



ATA IMS Berhad
(Registration No. 198901012846 (190155-M))
(Incorporated in Malaysia)
and its subsidiaries

**Interim Financial Statements
For the Third Quarter Ended
31 December 2023**

ATA IMS Berhad
(Registration No. 198901012846 (190155-M))
(Incorporated in Malaysia)

Interim Financial Statements
For the Third Quarter Ended 31 December 2023

<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	4-5
Part A	
Selected explanatory notes pursuant to MFRS 134, Interim Financial Reporting in Malaysia and IAS 34, Interim Financial Reporting	6-8
Part B	
Explanatory notes pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia	9-13

ATA IMS Berhad
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(Incorporated in Malaysia)

Unaudited Condensed Consolidated Statement of Financial Position
As at 31 December 2023

	Note	31.12.2023 RM'000	31.03.2023 RM'000 Audited
Assets			
Property, plant and equipment		187,768	207,282
Right-of-use assets		--	85
Deferred tax assets		1,685	282
Total non-current assets		189,453	207,649
Inventories		71,594	80,047
Contract assets		5,508	32,042
Trade and other receivables		136,740	154,310
Current tax assets		30,517	30,827
Cash and cash equivalents		245,504	255,904
		489,863	553,130
Assets classified as held for sale		12,582	15,496
Total current assets		502,445	568,626
Total assets		691,898	776,275
Equity			
Share capital		1,338,445	1,338,445
Treasury Shares		(1,897)	(1,897)
Reserves		(1,104,333)	(1,104,332)
Retained earnings		210,243	251,574
Equity attributable to owners of the Company		442,458	483,790
Non-controlling interests		36	107
Total equity		442,494	483,897
Liabilities			
Loans and borrowings	24	69,213	94,250
Total non-current liabilities		69,213	94,250
Loans and borrowings	24	55,308	53,941
Lease liabilities		--	88
Trade and other payables		124,883	143,773
Contract liabilities		--	326
Total current liabilities		180,191	198,128
Total liabilities		249,404	292,378
Total equity and liabilities		691,898	776,275
Net assets per share attributable to the owners of the company		0.37	0.40

ATA IMS Berhad
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**Unaudited Condensed Consolidated Statement of Profit or Loss and Other
Comprehensive Income
For the Third Quarter Ended 31 December 2023**

	Note	Individual 3 months ended 31-Dec		Cumulative 9 months ended 31-Dec	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue		110,380	191,040	310,058	798,833
Cost of sales		(114,909)	(205,583)	(336,521)	(803,739)
Gross loss		(4,529)	(14,543)	(26,463)	(4,906)
Other income/(other expenses)		290	(118,608)	2,513	(112,086)
Distribution expenses		(310)	(2,170)	(1,705)	(12,520)
Administrative expenses		(4,329)	(5,918)	(14,467)	(19,194)
Result from operating activities		(8,878)	(141,239)	(40,122)	(148,706)
Finance income		1,878	1,093	5,479	2,688
Finance costs		(1,670)	(2,407)	(5,312)	(7,318)
Loss before tax		(8,670)	(142,553)	(39,955)	(153,336)
Tax expense		(753)	(4,869)	(1,446)	(12,450)
Loss for the period		(9,423)	(147,422)	(41,401)	(165,786)
Other comprehensive income/ (expenses), net of tax		-	-	-	-
Foreign currency translation difference for foreign operations		(1)	(320)	(1)	(151)
Total comprehensive expenses for the period		(9,424)	(147,742)	(41,402)	(165,937)
Loss attributable to:					
Owners of the company		(9,399)	(147,405)	(41,330)	(165,718)
Non-controlling interests		(24)	(17)	(71)	(68)
Loss for the period		(9,423)	(147,422)	(41,401)	(165,786)
Basic earnings per ordinary share (sen)	25	(0.78)	(12.25)	(3.44)	(13.78)
Diluted earnings per ordinary share (sen)	26	-	-	-	-

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(Incorporated in Malaysia)

