



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

**Interim Financial Statements**  
**For the First Quarter Ended**  
**30 June 2021**

# **ATA IMS Berhad**

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

## **Interim Financial Statements For the First Quarter Ended 30 June 2021**

<b><u>Contents</u></b>	<b><u>Page</u></b>
Unaudited Condensed Consolidated Statement of Financial Position	<b>1</b>
Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	<b>2</b>
Unaudited Condensed Consolidated Statement of Changes in Equity	<b>3</b>
Unaudited Condensed Consolidated Statement of Cash Flows	<b>4</b>
<b>Part A</b> Selected explanatory notes pursuant to MFRS 134, Interim Financial Reporting in Malaysia and IAS 34, Interim Financial Reporting	<b>5 - 7</b>
<b>Part B</b> Explanatory notes pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia	<b>8 - 11</b>

# ATA IMS Berhad

(Company No. 190155-M)

(Incorporated in Malaysia)

## Unaudited Condensed Consolidated Statement of Financial Position As at 30 June 2021

		30.06.2021	31.03.2021
		RM'000	RM'000
	Note		Audited
<b>Assets</b>			
Property, plant and equipment		387,768	368,851
Right-of-use assets		6,086	6,908
Goodwill on consolidation		76,540	76,414
<b>Total non-current assets</b>		<u>470,394</u>	<u>452,173</u>
Inventories		461,123	458,487
Contract assets		31,011	86,541
Trade and other receivables		954,116	984,553
Current tax assets		6,708	2,587
Derivative financial assets		-	213
Cash and cash equivalents		315,909	351,208
		<u>1,768,867</u>	<u>1,883,589</u>
<b>Total assets</b>		<u><u>2,239,261</u></u>	<u><u>2,335,762</u></u>
<b>Equity</b>			
Share capital		1,338,445	1,338,445
Treasury Shares		(1,897)	(1,897)
Reserves		(1,104,420)	(1,104,371)
Retained earnings		581,899	558,519
<b>Equity attributable to owners of the Company</b>		<u>814,027</u>	<u>790,696</u>
<b>Non-controlling interests</b>		<u>243</u>	<u>-</u>
<b>Total equity</b>		<u><u>814,270</u></u>	<u><u>790,696</u></u>
<b>Liabilities</b>			
Loans and borrowings	24	119,664	118,293
Lease Liabilities		4,784	5,178
Deferred tax liabilities		17,867	19,436
<b>Total non-current liabilities</b>		<u>142,315</u>	<u>142,907</u>
Loans and borrowings	24	432,654	434,568
Lease Liabilities		1,609	2,019
Trade and other payables		848,413	965,374
Contract liabilities		-	198
<b>Total current liabilities</b>		<u>1,282,676</u>	<u>1,402,159</u>
<b>Total liabilities</b>		<u><u>1,424,991</u></u>	<u><u>1,545,066</u></u>
<b>Total equity and liabilities</b>		<u><u>2,239,261</u></u>	<u><u>2,335,762</u></u>
<b>Net assets per share</b>			
<b>attributable to the owners of the company (RM)</b>		<u>0.68</u>	<u>0.66</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 First Quarter Ended 30 June 2021

