

ACME HOLDINGS BERHAD
(COMPANY NO : 189740-X)
(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015
(THE FIGURES HAVE NOT BEEN AUDITED)

	Note	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE PERIOD</u>	
		<u>CURRENT QUARTER ENDED 31 MARCH 2015 RM'000</u>	<u>CORRESPONDING PRECEDING QUARTER ENDED 31 MARCH 2014 RM'000</u>	<u>CUMULATIVE PERIOD ENDED 31 MARCH 2015 RM'000</u>	<u>CORRESPONDING PRECEDING PERIOD ENDED 31 MARCH 2014 RM'000</u>
Revenue		33,414	N/A	65,220	N/A
Cost of sales		(25,074)	N/A	(49,591)	N/A
Gross profits		8,340	N/A	15,629	N/A
Other income		70	N/A	323	N/A
Administrative and general expenses		(2,119)	N/A	(4,661)	N/A
Selling and distribution expenses		(41)	N/A	(175)	N/A
Finance costs		0	N/A	(261)	N/A
Profit before tax	14	6,250	N/A	10,855	N/A
Tax expense	15	(1,465)	N/A	(3,246)	N/A
Net profit for the financial period		4,785	N/A	7,609	N/A
Other comprehensive income for the financial period		0	N/A	0	N/A
Total comprehensive income for the financial period		4,785	N/A	7,609	N/A
Profit/(Loss) for the financial period attributable to:-					
- Owners of the Company		5,099	N/A	7,937	N/A
- Non-controlling interests		(314)	N/A	(328)	N/A
		4,785	N/A	7,609	N/A
Earnings per share:-	21				
- Basic (sen)		2.43	N/A	3.78	N/A
- Diluted (sen)		2.43	N/A	3.78	N/A

Note:-

N/A - Not applicable

There are no comparative figures disclosed for the current quarter and the cumulative period-to-date of the preceding quarter following the change in the financial year end from January 2014 to March 2014.

The Condensed Consolidated Comprehensive Income should be read in conjunction with the audited financial statements for the period ended 31 March 2014.

ACME HOLDINGS BERHAD
(COMPANY NO: 189740-X)
(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015

	(Unaudited) 31 MARCH 2015 RM'000	(Audited) 31 MARCH 2014 RM'000
Non-current assets		
Property, plant and equipment	11,306	11,313
Investment properties	9,899	10,211
Land held for property development	19,072	19,055
	40,277	40,579
Current assets		
Property development costs	16,669	39,373
Accrued billings	7,936	0
Inventories	6,352	952
Trade and other receivables	9,169	7,364
Prepayments	591	971
Current tax assets	95	95
Cash and cash equivalents	6,084	6,609
	46,896	55,364
Current liabilities		
Progress billings	0	468
Trade and other payables	22,301	33,909
Loans and borrowings	0	324
Advances payments from customers	49	225
Current tax liabilities	3,715	673
	26,065	35,599
Net current assets	20,831	19,765
Non-current liabilities		
Loans and borrowings	0	5,830
Deferred tax liabilities	2,621	3,636
	2,621	9,466
Net assets	58,487	50,878
Financed by:-		
Share capital	218,488	218,488
Treasury shares	(13,874)	(13,874)
Share premium	1,482	1,482
Reverse acquisition reserve	(193,196)	(193,196)
Currency translation reserve	(3)	(3)
Retained profits	45,923	37,986
Shareholders' equity	58,820	50,883
Non-controlling interests	(333)	(5)
	58,487	50,878
Net assets per share (sen)	27.89	24.26

Note:-

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the period ended 31 March 2014.

