUNT OWING BY ASSOCIATED COMPANY	-	317
CURRENT ASSETS		
<i>Inventories</i>	15,795	13,743
<i>Trade receivables</i>	25,918	20,936
<i>Other receivable, deposits & prepayments</i>	34,575	32,430
<i>Fixed deposits with licensed bank</i>	20,870	22,444
<i>Tax Recoverable</i>	423	425
<i>Cash & bank balances</i>	4,409	9,128
	101,990	99,106
TOTAL ASSETS	577,289	570,494
EQUITY AND LIABILITIES		
<i>Share Capital - Ordinary Shares</i>	192,390	192,390
<i>Irredeemable Convertible preference shares (ICPS) (Equity component)</i>	2,134	2,134
<i>Reserves -</i>		
<i>Share Premium</i>	98,724	98,796
<i>Reserve on Consolidation</i>	13,242	13,619
<i>Exchange Translation Reserve</i>	8,898	14,461
<i>Accumulated profit c/f</i>	13,356	1,711
SHAREHOLDERS' EQUITY	328,744	323,111
IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (ICPS) (Liability component)	235	235
REDEEMABLE PREFERENCE SHARES - A	11,610	11,610
REDEEMABLE CONVERTIBLE PREFERENCE SHARES	15	15
DEFERRED TAX LIABILITIES	5,967	6,314
OTHER LONG TERM LIABILITIES	181,112	186,690
MINORITY INTEREST	4,741	4,995
CURRENT LIABILITIES		
<i>Trade payables</i>	23,923	19,231
<i>Other payables & accruals</i>	12,526	9,912
<i>Hire Purchase payable</i>	632	596
<i>Tax payable</i>	822	873
<i>Bank borrowings</i>	6,926	6,841
<i>ICPS dividend payable</i>	36	71
	44,865	37,524
TOTAL EQUITY AND LIABILITIES	577,289	570,494
NET TANGIBLE ASSETS(NTA) PER ORDINARY SHARE (SEN)	129	129

** Including goodwill in associated company of RM19,769,000 (28 Feb 2005 : RM12,176,000)

The Condensed Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2005.

ATLAN HOLDINGS BHD (173250-W)
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 31 AUG 2005

	←	Unaudited	→
	Current year to date 31 AUG 2005 RM'000		Preceding year to date 31 AUG 2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	19,565		4,846
Adjustments for :-			
Share of profit from associated company	(16,688)		-
Allowance for doubtful debts	10		22
Amortisation of goodwill on consolidation	1,059		526
Amortisation of reserve on consolidation	(377)		(377)
Depreciation	1,862		2,065
(Gain) / loss on disposal of property, plant and equipment	(14)		1
Interest income	(420)		(558)
ICPS dividends - liability component	4		40
Interest on bank overdrafts	169		159
Interest on bills payable	109		53
Interest on hire purchase	87		55
Interest on Islamic private debt securities	3,306		-
Interest on term loan	1,586		1,775
Provision for inventories written off	72		61
Property, plant and equipment written off	0		199
Provision for R & D expenses	88		30
Operating profit before working capital changes	<u>10,418</u>		<u>8,897</u>
(Increase) / Decrease in inventories	(2,145)		242
Increase in receivables	(7,665)		(39,537)
Increase in payables	<u>3,984</u>		<u>34,739</u>
Cash from operations	4,592		4,341
Interest paid	(5,209)		(2,026)
Tax paid	(1,011)		(847)
Tax refund	2		-
Net cash (used in) / from operating activities	<u>(1,626)</u>		<u>1,468</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(420)		(715)
Acquisition of subsidiary companies (Note 11)	(1,500)		-
Proceeds from disposal of property, plant & equipment	15		2
Interest received	385		554
Net cash used in investing activities	<u>(1,520)</u>		<u>(159)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown on hire purchase	50		617
Repayment of hire purchase payable	(301)		(183)
Repayment of term loans	(1,358)		(1,036)
Dividend paid to shareholders of the company	-		(577)
Dividend paid to ICPS holders	(71)		-
Share issue expenses	(72)		(100)
Net cash used in financing activities	<u>(1,752)</u>		<u>(1,279)</u>
Net decrease in cash and cash equivalents	(4,898)		30
Effect on foreign exchange translation	(117)		220
Cash and cash equivalents brought forward	5,214		10,745
Cash and cash equivalents carried forward	<u>199</u>		<u>10,995</u>
REPRESENTED BY :			
Cash and bank balances	4,409		15,360
Bank overdrafts	(4,210)		(4,365)
	<u>199</u>		<u>10,995</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2005.

ATLAN HOLDINGS BHD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 AUG 2005

	← Non Distributable →		→ Distributable			Total RM'000	
	Share Capital RM'000	ICPS - Equity Component RM'000	Share Premium RM'000	Reserve on Consolidation RM'000	Exchange Translation Reserve RM'000		Retained Profit / (Loss) RM'000
6 months ended 31 Aug 2005							
Balance as at 1 Mar 2005	192,390	2,134	98,796	13,619	14,461	1,711	323,111
Net profit for the year	-	-	-	-	-	11,677	11,677
Amortisation	-	-	-	(377)	-	-	(377)
Translation differences	-	-	-	-	(5,563)	-	(5,563)
Share issue expenses	-	-	(72)	-	-	-	(72)
Dividend on ICPS	-	-	-	-	-	(32)	(32)
Balance as at 31 Aug 2005	192,390	2,134	98,724	13,242	8,898	13,356	328,744

	← Non Distributable →		→ Distributable			Total RM'000	
	Share Capital RM'000	ICPS - Equity Component RM'000	Share Premium RM'000	Reserve on Consolidation RM'000	Exchange 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 year	-	-	-	-	-	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

The Condensed Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2005.