	Individual 3 months ended 30-Jun		Cumulative 3 months ended 30-Jun	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Revenue</b>	893,052	743,993	893,052	743,993
Cost of sales	<u>(837,978)</u>	<u>(703,852)</u>	<u>(837,978)</u>	<u>(703,852)</u>
<b>Gross profit</b>	55,074	40,141	55,074	40,141
Other operating income/(expenses)	1,441	4,370	1,441	4,370
Distribution expenses	(14,420)	(11,444)	(14,420)	(11,444)
Administrative expenses	<u>(8,986)</u>	<u>(9,131)</u>	<u>(8,986)</u>	<u>(9,131)</u>
<b>Result from operating activities</b>	33,109	23,936	33,109	23,936
Finance income	1,986	2,466	1,986	2,466
Finance costs	<u>(4,209)</u>	<u>(3,755)</u>	<u>(4,209)</u>	<u>(3,755)</u>
<b>Profit before tax</b>	30,886	22,647	30,886	22,647
Tax expense	<u>(7,499)</u>	<u>(4,890)</u>	<u>(7,499)</u>	<u>(4,890)</u>
<b>Profit for the period</b>	<u>23,387</u>	<u>17,757</u>	<u>23,387</u>	<u>17,757</u>
<b>Other comprehensive income/ (expenses), net of tax</b>				
Foreign currency translation difference for foreign operations	<u>(49)</u>	<u>(976)</u>	<u>(49)</u>	<u>(976)</u>
<b>Total comprehensive income for the period</b>	<u>23,338</u>	<u>16,781</u>	<u>23,338</u>	<u>16,781</u>
<b>Profit attributable to:</b>				
Owners of the company	23,380	17,757	23,380	17,757
Non-controlling interests	<u>7</u>	<u>-</u>	<u>7</u>	<u>-</u>
<b>Profit for the period</b>	<u>23,387</u>	<u>17,757</u>	<u>23,387</u>	<u>17,757</u>
<b>Basic earnings per ordinary share (sen)</b>	(Note 25)			
	<u>1.94</u>	<u>1.47</u>	<u>1.94</u>	<u>1.47</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 Cash Flows  
For the First Quarter Ended 30 June 2021**

	← Attributable to owners of the Company →							
	← Non-distributable →				Distributable			
	Share Capital	Treasury Shares	Exchange fluctuation reserve	Reverse acquisition reserve	Retained earnings	Total	Non-controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 April 2021</b>	1,338,445	(1,897)	65	(1,104,436)	558,519	790,696	-	790,696
Foreign currency translation differences for foreign operations	-	-	(49)	-	-	(49)	-	(49)
Profit for the period	-	-	-	-	23,380	23,380	7	23,387
<b>Total comprehensive income for the period</b>	-	-	(49)	-	23,380	23,331	7	23,338
Acquisition of a subsidiary	-	-	-	-	-	-	236	236
<b>At 30 June 2021</b>	<u>1,338,445</u>	<u>(1,897)</u>	<u>16</u>	<u>(1,104,436)</u>	<u>581,899</u>	<u>814,027</u>	<u>243</u>	<u>814,270</u>
<b>At 1 April 2020</b>	1,338,445	-	644	(1,104,436)	432,276	666,929	-	666,929
Foreign currency translation differences for foreign operations	-	-	(976)	-	-	(976)	-	(976)
Profit for the period	-	-	-	-	17,757	17,757	-	17,757
<b>Total comprehensive income for the period</b>	-	-	(976)	-	17,757	16,781	-	16,781
<b>At 30 June 2020</b>	<u>1,338,445</u>	<u>-</u>	<u>(332)</u>	<u>(1,104,436)</u>	<u>450,033</u>	<u>683,710</u>	<u>-</u>	<u>683,710</u>

**ATA IMS Berhad**

(Company No. 190155-M)

(Incorporated in Malaysia)