Unaudited Condensed Consolidated Statement of Changes in Equity

For the Third Quarter Ended 31 December 2023

Note	Attributable to owners of the Company							Non-controlling interest RM'000	Total equity RM'000
	Non-distributable			Distributable					
	Share capital RM'000	Treasury shares RM'000	Exchange fluctuation reserve RM'000	Reverse accounting reserve RM'000	Retained earnings RM'000	Total RM'000			
At 1 April 2023	1,338,445	(1,897)	104	(1,104,436)	251,574	483,790	107	483,897	
Foreign currency translation differences for foreign operation/	--	--	(1)	--	--	(1)	--	(1)	
Loss for the period	--	--	--	--	(41,331)	(41,331)	(71)	(41,402)	
Total comprehensive income/ (expense) for the year	--	--	--	--	(41,331)	(41,332)	(71)	(41,403)	
<i>Contributions by and distributions to owners of the Company</i>									
At 31 December 2023	1,338,445	(1,897)	103	(1,104,436)	210,243	442,458	36	442,494	
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 operation/	--	--	(151)	--	--	(151)	--	(151)	
Loss for the period	--	--	--	--	(165,718)	(165,718)	(68)	(165,786)	
Total comprehensive income/ (expense) for the year	--	--	--	--	(165,718)	(165,869)	(68)	(165,937)	
<i>Contributions by and distributions to owners of the Company</i>									
At 31 December 2022	1,338,445	(1,897)	202	(1,104,436)	340,395	572,709	127	572,836	

ATA IMS Berhad
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Unaudited Condensed Consolidated Statement of Cash Flows
For the Third Quarter Ended 31 December 2023

	Note	9 months ended	
		31.12.2023	31.12.2022
		RM'000	RM'000
Cash flows from operating activities			
Loss before tax		(39,955)	(153,336)
Adjustments for:			
Depreciation:			
- Property, plant and equipment		13,014	34,723
- Right-of-use assets		85	766
Finance income		(5,479)	(2,688)
Finance costs		5,312	7,318
(Reversal of impairment loss)/			
Impairment loss on:			
- Trade receivables		--	(25)
- Other receivables		17	--
Property, plant and equipment:			
- Gain on disposal		(977)	(5,526)
- Impairment loss / (Reversal of impairment loss)		(818)	41,000
- Written-off		161	2,009
Impairment of goodwill		--	76,414
Unrealised loss on foreign exchange		464	1,292
Inventories:			
- Allowance/ (Reversal of allowance) slow moving		(5,128)	15,837
- Reversal of written-off		(269)	(3)
Operating profit/(loss) before changes in working capital		<u>(33,573)</u>	<u>17,781</u>
Change in inventories		13,850	183,158
Change in contract assets		26,534	16,815
Change in trade and other receivables		17,554	211,496
Change in trade and other payables		(18,334)	(286,881)
Change in contract liabilities		(326)	--
Cash generated from operations		<u>5,705</u>	<u>142,369</u>
Tax paid		(2,539)	(9,748)
Net cash from operating activities		<u>3,166</u>	<u>132,621</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(1,426)	(9,189)
Proceeds from disposal of property, plant and equipment		11,454	16,796
Interest received		5,479	2,688
Net cash from investing activities		<u>15,507</u>	<u>10,295</u>

ATA IMS Berhad
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Unaudited Condensed Consolidated Statement of Cash Flows
For the Third Quarter Ended 31 December 2023
(continued)

	Note	9 months ended	
		31.12.2023	31.12.2022
		RM'000	RM'000
Cash flows from financing activities			
Repayment of term loans		(3,377)	(3,583)
(Repayment of)/Proceeds from bankers' acceptances		6,678	(32,969)
Repayment of hire purchase liabilities		(24,973)	(32,987)
Payment of lease liabilities		(88)	(934)
Repayment of revolving credits		(2,000)	(10,000)
Interest paid		(5,312)	(7,318)
Net cash used in financing activities		<u>(29,072)</u>	<u>(87,791)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(10,399)</u>	<u>55,125</u>
Effect of exchange rate fluctuation on cash held		(1)	(151)
Cash and cash equivalents at 1 April		255,904	199,924
Cash and cash equivalents at 31 December		<u>245,504</u>	<u>254,898</u>
Cash and cash equivalents comprise:			
Cash and bank balances		94,619	186,801
Fixed deposits with licensed bank		150,885	69,888
Cash and cash equivalents in the statements of financial position		<u>245,504</u>	<u>256,689</u>
Less: Bank Overdrafts		--	(1,791)
Cash and cash equivalents in the statements of cash flow		<u>245,504</u>	<u>254,898</u>

Part A

Selected explanatory notes pursuant to MFRS 134 For the Third Quarter Ended 31 December 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 20223.

