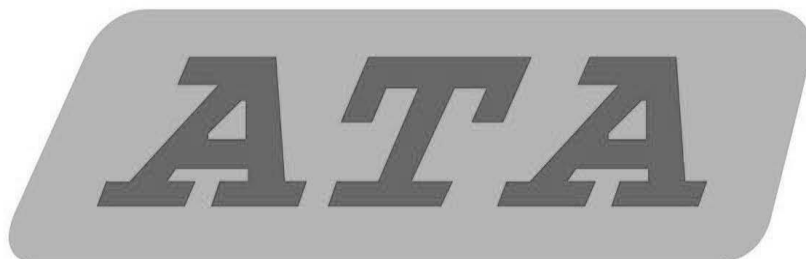


THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused the contents of the Circular in respect of the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature, and takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



ATA IMS BERHAD

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

**CIRCULAR TO SHAREHOLDERS IN RELATION TO
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The above proposals will be tabled at the Thirty Third Annual General Meeting ("33rd AGM") of ATA IMS Berhad to be held at the Conference Room, No.6 Jalan Dewani 1, Kawasan Perindustrian Dewani, 81100 Johor Bahru, Johor Darul Takzim on Wednesday, 24 August 2022 at 11:00 a.m.. The Notice of the 33rd AGM which sets out the resolution to consider the abovementioned proposals together with the Form of Proxy relating thereto are set out in the Annual Report 2022 of the Company despatched together with this Circular.

If you are unable to participate and vote in person at the forthcoming AGM, you may appoint proxy/(ies) to participate, speak and vote on your behalf at the 33rd AGM, the Proxy Form should be completed and deposited at our share registrars' office at Unit 32-01 Level 32 Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No.5 Jalan Kerinchi, 59200 Kuala Lumpur, no later than forty-eight (48) hours before the time set for the meeting or at any adjournment thereof. The lodgement of the Form of Proxy will not preclude you from participating and voting in person at the meeting should you subsequently wish to do so.

The last date and time for lodging the Form of Proxy : Monday, 22 August 2022 at 11:00 a.m.
Date and time of the Annual General Meeting : Wednesday, 24 August 2022 at 11:00 a.m.

This Circular is dated 26 July 2022

Except where the context otherwise requires, the following words and abbreviations shall apply throughout this Circular and have the following meanings:

Act	:	The Companies Act 2016, as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting of ATA IMS
AIM	:	ATA Industrial (M) Sdn Bhd [<i>199101020744 (231055-D)</i>]
Audit Committee	:	Audit Committee of ATA IMS, comprising of Koh Win Ton, Lee Kok Jong and Elizabeth Shanti A/P Frank Louis, collectively
ATA Components	:	ATA Components Sdn Bhd [<i>201901005842 (1315169K)</i>]
ATA IMS	:	ATA IMS Berhad [<i>198901012846 (190155-M)</i>]
Board	:	Board of Directors of ATA IMS
Bursa Securities	:	Bursa Malaysia Securities Berhad [<i>(200301033577 (635998-W))</i>]
Circular	:	This circular dated 26 July 2022 to the shareholders of ATA IMS in relation to the Proposed Renewal of Shareholders' Mandate
Code	:	The Malaysian Code on Take-Overs and Mergers, 2010 (revised) and any amendments made thereto from time to time
Director(s)	:	Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and for the purpose of the Proposed Renewal of Shareholders' Mandate, includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of ATA IMS, its subsidiary or holding company, in accordance with the definition in Chapter 10 of the Listing Requirements
EPS	:	Earnings Per Share
FYE	:	Financial year ended/financial year ending
Group	:	ATA IMS and its subsidiaries, collectively
IMS	:	Integrated Manufacturing Solutions Sdn Bhd [<i>200901004164 (847091-K)</i>]
Jabco	:	Jabco Filter System Sdn Bhd [<i>200901004163 (847090-W)</i>]
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time
LPD	:	30 June 2022, being the latest practicable date prior to the issuance of this Circular

