ACME HOLDINGS BERHAD

(Company No. 189740-X)

(Incorporated in Malaysia)

Interim Financial Report
For The Fourth Quarter Ended 31 March 2019 (Unaudited)

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Note	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
		CURRENT QUARTER ENDED 31 MARCH 2019 (Unaudited) RM'000	CORRESPONDING PRECEDING QUARTER ENDED 31 MARCH 2018 (Unaudited) RM'000	CUMULATIVE PERIOD ENDED 31 MARCH 2019 (Unaudited) RM'000	CORRESPONDING PRECEDING PERIOD ENDED 31 MARCH 2018 (Audited) RM'000
Revenue		4,457	7,913	26,729	27,731
Cost of sales		(4,319)	(4,395)	(20,150)	(17,202)
Gross profit		138	3,518	6,579	10,529
Other income		(6)	225	1,002	475
Administrative and general expenses		(2,040)	(2,249)	(5,121)	(4,705)
Selling and distribution expenses		(658)	(524)	(1,246)	(1,094)
Finance costs		(18)	(19)	(47)	(23)
(Loss)/Profit before tax	16	(2,584)	951	1,167	5,182
Tax income/(expense)	18	9,116	(804)	8,316	(1,815)
Net profit, representing total comprehensive income for the financial year		6,532	147	9,483	3,367
Total comprehensive income attributable to:-					
- Owners of the Company		6,532	148	9,483	3,369
- Non-controlling interests		-	(1)	-	(2)
		6,532	147	9,483	3,367
Earnings per share attributable to owners of the Company (sen)					
- Basic/Diluted	24	2.84	0.07	4.12	1.61

Note:-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2018.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	(Unaudited) 31 MARCH 2019 RM'000	(Audited) 31 MARCH 2018 RM'000
Non-current assets		
Property, plant and equipment	21,435	14,050
Investment properties	8,651	8,963
Land held for development	14,785	14,679
Deferred tax assets	40	-
	44,911	37,692
Current assets		
Inventory properties	7,506	4,045
Inventories	14,604	18,886
Trade and other receivables	12,900	21,946
Prepayments	-	704
Current tax assets	10,036	88
Cash and cash equivalents	6,696	6,041
	51,742	51,710
Current liabilities		
Trade and other payables	14,473	16,338
Short-term bank borrowings	376	341
Current tax liabilities	91	591
	14,940	17,270
Net current assets	36,802	34,440
Non-current liabilities		
Long-term bank borrowings	234	536
Deferred tax liabilities	2,207	2,033
Net assets	79,272	69,563
Financed by:-		
Share capital	226,051	226,051
Treasury shares	(13,874)	(13,874)
Reverse acquisition reserve	(193,196)	(193,196)
Currency translation reserve	(36)	(3)
Retained profits	60,327	51,026
Equity Attributable to Owners of the Company	79,272	70,004
Non-controlling interests	-	(441)
	79,272	69,563
Net Assets per Share Attributable to Owners of the Company (sen)[(2)]	34.47	30.44

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 2018.

(2) Based on 229,973,500 ordinary shares in issue after excluding 8,784,500 treasury shares as at 31 December 2018 and 31 March 2018.

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	|------------------------ Attributable to owners of the parent ----------------------------|							
		Distributable	| ----- Non-Distributable -----|		Distributable			
	Share Capital RM'000	Treasury Shares RM'000	Reverse Acquisition Reserve RM'000	Currency Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
CUMULATIVE PERIOD ENDED 31 MARCH 2019 (Unaudited)								
Balance as at 1 April 2018, as previously stated	226,051	(13,874)	(193,196)	(3)	51,026	70,004	(441)	69,563
Effects of adopting MFRS 15	-	-	-	-	(182)	(182)	-	(182)
Balance as at 1 April 2018, restated	226,051	(13,874)	(193,196)	(3)	50,844	69,822	(441)	69,381
Total comprehensive income for the financial year	-	-	-	(33)	9,483	9,450	-	9,450
Disposal of a subsidiary	-	-	-	-	-	-	441	441
Balance as at 31 March 2019	226,051	(13,874)	(193,196)	(36)	60,327	79,272	-	79,272
CORRESPONDING PRECEDING PERIOD ENDED 31 MARCH 2018 (Audited)								
Balance as at 1 April 2017	219,970	(13,874)	(193,196)	(3)	47,657	60,554	(439)	60,115
Total comprehensive income for the financial year	-	-	-	-	3,369	3,369	(2)	3,367
Transactions with owners:								
Issuance of shares pursuant to private placement	6,081	-	-	-	-	6,081	-	6,081
Balance as at 31 March 2018	226,051	(13,874)	(193,196)	(3)	51,026	70,004	(441)	69,563

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 2018.

