



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

Interim Financial Statements
For the Fourth Quarter Ended
31 March 2023

ATA IMS Berhad

(Company No. 190155-M)

(Incorporated in Malaysia)

Interim Financial Statements

For the Fourth Quarter Ended 31 March 2023

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ATA IMS Berhad

(Company No. 190155-M)

(Incorporated in Malaysia)

**Unaudited Condensed Consolidated Statement of Financial Position
As at 31 March 2023**

| | | 31.03.2023 | 31.03.2022 |
|---|------|----------------|------------------|
| | | RM'000 | RM'000 |
| | Note | | Audited |
| Assets | | | |
| Property, plant and equipment | | 210,424 | 361,423 |
| Right-of-use assets | | 85 | 926 |
| Goodwill on consolidation | | - | 76,414 |
| Total non-current assets | | <u>210,509</u> | <u>438,763</u> |
| Inventories | | 97,932 | 314,785 |
| Contract assets | | 32,042 | 52,811 |
| Trade and other receivables | | 152,310 | 433,148 |
| Current tax assets | | 30,931 | 28,618 |
| Cash and cash equivalents | | 255,733 | 200,672 |
| | | 568,948 | 1,030,034 |
| Asset held for sales | | 14,652 | 3,223 |
| Total current assets | | <u>583,600</u> | <u>1,033,257</u> |
| Total assets | | <u>794,109</u> | <u>1,472,020</u> |
| Equity | | | |
| Share capital | | 1,338,445 | 1,338,445 |
| Treasury Shares | | (1,897) | (1,897) |
| Reserves | | (1,104,330) | (1,104,083) |
| Retained earnings | | 253,508 | 506,113 |
| Equity attributable to owners of the Company | | <u>485,726</u> | <u>738,578</u> |
| Non-controlling interests | | <u>107</u> | <u>195</u> |
| Total equity | | <u>485,833</u> | <u>738,773</u> |
| Liabilities | | | |
| Loans and borrowings | 24 | 94,251 | 137,079 |
| Lease Liabilities | | - | 88 |
| Deferred tax liabilities | | 3,930 | 11,091 |
| Total non-current liabilities | | <u>98,181</u> | <u>148,258</u> |
| Loans and borrowings | 24 | 53,940 | 117,854 |
| Lease Liabilities | | 88 | 1,016 |
| Trade and other payables | | 156,067 | 466,119 |
| Total current liabilities | | <u>210,095</u> | <u>584,989</u> |
| Total liabilities | | <u>308,276</u> | <u>733,247</u> |
| Total equity and liabilities | | <u>794,109</u> | <u>1,472,020</u> |
| Net assets per share | | | |
| attributable to the owners of the company (RM) | | <u>0.40</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 Fourth Quarter Ended 31 March 2023**

| | Individual | | Cumulative | |
|---|----------------|-----------|-----------------|-------------|
| | 3 months ended | | 12 months ended | |
| | 31-Mar | | 31-Mar | |
| | 2023 | 2022 | 2023 | 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 116,956 | 430,777 | 915,789 | 2,602,120 |
| Cost of sales * | (139,491) | (443,230) | (943,230) | (2,518,337) |
| Gross profit/(loss) | (22,535) | (12,453) | (27,441) | 83,783 |
| Other operating income/(expenses) ** | (66,329) | (10,888) | (178,416) | (8,321) |
| Distribution expenses | 340 | (6,718) | (12,181) | (42,914) |
| Administrative expenses | (4,451) | (7,823) | (23,645) | (34,243) |
| Result from operating activities | (92,975) | (37,882) | (241,683) | (1,695) |
| Finance income | 1,233 | 605 | 3,921 | 4,699 |
| Finance costs | (1,934) | (3,395) | (9,252) | (16,568) |
| Profit/(Loss) before tax | (93,676) | (40,672) | (247,014) | (13,564) |
| Tax expense | 6,770 | 10,800 | (5,679) | 1,412 |
| Profit/(Loss) for the period | (86,906) | (29,872) | (252,693) | (12,152) |
| Other comprehensive income/ (expenses), net of tax | | | | |
| Foreign currency translation difference for foreign operations | (96) | 123 | (247) | 288 |
| Total comprehensive income/ (expenses) for the period | (87,002) | (29,749) | (252,940) | (11,864) |
| Profit/(Loss) attributable to: | | | | |
| Owners of the company | (86,886) | (29,850) | (252,605) | (12,111) |
| Non-controlling interests | (20) | (22) | (88) | (41) |
| Profit/(Loss) for the period | (86,906) | (29,872) | (252,693) | (12,152) |
| Basic earnings per ordinary share | | | | |
| (sen) (Note 25) | (7.22) | (2.48) | (21.00) | (1.01) |
| Diluted earnings per ordinary share | | | | |
| (sen) (Note 26) | - | - | - | - |

