



**ATA IMS Berhad**  
(Company No. 190155-M)  
(Incorporated in Malaysia)  
**and its subsidiaries**

**Interim Financial Statements**  
**For the Second Quarter Ended**  
**30 September 2020**

# **ATA IMS Berhad**

(Company No. 190155-M)  
(Incorporated in Malaysia)

## **Interim Financial Statements For the Second Quarter Ended 30 September 2020**

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# ATA IMS Berhad

(Company No. 190155-M)

(Incorporated in Malaysia)

## Unaudited Condensed Consolidated Statement of Financial Position As at 30 September 2020

		30.09.2020	31.03.2020
		RM'000	RM'000
	Note	Unaudited	Audited
<b>Assets</b>			
Property, plant and equipment		334,652	337,103
Right-of-use assets		8,167	8,225
Goodwill on consolidation		76,414	76,414
<b>Total non-current assets</b>		<u>419,233</u>	<u>421,742</u>
Inventories		329,181	369,182
Contract assets		46,421	36,109
Trade and other receivables		1,219,795	716,068
Current tax assets		-	3,722
Cash and cash equivalents		463,302	359,627
<b>Total assets</b>		<u>2,058,699</u>	<u>1,484,708</u>
		<u>2,477,932</u>	<u>1,906,450</u>
<b>Equity</b>			
Share capital		1,338,445	1,338,445
Treasury Shares		(1,897)	-
Reserves		(1,104,171)	(1,103,792)
Retained earnings		502,322	432,276
<b>Total equity</b>		<u>734,699</u>	<u>666,929</u>
<b>Liabilities</b>			
Loans and borrowings	24	111,422	109,557
Lease Liabilities		6,720	6,781
Deferred tax liabilities		14,364	14,438
<b>Total non-current liabilities</b>		<u>132,506</u>	<u>130,776</u>
Loans and borrowings	24	488,604	354,174
Lease Liabilities		1,595	1,592
Trade and other payables		1,104,455	752,845
Contract liabilities		-	134
Current tax liabilities		16,073	-
<b>Total current liabilities</b>		<u>1,610,727</u>	<u>1,108,745</u>
<b>Total liabilities</b>		<u>1,743,233</u>	<u>1,239,521</u>
<b>Total equity and liabilities</b>		<u>2,477,932</u>	<u>1,906,450</u>
<b>Net assets per share</b>			
<b>attributable to the owners of the company (RM)</b>		<u>0.61</u>	<u>0.55</u>

# ATA IMS Berhad

(Company No. 190155-M)

(Incorporated in Malaysia)

## Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Second Quarter Ended 30 September 2020

	Individual 3 months ended 30-Sep		Cumulative 6 months ended 30-Sep	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Revenue</b>	1,337,721	931,857	2,081,713	1,767,967
Cost of sales	<u>(1,248,814)</u>	<u>(865,037)</u>	<u>(1,952,667)</u>	<u>(1,649,764)</u>
<b>Gross profit</b>	88,907	66,820	129,046	118,203
Other operating income/ (Other operating expenses)	14,416	1,463	18,785	2,618
Distribution expenses	(22,814)	(18,507)	(34,258)	(27,858)
Administrative expenses	<u>(8,636)</u>	<u>(7,454)</u>	<u>(17,767)</u>	<u>(15,858)</u>
<b>Result from operating activities</b>	71,873	42,322	95,806	77,105
Finance income	1,826	2,536	4,292	4,765
Finance costs	<u>(6,014)</u>	<u>(4,215)</u>	<u>(9,768)</u>	<u>(8,589)</u>
<b>Profit before tax</b>	67,685	40,643	90,330	73,281
Tax expense	<u>(15,394)</u>	<u>(9,596)</u>	<u>(20,284)</u>	<u>(17,662)</u>
<b>Profit for the period</b>	<u>52,291</u>	<u>31,047</u>	<u>70,046</u>	<u>55,619</u>
<b>Other comprehensive income/ (expenses), net of tax</b>				
Foreign currency translation difference for foreign operations	<u>597</u>	<u>(58)</u>	<u>(379)</u>	<u>(192)</u>
<b>Total comprehensive income for the period</b>	<u>52,888</u>	<u>30,989</u>	<u>69,667</u>	<u>55,427</u>
<b>Profit attributable to:</b>				
Owners of the company	<u>52,291</u>	<u>31,047</u>	<u>70,046</u>	<u>55,619</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the company	<u>52,888</u>	<u>30,989</u>	<u>69,667</u>	<u>55,427</u>
<b>Basic earnings per ordinary share (sen)</b>	(Note 25)			
	<u>4.35</u>	<u>2.58</u>	<u>5.82</u>	<u>4.62</u>
<b>Diluted earnings per ordinary share (sen)</b>	(Note 26)			
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