(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.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	CUMULATIVE YEAR ENDED 31 MARCH 2019 (Unaudited) RM'000	CORRESPONDING PRECEDING YEAR ENDED 31 MARCH 2018 (Audited) RM'000
Cash flows from operating activities		
Profit before tax	1,167	5,182
Adjustments for:-		
Allowance for expected credit losses	375	188
Bad debts	-	25
Depreciation	1,689	1,444
Gain on deconsolidation of subsidiary	(660)	-
Interest expense	47	23
Interest income	(154)	(50)
Inventories written-down	561	-
Loss/(Gain) on disposal of property, plant and equipment	7	(190)
Property, plant and equipment written off	75	-
Unrealised gain on foreign exchange	(33)	-
Operating profit before working capital changes	3,074	6,622
Changes in:-		
Inventory properties	(3,567)	16,275
Accrued billings	-	15,854
Inventories	3,721	(13,687)
Receivables and prepayments	9,173	(14,330)
Payables	(744)	(10,244)
Cash generated from operations	11,657	490
Income tax paid	(1,998)	(1,779)
Interest paid	(47)	(23)
Net cash from/(used in) operating activities	9,612	(1,312)
Cash flows from investing activities		
Interest received	154	50
Proceeds from disposal of property, plant and equipment	35	190
Purchase of property, plant and equipment	(8,879)	(285)
Net cash used in investing activities	(8,690)	(45)
Cash flows from financing activities		
Drawdown of finance lease liabilities	80	1,064
Payment of finance lease liabilities	(347)	(186)
Placement of term deposits pledged as security	(5)	(5)
Proceeds from private placement	-	6,081
Repayment to from directors	-	(1,313)
Repayment to ultimate holding company	-	(150)
Net cash (used in)/from financing activities	(272)	5,491
Net increase in cash and cash equivalents	650	4,134
Cash and cash equivalents brought forward	5,852	1,718
Cash and cash equivalents carried forward	6,502	5,852
Cash and cash equivalents comprise the following:-		
Cash and bank balances	6,502	5,852
Term deposits with licensed banks	194	189
	6,696	6,041
Term deposits pledged as security	(194)	(189)
	6,502	5,852

Note:-

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2018.

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation

The interim financial report has been prepared in accordance with requirements of MFRS 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 2018.

The financial statements of the Group for the financial year ended 31 March 2019 will be prepared under the Malaysian Financial Reporting Standards Framework ("MFRS"). The MFRS framework is a fully IFRS-compliant framework and equivalent to IFRSs. Save for the required presentation of three statements of financial position in the first MFRS financial statement and the changes of accounts classification as disclosed below, there is no major impact on the Group's financial statements.

MFRS 15 Revenue from Contracts with Customers

The new MFRS 15 *Revenue from Contracts with Customers* was introduced as a single comprehensive model for revenue accounting across different industries replacing accounting standards that include FRS 111 *Construction Contracts*. The comprehensive model introduced a five-step model which requires the Group to identify the individual contract from which revenue are generated and its individual performance obligation. By using the five-step model, the revenue recognition had shifted from recognition based on the transfer of risk and reward of ownership and control to the satisfaction of each performance obligation stated in the individual contracts. The adoption of MFRS 15 will not have a major impact on the financial statements of the Group since there is no on-going property development projects and the manufacturing division does not have any contracts which will give rise to a different recognition method from the previous GAAP.

Classification of land held for property development and property development costs

Upon withdrawal of *FRS 201 Property Development Activities*, land held for property development and property development costs have been reclassified as inventories as these assets are in the process of production for sale. These inventories will be carried at the lower of cost or net realisable value.