Major Shareholder(s)	<p>: A person who has an interest or interests in one (1) or more voting shares in ATA IMS and the number or the aggregate number of such shares, is:</p> <p>(a) ten percent (10%) or more of the aggregate of all the voting shares in ATA IMS; or</p> <p>(b) five (5%) or more of the total number of all the voting shares in ATA IMS where such person is the largest shareholder of ATA IMS;</p> <p>For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act and for the purpose of the Proposed Renewal of Shareholders’ Mandate, a Major Shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of ATA IMS or any other corporation which is its subsidiary or holding company, in accordance with the definition in Chapter 10 of the Listing Requirements</p>
Microtronics	<p>: Microtronics Technology Sdn Bhd [201101027377 (955512-M)]</p>
NA	<p>: Net Assets</p>
Oregon	<p>: Oregon Technology Sdn Bhd [201701000141 (1214291-X)]</p>
Person(s) Connected	<p>: In relation to a Director or Major Shareholder, means such person who falls under any one of the following categories:</p> <p>(i) a family member of the Director or Major Shareholder;</p> <p>(ii) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director, Major Shareholder or a family member of the Director or Major Shareholder, is the sole beneficiary</p> <p>(iii) a partner of the Director or Major Shareholder;</p> <p>(iv) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;</p> <p>(v) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;</p> <p>(vi) a body corporate in which the Director, Major Shareholder or persons connected with the director or major shareholder are entitled to exercise, or control the exercise of, not less than twenty percent (20%) of the votes attached to voting shares in the body corporate; or</p> <p>(vii) a body corporate which is a related corporation of the Director or Major Shareholder.</p>
Proposed Renewal of Shareholders’ Mandate	<p>: Proposed renewal of shareholders’ mandate for the Recurrent Related Party Transactions, the details of which are set out in Section 4 of this Circular</p>
Recurrent Transactions	<p>: RRPT as set out in Section 4.3 of this Circular, which are the subject of the Proposed Renewal of Shareholders’ Mandate</p>
Related Party(ies)	<p>: A Director, Major Shareholder or Person Connected with such Director or Major Shareholder, who are interested in the Recurrent Transactions as set out in Section 4.2 of this Circular</p>

RRPT	:	Recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations
RM and sen	:	Ringgit Malaysia and sen, respectively
Shares	:	Ordinary shares of ATA IMS
Winsheng	:	Winsheng Plastic Industry Sdn Bhd [199301018134 (272872-M)]

In this Circular, words referring to the singular shall, where applicable, include the plural and vice versa, and words referring to the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any legislation is a reference to that legislation as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

All references to "we", "us", "our", "ourselves", "our Company" or "ATA IMS" in this Circular are to ATA IMS Berhad and references to "our Group" are to our Company and subsidiaries collectively. All references to "you" or "your" in this Circular are to the shareholders of ATA IMS who are entitled to attend and vote at the 33rd AGM and whose names appear in our Record of Depositors at the time and on the date to be determined at a later date.

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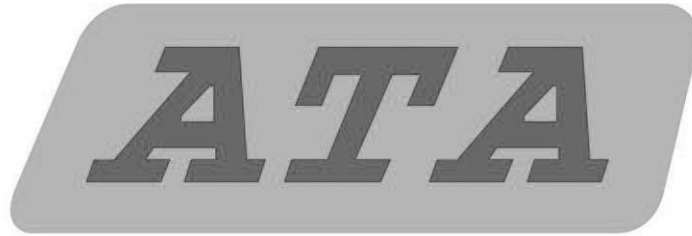
LETTER TO THE SHAREHOLDERS OF ATA IMS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE CONTAINING:

	Page
1. INTRODUCTION	1
2. PROVISIONS UNDER THE LISTING REQUIREMENTS	2
3. REVIEW AND DISCLOSURE PROCEDURES OF THE RRPT	2
4. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE	3
5. RATIONALE FOR AND BENEFITS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE	5
6. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE	5
7. APPROVAL REQUIRED	6
8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM	6
9. DIRECTORS' RECOMMENDATION	6
10. AGM	6
11. FURTHER INFORMATION	7
 APPENDIX	
APPENDIX I FURTHER INFORMATION	8

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE
FOR RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE**



ATA IMS BERHAD

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

Registered Office:

Suite 1301, 13th Floor
City Plaza
Jalan Tebrau
80300 Johor Bahru
Johor Darul Takzim

