



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

**Interim Financial Statements
For the First Quarter Ended
30 June 2022**

ATA IMS Berhad

(Company No. 190155-M)

(Incorporated in Malaysia)

Interim Financial Statements For the First Quarter Ended 30 June 2022

<u>Contents</u>	<u>Page</u>
Unaudited Condensed Consolidated Statement of Financial Position	1
Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	2
Unaudited Condensed Consolidated Statement of Changes in Equity	3
Unaudited Condensed Consolidated Statement of Cash Flows	4
Part A Selected explanatory notes pursuant to MFRS 134, Interim Financial Reporting in Malaysia and IAS 34, Interim Financial Reporting	5-7
Part B Explanatory notes pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia	8-12

ATA IMS Berhad

(Company No. 190155-M)

(Incorporated in Malaysia)

Unaudited Condensed Consolidated Statement of Financial Position As at 30 June 2022

		30.06.2022	31.03.2022
		RM'000	RM'000
	Note		Audited
Assets			
Property, plant and equipment		342,994	361,423
Right-of-use assets		589	926
Goodwill on consolidation		76,414	76,414
Total non-current assets		<u>419,997</u>	<u>438,763</u>
Inventories		145,556	314,785
Contract assets		47,280	52,811
Trade and other receivables		254,863	433,148
Current tax assets		28,303	28,618
Derivative financial assets		-	-
Cash and cash equivalents		250,401	200,672
		726,403	1,030,034
Asset held for sales		2,520	3,223
Total current assets		<u>728,923</u>	<u>1,033,257</u>
Total assets		<u>1,148,920</u>	<u>1,472,020</u>
Equity			
Share capital		1,338,445	1,338,445
Treasury Shares		(1,897)	(1,897)
Reserves		(1,104,042)	(1,104,083)
Retained earnings		490,863	506,113
Equity attributable to owners of the Company		<u>723,369</u>	<u>738,578</u>
Non-controlling interests		<u>178</u>	<u>195</u>
Total equity		<u>723,547</u>	<u>738,773</u>
Liabilities			
Loans and borrowings	24	123,918	137,079
Lease Liabilities		56	88
Deferred tax liabilities		10,102	11,091
Total non-current liabilities		<u>134,076</u>	<u>148,258</u>
Loans and borrowings	24	77,652	117,854
Lease Liabilities		622	1,016
Trade and other payables		213,023	466,119
Total current liabilities		<u>291,297</u>	<u>584,989</u>
Total liabilities		<u>425,373</u>	<u>733,247</u>
Total equity and liabilities		<u>1,148,920</u>	<u>1,472,020</u>
Net assets per share			
attributable to the owners of the company (RM)		<u>0.60</u>	<u>0.61</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 2022**

	Individual 3 months ended 30-Jun		Cumulative 3 months ended 30-Jun	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	387,359	893,052	387,359	893,052
Cost of sales	(389,303)	(837,978)	(389,303)	(837,978)
Gross profit/(loss)	(1,944)	55,074	(1,944)	55,074
Other operating income	5,532	1,441	5,532	1,441
Distribution expenses	(7,802)	(14,420)	(7,802)	(14,420)
Administrative expenses	(6,195)	(8,986)	(6,195)	(8,986)
Result from operating activities	(10,409)	33,109	(10,409)	33,109
Finance income	754	1,986	754	1,986
Finance costs	(2,597)	(4,209)	(2,597)	(4,209)
Profit/(Loss) before tax	(12,252)	30,886	(12,252)	30,886
Tax expense	(3,015)	(7,499)	(3,015)	(7,499)
Profit/(Loss) for the period	(15,267)	23,387	(15,267)	23,387
Other comprehensive income/ (expenses), net of tax				
Foreign currency translation difference for foreign operations	41	(49)	41	(49)
Total comprehensive income/ (expenses) for the period	(15,226)	23,338	(15,226)	23,338
Profit/(Loss) attributable to:				
Owners of the company	(15,250)	23,380	(15,250)	23,380
Non-controlling interests	(17)	7	(17)	7
Profit/(Loss) for the period	(15,267)	23,387	(15,267)	23,387
Basic earnings per ordinary share (sen)	(Note 25)			
	(1.27)	1.94	(1.27)	1.94
Diluted earnings per ordinary share (sen)	(Note 26)			
	-	-	-	-

ATA IMS Berhad

(Company No. 190155-M)

(Incorporated in Malaysia)