* including allowance for slow moving inventories FY 2023-RM 7.0 million (FY 2022-RM 9.3 million) and provision for onerous contract FY 2023-RM 27.5 million (FY 2022-Nil)

** including impairment of goodwill FY 2023-RM 76.4 million (FY 2022 RM 0.13 million) and impairment of PPE RM 73.9 million (FY 2022-RM 12.0 million)

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

**Unaudited Consolidated Statement of Changes in Equity
For the Fourth Quarter Ended 31 March 2023**

| | Attributable to owners of the Company | | Distributable | | Total | Non-controlling interests | Total Equity |
|---|---------------------------------------|-----------------|------------------------------|-----------------------------|-----------|---------------------------|--------------|
| | Share Capital | Treasury Shares | Exchange fluctuation reserve | Reverse acquisition reserve | | | |
| | 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 | 195 | 738,773 |
| Foreign currency translation differences for foreign operations | - | - | (247) | - | - | - | (247) |
| Loss for the period | - | - | - | - | (252,605) | (88) | (252,693) |
| Total comprehensive income/(loss) for the period | - | - | (247) | - | (252,605) | (88) | (252,940) |
| At 31 Mar 2023 | 1,338,445 | (1,897) | 106 | (1,104,436) | 253,508 | 107 | 485,833 |
| At 1 April 2021 | 1,338,445 | (1,897) | 65 | (1,104,436) | 558,520 | - | 790,697 |
| Foreign currency translation differences for foreign operations | - | - | 288 | - | - | - | 288 |
| Profit for the period | - | - | - | - | (12,111) | (41) | (12,152) |
| Total comprehensive income/(loss) for the period | - | - | 288 | - | (12,111) | (41) | (11,864) |
| Dividends to owners of the company | - | - | - | - | (40,296) | - | (40,296) |
| Total transactions with owners of the Company | - | - | - | - | (40,296) | - | (40,296) |
| Acquisition of a subsidiary | - | - | - | - | - | 236 | 236 |
| At 31 Mar 2022 | 1,338,445 | (1,897) | 353 | (1,104,436) | 506,113 | 195 | 738,773 |

ATA IMS Berhad

(Company No. 190155-M)

(Incorporated in Malaysia)

**Unaudited Condensed Consolidated Statement of Cash Flows
For the Fourth Quarter Ended 31 March 2023**

| | 12 months ended | |
|--|------------------|------------------|
| | 31-Mar | |
| | 2023 | 2022 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Profit/(loss) before tax | (247,014) | (13,564) |
| Adjustment for:- | | |
| Depreciation of property, plant and equipment | 44,592 | 47,988 |
| Depreciation of right-of-use assets | 647 | 2,019 |
| Finance costs | 9,252 | 16,568 |
| Finance income | (3,921) | (4,699) |
| Gain on disposal of property, plant and equipment | (5,349) | (3,362) |
| Property, plant and equipment written off | 6,667 | 161 |
| Impairment of goodwill | 76,414 | 127 |
| Impairment loss of plant and equipment | 73,843 | 12,000 |
| Provision for onerous contract | 27,500 | - |
| Provision for restoration costs | (480) | 1,100 |
| Provision for litigation claims | (365) | 2,700 |
| Reversal of Impairment loss on trade receivables | - | (25) |
| Unrealised gain on foreign exchange | (2,248) | (1,994) |
| Allowance for slow moving inventories | 6,995 | 9,277 |
| Inventories written-down to net realisable value | 1,526 | 343 |
| Operating profit/(loss) before changes in working capital | <u>(11,941)</u> | <u>68,639</u> |
| Changes in inventories | 208,332 | 134,082 |
| Changes in contract assets | 20,769 | 33,730 |
| Changes in trade and other receivables | 280,837 | 551,830 |
| Changes in trade and other payables | (326,796) | (474,869) |
| Changes in contract liabilities | - | (198) |
| Changes in derivative financial assets | - | 213 |
| Cash generated from operations | <u>171,201</u> | <u>313,427</u> |
| Tax Paid | <u>(15,153)</u> | <u>(33,004)</u> |
| Net cash from operating activities | <u>156,048</u> | <u>280,423</u> |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (11,784) | (57,451) |
| Acquisition of subsidiary, net of cash and cash equivalents acquired | - | (58) |
| Proceeds from disposal of property, plant and equipment | 23,928 | 7,392 |
| Change in pledged deposits | - | 8,982 |
| Interest received | 3,921 | 4,699 |
| Net cash from/(used in) investing activities | <u>16,065</u> | <u>(36,436)</u> |
| Cash flows from financing activities | | |
| Repayment of term loans | (4,751) | (4,414) |
| Repayment of bankers' acceptance | (49,180) | (223,666) |
| Repayment of supply chain financing | - | (78,644) |
| Repayment of hire purchase liabilities | (42,066) | 2,136 |
| Payment of lease liabilities | (822) | (2,130) |
| Dividend paid to owners of the Company | - | (40,296) |
| Repayment of revolving credits | (10,000) | (23,000) |
| Interest paid | (9,252) | (16,568) |
| Net cash used in financing activities | <u>(116,071)</u> | <u>(386,582)</u> |