ACME HOLDINGS BERHAD
 (COMPANY NO : 189740-X)
 (INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 MARCH 2015**

	Share Capital RM'000	Treasury share RM'000	Non-Distributable		Retained Profits RM'000	Equity attributable to owners of the Company RM'000	Non- controlling Interests RM'000	Total equity RM'000	
			Share Premium RM'000	Reverse Acquisition Reserve RM'000					Currency Translation Reserve RM'000
CURRENT YEAR									
12 MONTHS YEAR ENDED 31 MARCH 2015									
Balance as at 1 April 2014	218,488	(13,874)	1,482	(193,196)	(3)	37,986	50,883	(5)	50,878
Profit (representing other comprehensive income income) for the financial year	0	0	0	0	0	7,937	7,937	(328)	7,609
Balance as at 31 March 2015	<u>218,488</u>	<u>(13,874)</u>	<u>1,482</u>	<u>(193,196)</u>	<u>(3)</u>	<u>45,923</u>	<u>58,820</u>	<u>(333)</u>	<u>58,487</u>
PRECEDING PERIOD									
14 MONTHS PERIOD ENDED 31 MARCH 2014									
Balance as at 1 February 2013	218,488	(13,874)	1,482	(193,196)	(16)	38,504	51,388	0	51,388
Loss for the financial period	0	0	0	0	0	(518)	(518)	(5)	(523)
Currency translation differences for foreign operation (representing other comprehensive income for the financial period)	0	0	0	0	13	0	13	0	13
Total comprehensive income for the financial period	0	0	0	0	13	(518)	(505)	(5)	(510)
Balance as at 31 March 2014	<u>218,488</u>	<u>(13,874)</u>	<u>1,482</u>	<u>(193,196)</u>	<u>(3)</u>	<u>37,986</u>	<u>50,883</u>	<u>(5)</u>	<u>50,878</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the period ended 31 March 2014.

ACME HOLDINGS BERHAD
 (COMPANY NO : 189740-X)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015

	(Unaudited) 12 MONTHS YEAR ENDED 31 MARCH 2015 RM'000	(Audited) 14 MONTHS PERIOD ENDED 31 MARCH 2014 RM'000
Cash flows from operating activities		
Profit before tax	10,855	801
Adjustments for:-		
Depreciation	1,364	2,410
Gain on disposal of property, plant and equipment	0	(31)
Impairment loss on loans and receivables	749	0
Impairment loss on property, plant and equipment	0	1,088
Interest expense	261	367
Interest income	(152)	(137)
Inventories written down	240	0
Property development profit recognised - net	(16,255)	(5,903)
Operating loss before working capital changes	(2,938)	(1,405)
Changes In:-		
Inventories	(882)	170
Property development costs	(28,035)	(31,916)
Progress billings	53,815	21,049
Receivables and prepayments	(2,174)	(2,805)
Payables and advance payments	(11,784)	9,797
Financial instruments at fair value through profit or loss	0	(12)
Cash generated from/(absorbed by) operations	8,002	(5,122)
Tax paid	(1,219)	(887)
Net cash from/(used in) operating activities	6,783	(6,009)
Cash flows from investing activities		
Interest received	152	137
Proceeds from disposal of property, plant and equipment	0	120
Purchase of property, plant and equipment	(1,045)	(728)
Net cash used in investing activities	(893)	(471)
Cash flows from financing activities		
Interest paid	(261)	(338)
Placement of term deposits pledged as security	(5)	(24)
Repayment of hire purchase obligations	(125)	(242)
Repayment of term loan	(6,029)	0
Term loan raised	0	6,000
Net cash (used in)/from financing activities	(6,420)	5,396
Currency translation differences	0	(2)
Net decrease in cash and cash equivalents	(530)	(1,086)
Cash and cash equivalents brought forward	6,439	7,525
Cash and cash equivalents carried forward	5,909	6,439
Cash and cash equivalents comprise the following:-		
Cash and bank balances	5,909	1,439
Term deposits with licensed banks	175	5,170
Term deposits pledged as security	6,084	6,609
	(175)	(170)
	5,909	6,439

Note:-

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the period ended 31 March 2014.