# ATA IMS Berhad

(Company No. 190155-M)

(Incorporated in Malaysia)

## Unaudited Condensed Consolidated Statement of Changes in Equity For the Second Quarter Ended 30 September 2020

	← Attributable to owners of the Company →					Total equity
	Share Capital	Treasury Shares	Exchange fluctuation reserve	Reverse acquisition reserve	Retained earnings	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 April 2020</b>	1,338,445	-	644	(1,104,436)	432,276	666,929
Foreign currency translation differences for foreign operations	-		(379)	-	-	(379)
Profit for the period	-		-	-	70,046	70,046
<b>Total comprehensive income for the period</b>	-		(379)	-	70,046	69,667
<i>Contributions by and distributions to owners of the Company</i>						
Own shares acquired	-	(1,897)	-	-	-	(1,897)
Dividends to owners of the company	-		-	-	-	-
<b>Total transactions with owners of the Company</b>	-	(1,897)	-	-	-	(1,897)
<b>At 30 September 2020</b>	<u>1,338,445</u>	<u>(1,897)</u>	<u>265</u>	<u>(1,104,436)</u>	<u>502,322</u>	<u>734,699</u>
<b>At 1 April 2019</b>	1,338,445	-	59	(1,104,436)	395,851	629,919
Foreign currency translation differences for foreign operations	-		(192)	-	-	(192)
Profit for the period	-		-	-	55,619	55,619
<b>Total comprehensive income for the year</b>	-		(192)	-	55,619	55,427
<i>Contributions by and distributions to owners of the Company</i>						
Dividends to owners of the company	-				(39,624)	(39,624)
<b>Total transactions with owners of the Company</b>	-				(39,624)	(39,624)
<b>At 30 September 2019</b>	<u>1,338,445</u>	<u>-</u>	<u>(133)</u>	<u>(1,104,436)</u>	<u>411,846</u>	<u>645,722</u>

**ATA IMS Berhad**

(Company No. 190155-M)

(Incorporated in Malaysia)

**Unaudited Condensed Consolidated Statement of Cash Flows  
For the Second Quarter Ended 30 September 2020**

	6 months ended	
	30-Sep	
	2020	2019
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	90,330	73,281
Adjustment for:-		
Depreciation of property, plant and equipment	18,511	14,918
Depreciation of right-of-use assets	58	-
Finance costs	9,768	8,589
Finance income	(4,292)	(4,765)
Insurance claimed	(1,898)	-
(Reversal of)/Impairment loss on trade receivables	251	(13)
Property, plant and equipment:		
-Written off	282	-
-Gain on disposal	(206)	(11)
Unrealised (gain)/loss on foreign exchange	(15,436)	939
Inventories:		
- Write back of impairment on inventory	-	(12)
<b>Operating profit before changes in working capital</b>	<u>97,368</u>	<u>92,926</u>
Changes in inventories	40,002	(3,863)
Changes in contract assets	(10,312)	23,027
Changes in trade and other receivables	(503,978)	(137,560)
Changes in trade and other payables	383,926	103,658
Changes in contract liabilities	(134)	(218)
<b>Cash generated from/(used in) operations</b>	<u>6,872</u>	<u>77,970</u>
Tax Paid	(3,420)	(12,356)
<b>Net cash from/(used in) operating activities</b>	<u>3,452</u>	<u>65,614</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(27,480)	(18,125)
Proceeds from disposal of property, plant and equipment	206	11
Change in pledged deposits	5,862	-
Interest received	4,292	4,765
<b>Net cash used in investing activities</b>	<u>(17,120)</u>	<u>(13,349)</u>
<b>Cash flows from financing activities</b>		
Repayment of term loans	(245)	(1,621)
Proceeds from banker acceptance	134,125	21,457
Proceeds from supply chain financing	1,626	-
Proceeds from/(Repayment of) hire purchase liabilities	(2,632)	4,127
Payment of lease liabilities	(58)	-
Dividend paid to owners of the Company	-	(39,623)
Interest paid	(9,768)	(8,589)
<b>Net cash from financing activities</b>	<u>123,048</u>	<u>(24,249)</u>
<b>Net increase in cash and cash equivalents</b>	109,380	28,016
<b>Cash and cash equivalents at 1 April</b>	340,632	254,068
<b>Cash and cash equivalents at 30 September</b>	<u>450,012</u>	<u>282,084</u>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	375,216	273,018
Fixed deposits with licensed banks	88,086	25,944
<b>Cash and cash equivalents in the statements of financial position</b>	<u>463,302</u>	<u>298,962</u>
Less: Pledged deposits	(12,465)	(15,757)
Bank overdrafts	(825)	(1,121)
<b>Cash and cash equivalents in the statements of cash flow</b>	<u>450,012</u>	<u>282,084</u>

