

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 DECEMBER 2017**  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

	Note	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE PERIOD</u>	
		CURRENT QUARTER ENDED 31 DECEMBER 2017 RM'000	CORRESPONDING PRECEDING QUARTER ENDED 31 DECEMBER 2016 RM'000	CUMULATIVE PERIOD ENDED 31 DECEMBER 2017 RM'000	CORRESPONDING PRECEDING PERIOD ENDED 31 DECEMBER 2016 RM'000
Revenue		11,267	7,503	19,818	26,801
Cost of sales		(7,527)	(6,645)	(12,807)	(28,416)
Gross profit		<u>3,740</u>	<u>858</u>	<u>7,011</u>	<u>(1,615)</u>
Other income		56	17	250	213
Administrative and general expenses		(909)	(816)	(2,456)	(2,621)
Selling and distribution expenses		(192)	(192)	(570)	(498)
Finance costs		(4)	0	(4)	0
Profit/(Loss) before tax	16	<u>2,691</u>	<u>(133)</u>	<u>4,231</u>	<u>(4,521)</u>
Tax expense	18	(492)	43	(1,011)	62
Net profit/(loss) for the financial period		<u>2,199</u>	<u>(90)</u>	<u>3,220</u>	<u>(4,459)</u>
Other comprehensive income for the financial period		0	0	0	0
Total comprehensive income for the financial period		<u>2,199</u>	<u>(90)</u>	<u>3,220</u>	<u>(4,459)</u>
Profit/(Loss) for the financial period attributable to:-					
- Owners of the Company		2,199	(89)	3,221	(4,435)
- Non-controlling interests		0	(1)	(1)	(24)
		<u>2,199</u>	<u>(90)</u>	<u>3,220</u>	<u>(4,459)</u>
Earnings/(Loss) per share:-	24				
- Basic (sen)		1.05	(0.04)	1.54	(2.11)
- Diluted (sen)		<u>1.05</u>	<u>(0.04)</u>	<u>1.54</u>	<u>(2.11)</u>

Note:-

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2017.*

**ACME HOLDINGS BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	(Unaudited) 31 DECEMBER 2017 RM'000	(Audited) 31 MARCH 2017 RM'000
<b>Non-current assets</b>		
Property, plant and equipment	14,164	14,896
Investment properties	9,041	9,275
Land held for property development	14,679	14,454
	37,884	38,625
<b>Current assets</b>		
Property development costs	17,818	20,545
Accrued billings	(2,032)	15,855
Inventories	5,846	5,199
Trade and other receivables	15,551	7,844
Prepayments	704	690
Current tax assets	42	42
Cash and cash equivalents	7,616	1,902
	45,545	52,077
<b>Current liabilities</b>		
Trade and other payables	16,843	28,047
Short-term bank borrowings	334	0
Current tax liabilities	517	824
	17,694	28,871
<b>Net current assets</b>	27,851	23,206
<b>Non-current liabilities</b>		
Long-term bank borrowings	684	0
Deferred tax liabilities	1,716	1,716
<b>Net assets</b>	63,335	60,115
<b>Financed by:-</b>		
Share capital	219,970	219,970
Treasury shares	(13,874)	(13,874)
Reverse acquisition reserve	(193,196)	(193,196)
Currency translation reserve	(3)	(3)
Retained profits	50,878	47,657
<b>Equity Attributable to Owners of the Company</b>	63,775	60,554
Non-controlling interests	(440)	(439)
	63,335	60,115
<b>Net Assets per Share Attributable to Owners of the Company (sen)<sup>(2)</sup></b>	30.41	28.88

Notes:-

(1) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2017.

(2) Based on 209,703,500 ordinary shares in issue after excluding 8,784,500 treasury shares as at 31 December 2017 and 31 March 2017

**ACME HOLDINGS BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 DECEMBER 2017**  
 (THE FIGURES HAVE NOT BEEN AUDITED)