**Unaudited Condensed Consolidated Statement of Cash Flows  
For the First Quarter Ended 30 June 2021**

	<b>3 months ended</b>	
	<b>30-Jun</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	30,886	22,647
Adjustment for:-		
Depreciation of property, plant and equipment	11,259	9,117
Depreciation of right-of-use assets	393	29
Fair value loss on derivative instruments	213	-
Finance costs	4,209	3,755
Finance income	(1,986)	(2,466)
Gain on disposal of property, plant and equipment	-	(30)
Property, plant and equipment written off	5	-
Reversal of doubtful debts/bad debt recovered	(6)	-
Reversal of allowance for slow moving stocks	-	(15)
Unrealised gain on foreign exchange	(649)	(8,439)
<b>Operating profit before changes in working capital</b>	<u>44,324</u>	<u>24,598</u>
Changes in inventories	(2,636)	60,256
Changes in contract assets	55,530	(6,605)
Changes in trade and other receivables	30,437	(78,464)
Changes in trade and other payables	(122,967)	(113,286)
Changes in contract liabilities	(198)	(134)
<b>Cash generated from/(used in) operations</b>	<u>4,490</u>	<u>(113,635)</u>
Tax Paid	(13,229)	(496)
<b>Net cash used in operating activities</b>	<u>(8,739)</u>	<u>(114,131)</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(11,422)	(19,179)
Acquisition of a subsidiary, net of cash and cash equivalents acquired	422	-
Change in pledged deposits	8,982	5,957
Interest received	1,986	2,466
<b>Net cash used in investing activities</b>	<u>(32)</u>	<u>(10,756)</u>
<b>Cash flows from financing activities</b>		
Payment of lease liabilities	(457)	(29)
Proceeds from banker acceptance	11,140	91,048
Proceeds/(Repayment) of supply chain financing	(13,499)	77,592
Proceeds from revolving credits	-	30,000
Repayment of term loans	(1,161)	(83)
Repayment of hire purchase liabilities	(10,241)	(7,885)
Interest paid	(4,209)	(3,755)
<b>Net cash from/(used in) financing activities</b>	<u>(18,427)</u>	<u>186,888</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(27,198)	62,001
<b>Cash and cash equivalents at 1 April</b>	342,226	340,632
<b>Cash and cash equivalents at 30 Jun</b>	<u>315,028</u>	<u>402,633</u>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	234,826	317,654
Fixed deposits with licensed banks	81,083	98,109
<b>Cash and cash equivalents in the statements of financial position</b>	<u>315,909</u>	<u>415,763</u>
Less: Pledged deposits	-	(12,371)
Bank overdrafts	(881)	(759)
<b>Cash and cash equivalents in the statements of cash flow</b>	<u>315,028</u>	<u>402,633</u>

# ATA IMS Berhad

(Company No. 190155-M)

(Incorporated in Malaysia)

## Part A

### Selected explanatory notes pursuant to MFRS 134

#### For the First Quarter Ended 30 June 2021

#### 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 2021.

##### (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 2021.

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 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 2023*

- MFRS 17, Insurance Contracts
- Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes – Deferred tax related to assets and liabilities arising from a Single Transaction

## **ATA IMS Berhad**

(Company No. 190155-M)

(Incorporated in Malaysia)

### **Part A**

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

#### **For the First Quarter Ended 30 June 2021**

##### *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 2021 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**

The company acquired a 60% subsidiary, Zullick Metal Sdn. Bhd. ("Zullick Metal") for a cash consideration of RM480,000 on 1 April 2021. Zullick Metal is principally engaged in the business of metal stamping and is based in Johor Bahru.

#### **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 First Quarter Ended 30 June 2021

#### 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-Jun-2021</b>
	<b>RM'000</b>
<b>Property, plant and equipment</b>	
Contracted but not provided for	<u>9,575</u>

#### 13 Related party transactions

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

	<b>3 months ended</b>	
	<b>30-Jun</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Sales	4,931	7,268
Purchases	<u>177,274</u>	<u>164,896</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.

The rest of this page is intentionally left blank.

## 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 First Quarter Ended 30 June 2021

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

	Individual		Cumulative	
	3 months ended		3 months ended	
	30-Jun		30-Jun	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Group Revenue	893,052	743,993	893,052	743,993
Profit before taxation	30,886	22,647	30,886	22,647
Profit after taxation	23,387	17,757	23,387	17,757

For the current quarter under review, the Group recorded a higher turnover of RM893.1 million, an increase of RM 149.1 million or 20.0% as compared to the corresponding quarter in 2020. Profit before tax increased 36.4% or RM 8.2 million to RM30.9 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-Jun	31-Mar
	RM'000	RM'000
Group Revenue	893,052	967,978
Profit before taxation	30,886	30,956
Profit after taxation	23,387	26,942

For the current quarter under review the Group recorded an RM 74.9 million or 7.7% reduction in revenue and slightly lower profit before tax of RM 30.9 million as compared to RM 31.0 million in the immediate preceding quarter. It was mainly due to strict adherence with current Standard Operating Procedures (SOPs) and restriction of work force capacity at a maximum of 60% imposed by the Ministry of International Trade and Industry (MITI) and Malaysian National Security Council (MKN).