ACME HOLDINGS BERHAD

(COMPANY NO: 189740-X)
(INCORPORATED IN MALAYSIA)

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation

The interim financial report has been prepared in accordance with requirements of FRS 134: "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the audited financial statements of the Group for the period ended 31 March 2014.

The same accounting policies and methods of computation are followed in the interim financial report as compared with the annual financial statements for the period ended 31 March 2014 except for the adoption of the following Financial Reporting Standards ("FRSs"):

Standard/Interpretation	Effective for financial periods beginning on or after
Amendments to FRS 10, FRS 12 and FRS 127 <i>Investment Entities</i>	1 January 2014
Amendments to FRS 132 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to FRS 136 <i>Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2014
Amendments to FRS 139 <i>Novation of Derivatives and Continuation of Hedge Accounting</i>	1 January 2014
IC Interpretation 21 <i>Levies</i>	1 January 2014

The adoption of the above FRSs did not have any significant impacts on the financial statements of the Group.

In November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS") Framework. The issuance was made in conjunction with the MASB's plan to converge with International Financial Reporting Standards ("IFRS") in 2012. The MFRS Framework is a fully IFRS-compliant framework and equivalent to IFRSs.

The MFRS Framework is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* and/or IC Interpretation 15 *Agreements for Construction of Real Estate*, including their parents, significant investors and venturers ("Transitioning Entities"). As announced by the MASB on 2 September 2014, Transitioning Entities are allowed to defer the adoption of the MFRS Framework to annual periods beginning on or after 1 January 2017.

Being a Transitioning Entity as defined above, the Group has elected to continue preparing its financial statements in accordance with the FRS Framework and will first present the financial statements in accordance with the MFRS Framework for the financial year ending 31 March 2018. Management is currently examining the financial impacts of transition to the MFRS Framework.

2. Seasonal or Cyclical Factors

The interim operations of the Group were not affected by any seasonal or cyclical factors.

3. Unusual Items

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the interim period.

NOTES TO THE INTERIM FINANCIAL REPORT

4. Changes in Estimates

There were no changes in estimates of amounts reported in the prior financial period/years that have a material effect in the current interim period.

5. Debt and Equity Securities

There were no issuances, repurchases and repayments of debt and equity securities during the interim period.

6. Dividend Paid

There was no payment of dividend during the interim period.

7. Segment Information

<u>Analysis by activity</u>	Manufacturing RM'000	Property development RM'000	Group RM'000
<u>Revenue</u>			
Total revenue	3,001	62,219	65,220
Intersegment revenue	0	0	0
External revenue	<u>3,001</u>	<u>62,219</u>	<u>65,220</u>
<u>Results</u>			
Segment results	(3,405)	14,369	10,964
Interest income	102	50	152
Finance costs	(6)	(255)	(261)
(Loss)/Profit before tax	<u>(3,309)</u>	<u>14,164</u>	<u>10,855</u>
Tax income/(expense)	504	(3,750)	(3,246)
Net (loss)/profit for the financial period	<u>(2,805)</u>	<u>10,414</u>	<u>7,609</u>
<u>Assets</u>			
Segment assets	24,712	62,366	87,078
Income tax assets	95	0	95
Total assets	<u>24,807</u>	<u>62,366</u>	<u>87,173</u>

8. Material Events After The Reporting Period

Save for the disclosure in Note 17, there were no material events after the reporting period that have not been reflected in the interim financial report.

9. Changes in Composition

There were no changes in the Group's composition during the interim period.

NOTES TO THE INTERIM FINANCIAL REPORT

10. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets since 1 April 2014.