ATA IMS Berhad
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 (Incorporated in Malaysia)

**Unaudited Condensed Consolidated Statement of Cash Flows
 For the Fourth Quarter Ended 31 March 2023**

| | 12 months ended | |
|--|-----------------|----------------|
| | 31-Mar | |
| | 2023 | 2022 |
| | RM'000 | RM'000 |
| Net increase/(decrease) in cash and cash equivalents | 56,042 | (142,595) |
| Effect of exchange rate fluctuation on cash held | (233) | 293 |
| Cash and cash equivalents at 1 April | 199,924 | 342,226 |
| Cash and cash equivalents at 31 March | <u>255,733</u> | <u>199,924</u> |
| Cash and cash equivalents comprise: | | |
| Cash and bank balances | 183,532 | 191,024 |
| Fixed deposits with licensed banks | 72,201 | 9,648 |
| Cash and cash equivalents in the statements of financial position | <u>255,733</u> | <u>200,672</u> |
| Less: Pledged deposits | - | - |
| Bank overdrafts | - | (748) |
| Cash and cash equivalents in the statements of cash flow | <u>255,733</u> | <u>199,924</u> |

ATA IMS Berhad

(Company No. 190155-M)

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Part A

Selected explanatory notes pursuant to MFRS 134

For the Fourth Quarter Ended 31 March 2023

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 – 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 1 January 2024

- Amendment to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
- Amendment to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current

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

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Part A

Selected explanatory notes pursuant to MFRS 134

For the Fourth Quarter Ended 31 March 2023

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 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

On 30 March 2023, the Company acquire a dormant company, Newtec Sdn. Bhd. with an issued and paid up capital of RM2.00.

10 Seasonal or cyclical factors

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

ATA IMS Berhad

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Part A

Selected explanatory notes pursuant to MFRS 134

For the Fourth Quarter Ended 31 March 2023

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

Property, plant and equipment

Contracted but not provided for

31-Mar-2023

RM'000

172

13 Related party transactions

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

| | 12 months ended | |
|-----------|-----------------|---------|
| | 31-Mar | |
| | 2022 | 2022 |
| | RM'000 | RM'000 |
| Sales | 14,555 | 11,419 |
| Purchases | 89,090 | 504,923 |

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.

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ATA IMS Berhad

(Company No. 190155-M)

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Part B

Explanatory notes pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia For the Fourth Quarter Ended 31 March 2023

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

| | Individual | | Cumulative | |
|-------------------------------|----------------|----------|-----------------|-----------|
| | 3 months ended | | 12 months ended | |
| | 31-Mar | | 31-Mar | |
| | 2023 | 2022 | 2023 | 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Group Revenue | 116,956 | 430,777 | 915,789 | 2,602,120 |
| Profit/(loss) before taxation | (93,676) | (40,672) | (247,014) | (13,564) |
| Profit/(loss) after taxation | (86,906) | (29,872) | (252,693) | (12,152) |

For the current quarter under review, the Group recorded a lower turnover of RM117.0 million, a decrease of RM 313.8 million or 72.8% as compared to the corresponding quarter in financial year 2022. The Group incurred a Loss before tax of RM93.7 million or an increase of RM53.0 million or 130.3% compared to the preceding year quarter.

For the period ended 31 March 2023, the Group recorded revenue of RM915.8 million as compared to RM 2,602.1 million recorded in the preceding year. Loss before tax increase by RM233.5 million to RM247.0 million or 1721.1% over the same period

The decrease in revenue and increase in loss before tax was mainly attributable to the termination of contracts by the major customer with ATA Industrial (M) Sdn. Bhd., Jabco Filter System Sdn Bhd and Winsheng Plastic Industry Sdn Bhd. coupled with provision for onerous contract, impairment of assets and goodwill.