Unaudited Condensed Consolidated Statement of Changes in Equity For the First Quarter Ended 30 June 2022

	Attributable to owners of the Company							Non-controlling interests	Total Equity
	Non-distributable				Distributable				
	Share Capital	Treasury Shares	Exchange fluctuation reserve	Reverse acquisition reserve	Retained earnings	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 April 2022	1,338,445	(1,897)	353	(1,104,436)	506,113	738,578	195	738,773	
Foreign currency translation differences for foreign operations	-	-	41	-	-	41	-	41	
Loss for the period	-	-	-	-	(15,250)	(15,250)	(17)	(15,267)	
Total comprehensive income/(loss) for the period	-	-	41	-	(15,250)	(15,209)	(17)	(15,226)	
At 30 June 2022	<u>1,338,445</u>	<u>(1,897)</u>	<u>394</u>	<u>(1,104,436)</u>	<u>490,863</u>	<u>723,369</u>	<u>178</u>	<u>723,547</u>	
At 1 April 2021	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	
Total comprehensive income/(loss) for the period	-	-	(49)	-	23,380	23,331	7	23,338	
Acquisition of a subsidiary	-	-	-	-	-	-	236	236	
At 30 June 2021	<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>	

ATA IMS Berhad

(Company No. 190155-M)

(Incorporated in Malaysia)

**Unaudited Condensed Consolidated Statement of Cash Flows
For the First Quarter Ended 30 June 2022**

	3 months ended	
	30-Jun	
	2022	2021
	RM'000	RM'000
Cash flows from operating activities		
Profit/(loss) before tax	(12,252)	30,886
Adjustment for:-		
Depreciation of property, plant and equipment	11,901	11,259
Depreciation of right-of-use assets	338	393
Finance costs	2,597	4,209
Finance income	(754)	(1,986)
Gain on disposal of property, plant and equipment	(5,310)	-
Property, plant and equipment written off	-	5
Reversal of Impairment loss on trade receivables	(2)	(6)
Unrealised (gain)/loss on foreign exchange	274	(649)
Fair value loss on derivative instruments	-	213
Operating profit before changes in working capital	<u>(3,208)</u>	<u>44,324</u>
Changes in inventories	169,229	(2,636)
Changes in contract assets	5,531	55,530
Changes in trade and other receivables	178,286	30,437
Changes in trade and other payables	(247,875)	(122,918)
Changes in contract liabilities	-	(198)
Cash generated from operations	<u>101,963</u>	<u>4,539</u>
Tax Paid	(3,689)	(13,229)
Net cash from/(used in) operating activities	<u>98,274</u>	<u>(8,690)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(6,319)	(11,422)
Acquisition of subsidiary, net of cash and cash equivalents acquired	-	422
Proceeds from disposal of property, plant and equipment	13,367	-
Change in pledged deposits	-	8,982
Interest received	754	1,986
Net cash from/(used in) investing activities	<u>7,802</u>	<u>(32)</u>
Cash flows from financing activities		
Repayment of term loans	(1,572)	(1,161)
Repayment of bankers' acceptance	(28,033)	11,140
Repayment of supply chain financing	-	(13,499)
Repayment of of hire purchase liabilities	(13,972)	(10,241)
Payment of lease liabilities	(427)	(457)
Repayment of revolving credits	(10,000)	-
Interest paid	(2,597)	(4,209)
Net cash used in financing activities	<u>(56,601)</u>	<u>(18,427)</u>
Net increase/(decrease) in cash and cash equivalents	49,475	(27,149)
Effect of exchange rate fluctuation on cash held	41	(49)
Cash and cash equivalents at 1 April	199,924	342,226
Cash and cash equivalents at 30 June	<u>249,440</u>	<u>315,028</u>
Cash and cash equivalents comprise:		
Cash and bank balances	206,138	234,826
Fixed deposits with licensed banks	44,263	81,083
Cash and cash equivalents in the statements of financial position	<u>250,401</u>	<u>315,909</u>
Less: Pledged deposits	-	-
Bank overdrafts	(961)	(881)
Cash and cash equivalents in the statements of cash flow	<u>249,440</u>	<u>315,028</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 2022

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 2022.

(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 2022.

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 2023

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information
- 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

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.