# ATA IMS Berhad

(Company No. 190155-M)

(Incorporated in Malaysia)

## Part A

### Selected explanatory notes pursuant to MFRS 134

### For the Second Quarter Ended 30 September 2020

#### 1 Basis of preparation

##### (a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, Interim Financial Reporting in Malaysia and with IAS 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 March 2020.

##### (b) Reverse Accounting

On 5 February 2018, the Company completed its acquisition of the entire equity interest in Integrated Manufacturing Solutions Sdn Bhd ("IMS") and its subsidiaries ("IMS Group") via the issuance of 1,032,104,348 new ordinary shares of the Company to the shareholders of IMS Group. This acquisition has been accounted for using Reverse Accounting in accordance with MFRS 3, Business Combinations. Accordingly, the IMS Group (being the legal subsidiaries in the transaction) is regarded as the accounting acquirer, and the Company (being the legal parent in the transaction) is regarded as the accounting acquiree.

#### 2 Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 31 March 2020.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group:

##### *MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2020*

- Amendments to MFRS 3, Business Combinations – Definition of a Business
- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material
- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures – Interest Rate Benchmark Reform

##### *MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020*

- Amendment to MFRS 16, Leases – Covid-19-Related Rent Concessions

##### *MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022*

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018–2020)

##### *MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022*

- MFRS 17, Insurance Contracts
- Amendments to MFRS 101, Presentation of Financial Statements-Classification of Liabilities as Current or Non-current

## **ATA IMS Berhad**

(Company No. 190155-M)

(Incorporated in Malaysia)

### **Part A**

#### **Selected explanatory notes pursuant to MFRS 134**

#### **For the Second Quarter Ended 30 September 2020**

##### *MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed*

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group plans to apply the abovementioned accounting standards, interpretations and amendments in the respective financial year when the above accounting standards, interpretations and amendments become effective, if applicable.

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group upon their first adoption.

#### **3 Auditors' Report on Preceding Annual Financial Statements**

The Auditors' Report on the Audited Financial Statements for the year ended 31 March 2020 was not qualified.

#### **4 Unusual items affecting the assets, liabilities, equity, net income, or cash flows**

There are no unusual items affecting the assets, liabilities, equity, net income, or cash flows of the Group for the current quarter and financial year-to-date.

#### **5 Material changes in estimates**

There are no material changes in estimates for the current quarter and financial year-to-date.

#### **6 Dividends paid**

No dividend was paid for the current quarter.

#### **7 Segment information**

The Group is principally involved in manufacturing and sales of precision plastic injection moulded parts, secondary process, sub assembly and full assembly and supply of the finished products to the electronics manufacturing industry and are predominantly carried out in Malaysia. Segmental information is not prepared as the food trading segment is insignificant to the Group.

#### **8 Material events subsequent to period end**

There were no material events subsequent to the period end.

#### **9 Changes in the composition of the Group**

There are no major changes in the composition of the Group for the current quarter and financial year-to-date.