16 Variation of results against the immediate preceding quarter

| | Individual | |
|-------------------------------|------------|-----------|
| | 31-Mar | 31-Dec |
| | RM'000 | RM'000 |
| Group Revenue | 116,956 | 191,040 |
| Profit/(loss) before taxation | (93,676) | (142,553) |
| Profit/(loss) after taxation | (86,906) | (147,422) |

For the current quarter under review the Group recorded an RM 117.0 million or 38.8% reduction in revenue and registered a loss before tax of RM 93.7 million, which was a reduction in the loss before tax by RM 48.9 million or 34.3% against the immediate preceding quarter. The decrease in revenue was mainly attributable to the termination of contracts by the major customer with ATA Industrial (M) Sdn. Bhd. as explained in Note 15 above.

The reduction in loss before tax was due to impairment of goodwill which was taken up in the immediate preceding quarter.

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Part B

Explanatory notes pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia For the Fourth Quarter Ended 31 March 2023

17 Current year prospects

Further to the termination of business contracts of ATA Industrial (M) Sdn Bhd with Dyson as announced on 25 November 2021, and between Jabco Filter System Sdn Bhd and Winsheng Plastic Industry Sdn Bhd with Dyson as announced on 23 December 2022, the Company is undertaking continuous downsizing and cost cutting measures, which includes reducing production capacity by selling excess assets, discontinuing rented factories and reducing work force and stock holdings.

As a result of these efforts, the Company has net current assets amounting to RM375.4 million, with working capital ratio improving from 1.77 times in financial year 2022 to 2.78 in the current year. Cash less borrowings has also improved to RM107.5 million, compared to a deficit of RM55.0 million in the previous year. The Company will therefore be able to meet its financial obligations when they become due, and is in a better financial position to take on new business opportunities and to face the challenging economic conditions in this new financial year.

The Company is actively engaging in business development to secure new customers and new business prospects in response to the termination of contracts to ensure sustainability.

18 Profit forecast

Not applicable.

19 Tax expense

| | Individual 3 months ended 31-Mar | | Cumulative 12 months ended 31-Mar | |
|-------------------------|--|-----------------|---|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Malaysian - current | | | | |
| Tax expense | (212) | 484 | 10,007 | 11,577 |
| Deferred tax | 3,682 | (9,977) | 2,866 | (11,682) |
| Malaysian - prior years | | | | |
| Tax expense | (6,883) | (4,634) | (3,892) | (4,634) |
| Deferred tax | (3,357) | 3,327 | (3,302) | 3,327 |
| | <u>(6,770)</u> | <u>(10,800)</u> | <u>5,679</u> | <u>(1,412)</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.

20 Status of Corporate Proposals

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

ATA IMS Berhad

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Part B

Explanatory notes pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia For the Fourth Quarter Ended 31 March 2023

21 Changes in material litigation

(a) United Max Construction Sdn Bhd

Reference is made to the announcement made by the ATA IMS Berhad (“ATAIMS” or “the Company”) on 31 May 2022, 3 June 2022, 7 June 2022, 28 June 2022, 15 July 2022, 9 December 2022 and 18 January 2023 relating to the receipt of a sealed copy of Writ of Summons and Statement of Claim by ATAIMS’s wholly owned subsidiary ATA Industrial (M) Sdn Bhd (“AIM”), dated 29 April 2021 filed by United Max Construction Sdn Bhd (“United Max”), via a suit no. JA-B52NCC-43-04/2021 filed at the Johor Bahru Sessions Court. The trial at the Sessions Court for the case has been postponed to 30 and 31 July 2023.

However, on 2 March 2023, AIM received a letter dated 28 February 2023 from AIM’s lawyer informing of the receipt of a sealed copy of a Writ of Summons number JA-24NCvC-104-01/2023 dated 31 January 2023 from the Plaintiff’s lawyer to apply for the original case number JA-B52NCC-43-04/2021 to be transferred to the Johor Bahru High Court, the reason cited being the amount of the claim exceeds the authority of the sessions court.

The Plaintiff had also amended their Statement of Claim stating that they are no longer claiming for mesne profits of RM2,155,140.00, and will only be claiming two times of the rental of RM1,810,317.60 and repair costs of RM914,036.00.

The hearing date to decide whether consent will be given for the Plaintiff’s application to transfer the case to the High Court has been postponed to a date yet to be fixed.

(b) Johnson Electric Industrial Manufactory Limited

Reference is made to the announcement made by the ATAIMS on 1 March 2023 that its wholly owned subsidiary AIM had on 28 February 2023 received a sealed copy of Writ of Summons and Statement of Claim dated 24 February 2023 filed by Johnson Electric Industrial Manufactory Limited (“Johnson”) via suit no. JA-22NCC-15-02/2023 filed in the High Court of Malaya at Johor Bahru, Johor.