1. Basis of Preparation (cont'd)

The financial impact from the adoption of MFRS is as follows:

Condensed consolidated statement of financial position

	As Previously Stated RM'000	**Effect of Adopting MFRS RM'000**	**As Restated RM'000**
As at 1 April 2017			
Non-Current Assets			
Land held for development	14,454	(14,454)	-
Inventories	-	14,454	14,454
Current Assets			
Property development costs	20,545	(20,545)	-
Inventory properties	5,199	20,545	25,744
As at 31 March 2018			
Non-Current Assets			
Land held for development	14,679	(14,679)	-
Inventories	-	14,679	14,679
Current Assets			
Property development costs	4,045	(4,045)	-
Inventory properties	18,886	4,045	22,931

MFRS 9 Financial Instruments

MFRS 9 replaces MFRS 139 *Financial Instruments: Recognition and Measurement*. It introduces extensive requirements and guidance for classification and measurement of financial assets and financial liabilities which falls under the scope of MFRS 9, new "expected credit loss mode" under impairment of financial assets and greater flexibility allowed in hedge accounting transactions. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost.

Expected credit loss model
MFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. As the Group's trade receivables are mainly deriving from the manufacturing division and do not contain a significant financing component or are lease receivables, the Group adopted the lifetime basis in recognising expected credit losses under MFRS 9.

2. Seasonal or Cyclical Factors

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

3. Unusual Items

Save as disclosed in Note 21, 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

Analysis by activity	Manufacturing RM'000	Property development RM'000	Others RM'000	Group RM'000
Revenue				
Total revenue	25,198	7,410	1,019	33,627
Intersegment revenue	(6,898)	-	-	(6,898)
External revenue	18,300	7,410	1,019	26,729
Results				
Segment results	(1,607)	2,167	500	1,060
Interest income	119	35	-	154
Interest expense	(47)	-	-	(47)
(Loss)/Profit before tax	(1,535)	2,202	500	1,167
Tax income/(expense)	8,993	(558)	(119)	8,316
Net profit for the financial year	7,458	1,644	381	9,483
Assets				
Segment assets	32,446	46,395	7,776	86,617
Current tax assets	9,214	822	-	10,036
Total assets	41,660	47,217	7,776	96,653

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 2018.

9. Material Events After The Reporting Period

There were no material events after the reporting period that have not been reflected in the interim financial report.

10. Changes in Composition

There were no changes in the Group's composition apart from the disposal of a previously 60% owned subsidiary of Acme Group.

11. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets since 1 April 2018.

12. Capital Commitments

	Cumulative Period Ended	
	31.3.19	**31.3.18**
	RM'000	**RM'000**
Contracted but not provided for:		
- Property, plant and equipment	**830**	**4,740**

13. Review of Performance

Cumulative Period Vs Corresponding Preceding Period

	Current Quarter Ended 31 March 2019 RM'000	Corresponding Preceding Quarter Ended 31 March 2018 RM'000	Changes RM'000	Cumulative Period Ended 31 March 2019 RM'000	Corresponding Preceding Period Ended 31 March 2018 RM'000	Changes RM'000
Revenue						
Manufacturing	4,178	4,401	(223)	18,300	15,093	3,207
Property development	4	3,347	(3,343)	7,410	11,978	(4,568)
Others	275	165	110	1,019	660	359
	4,457	7,913	(3,456)	26,729	27,731	(1,002)
(Loss)/Profit before tax						
Manufacturing	(2,370)	702	(3,072)	(1,535)	478	(2,013)
Property development	(68)	258	(326)	2,202	6,078	(3,876)
Others	(146)	(9)	(137)	500	(1,374)	1,874
	(2,584)	951	(3,535)	1,167	5,182	(4,015)

i. Comparison with Previous Year Corresponding Preceding Quarter's Results

General

The Group recorded revenue of RM4.4 million and loss before tax of RM2.5 million for the current quarter ended 31 March 2019 compared to revenue of RM7.9 million and profit before tax of RM0.9 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 43.7% and an increase in loss before tax of 371.7% respectively. Revenue was lower in the current quarter due to lower contributions from the property segment for the lower sale of the completed properties located at Taman Bayu Aman. Following the decrease in revenue, the property development segment recorded a loss before tax while the manufacturing segment also recorded a loss before tax in the current quarter mainly attributable to higher cost of sales and administrative expenses incurred as discussed below.