(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 2023.

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 2024

- Amendments to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107, Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

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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(Registration No. 198901012846 (190155-M))
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Part A

**Selected explanatory notes pursuant to MFRS 134
For the Third Quarter Ended 31 December 2023**

The Group and the Company plan 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 2023 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 Group had on 28 September 2022 ceased the electronic and electrical components manufacturing operations of ATA Components Sdn Bhd ("ATC") and transferred the fixed assets to its related company, ATA Industrial (M) Sdn Bhd. On 29 December 2023, the Group commenced the voluntary winding up of ATC. The net assets of ATC represents 0.09% of the Group as at 31 March 2023, while revenue and loss before tax represents 0.3% and 0.7% of the Group respectively.

ATA IMS Berhad
(Registration No. 198901012846 (190155-M))
(Incorporated in Malaysia)

Part A

**Selected explanatory notes pursuant to MFRS 134
For the Third Quarter Ended 31 December 2023**

In addition to this, the voluntary winding up of ATA Industries Denmark ApS (“ATAD”) is also in progress. ATAD did not commence operations since its incorporation. The net loss before tax and net liabilities of ATAD represent 0.6% and 2.0% of the Group’s loss before tax and net assets as at 31 March 2023 respectively.

There are no other major changes in the composition of the Group for the current quarter and financial year todate, other than those disclosed above.

10. Seasonal or cyclical factors

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

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

	31-Dec-2023
	RM’000
Property, plant and equipment	
Contracted but not provided for	<u>1,237</u>

13. Related party transactions

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

	9 months ended	
	31-Dec	
	2023	2022
	RM’000	RM’000
Sales	5,986	13,407
Purchases	<u>56,726</u>	<u>74,713</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.

Part B

**Explanatory notes pursuant to Appendix 9B of the Listing Requirement of
Bursa Malaysia**

For the Third Quarter Ended 31 December 2023

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

	Individual		Cumulative	
	3 months ended		9 months ended	
	31-Dec		31-Dec	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Group Revenue	110,380	191,040	310,058	798,833
Loss before taxation	(8,670)	(142,553)	(39,955)	(153,336)
Loss after taxation	(9,423)	(147,422)	(41,401)	(165,786)

For the current quarter under review, the Group recorded a lower turnover of RM 110.4 million, a decrease of RM 80.7 million or 42.2% as compared to the corresponding quarter in 2022. Loss before tax reduced 93.9% or RM 133.9 million to RM 8.7 million over the same period.

For the period ended 31 December 2023, the Group recorded a revenue of RM 310.1 million as compared to RM 798.8 million recorded in the preceding year. Loss before tax reduced from RM 153.3 million in the previous period to RM 40.0 million in the current period.

The decrease in revenue was mainly attributable by a reduction in sales orders. The reduction in loss before tax was mainly due to impairment of goodwill, impairment of plant and equipment, provision of slow-moving stock which was taken up in the previous period.

16. Variation of results against the immediate preceding quarter

	Individual	
	31-Dec	30-Sep
	RM'000	RM'000
Group Revenue	110,380	117,431
Loss before taxation	(8,670)	(13,688)
Loss after taxation	(9,423)	(13,560)

For the current quarter under review the Group recorded an RM 110.4 million or 6.0% decrease in revenue and registered a lower loss before tax of RM 8.7 million, which was a reduction in the loss before tax by RM 5.0 million or 36.7% against the immediate preceding quarter.

The decrease in revenue and loss before tax was mainly due to a reduction in sales orders from existing customers while the lower loss before taxation was due to continued reduction in downsizing and cost cutting activities.