On 20 April 2023 ATAIMS announced that both parties had reached an amicable settlement by way of Consent Judgement before the High Court of Johor Bahru on 4 Apr 2023, and the Company had received the sealed copy of the Consent Judgement dated 17 April 2023 on 20 April 2023.

This Consent Judgement marks the end of legal proceedings relating to this Writ of Summons. For details of the case and claims by Johnson, please refer to the company’s announcements on 1 March 2023 and 20 April 2023.

(c) Intag Industrial Supplies Sdn Bhd

Reference is made to the announcement made by ATAIMS on 26 April 2023 relating to the receipt of a sealed copy of Writ of Summons and Statement of Claim by ATAIMS’s wholly owned subsidiary AIM dated 18 April 2023 filed by Intag Industrial Supplies Sdn Bhd (“Intag”) via suit no. JA-22NCC-29-04/2023 filed in the High Court of Malaya at Johor Bahru, Johor.

AIM has appointed Messrs GK Sritharan & Co as its lawyers and to file its defense. For details of the case and claims by Intag, please refer to the company’s announcement dated 26 April 2023.

(d) Intag Industrial Supplies Sdn Bhd

Reference is made to the announcement made by ATAIMS on 24 May 2023 that its wholly owned subsidiary Jabco Filter System Sdn Bhd (“Jabco”) had received a sealed copy of Writ of Summons and Statement of Claim dated 18 May 2023 filed by Intag Industrial Supplies Sdn Bhd (“Intag”) via suit no. JA-22NCC-35-05/2023 filed in the High Court of Malaya at Johor Bahru, Johor.

The Group is seeking legal advice before deciding its next course of action. For details of the case and claims by Intag, please refer to the company’s announcement dated 24 May 2023.

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Part B

Explanatory notes pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia For the Fourth Quarter Ended 31 March 2023

22 Dividends payable

No dividend has been recommended for the current quarter.

23 Profit for the period

| | 12 months ended | |
|--|-----------------|---------|
| | 31-Mar | |
| | 2023 | 2022 |
| | RM'000 | RM'000 |
| Profit for the period is arrived at after charging /(crediting): | | |
| Depreciation of property, plant and equipment | 44,592 | 47,988 |
| Depreciation of right-of-use assets | 647 | 2,019 |
| Net foreign exchange loss/(gain) | (5,034) | (4,783) |
| Finance costs | 9,252 | 16,568 |
| Finance income | (3,921) | (4,699) |
| Gain on disposal of property, plant and equipment | (5,349) | (3,362) |
| Property, plant and equipment written off | 6,667 | 161 |
| Impairment of goodwill | 76,414 | 127 |
| Impairment loss of plant and equipment | 73,843 | 12,000 |
| Provision for onerous contract | 27,500 | - |
| Provision for restoration costs | (480) | 1,100 |
| Provision for litigation claims | (365) | 2,700 |
| Reversal of Impairment loss on trade receivables | - | (25) |
| Allowance for slow moving inventories | 6,995 | 9,277 |
| Inventories written-down to net realisable value | 1,526 | 343 |

24 Group borrowings

| | 31 Mar 2023 | 31 Mar 2022 |
|---------------------------|----------------|----------------|
| | RM'000 | RM'000 |
| Secured | | |
| Non-Current | | |
| Hire purchase liabilities | 51,781 | 90,026 |
| Term loans | 42,470 | 47,053 |
| | <u>94,251</u> | <u>137,079</u> |
| Current | | |
| Bank overdraft | - | 748 |
| Bankers acceptance | 15,916 | 65,095 |
| Hire purchase liabilities | 31,293 | 35,113 |
| Revolving credit | 2,000 | 12,000 |
| Term loans | 4,731 | 4,898 |
| | <u>53,940</u> | <u>117,854</u> |
| Total | <u>148,191</u> | <u>254,933</u> |

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 Fourth Quarter Ended 31 March 2023****25 Basic earnings per share**

| | Individual 3 months ended 31-Mar | | Cumulative 12 months ended 31-Mar | |
|---|--|----------------|---|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Profit/(Loss) attributable to owners of the company (RM'000) | (86,886) | (29,850) | (252,605) | (12,111) |
| Weighted average number of ordinary shares in issue ('000) | 1,202,864 | 1,202,864 | 1,202,864 | 1,202,864 |
| Basic earnings per share (sen per share) | (7.22) | (2.48) | (21.00) | (1.01) |

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 30 May 2023.

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