Performance of the respective operating segments which includes inter-segment transactions for the current quarter as compared to the previous corresponding quarter are analyzed as follows:-

i. Comparison with Previous Year Corresponding Preceding Quarter's Results (cont'd)

Manufacturing segment

The manufacturing segment remains as the Group's major revenue source. The products under this segment generally consist of cabinet, plastic part, plastic ware, paper product and wood part. The manufacturing segment recorded revenue of RM4.2 million and loss before tax of RM2.4 million in the current quarter compared to revenue of RM4.4 million and profit before tax of RM0.7 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 5.1% and an increase in loss before tax of 437.6% respectively.

The lower revenue in the current quarter was mainly due to lower local and oversea market demands.

The loss before tax in the current quarter was mainly due to the increase in labour cost arising from the increment of minimum wages effective January 2019, increase in depreciation, one-off professional fee incurred for the tax appeal, allowance for expected credit losses for trade receivables and inventories written down in the current quarter compared to the corresponding quarter.

Property development segment

The property development segment recorded revenue of RM0.004 million and loss before tax of RM0.068 million in the current quarter compared to revenue of RM3.3 million and profit before tax of RM0.26 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 99.9% and an increase in loss before tax of 126.3% respectively.

The lower revenue and loss before tax was mainly due to a single sale and purchase agreement signed in the current quarter and a reversal of sale due to the sale cancellation of a buyer.

ii. Comparison with Previous Year Corresponding Period's Results

General

The Group recorded revenue of RM26.7 million and profit before tax of RM1.2 million for the current year ended 31 March 2019 compared to revenue of RM27.7 million and profit before tax of RM5.2 million in the previous financial year, representing a decrease in revenue of 3.6% and profit before tax of 77.5% respectively.

ii. Comparison with Previous Year Corresponding Period's Results (cont'd)

General (cont'd)

Total revenue was lower in the current financial year due to lower contributions from property development segment for the lower sale of completed properties located at Taman Bayu Aman despite an increase of revenue from the manufacturing segment. The increase in revenue was mainly due to the increase in market demand as a result of the introduction of new products such as plastic houseware with bigger size.

Performance of the respective operating segments which includes inter-segment transactions for the current financial year as compared to the previous financial year are analysed as follows: -

Manufacturing segment

The manufacturing segment remains as the Group's major revenue source. The products under this segment generally consist of cabinet, plastic part, plastic ware, paper product and wood part. The manufacturing segment recorded revenue of RM18.3 million and loss before tax of RM1.5 million in the current financial year compared to revenue of RM15.1 million and profit before tax of RM0.5 million in the previous financial year, representing an increase in revenue of 21.2% and an increase in loss before tax of 421.1% respectively.

The increase in revenue from this segment is due to reasons discussed above.

The main factors contributing to the loss before tax were mainly due to the increase in labour cost arising from the increment of minimum wages effective January 2019, increase in depreciation, one-off professional fee incurred for the tax appeal, allowance for expected credit losses for trade receivables and inventories written down in the current financial year.

Property development segment

The property development segment recorded revenue of RM7.4 million and profit before tax of RM2.2 million in the current financial year compared to revenue of RM11.9 million and profit before tax of RM6.1 million in the previous financial year, representing a decrease in revenue of 38.1% and profit before tax of 63.8% respectively.

The financial performance in the current financial year was lower primarily due to lower sale of completed properties located Taman Bayu Aman and a reversal of sale due to the sale cancellation of a buyer. In addition, the previous financial year's performance was also boosted by the completion and handover of several completed units of Taman Bayu Aman.

Current Quarter Vs Immediate Preceding Quarter

	Current Quarter Ended 31 March 2019 RM'000	Immediate Preceding Quarter Ended 31 December 2018 RM'000	Changes RM'000
Revenue			
Manufacturing	4,178	4,046	132
Property development	4	3,263	(3,259)
Others	275	276	(1)
	4,457	7,585	(3,128)
(Loss)/Profit before tax			
Manufacturing	(2,370)	782	(3,152)
Property development	(68)	891	(959)
Others	(146)	45	(191)
	(2,584)	1,718	(4,302)

General

The Group recorded revenue of RM4.4 million and loss before tax of RM2.6 million for the current quarter compared to revenue of RM7.6 million and profit before tax of RM1.7 million in the preceding quarter, representing a decrease in revenue of 41.2% and an increase in loss before tax of 250.4% respectively. Revenue was lower in the current quarter mainly due to lower contributions from the property development segment. Loss before tax in the current quarter was mainly due to lower contributions from all business segments.