26 July 2022

Board of Directors:

Dato' Sri Foo Chee Juan	<i>(Executive Chairman/Executive Director)</i>
Dato' Fong Chiu Wan	<i>(Chief Executive Officer/Executive Director)</i>
Dharma Rajah Nadarajah	<i>(Chief Operating Officer/Executive Director)</i>
Koh Win Ton	<i>(Independent Non-Executive Director)</i>
Lee Kok Jong	<i>(Independent Non-Executive Director)</i>
Elizabeth Shanti A/P Frank Louis	<i>(Independent Non-Executive Director)</i>

To: The Shareholders of ATA IMS

Dear Sir/Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

1. INTRODUCTION

At the last AGM held on 23 September 2021, the shareholders of the Company approved Proposed Shareholders' Mandates for Recurrent Related Party Transactions of Revenue or Trading Nature. The said mandates shall, in accordance with the Listing Requirements, expire at the conclusion of the forthcoming 33rd AGM of the Company.

On 15 July 2022, the Board announced that ATA IMS intend to seek its shareholders' approval for the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM in accordance with Paragraph 10.09, Chapter 10 of the Listing Requirements.

The purpose of this Circular is to provide the shareholders of ATA IMS with the details of the Proposed Renewal of Shareholders' Mandate and seek the approval of the shareholders of ATA IMS for the ordinary resolution in respect of the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

SHAREHOLDERS OF ATA IMS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION TO GIVE EFFECT TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AT THE FORTHCOMING AGM.

2. PROVISIONS UNDER THE LISTING REQUIREMENTS

Pursuant to Paragraph 10.09, Chapter 10 of the Listing Requirements, the Company may seek a shareholders' mandate for related party transactions involving RRPT, subject to the following:

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party(ies) than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the Company in respect of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year, where:
 - (a) the consideration, value of the assets, capital outlay or costs of the RRPTs is RM1,000,000 or more; or
 - (b) any one of the percentage ratios of such aggregated transactions is one percent (1%) or more,whichever is the higher;
- (iii) the issuance of a circular to the shareholders of the Company, which includes information as may be prescribed by Bursa Securities;
- (iv) in a meeting to obtain the shareholders' mandate, the interested Director(s), interested Major Shareholder(s) or interested Person(s) Connected with the Director(s) or Major Shareholder(s), and where it involves the interest of an interested Person Connected with the Director(s) or Major Shareholder(s), such Director(s) or Major Shareholder(s), must not vote on the resolution approving the transactions. An interested Director or interested Major Shareholder must ensure that Person(s) Connected with him abstain from voting on the resolution approving the transactions; and
- (v) an immediate announcement shall be made to Bursa Securities when the actual value of the RRPT entered into by the Company exceeds the estimated value of the RRPT disclosed in the circular by ten percent (10%) or more.

3. REVIEW AND DISCLOSURE PROCEDURES OF THE RRPT

The Board has established various procedures to ensure that the RRPT are entered into on an arms-length basis and on normal commercial terms, which are consistent with the Group's normal business practices and policies, and on terms not more favourable to related party(ies) than those generally available to the public and are not to the detriment of the minority shareholders of ATA IMS. Such review and disclosure procedures are as follows:

- (i) Prior to entering into any of the RRPT, ATA IMS and/or any of its subsidiaries must ensure that all such transactions are consistent with the Group's normal business practices and policies, which are not more favourable to related party(ies) than those generally available to the public and are not to the detriment of the minority shareholders of ATA IMS;
- (ii) The prices, terms and conditions of the RRPT are based on market rates under similar commercial terms for transactions with third parties, business practices and policies. Wherever practical and/or feasible, at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison to determine whether the price and terms offered to/by the related party(ies) are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event where quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third parties vendors/customers of similar products or services, or if the product/service is a proprietary item), the transaction price will be determined by the Group based on those offered by/to other unrelated parties for substantially similar type of transaction so as to ensure that the RRPT is not detrimental to the Group;