11. Review of Performance

	Current Quarter Ended 31 March 2015 RM'000	Corresponding Preceding Quarter Ended 31 March 2014 RM'000	Cumulative Year Ended 31 March 2015 RM'000	Corresponding Preceding Year Ended 31 March 2014 RM'000
Revenue				
Manufacturing	849	N/A	3,001	N/A
Property development	32,565	N/A	62,219	N/A
	33,414	N/A	65,220	N/A
(Loss)/Profit before tax				
Manufacturing	(1,098)	N/A	(3,309)	N/A
Property development	7,348	N/A	14,164	N/A
	6,250	N/A	10,855	N/A

(a) Cumulative Period Vs Corresponding Preceding Period

The Group recorded profit before tax of RM10,855,000 for current year ended 31 March 2015. This is attributable to Property Development Division from completion of 19 units shop offices, continuing construction of 97 units 3-storey terrace houses and profit arising from sale of land.

Following the change of financial year end from 31 January 2014 to 31 March 2014 in the current year, no comparative figures for preceding period corresponding quarter are presented.

(b) Current Quarter Vs Immediate Preceding Quarter

The Group recorded profit before tax of RM6,250,000 in the current quarter as compared to profit before tax of RM1,845,000 in the immediate preceding quarter. The profit recorded is mainly due to the revenue from the Property Development Division.

12. Future Prospects

The rising of major material prices, pricing pressures from customers and global economic uncertainties will continue to weigh heavily on the performance of the Manufacturing Division. As for the Property Division, with the continuing development of 97 units and 86 units 3-Storey Terrace House, it is expected that it will have a positive impact to the Group's results.

13. Profit Forecast

There was no profit forecast being previously announced or disclosed in a public document.

NOTES TO THE INTERIM FINANCIAL REPORT

14. Profit Before Tax

	Current Quarter Ended 31 March 2015 RM'000	Corresponding Preceding Quarter Ended 31 March 2014 RM'000	Cumulative Year Ended 31 March 2015 RM'000	Corresponding Preceding Year Ended 31 March 2014 RM'000
Profit before tax is arrived at after charging:-				
Depreciation of:-				
- Property, plant and equipment	51	N/A	1,052	N/A
- Investment properties	78	N/A	312	N/A
Impairment loss on loans and receivables	749	N/A	749	N/A
Interest expense	0	N/A	261	N/A
Inventories written down	240	N/A	240	N/A
and crediting:-				
Gain on foreign exchange	16	N/A	29	N/A
Interest income	19	N/A	152	N/A

15. Tax Expense

	Current Quarter Ended 31 March 2015 RM'000	Corresponding Preceding Quarter Ended 31 March 2014 RM'000	Cumulative Year ended 31 March 2015 RM'000	Corresponding Preceding Year Ended 31 March 2014 RM'000
Tax based on results for the financial period:-				
Malaysian income tax	2,370	N/A	4,261	N/A
Deferred tax	(905)	N/A	(1,015)	N/A
	<u>1,465</u>	<u>N/A</u>	<u>3,246</u>	<u>N/A</u>

The effective tax rate is higher than the statutory tax rate due to the existence of certain non-deductible expenses.

NOTES TO THE INTERIM FINANCIAL REPORT

16. Retained Profits

	As At 31 March 2015 RM'000	As At 31 March 2014 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	(136,635)	(142,864)
- Unrealised	(122)	(603)
	<u>(136,757)</u>	<u>(143,467)</u>
Consolidation adjustments and eliminations	182,680	181,453
Total retained profits as per statement of financial position	<u>45,923</u>	<u>37,986</u>

17. Corporate Proposals

There was no other corporate proposal announced but not completed as at 22 May 2015, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

18. Loans and Borrowings

	As At 31 March 2015 RM'000	As At 31 March 2014 RM'000
Hire purchase payable - Secured	0	125
Term loan - Secured	0	6,029
	<u>0</u>	<u>6,154</u>

19. Changes in Material Litigation

Supportive Technology Sdn Bhd ("STSB"), a wholly-owned subsidiary of the Company, has appealed to the Special Commissioners of Income Tax ("SCIT") against the decision of the Director General of Inland Revenue ("DGIR") to reject STSB's application for relief in respect of error or mistake made in STSB's tax returns for the year of assessment 2003, 2004 and 2005 amounting to RM2,226,827.84, RM7,088,694.44 and RM9,627,068.88 respectively.