#### **10 Seasonal or cyclical factors**

Generally, the Group operations are not significantly affected by any seasonal or cyclical factors.



## ATA IMS Berhad

(Company No. 190155-M)

(Incorporated in Malaysia)

### Part A

#### Selected explanatory notes pursuant to MFRS 134

#### For the Second Quarter Ended 30 September 2020

##### 11 Contingent liabilities and contingent assets

The Group does not have any contingent liabilities and contingent assets since the last annual balance sheet date.

##### 12 Capital commitments

	<b>30-Sep-2020</b>
	<b>RM'000</b>
<b>Property, plant and equipment</b>	
Contracted but not provided for	<u>20,627</u>

##### 13 Related party transactions

Significant related party transactions of the Group are as follows:-

	<b>6 months ended</b>	
	<b>30-Sep</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Sales	20,208	2,161
Purchases	<u>494,146</u>	<u>139,957</u>

##### 14 Debt and Equity Securities

There were no issue and/or repayment of debt and equity securities, share cancellations, share buyback or resale of treasury shares during the quarter, other than the following:-

(i) The company repurchased 1,507,400 of its ordinary shares at an average purchase price of RM1.26 per ordinary share. As at 30 September 2020, the number of treasury shares held was 1,507,400 ordinary shares.

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## ATA IMS Berhad

(Company No. 190155-M)

(Incorporated in Malaysia)

### Part B

#### Explanatory notes pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia For the Second Quarter Ended 30 September 2020

##### 15 Review of performance for current quarter vs previous year same quarter comparison

	Individual		Cumulative	
	3 months ended		6 months ended	
	30-Sep		30-Sep	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Group Revenue	1,337,721	931,857	2,081,713	1,767,967
Profit before taxation	67,685	40,643	90,330	73,281
Profit after taxation	52,291	31,047	70,046	55,619

For the current quarter under review, the Group recorded a higher turnover of RM 1,337.7 million, an increase of RM 405.9 million or 43.6% as compared to the corresponding quarter in 2019. Profit before tax increased 66.5% or RM 27.0 million to RM67.7 million over the same period.

For the period ended 30 September 2020, the Group recorded a revenue of RM2,082 million as compared to RM 1,768.0 million recorded in the preceeding year. Profit before tax increased 23.3% or RM 17.0 million to RM 90.3 million over the same period.

The increase in revenue and profit before tax was mainly attributable to higher sales order from existing customers with optimized productivity and improved operational efficiency.

##### 16 Variation of results against the immediate preceding quarter

	Individual	
	30-Sep	30-Jun
	RM'000	RM'000
Group Revenue	1,337,721	743,993
Profit before taxation	67,685	22,647
Profit after taxation	52,291	17,757

For the current quarter under review the Group recorded an RM 593.7million or 79.8% increase in revenue and an increase in profit before tax of RM 45.0 million as compared to RM 22.6 million in the immediate preceding quarter. It was mainly due to higher sales orders from existing customers with optimized productivity and improved operational efficiency. The previous quarter was also affected by an operational shutdown of approximately one month due to the imposition of the movement control order as a result of the covid-19 virus outbreaks.

##### 17 Current year prospects

With the number of daily cases of covid-19 infections still high in some countries including in Malaysia, the threat of a third and fourth wave of Covid-19 outbreak still remains the most significant threat to global markets and the overall economic climate. The Group will continue to monitor closely the current situation and take necessary steps to ensure the impact to operations will be minimized. Despite this, the main customer's order forecast still remains strong and our new customers' projects will commence during the year, as such the Group's current year prospects remains positive. The Group is also expected to increase capital expenditure during the financial year in order to increase production capacity to meet the increase in demand.

## ATA IMS Berhad

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### Part B

#### Explanatory notes pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia For the Second Quarter Ended 30 September 2020

##### 18 Profit forecast

Not applicable.

##### 19 Tax expense

	Individual 3 months ended 30-Sep		Cumulative 6 months ended 30-Sep	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Malaysian - current				
Tax expense	15,578	9,132	20,056	16,956
Deferred tax	(184)	464	228	706
	<u>15,394</u>	<u>9,596</u>	<u>20,284</u>	<u>17,662</u>

The effective tax rate for the cumulative current year period is lower than the statutory tax rate as the Group is entitled to claim Special Reinvestment Allowance (RA) for manufacturing activities for Year of Assessment 2020 and 2021, under Short-Term Economic Recovery Plan (STERP) as announced by Malaysia Government on 5 June 2020.