	----- Non-Distributable -----					Distributable	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	Share Capital	Treasury shares	Share Premium	Reverse Acquisition Reserve	Currency Translation Reserve	Retained Profits	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
<b>CUMULATIVE PERIOD ENDED 31 DECEMBER 2017</b>									
Balance as at 1 April 2017	218,488	(13,874)	1,482	(193,196)	(3)	47,657	60,554	(439)	60,115
Profit (representing total comprehensive income) for the financial period	0	0	0	0	0	3,221	3,221	(1)	3,220
Transition to Companies Act, 2016	1,482		(1,482)						
Balance as at 31 December 2017	<u>219,970</u>	<u>(13,874)</u>	<u>0</u>	<u>(193,196)</u>	<u>(3)</u>	<u>50,878</u>	<u>63,775</u>	<u>(440)</u>	<u>63,335</u>
<b>CORRESPONDING PRECEDING PERIOD ENDED 31 DECEMBER 2016</b>									
Balance as at 1 April 2016	218,488	(13,874)	1,482	(193,196)	(3)	48,708	61,605	(411)	61,194
Loss (representing total comprehensive income) for the financial period	0	0	0	0	0	(4,435)	(4,435)	(23)	(4,458)
Balance as at 31 December 2016	<u>218,488</u>	<u>(13,874)</u>	<u>1,482</u>	<u>(193,196)</u>	<u>(3)</u>	<u>44,273</u>	<u>57,170</u>	<u>(434)</u>	<u>56,736</u>

**Notes:-**

- (1) *The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2017.*
- (2) *Pursuant to Section 74 of the Companies Act 2016, all shares issued before or upon the commencement of the Act on 31 January 2017 shall have no par value. Accordingly, the amount standing to the credit of share premium has been transferred to share capital on 31 January 2017.*

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2017**  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

	<b>CUMULATIVE PERIOD ENDED 31 DECEMBER 2017 RM'000</b>	<b>CORRESPONDING PRECEDING PERIOD ENDED 31 DECEMBER 2016 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	4,231	(4,521)
<b>Adjustments for:-</b>		
Depreciation	1,115	870
Interest income	(131)	(54)
Reversal of inventories written down	0	(39)
Operating profit/(loss) before working capital changes	<u>5,215</u>	<u>(3,744)</u>
<b>Changes in:-</b>		
Property development costs	2,502	1,805
Progress billings	17,887	(718)
Inventories	(647)	698
Receivables and prepayments	(7,721)	6,485
Payables	(11,204)	(3,228)
Cash generated from operations	<u>6,032</u>	<u>1,298</u>
Interest paid	(4)	0
Tax paid	(1,318)	(2,989)
Net cash from operating activities	<u>4,710</u>	<u>(1,691)</u>
<b>Cash flows from investing activities</b>		
Interest received	131	54
Purchase of property, plant and equipment	(148)	(904)
Net cash from/(used in) investing activities	<u>(17)</u>	<u>(850)</u>
<b>Cash flows from financing activity</b>		
Placement of term deposits pledged as security	(4)	(4)
Drawdown of hire purchase loan	1,067	0
Repayment of hire purchase creditor	(46)	0
Net cash used in financing activity	<u>1,017</u>	<u>(4)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	5,710	(2,545)
<b>Cash and cash equivalents brought forward</b>	1,718	4,104
<b>Cash and cash equivalents carried forward</b>	<u>7,428</u>	<u>1,559</u>
<b>Cash and cash equivalents comprise the following:-</b>		
Cash and bank balances	7,428	1,559
Term deposits with licensed banks	188	183
	<u>7,616</u>	<u>1,742</u>
Term deposits pledged as security	(188)	(183)
	<u>7,428</u>	<u>1,559</u>

*Note:-*

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2017.*

# ACME HOLDINGS BERHAD

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## NOTES TO THE INTERIM FINANCIAL REPORT

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### 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 financial year ended 31 March 2017.

The same accounting policies and methods of computation are followed in the interim financial report as compared with the annual financial statements for the financial year ended 31 March 2017 except for the adoption of the following Financial Reporting Standards ("FRSs"):

Standard/Interpretation	Effective for financial periods beginning on or after
Amendments to FRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to FRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to FRS 12 <i>Disclosure of Interests in Other Entities</i>	1 January 2017
FRS 9 <i>Financial Instruments</i>	1 January 2018
Amendments to FRS 10 and FRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Yet to be confirmed

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

In November 2011, the 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 the Construction of Real Estate*, including their parents, significant investors and joint venturers ("Transitioning Entities"). As announced by the MASB on 28 October 2015, Transitioning Entities are allowed to defer the adoption of the MFRS Framework to annual periods beginning on or after 1 January 2018.