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Part B

**Explanatory notes pursuant to Appendix 9B of the Listing Requirement of
Bursa Malaysia**

For the Third Quarter Ended 31 December 2023

17. Current year prospects

As a result of the streamlining and rationalisation activities over the last few quarters, the Group now has net current assets amounting to RM322.3 million, with working capital ratio maintaining at approximately 2.79 times which was a slight reduction from the financial year 2023 of 2.87 times. Cash less borrowings improved to RM121 million compared to RM107 million in the previous year. The Group 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.

With significant focus and efforts made into environmental, social and governance (“ESG”) initiatives, coupled with continuous active engagement in business development, the Group hopes to secure more new customers and new business prospects in the coming year.

18. Profit forecast

Not applicable.

19. Tax expense

	Individual		Cumulative	
	3 months ended		9 months ended	
	31-Dec		31-Dec	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Malaysian - current				
Tax expense	618	4,799	2,378	10,220
Deferred tax	(401)	(14)	(365)	(816)
Malaysian - prior years				
Tax expense	--	30	--	2,991
Deferred tax	536	54	(567)	55
	<u>753</u>	<u>4,869</u>	<u>1,446</u>	<u>12,450</u>

The current tax expense for the Group arose from interest and others income.

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Part B

Explanatory notes pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia

For the Third Quarter Ended 31 December 2023

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

(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 trial has been postponed to 8 and 9 May 2024 in the Johor Bahru High Court.

(b) 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 had appointed Messrs GK Sritharan & Co as its lawyers and to file its defense. The plaintiff proceeded to file for Summary Judgement and the Court had on 13 September 2023 allowed the said summary judgement. AIM has paid the balance outstanding as per the plaintiff’s settlement of claims of RM2,141,255.44 together with interest amounting to RM83,890.28 and taken possession of the goods. However AIM had filed an appeal to the Court of Appeal, and we are waiting for a date of the case management to be heard.

For details of the case and claims by Intag, please refer to the company's announcement dated 26 April 2023.

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(Incorporated in Malaysia)

Part B

**Explanatory notes pursuant to Appendix 9B of the Listing Requirement of
Bursa Malaysia**

For the Third Quarter Ended 31 December 2023

(c) 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.

Jabco had appointed Messrs GK Sritharan & Co as its lawyers and to file its defense. The plaintiff proceeded to file for Summary Judgement and the hearing has been postponed to 27 June 2024.

For details of the case and claims by Intag, please refer to the company's announcement dated 24 May 2023.

22. Dividends payable

No dividend has been recommended for the current quarter.

23. Profit for the period

	9 months ended	
	31-Dec	
	2023	2022
	RM'000	RM'000
Profit for the period is arrived at after charging /(crediting):		
Depreciation of property, plant and equipment	13,014	34,723
Depreciation of right-of-use assets	85	766
Net foreign exchange loss	407	1,334
Finance income	(5,479)	(2,688)
Finance costs	5,312	7,318
Property, plant, and equipment:		
- Gain on disposal	(977)	(5,526)
- Impairment loss/ (Reversal of impairment loss)	(818)	41,000
- Written-off	161	2,009
Impairment loss/ (Reversal of impairment loss) on trade receivables/other receivables	17	(25)
Allowance/ (Reversal of allowance) slow moving inventories	(5,128)	15,837
Reversal of inventories written-off	(269)	(3)

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Part B

**Explanatory notes pursuant to Appendix 9B of the Listing Requirement of
Bursa Malaysia**

For the Third Quarter Ended 31 December 2023

24. Group borrowings

	31-Dec-2023	31-Mar-2023
	RM'000	RM'000
Secured		
Non-Current		
Hire purchase liabilities	30,130	51,780
Term loans	39,083	42,470
	<u>69,213</u>	<u>94,250</u>
Current		
Bankers acceptance	22,595	15,916
Hire purchase liabilities	27,972	31,293
Revolving credit	--	2,000
Term loans	4,741	4,732
	<u>55,308</u>	<u>53,941</u>
Total	<u><u>124,521</u></u>	<u><u>148,191</u></u>

25. Basic earnings per share

	Individual		Cumulative	
	3 months ended		9 months ended	
	31-Dec		31-Dec	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Loss attributable to owners of the company (RM'000)	(9,399)	(147,405)	(41,330)	(165,718)
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)	(0.78)	(12.25)	(3.44)	(13.78)

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 February 2024.