On 10 September 2012, STSB's solicitors received a Deciding Order from the SCIT rejecting STSB's appeal to claim the tax incentive available under the Income Tax (Exemption) (No. 17) Order 2005 (PU(A) 158/2005).

STSB had on 25 September 2012 filed a Notice of Appeal ("Notice") requiring the SCIT to state a case for the opinion of the High Court, pursuant to paragraph 34 of Schedule 5 of the Income Tax Act 1967 ("ITA").

At the case management at the High Court on 22 March 2013, the Deputy Registrar was informed that STSB will be making an application to the SCIT to amend the case stated, pursuant to paragraph 40 Schedule 5 of the ITA.

NOTES TO THE INTERIM FINANCIAL REPORT

19. Changes in Material Litigation (cont'd)

At the case management at the High Court on 18 April 2013, the Senior Assistant Registrar ("SAR") was informed that the SCIT had replied to and denied STSB's request to amend the case stated, on the basis that STSB's comments to the case stated was not filed within the stipulated time frame. This position was corrected by STSB as the draft case stated was received on 16 November 2012 and STSB had then replied with its comments on 23 November 2012, which was clearly within the 14 day time frame. Similarly, the DGIR had also informed the SAR that they are facing the same problem as their comments were not included in the case stated. The SAR was further informed that the DGIR may want to make a joint application with STSB to have the case stated amended.

At the case management at the High Court on 20 May 2013, the SAR was informed that parties have yet to be able to agree and finalise the joint application to amend the case stated.

At the case management at the High Court on 1 July 2013, the DGIR informed the SAR that they needed more time to review a letter from STSB's solicitors which states the proposed amendments to be made to the case stated.

At the case management at the High Court on 1 August 2013, the DGIR informed the SAR that they will not proceed with the filing of the joint application with STSB to amend the case stated. The SAR was further informed that STSB will file its application the following week. The SAR then directed that the DGIR is required to reply to STSB's application within 1 month from the date of service of the sealed application and STSB is to reply to DGIR's reply within 3 weeks from the date of service of DGIR's reply. The SAR further fixed the next case management for 1 October 2013 and directed the parties to file the said application and the relevant replies before this date.

STSB had filed an application to amend the case stated to the High Court on 20 August 2013 and subsequently served it on the DGIR on 21 August 2013. As of 2 September 2013, STSB is still awaiting for DGIR's reply to the said application.

On 2 September 2013, the SAR informed STSB's solicitors that the next case management date which was initially fixed for 1 October 2013 had been vacated and it has been brought to 18 September 2013. The SAR further directed both STSB and DGIR to attend the case management on the new date.

At the case management on 18 September 2013, the SAR was informed that the DGIR had sent a letter requesting for an extension of time to file its reply vide facsimile on 11 September 2013. STSB recorded that it had no objection on the DGIR's request for extension of time. The SAR subsequently gave directions on the filing of written submissions into court to be done by the respective parties and fixed the final case management on 9 December 2013. The hearing for this matter which was fixed on 9 January 2014 was subsequently adjourned to 26 February 2014.

After hearing the oral submission from both parties on 26 February 2014, the Judge fixed the date for decision of the above matter on 25 March 2014. Upon considering the submission of both parties, the learned Judge did not allow the remission application on the premise that the SCIT were justified to not include the additional comments made by STSB and ordered cost in the cause. Accordingly, the learned Judge fixed the above matter for case management on 27 March 2014 before the Deputy Registrar for further instructions for the filing of written submissions for the appeal proper.

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NOTES TO THE INTERIM FINANCIAL REPORT

19. Changes in Material Litigation (cont'd)

At the case management on 27 March 2014, the SAR was informed that STSB will appeal against the decision of the High Court on the remission application and STSB is intending to file an application for stay of proceedings pending the appeal for the remission application. The SAR subsequently fixed 18 April 2014 for STSB to update the High Court regarding the application for stay of proceedings.