- (iii) The Board will include a review of the RRPT entered into pursuant to the shareholders' mandate as part of the internal audit plan. This is to ensure that relevant approvals have been obtained and the internal controls and procedures for the RRPT have been adhered to;
- (iv) The Audit Committee will review the internal audit reports to ascertain if the guidelines, processes and procedures established to monitor the RRPT have been complied with;
- (v) The Board and the Audit Committee will have the overall responsibility for the determination of the review procedures, including addition of new review procedures, as and when necessary. The Board and the Audit Committee may also appoint individuals and committees to examine the RRPT, as they deem appropriate. If a member of the Board or the Audit Committee has an interest in a transaction, the member will abstain from any deliberation and decision-making at meetings of the Board or Audit Committee (as the case may be) in respect of the said transaction;
- (vi) There are no specific thresholds for approval of the RRPT within the Group other than the threshold specified in Paragraph 10.09(1), Chapter 10 of the Listing Requirements. All the RRPT shall be reviewed and approved by the Audit Committee prior to tabling the same for approval by the Board; and
- (vii) The Board will, where appropriate, disclose in the annual report the breakdown of the annual aggregate value of the RRPT conducted based on the type of the RRPT, the names of the related party(ies) involved in each type of the RRPT and the nature of the relationship with them during the financial year and for the subsequent financial years.

4. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

4.1 The companies within the Group to which the Proposed Renewal of Shareholders' Mandate applies

The Company is principally engaged in the business of investment holding. The details of the subsidiaries of ATA IMS are disclosed in the table below:

Company	Effective interest (%)	Principal activities
Direct subsidiaries		
IMS	100.00	Investment holding
Winsheng	100.00	Manufacture and sales of precision plastic injection moulded parts, secondary process, sub-assembly, full assembly of finished products, and tooling fabrication
Lean Teik Soon Sdn Bhd	100.00	Wholesaler/retailer of foodstuff and consumer goods
ATA Components Sdn Bhd	100.00	Manufacture of all kinds of components relevant to electronics or electrical products, mechanical or consumer products and any kind of industrial components
Jabind Manufacturing India Private Limited	100.00	Manufacture of filters
ATA Industries Denmark ApS	100.00	Global business development for EMS business
Zullick Metal Sdn Bhd	60.00	Metal stamping (with effect from 1 April 2021)
Indirect subsidiary (through IMS)		
AIM	100.00	Manufacture and sales of precision plastic injection moulded parts and assembly of electrical and electronic components and products
Jabco	100.00	Manufacturing of air filters and sterilisers
ATA Precision Engineering Sdn Bhd	100.00	Design and fabrication of tools and moulds

4.2 The Related Parties to which the Proposed Renewal of Shareholders' Mandate applies

The Related Parties to which the Proposed Renewal of Shareholders' Mandate applies are as follows:

Related Party	Relationship
Dato' Sri Foo Chee Juan	Major Shareholder with a direct shareholding of 0.11% and an indirect shareholding of 33.87% in ATA IMS and the Executive Director of ATA IMS. He is also a major shareholder and director of Microtronics.
Dato' Fong Chiu Wan	Major Shareholder with a direct shareholding of 26.28% in ATA IMS and the Executive Director of ATA IMS. She is also a major shareholder and director of Microtronics.

4.3 Nature of the Recurrent Transactions

The details of the Recurrent Transactions after the conclusion of the forthcoming AGM to the conclusion of the next AGM will be as follows:

Transacting party within the Group	Transacting party	Nature of transaction	Estimated value of transactions from 24 September 2021 to the coming AGM (Mandate obtained)	Actual transacted value from the date of Mandate to the LPD	Estimated aggregate value of transactions from 24 September 2021 to the next AGM ^(a)
			(RM)	(RM)	(RM)
Winsheng (Provider)	Microtronics ^(b) (Recipient)	Sales of plastic and assembly parts in the ordinary course of business	20,000,000	567,268	25,000,000
Winsheng (Recipient)	Microtronics ^(b) (Provider)	Purchase of assembly parts in the ordinary course of business	20,000,000	271,397	10,000,000
AIM (Recipient)	Microtronics ^(b) (Provider)	Purchase of assembly parts in the ordinary course of business	2,500,000,000	249,869,938	100,000,000
AIM (Provider)	Microtronics ^(b) (Recipient)	Sales of plastic and assembly parts in the ordinary course of business	62,500,000	3,691,491	10,000,000
ATA Components (Provider)	Microtronics ^(b) (Recipient)	Sales of wire harness and assembly components	20,000,000	1,426,266	10,000,000

Notes:

(a) The values are merely indicative estimates for the period from 25 August 2022 to the next AGM expected to be held in the month of August 2023. The estimated value is based on the latest available information relating to the aforesaid transactions and historical trends. The estimated value may vary.