##### 20 Status of Corporate Proposals

There are no outstanding uncompleted corporate proposals as at the date of this quarterly report.

##### 21 Changes in material litigation

There are no material litigation reported in this current quarter except for the following:-

An on-going Johor Bahru High Court civil suit No JA-22NCVC-210-10/2017 brought by TNB against ATA Industrial (M) Sdn Bhd ("AIM") for a monetary claim of RM5,089,623.63 together with interest and costs relating to disputed consumption of electricity at AIM's 2 factories in Johor. The Johor Bahru High Court had on 30 September 2018 rejected the plaintiff's claims with costs of RM 30,000.00. TNB had however file a Notice of Appeal on 23 October 2018. The court of Appeal case no. J-02 (NCvC) (W)-2232-10/2018 which was fixed for hearing on 28 June 2019 was dismissed with cost of RM10,000.

TNB has filed an appeal with the Federal Court on 17 July 2019, and the case management for the case no. 08(f)-287-07/2019 (J) has been postponed to 27 November 2020.

The entire amount claimed by TNB in the civil suit above has been fully provided for in the audited accounts for the year ended 31 March 2017.

##### 22 Dividends payable

The Board had announced their recommendation for a first and final dividend of 2 sen which was approved by shareholders at the Annual General Meeting held on 23 September 2020.

The book closure date has been fixed on 12 October 2020, and the dividend will be paid on 28 October 2020.

## ATA IMS Berhad

(Company No. 190155-M)

(Incorporated in Malaysia)

### Part B

#### Explanatory notes pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia For the Second Quarter Ended 30 September 2020

#### 23 Profit for the period

	6 months ended	
	30-Sep	
	2020	2019
	RM'000	RM'000
Profit for the period is arrived at after charging /(crediting):		
Depreciation of property, plant and equipment	18,511	14,918
Net foreign exchange gain	(15,903)	(1,532)
Finance costs	9,768	8,589
Finance income	(4,292)	(4,765)
Insurance claimed	(1,898)	-
(Reversal of)/Impairment loss on trade receivables	251	(13)
Write back of impairment on inventory	-	(12)
Property, plant and equipment written-off	282	-
Gain on disposal of property, plant and equipment	(206)	(11)

#### 24 Group borrowings

	30 Sep 2020	31 Mar 2020
	RM'000	RM'000
<b>Secured</b>		
<b>Non-Current</b>		
Hire purchase liabilities	83,961	54,927
Term loans	27,461	54,630
	<u>111,422</u>	<u>109,557</u>
<b>Current</b>		
Bank overdraft	825	667
Bankers acceptance	346,486	214,831
Hire purchase liabilities	32,179	31,554
Revolving credit	5,000	5,000
Supply chain financing	99,576	97,950
Term loans	4,538	4,172
	<u>488,604</u>	<u>354,174</u>
<b>Total</b>	<u><u>600,026</u></u>	<u><u>463,731</u></u>

#### 25 Basic earnings per share

	Individual		Cumulative	
	3 months ended		6 months ended	
	30-Sep		30-Sep	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to owners of the company (RM'000)	52,291	31,047	70,046	55,619
Weighted average number of ordinary shares in issue ('000)	1,203,224	1,204,371	1,203,224	1,204,371
Basic earnings per share (sen per share)	4.35	2.58	5.82	4.62

## **ATA IMS Berhad**

(Company No. 190155-M)

(Incorporated in Malaysia)

### **Part B**

#### **Explanatory notes pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia For the Second Quarter Ended 30 September 2020**

##### **26 Diluted earnings per share**

Fully diluted profit/ (loss) per ordinary share for the current quarter is not presented as the Company does not have any outstanding share options or other potentially dilutive financial instruments currently on issue.

##### **27 Authorise for issue**

These Interim Financial Statements were authorised for issue by the Board of Directors in accordance with a resolution passed on 28 October 2020.

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