At the case management on 18 April 2014, the SAR of the High Court was informed that STSB will file the application to stay any proceedings pending its appeal of Enclosure 2 (i.e. the application to remit the Case Stated) to the Court of Appeal. Subsequently, the SAR directed as follows:

- (a) STSB to file the stay application on/before 25 April 2014 and to serve the same on the DGIR on/before 28 April 2014;
- (b) DGIR to file its reply on/before 23 May 2014;
- (c) STSB to file its reply to the DGIR's reply on/before 13 June 2014; and
- (d) Both parties to attend the case management at the High Court on 16 June 2014 to fix the hearing date.

Meanwhile, at the case management on 22 May 2014 before the Deputy Registrar ("DR") at the Court of Appeal Putrajaya ("COA"), the DR was informed that STSB had filed the record of appeal to the COA and served the same to the DGIR. STSB also informed the DR that the Appellant has yet to receive the grounds of judgment from the High Court. The DR informed both parties that as the appeal is in respect of an interlocutory application, the grounds of judgment might not be needed. The DR then informed both parties that she will fix the hearing date for the time being while waiting for the grounds of judgment from the High Court and might vacate the hearing date upon request from the parties in the event that the grounds of judgment are needed but not issued before the next case management. Subsequently, the DR directed as follows:

- (i) Both parties to attend the next case management at the COA on 1 July 2014 at 2:30pm;
- (ii) Both parties to file their respective written submission before 9 July 2014; and
- (iii) Both parties to attend the hearing at the COA on 23 July 2014.

At the case management at the High Court on 16 June 2014, the SAR was informed that STSB had filed its application to stay proceedings in the High Court. However, STSB has yet to receive any reply from the DGIR. In this regard, the SAR fixed 30 June 2014 for the DGIR to file its reply and 14 July 2014 for STSB to file its reply to the DGIR's reply. The SAR fixed 14 July 2014 as the date for the next case management.

At the case management on 1 July 2014 before the DR at the COA, the DR was informed that STSB had filed the additional record of appeal with the COA and served the same on the DGIR upon receiving the grounds of judgment and the notes of evidence from the High Court. Subsequently, the DR confirmed again that the hearing is fixed on 23 July 2014 and both parties are to file their respective written submission before 9 July 2014.

At the case management on 14 July 2014 before the DR of the High Court, the DR was informed that the hearing for STSB's appeal of its application to amend the case stated will be heard on 23 July 2014 before the COA. The DR then fixed the next case management on 6 August 2014.

During the hearing on 23 July 2014 before the COA, STSB informed the COA that the Deciding Order issued by the SCIT was not valid as 2 of the 3 SCIT who heard the case had retired at the time when the said Deciding Order was issued by the SCIT. STSB informed the COA that it will file an application in the High Court to set aside the Deciding Order and to remit the appeal to the SCIT to be heard *de novo*.

NOTES TO THE INTERIM FINANCIAL REPORT

19. Changes in Material Litigation (cont'd)

In this regard, the COA adjourned the case and instructed both parties to attend the case management in the same morning. During the case management before the DR of the COA, STSB informed that it will file its application in the High Court. The DR then fixed the next case management on 6 August 2014 at 3:30pm before the President of the Court of Appeal, Y.A.A. Tan Sri Dato' Seri Md Raus Bin Sharif.

At the case management on 6 August 2014 at 9:00am before the SAR of the High Court, STSB informed the SAR that it will file an application in the High Court to set aside the Deciding Order issued by the SCIT and to remit STSB's appeal to the SCIT to be heard *de novo* before a newly constituted panel of SCIT. The SAR then fixed the next case management on 20 August 2014 to update the High Court in respect of the said application.