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 2022

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 2022 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 First Quarter Ended 30 June 2022

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

	30-Jun-2022
	RM'000
Property, plant and equipment	
Contracted but not provided for	<u>668</u>

13 Related party transactions

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

	3 months ended	
	30-Jun	
	2022	2021
	RM'000	RM'000
Sales	2,483	4,931
Purchases	<u>36,640</u>	<u>177,274</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 2022

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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Group Revenue	387,359	893,052	387,359	893,052
Profit/(loss) before taxation	(12,252)	30,886	(12,252)	30,886
Profit/(loss) after taxation	(15,267)	23,387	(15,267)	23,387

For the current quarter under review, the Group recorded a lower turnover of RM387.4 million, decrease of RM 505.7 million or 56.6% as compared to the corresponding quarter in 2021. The Group incurred a Loss before tax of RM12.3 million compared to a Profit before tax of RM 30.9 million over the same period.

The decrease in revenue and profit before tax was mainly attributable to the termination of contracts by the major customer in one of the subsidiaries, resulting in under-utilisation of the Group's production capacity.

16 Variation of results against the immediate preceding quarter

	Individual	
	30-Jun	31-Mar
	RM'000	RM'000
Group Revenue	387,359	430,777
Profit/(loss) before taxation	(12,252)	(40,671)
Profit/(loss) after taxation	(15,267)	(29,872)

For the current quarter under review the Group recorded an RM 43.4 million or 10.1% decrease in revenue and a reduction of RM 28.4 million or 69.9% for the loss before tax of RM 40.7 million in the immediate preceding quarter to RM 12.3 million in the current quarter. It was mainly due to termination of contracts by the major customer in one of the subsidiaries, resulting in under-utilisation of the Group's production capacity and the higher losses in the immediate preceding quarter was also contributed by an impairment of assets amounting to RM 12.0 million.

17 Current year prospects

The Company announced on 25 November 2021, informing of the receipt of (1) Notice of Termination of Contract Manufacturing Agreement dated 15 October 2020 between Dyson Operations Pte Ltd ("Dyson Operations") and ATA Industrial (M) Sdn. Bhd ("AIM"); (2) Notice of Termination of the Agreement for the Supply of Goods and Services dated 1 March 2013 and the Framework Agreement for the Supply of Goods (Tooling) dated 17 June 2009 between Dyson Manufacturing Sdn. Bhd. ("Dyson Manufacturing") and AIM.

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 2022

A further announcement was made on 29 November 2021 following a request from Bursa Malaysia Securities Berhad to provide additional information relating to the above announcement which we explained that the customer is the largest customer with 80% of the revenue contribution to the Company, the financial impact is material in all aspects arising from the termination of contracts.

Further to these announcements and due to the current global economic uncertainties, the Company estimates the turnover for the financial year 2023 to reduce by approximately 60% as compared to 2022.

The Company will continue to undertake cost cutting measures in response to the termination of contracts, and work towards downsizing to maintain profitable and to ensure sustainability. The measures taken thus far include the following :

a.) Excess stocks has been resold and the inventory for raw material and components on hand to be assembled or sell back to customer or other manufacturers have been ongoing. In accordance to the contract with customers, all stocks for customer are to be purchased back by customers where discussion with customers are taking place to ensure all stocks can be cleared by end of this year.

b.) As at reporting quarter, two factories and two warehouses has been vacated and returned to the landlord. A total of six out of the ten rented factories or warehouses which the management had earlier identified to be discontinued, are still in the process of discussions with the landlords to return the properties before the expiry of the tenancy agreements.

c.) Reduce production capacity by selling excess machinery.

With the existing business and potential new customers, the management is optimistic that the Group will return to reasonable profitability in the new financial year.

18 Profit forecast

Not applicable.

19 Tax expense

	Individual 3 months ended 30-Jun		Cumulative 3 months ended 30-Jun	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Malaysian - current				
Tax expense	2,931	9,230	2,931	9,230
Deferred tax	(97)	(1,731)	(97)	(1,731)
Malaysian - prior years				
Tax expense	26	-	26	-
Deferred tax	155	-	155	-
	<u>3,015</u>	<u>7,499</u>	<u>3,015</u>	<u>7,499</u>

The effective tax rate of the Group for the financial year-to-date was higher than the statutory tax rate mainly due to losses of certain subsidiaries that cannot be offset against the taxable profits made by other entities within the Group, in addition to certain non-deductible expenses for tax purposes.

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 2022

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:-

(i) United Max Construction Sdn Bhd

Via a Tenancy Agreement dated 28 May 2015, ATA Industrial (M) Sdn Bhd (“AIM”) had been renting from United Max Construction Sdn Bhd (“United Max”) a factory premise with address No.8 Jalan Dewani 1, Kawasan Perindustrian Temenggong, 81100 Johor Bahru from 1 March 2015 to 28 February 2018. The tenancy for the premises was subsequently renewed from 1 March 2018 to 28 February 2021.