Being a Transitioning Entity as defined above, the Group and the Company have elected to continue preparing their 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 2019. 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.

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**NOTES TO THE INTERIM FINANCIAL REPORT**

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**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.

**4. Changes in Estimates**

There were no changes in estimates of amounts reported in the prior financial period 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	11,187	8,631	19,818
Intersegment revenue	0	0	0
External revenue	<u>11,187</u>	<u>8,631</u>	<u>19,818</u>
<u>Results</u>			
Segment results	1,255	2,848	4,103
Interest income	0	131	131
Interest expense	(4)	0	(4)
Profit/(Loss) before tax	<u>1,251</u>	<u>2,979</u>	<u>4,230</u>
Tax expense	(49)	(962)	(1,011)
Net profit/(loss) for the financial period	<u>1,202</u>	<u>2,017</u>	<u>3,219</u>
<u>Assets</u>			
Segment assets	35,000	48,388	83,388
Income tax assets	42	0	42
Total assets	<u>35,042</u>	<u>48,388</u>	<u>83,430</u>

**8. Valuation of Property, Plant and Equipment**

There were no changes in the valuation of property, plant and equipment since the last audited financial statements for the financial year ended 31 March 2017.

**9. Material Events After The Reporting Period**

Save for the disclosure in Note 22, there were no material events after the reporting period that have not been reflected in the interim financial report.

**ACME HOLDINGS BERHAD**(COMPANY NO: 189740-X)  
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There were no changes in the Group's composition during the interim period.

**11. Changes in Contingent Liabilities or Contingent Assets**

There were no changes in contingent liabilities or contingent assets since 1 April 2017.

**12. Capital Commitments**

The capital commitments as at 31 December 2017 were as follows:-

	<b>RM'000</b>
Approved and contracted for	<u>8,235</u>

**13. Review of Performance**

(a) Cumulative Period Vs Corresponding Preceding Period

	<b>Current Quarter Ended 31 December 2017 RM'000</b>	<b>Corresponding Preceding Quarter Ended 31 December 2016 RM'000</b>	<b>Changes RM'000</b>	<b>Cumulative Period Ended 31 December 2017 RM'000</b>	<b>Corresponding Preceding Period Ended 31 December 2016 RM'000</b>	<b>Changes RM'000</b>
<u>Revenue</u>						
Manufacturing	4,291	4,333	(42)	11,187	11,961	(774)
Property	6,976	3,170	3,806	8,631	14,840	(6,209)
	<u>11,267</u>	<u>7,503</u>	<u>3,764</u>	<u>19,818</u>	<u>26,801</u>	<u>(6,983)</u>
<u>Profit/(Loss) before tax</u>						
Manufacturing	697	(135)	832	1,251	558	693
Property	1,993	2	1,991	2,979	(5,079)	8,058
	<u>2,690</u>	<u>(133)</u>	<u>2,823</u>	<u>4,230</u>	<u>(4,521)</u>	<u>8,751</u>

The Group recorded profit before tax of RM4,230,000 for current period ended 31 December 2017 as compared to loss before tax of RM4,521,000 for the previous corresponding period ended 31 December 2016. The profit for the current period is mainly due to revenue recognised by the Property Development Division.

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**NOTES TO THE INTERIM FINANCIAL REPORT**

## (b) Current Quarter Vs Immediate Preceding Quarter

	<b>Current Quarter Ended 31 December 2017 RM'000</b>	<b>Immediate Preceding Quarter Ended 30 September 2017 RM'000</b>	<b>Changes RM'000</b>
<u>Revenue</u>			
Manufacturing	4,291	3,032	1,259
Property development	6,976	1,655	5,321
	11,267	4,687	6,580
<u>Profit/(Loss) before tax</u>			
Manufacturing	697	209	488
Property development	1,993	1,976	17
	2,690	2,185	505

The Group recorded profit before tax of RM2,690,000 in the current quarter as compared to profit before tax of RM2,185,000 in the immediate preceding quarter mainly due to better contribution from Manufacturing Division.

**14. Prospects**

The Group will continue to adopt a cautious business approach albeit the improving financial performance and the Group performance is expected to remain challenging for the remaining quarters.