At the case management on 6 August 2014 at 3:30pm before the President of the COA, STSB informed the COA that it will file an application in the High Court to set aside the Deciding Order issued by the SCIT and to remit STSB's appeal to the SCIT to be heard *de novo* before a newly constituted panel of SCIT. The COA then fixed the next case management on 14 October 2014 to update the COA on the status of the said application in the High Court.

At the case management on 20 August 2014 at 9:00am before the SAR of the High Court, STSB informed the SAR that it had received the sealed notice of application to set aside the Deciding Order issued by the SCIT on 19 August 2014 and STSB will serve the same to the DGIR on the same day. The SAR then instructed the DGIR to file its reply before or on 1 October 2014. The SAR fixed the next case management on 1 October 2014.

At the case management on 1 October 2014 at 9:00am before the SAR of the High Court, the SAR was informed that the DGIR will file its reply on STSB's application to set aside the Deciding Order and to remit the Appellant's appeal to the SCIT to be heard *de novo* on 1 October 2014. The SAR also mentioned that the DGIR has yet to file its reply for STSB's application to stay all further proceedings in the High Court. In these circumstances, the SAR fixed the following:

- (i) The DGIR to file its reply in respect of STSB's Remission Application by 1 October 2014;
- (ii) The DGIR to file its reply in respect of STSB's Stay Application by 24 October 2014;
- (iii) STSB to file its reply within 2 weeks upon receipt of the DGIR's reply;
- (iv) Both parties to attend the case management on 24 November 2014; and
- (v) Both parties to attend the hearing for STSB's Remission Application and Stay Application on 13 January 2015.

At the case management on 24.11.2014 before the SAR of the High Court, the SAR was informed that the Appellant had received the Respondent's further reply and that the Appellant had filed its reply thereon.

In these circumstances, the SAR directed as follows:

- (i) Both parties to exchange and file their written submissions by way of e-filing into court on or before 29.12.2014;
- (ii) Both parties to file their written submissions in reply on or before 6.1.2015;
- (iii) Both parties to attend the next case management hearing on 6.1.2015;
- (iv) Both parties to attend the hearing for the Appellant's Remission Application and Stay Application on 13.1.2015.

At the case management on 9.12.2014 before the DR of the COA, the DR was informed that STSB's application to set aside the Deciding Order and to remit the Appellant's appeal to the SCIT to be heard *de novo* is fixed for hearing on 13.1.2015.

NOTES TO THE INTERIM FINANCIAL REPORT

19. Changes in Material Litigation (cont'd)

In this regard, the DR fixed the next case management on 14.1.2015 for both parties to update the court regarding the decision of STSB's application before the High Court.

At the case management on 6.1.2015 before the SAR of the High Court, the SAR was informed that STSB had issued a letter to the DGIR requesting confirmation on (i) the DGIR's agreement to STSB's application to set aside the Deciding Order and to remit the Appellant's appeal to the SCIT to be heard *de novo* and (ii) STSB's application to stay all further proceedings in the High Court. However, the DGIR had yet to revert on the same to date.

The DGIR then informed the SAR that it has no objection to STSB's application to stay all further proceedings in the High Court and the DGIR also has no objection to STSB's application to set aside the Deciding Order and to remit the Appellant's appeal to the SCIT to be heard *de novo*, subject to the finalisation of the terms proposed by STSB.

In this regard, the SAR vacated the hearing which was initially fixed on 13.1.2015 and fixed the next case management on 20.1.2015 for the DGIR to update the High Court on its confirmation on the terms.

At the case management on 9.12.2014 before the DR of the COA, the DR was informed that the DGIR has agreed to STSB's application to set aside the Deciding Order and to remit the Appellant's appeal to the SCIT to be heard *de novo*. However, the DGIR has yet to agree on the terms of the agreement to the said application.

In this regard, the DR fixed the next case management on 12.2.2015.

At the case management on 20.1.2015 before the SAR of the High Court, the DGIR informed the SAR that it does not agree with STSB's stay application as well as the remission application, and will be objecting to the said applications. The SAR directed the DGIR to file its reply to the stay application on/before 12.2.2015. The next case management at the High Court was fixed on 16.2.2015.