During the period from May2020 to March 2021 and during the Movement Control Order period, AIM and United Max were in negotiations on the terms to renew the tenancy without reaching any formal agreement, resulting in United Max filing the Writ of Summons and Statement of Claim dated 29 April 2021, via a suit no. JA-B52NCC-43-04/2021 filed at the Johor Bahru Sessions Court, which AIM received in May 2021.

The details of the Claim are as follows:

- a) Vacant possession of the said premise with address at No.8 Jalan Dewani 1, Kawasan Perindustrian Temenggong, 81100 Johor Bahru;
- b) Two times the rental amounting to RM165,780.00 per month from 1 March 2021 up to the date of returning of vacant possession of the said premises, or Mesne profits;
- c) Compensation for loss of income resulting from the failure to return vacant possession before the expiry of the tenancy on 28 February 2021;
- d) Compensation for refurbishment works to restore the premises to its original condition;
- e) Compensation to restore any original equipment to working condition;
- f) Interest of 5% per annum from date of judgement up to the date of full settlement;
- g) Costs ; and
- h) Any other relief which the Court may deem fair and appropriate.

The Summons also resulted in the Company incurring the costs of shifting the operations previously conducted at the said premise to other existing premises and restoration costs of the rented premises amounting to approximately RM73,000. The temporary loss of production due to the shifting of this premises did not have any significant financial and operational impact as the Group was able to transfer the production operations to other premises.

AIM had appointed lawyers from G K Sritharan & Co to file our defense The Company had also been in discussions with the Plaintiff to resolve the matter amicably but was unable to reach an agreement as the plaintiff refused.

The plaintiff filed an order 14 summary judgement application but was dismissed by the court on 6 December 2021. AIM had been engaging with the Plaintiff, United Max for an amicable settlement for the past year without success and had restored back the factory and handed back vacant possession to United Max on 14 March 2022.

The Plaintiff is claiming thirteen months compensation from March 2021 to March 2022, ie

- (i) Mesne profits of RM2,155,140; or
- (ii) Two times of the rental amounting to RM1,810,317.60.

The Plaintiff is also claiming for additional repair works amounting to RM 1,056,626, in which the Board of Directors are of the view that this is unreasonable and subject to dispute with United Max.

AIM has made a provision of RM2.70 million for this claim.

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 2022

On 21 March 2022, the Plaintiff applied to transfer the case to the Johor Bahru High Court, but was subsequently withdrawn on 26 May 2022. The trial dates for this case have been fixed for 5th to 8th December 2022.

22 Dividends payable

No dividend has been recommended for the current quarter.

23 Profit for the period

	3 months ended	
	30-Jun	
	2022	2021
	RM'000	RM'000
Profit for the period is arrived at after charging /(crediting):		
Depreciation of property, plant and equipment	11,901	11,259
Depreciation of right-of-use assets	338	393
Net foreign exchange loss/(gain)	312	(129)
Finance costs	2,597	4,209
Finance income	(754)	(1,986)
Gain on disposal of property, plant and equipment	(5,310)	-
Property, plant and equipment written off	-	5
Reversal of Impairment loss on trade receivables	(2)	(6)
Fair value loss on derivative instruments	-	213

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 2022

24 Group borrowings

	30 Jun 2022	31 Mar 2022
	RM'000	RM'000
Secured		
Non-Current		
Hire purchase liabilities	77,806	90,026
Term loans	46,112	47,053
	<u>123,918</u>	<u>137,079</u>
Current		
Bank overdraft	961	748
Bankers acceptance	36,732	40,687
Hire purchase liabilities	33,362	59,191
Revolving credit	2,000	12,000
Supply chain financing	-	-
Term loans	4,597	5,228
	<u>77,652</u>	<u>117,854</u>
Total	<u>201,570</u>	<u>254,933</u>

25 Basic earnings per share

	Individual 3 months ended 30-Jun		Cumulative 3 months ended 30-Jun	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit/(Loss) attributable to owners of the company (RM'000)	(15,250)	23,380	(15,250)	23,387
Weighted average number of ordinary shares in issue ('000)	1,202,864	1,202,864	1,202,864	1,203,330
Basic earnings per share (sen per share)	(1.27)	1.94	(1.27)	1.94

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 24 August 2022.