(b) Microtronics is principally involved in the manufacturing and sales of parts and assembly of electrical and electronic components and products. Dato' Sri Foo Chee Juan and Dato' Fong Chiu Wan are the major shareholders and directors of Microtronics.

The Proposed Renewal of Shareholders' Mandate, if approved at the forthcoming AGM, will be subject to annual renewal and shall continue to be in force until:

- (i) the conclusion of the next AGM following the forthcoming AGM, at which time it will lapse, unless by a resolution passed at that AGM, the authority under the Proposed Renewal of Shareholders' Mandate is renewed;
 - (ii) the expiration of the period within which the next AGM is required to be held under Section 340(2) of the Act (but shall not extend to such extension as may be allowed under Section 340(4) of the Act); or
 - (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,
- whichever is the earlier.

4.4 Amount due and owing from the Related Parties

As at the LPD, there is no amount due and owing to the Company or the Group by the Related Party arising from the Recurrent Transactions that exceeded the usual credit period. Hence, there is no late payment charges imposed on the Related Party.

4.5 Statement by the Audit Committee

The Audit Committee has seen and reviewed the procedures mentioned in Section 3 of this Circular and is of the view that the said procedures are sufficient and effective to ensure that the RRPT, including the Recurrent Transactions, are entered into on arm's length basis and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of ATA IMS.

The Audit Committee further affirms that the Group has in place adequate procedures and processes to identify, monitor, track and disclose accurately and completely, where required the Recurrent Transactions in a timely and orderly manner, which are reviewed by the Audit Committee on a quarterly basis.

5. RATIONALE FOR AND BENEFITS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate is intended to facilitate transactions in the ordinary course of business of ATA IMS with the Related Parties which are necessary for the day-to-day operations of the Company, provided that they are undertaken on arm's length basis and on normal commercial terms which are consistent with ATA IMS's usual business practices and policies and on terms not more favourable to the Related Parties than those generally made available to third party/public and are in the Company's opinion, not detrimental to the minority shareholders.

The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders, would eliminate the need to make announcements to Bursa Securities or to convene general meetings from time to time to seek shareholders' approval as and when potential Recurrent Transactions with the Related Parties arise. Besides facilitating a smoother and more efficient conduct of business, this will substantially reduce the administrative time, inconvenience and expenses associated with convening of general meetings on an ad hoc basis, and would improve administrative efficiency considerably and allow resources to be channelled towards attaining other corporate objectives.

6. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate, if approved at the forthcoming AGM, will not have any effect on the issued share capital of the Company and the shareholdings of the Major Shareholder(s). The Proposed Renewal of Shareholders' Mandate is not expected to have a material effect on the earnings and net assets of the Group for the financial year ending 31 March 2023.

7. APPROVAL REQUIRED

The Proposed Renewal of Shareholders' Mandate is subject to the approval being obtained from the shareholders of ATA IMS at the forthcoming AGM.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

As at the LPD, save as disclosed below, none of the Directors, Major Shareholders and/or Persons Connected with them have any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate:

Interested Directors	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Dato' Sri Foo Chee Juan	1,290,000	0.11	^(a) 407,396,307	33.87
Dato' Fong Chiu Wan	316,066,157	26.28	-	-

Interested Major Shareholders	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Oregon	407,396,307	33.87	-	-
Dato' Sri Foo Chee Juan	1,290,000	0.11	^(a) 407,396,307	33.87
Dato' Fong Chiu Wan	316,066,157	26.28	-	-

Notes:

(a) Deemed interested by virtue of his interest in Oregon, which in turn has a direct shareholding of 33.87% in ATA IMS pursuant to Section 8 of the Act.