**15. Profit Forecast**

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

**16. Profit/(Loss) Before Tax**

	<b>Current Quarter Ended 31 December 2017 RM'000</b>	<b>Corresponding Preceding Quarter Ended 31 December 2016 RM'000</b>	<b>Cumulative Period Ended 31 December 2017 RM'000</b>	<b>Corresponding Preceding Period Ended 31 December 2016 RM'000</b>
Profit/(Loss) before tax is arrived at after charging:-				
Depreciation of:-				
- Property, plant and equipment	289	223	891	636
- Investment properties	78	78	234	234
Interest expense	4	0	4	0
and crediting:-				
Gain on foreign exchange	69	71	76	71
Interest income	12	9	131	54
Reversal of inventories written down	0	22	0	39
	0	22	0	39



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**NOTES TO THE INTERIM FINANCIAL REPORT****17. Additional Disclosure Information****(a) Foreign Exchange Exposure / Hedging Policy**

As at 31 December 2017, the Group's exposure to foreign currency risk was not significant.

The Group does not engage in any formal hedging activities.

**18. Tax Expense**

	<b>Current Quarter Ended 31 December 2017 RM'000</b>	<b>Corresponding Preceding Quarter Ended 31 December 2016 RM'000</b>	<b>Cumulative Period ended 31 December 2017 RM'000</b>	<b>Corresponding Preceding Period Ended 31 December 2016 RM'000</b>
Tax based on results for the financial period:-				
Malaysian income tax	(492)	0	(1,011)	(17)
Deferred tax	0	43	0	79
	<u>(492)</u>	<u>43</u>	<u>(1,011)</u>	<u>62</u>

The income tax expense of RM1,011,000 for the current period relates mainly to income tax on taxable profit of the Property Development Division.

**19. Retained Profits**

	<b>As At 31 December 2017 RM'000</b>	<b>As At 31 March 2017 RM'000</b>
Total retained profits/(accumulated losses) of the Company and its subsidiaries:-		
- Realised	(129,832)	(134,069)
- Unrealised	<u>(130)</u>	<u>(130)</u>
	(129,962)	(134,199)
Consolidation adjustments and eliminations	<u>180,839</u>	<u>181,856</u>
Total retained profits as per statement of financial position	<u>50,877</u>	<u>47,657</u>

**20. Corporate Proposals**

There was no corporate proposal announced but not completed as at 16 February 2017, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report except as discussed below:

**Proposed Private Placement**

The Company had on 19th January 2018 announced the Proposed Private Placement exercise which entails the issuance of up to 21,848,800 new ordinary shares in the Company, representing up to ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares).

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**NOTES TO THE INTERIM FINANCIAL REPORT****21. Loans and Borrowings**

The Group's borrowings as at 31 December 2017 are as follows:

	<u>RM'000</u>
<b>Long term</b>	
Secured	
Hire purchase creditors	684
<b>Short term</b>	
Secured	
Hire purchase creditors	334

**22. 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.

As updated in the notes to the interim financial report for the quarter ended 30 June 2017, on 13 June 2017, the Appellant informed the court that the hearing date has subsequently been vacated as the Appellant's witness is not in the country. The court has fixed 13.9.2018 and 14.9.2018 for the hearing. The status remains unchanged.

**23. Dividend Declared/Recommended**

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

**24. Earnings/(Loss) per Share**

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

	<b>Current Quarter Ended 31 December 2017</b>	<b>Corresponding Preceding Quarter Ended 31 December 2016</b>	<b>Cumulative Period Ended 31 December 2017</b>	<b>Corresponding Preceding Period Ended 31 December 2016</b>
Net profit/(loss) for the financial period attributable to owners of the Company (RM'000)	2,203	(89)	3,221	(4,435)
Weighted average number of ordinary shares ('000)	209,704	209,704	209,704	209,704
Basic earnings/(loss) per share (sen)	<u>1.05</u>	<u>(0.04)</u>	<u>1.54</u>	<u>(2.11)</u>

**NOTES TO THE INTERIM FINANCIAL REPORT**

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**24. Earnings/(Loss) per Share (cont'd)**

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

**25. Audit Qualification**

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

**BY THE ORDER OF THE BOARD**

**DATO' SRI DR LEE KUANG SHING**  
**EXECUTIVE CHAIRMAN**  
**26 February 2018**