At the case management on 12.2.2015 before the DR of the COA, STSB informed the DR that it had filed a new application in the High Court on the grounds that there was a quorum failure in the hearing before the SCIT. The next case management was fixed on 9.4.2015.

At the case management on 16.2.2015 before the SAR of the High Court, DGIR informed the court that it will not be filing an affidavit in reply as they will be relying on the affidavits filed previously on 30.6.2014. The SAR directed the parties to file their written submissions simultaneously on/before 20.3.2015, parties to reply to the written submissions on/before 13.4.2015. The next case management was fixed on 13.4.2015. The hearing is fixed on 18.5.2015.

At the case management on 9.4.2015 before the DR of the COA, the parties were instructed to inform the court of the new application filed in the High Court to the judge. The matter is fixed for case management before the judge on 5.5.2015 at 3 pm.

At the case management on 13.4.2015 before the SAR of the High Court, the SAR was informed that STSB had filed their written submissions, but DGIR have yet to reply. The SAR directed the DGIR to file their written submissions by 27.4.2015, both parties to file their respective replies by 11.5.2015. The next case management is fixed on 12.5.2015.

At the case management on 5.5.2015 before the DR of the COA, STSB informed the court that the hearing at the High Court will take place on 18.5.2015 and that both parties have filed their written submissions with the High Court. DR fixed the next case management on 25.6.2015.

ACME HOLDINGS BERHAD

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NOTES TO THE INTERIM FINANCIAL REPORT**19. Changes in Material Litigation (cont'd)**

At the case management on 12.5.2015 before the SAR at the High Court, STSB informed the court that Respondent had only served their written submission on STSB on 6.5.2015. The SAR clarified that the Appellant's submission was on the *de novo* application and enquired about the status of the stay application. In respect of the stay application, the Appellant informed the court that the Appellant may either submit orally in court or in reply to the Respondent's submission. The Appellant then asked for a date for the reply to be filed before the hearing. The Respondent stated that they will most likely be submitting their reply orally in court. The SAR directed the parties to file their written submission in reply (if any) with the judge's secretary by 12 pm, 15.5.2015 and confirmed that the hearing of the *de novo* application will take place on 18.5.2015.

Pursuant to the hearing at the High Court on 18.5.2015, the High Court ordered that Enclosure 23 (*de novo* application) be allowed without cost and ordered for the matter to be remitted to the SCIT for a fresh trial. Accordingly, the hearing of Enclosure 1 and Enclosure 14 (stay application) was struck out without cost.

20. Dividend Declared/Recommended

There was no declaration/recommendation of dividend during the interim period.

21. Earnings per Share

The basic earnings per share is calculated by dividing the net profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the interim period as follows:-

	Current Quarter Ended 31 March 2015 RM'000	Corresponding Preceding Quarter Ended 31 March 2014 RM'000	Cumulative Year Ended 31 March 2015 RM'000	Corresponding Preceding Year Ended 31 March 2014 RM'000
Net profit for the financial period attributable to owners of the Company (RM'000)	5,099	N/A	7,937	N/A
Weighted average number of ordinary shares ('000)	209,704	N/A	209,704	N/A
Basic earnings per share (sen)	<u>2.43</u>	<u>N/A</u>	<u>3.78</u>	<u>N/A</u>

The diluted earnings per share equal the basic earnings per share due to the anti-dilutive effect of the share warrants which has been ignored in calculating the diluted earnings per share.

ACME HOLDINGS BERHAD
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NOTES TO THE INTERIM FINANCIAL REPORT

22. Audit Qualification

The audit report on the Group's annual financial statements for the preceding financial period was not subject to any qualification.

BY THE ORDER OF THE BOARD

DATO' SRI DR LEE KUANG SHING
EXECUTIVE CHAIRMAN
29 May 2015