The above Interested Directors, namely Dato' Sri Foo Chee Juan and Dato' Fong Chiu Wan have abstained and will continue to abstain from all Board deliberations in relation to the Proposed Renewal of Shareholders' Mandate.

The Interested Directors and Major Shareholders will abstain from voting in respect of their direct and/or indirect interest in ATA IMS on the ordinary resolution in relation to the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM. The Interested Directors and Major Shareholders have undertaken that they shall ensure that all persons connected to them will abstain from voting and deliberating in respect of their direct and/or indirect shareholdings in ATA IMS (if any), on the ordinary resolution in relation to the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

9. DIRECTORS' RECOMMENDATION

The Board (save for the Interested Directors), after careful deliberation, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of the Company. Accordingly, the Board (save for the Interested Directors), recommends that you vote in favour of the ordinary resolution in respect of the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

10. AGM

The AGM will be held at the Conference Room, No. 6 Jalan Dewani 1, Kawasan Perindustrian Dewani, 81100 Johor Bahru, Johor Darul Takzim on Wednesday, 24 August 2022 at 11:00 a.m. for the purpose of considering, and if deemed fit, passing the ordinary resolution to give effect to the Proposed Renewal of Shareholders' Mandate. The shareholders of ATA IMS are advised to refer to the Notice of the AGM and Form of Proxy which are enclosed in the Company's Annual Report 2022.

If you are unable to participate and vote in person at the forthcoming AGM, you may appoint proxy/(ies) to participate, speak and vote on your behalf at the 33rd AGM. The Proxy Form should be completed and deposited at our share registrars' office at Unit 32-01 Level 32 Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No.5 Jalan Kerinchi, 59200 Kuala Lumpur not later than 48 hours before the time fixed for convening the 33rd AGM. The lodging of the Proxy Form will not preclude you from participating and voting remotely at the meeting if you subsequently wish to do so.

11. FURTHER INFORMATION

We request that you refer to the attached Appendix I for further information.

Yours faithfully
For and on behalf of the Board of Directors of
ATA IMS BERHAD

Dharma Rajah Nadarajah
Executive Director

APPENDIX I

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular. The Board confirms that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular misleading.

2. MATERIAL CONTRACTS

As at the LPD, the Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the two (2) years immediately preceding the date of this Circular.

3. MATERIAL LITIGATIONS

There is currently an on-going Johor Bahru Sessions Court civil suit no. JA-B52NCC-43-04/2021 dated 29 April 2021 brought by United Max Construction Sdn Bhd (“United Max” or the “plaintiff”) against ATA Industrial (M) Sdn Bhd (“AIM”) relating to a tenancy dispute for factory premise with address No.8 Jalan Dewani 1, Kawasan Perindustrian Temenggong, 81100 Johor Bahru.

On 14 March 2022, AIM had handed over vacant possession of the property to the plaintiff. The Plaintiff is claiming compensation amounting to :

- (i) Mesne profits of RM2,155,140.00; or
- (ii) Two times of the rental amounting to RM1,810,317.60.

The plaintiff is also claiming for additional repair works amounting to RM1,056,626.00, in which the Board of Directors are of the view that this is unreasonable and subject to dispute with United Max.

The plaintiff’s total claim of Mesne profits or two times the rental, together with the claim for additional repair works amounts to a total of RM3,211,766.00 or RM2,866,943.60. AIM has made a provision of RM2.70 million for this claim. The trial dates have been fixed for 5th to 8th December 2022.

Save as disclosed above, the Group is not engaged in any material litigation, claims or arbitration, either as a plaintiff or defendant, which has a material effect on the financial position of the Group and the Directors are not aware of any proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies of them are available for inspection at the registered office of the Company at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming AGM:

- (i) The Constitution of ATA IMS;
- (ii) the audited consolidated financial statements of ATA IMS for the FYE 31 March 2021 and FYE 31 March 2022;
- (iii) the relevant cause papers for the civil suit brought by United Max against AIM for a monetary claim of RM3,211,766.00 or RM2,866,943.60 together with interest and costs relating to a tenancy dispute over a factory premise in Johor Bahru, including the cause papers for the Johor Bahru Sessions Court civil suit no. JA-B52NCC-43-04/2021.

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