##### 17 Current year prospects

With new and more infectious variants of Covid-19 virus spreading widely, the number of Covid-19 infections escalating in some countries including Malaysia, the Malaysian government had imposed a third Movement Control Order from 12 May 2021, and subsequently a full lockdown was imposed under the Full Movement Control Order ("FMCO") from 1 June 2021 onwards, where only industries deemed as essential and some other approved industries were allowed to operate under strict conditions. Our Group was granted approval by MITI and MKN to operate but subject to a restriction of 60% of the total work force and under very strict Standard Operating Procedures (SOP), which has caused a reduction in production outputs. However, as the vaccination drive was stepped up, the Malaysian government announced the progressive relaxation of restrictions, one of which includes allowing companies to resume full operations once at least 80% of their employees have been fully vaccinated. The Group had applied to the various government agencies and is already in the process of getting as many employees as possible to get their vaccinations under the various government initiatives including PIKAS. The Group hopes to achieve full vaccination and push to achieve full production capacity in approximately four to six weeks.

## 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 First Quarter Ended 30 June 2021

The Group will still continue to remain vigilant and adhere to all the government SOP's within its operations to ensure the safety and health of our employees as the Covid-19 pandemic still remains the most significant threat to global markets, the overall economic climate and to the Group's operations.

#### 18 Profit forecast

Not applicable.

#### 19 Tax expense

	Individual		Cumulative	
	3 months ended		3 months ended	
	30-Jun		30-Jun	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Malaysian - current				
Tax expense	9,230	4,478	9,230	4,478
Deferred tax	(1,731)	412	(1,731)	412
	<u>7,499</u>	<u>4,890</u>	<u>7,499</u>	<u>4,890</u>

The effective tax rate for the current year quarter and cumulative current year period were higher than the statutory tax rate due to some expenses being disallowed for tax purposes.

#### 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 filed 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 court had on 6 May 2021 ordered the case no. 08(f)-287-07/2019 (J) to go for appeal for which a case management has been scheduled on 8 September 2021 to fix a hearing date within this year.

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 on 3 August 2021 announced that the Company is proposing a final dividend of 3.35 sen per ordinary share in respect of the financial year 31 March 2021 for shareholders' approval at forthcoming annual general meeting.

## 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 First Quarter Ended 30 June 2021

##### 23 Profit for the period

	3 months ended	
	30-Jun	
	2021	2020
	RM'000	RM'000
Profit for the period is arrived at after charging /(crediting):		
Depreciation of property, plant and equipment	11,259	9,117
Net foreign exchange gain	(129)	(3,636)
Finance costs	4,209	3,755
Finance income	(1,986)	(2,466)
Reversal of doubtful debts/bad debt recovered	(6)	-
Property, plant and equipment written-off	5	-
Gain on disposal of property, plant and equipment	-	(30)
Inventories written-down to net realisable value	-	(15)

##### 24 Group borrowings

	30 June 2021	31 Mar 2021
	RM'000	RM'000
<b>Secured</b>		
<b>Non-Current</b>		
Hire purchase liabilities	68,885	65,936
Term loans	50,779	52,357
	<u>119,664</u>	<u>118,293</u>
<b>Current</b>		
Bank overdraft	881	-
Bankers acceptance	299,572	288,432
Hire purchase liabilities	27,301	28,154
Revolving credit	35,000	35,000
Supply chain financing	65,145	78,644
Term loans	4,755	4,338
	<u>432,654</u>	<u>434,568</u>
<b>Total</b>	<u><u>552,318</u></u>	<u><u>552,861</u></u>

##### 25 Basic earnings per share

	Individual		Cumulative	
	3 months ended		3 months ended	
	30-Jun		30-Jun	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to owners of the company (RM'000)	23,387	17,757	23,387	17,757
Weighted average number of ordinary shares in issue ('000)	1,202,864	1,204,371	1,203,330	1,204,371
Basic earnings per share (sen per share)	1.94	1.47	1.94	1.47

## **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 First Quarter Ended 30 June 2021**

##### **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 26 August 2021.

The rest of this page is intentionally left blank.
--