Manufacturing segment

The manufacturing segment recorded revenue of RM4.2 million and loss before tax of RM2.4 million in the current quarter compared to revenue of RM4.0 million and profit before tax of RM0.8 million in the preceding quarter, representing an increase in revenue of 3.3% and an increase in loss before tax of 403.1% respectively.

The increase in revenue was mainly due to the increase in market demand boosted during the Chinese New Year period and the introduction of the new products such as plastic houseware with bigger size.

Current Quarter Vs Immediate Preceding Quarter (cont'd)

Manufacturing segment (cont'd)

Loss before tax in the current quarter was mainly due to one-off professional fee incurred for the tax appeal, allowance for expected credit losses for trade receivables and inventories written down recognised in the current quarter.

Property development segment

The property development segment recorded revenue of RM0.004 million and loss before tax of RM0.068 million in the current quarter compared to revenue of RM3.3 million and profit before tax of RM0.9 million in the preceding quarter, representing a decrease in revenue of 99.9% and an increase in loss before tax of 107.6% respectively.

The lower revenue and loss before tax was mainly due to only one sale and purchase agreement signed in the current quarter and a reversal of sale which was due to the sale cancellation of a buyer. In addition, the preceding quarter's performance was also boosted by the handover of several completed units of Taman Bayu Aman.

14. Prospects

Revenue from manufacturing segment is expected to increase in the next financial year due to the contribution of new products as a result from the mould acquisitions in the current financial year. The sales of new products are expected to have higher margin.

Property development segment continues to remain soft and challenging. Despite of government initiatives, potential buyers continue to face stringent mortgage loan approval policies from financial institutions. The Group will continue to focus on selling the remaining unsold units. The Group's Teluk Air Tawar project is planned to be launched in the next financial year, highly dependent on the general economic and property market conditions.

15. Profit Forecast

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

16. (Loss)/Profit Before Tax

	Current Quarter Ended 31 March 2019 (Unaudited) RM'000	Corresponding Preceding Quarter Ended 31 March 2018 (Unaudited) RM'000	Cumulative Year Ended 31 March 2019 (Unaudited) RM'000	Corresponding Preceding Year Ended 31 March 2018 (Audited) RM'000
(Loss)/Profit before tax is arrived at after charging:-				
Allowance for expected credit losses	375	188	375	188
Bad debts	-	25	-	25
Depreciation of:-				
- Property, plant and equipment	442	241	1,377	1,132
- Investment properties	78	78	312	312
Inventories written-down	561	-	561	-
Interest expense	18	19	47	23
Loss on disposal of property, plant and equipment	-	-	7	-
Property, plant and equipment written off	75	-	75	-
Realised loss on foreign exchange	57	-	57	-
and crediting:-				
Gain on disposal of property, plant and equipment	-	-	-	190
Gain on deconsolidation of subsidiary	660	-	660	-
Interest income	(65)	18	154	50
Realised gain on foreign exchange	-	-	-	76
Unrealised gain on foreign exchange	33	-	33	-

17. Additional Disclosure Information

(a) Foreign Exchange Exposure / Hedging Policy

As at 31 March 2019, the Group's exposure to foreign currency risk was not significant.

The Group does not engage in any formal hedging activities.

17. Additional Disclosure Information (cont'd)

(b) Significant Related Party Transaction

Included in other payables is an amount of RM5,800,000 representing short term loan from Nada Wangi Sdn Bhd, a substantial shareholder of the Company. The loan is unsecured, non-interest bearing and repayable on demand.

18. Tax Income/(Expense)

	Current Quarter Ended 31 March 2019 (Unaudited) RM'000	Corresponding Preceding Quarter Ended 31 March 2018 (Unaudited) RM'000	Cumulative Period Ended 31 March 2019 (Unaudited) RM'000	Corresponding Preceding Period Ended 31 March 2018 (Audited) RM'000
Tax based on results for the financial period:-				
Malaysian income tax	9,076	(801)	8,276	(1,701)
Deferred tax	40	(3)	40	(114)
	9,116	(804)	8,316	(1,815)

The positive income tax position of RM8,276,000 for the current year relates mainly to income tax recoverable of the Manufacturing Division as stated in Note 21.

19. Corporate Proposals

There was no corporate proposal announced but not completed as at 23 May 2019, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

20. Loans and Borrowings

The Group's borrowings as at 31 March 2019 are as follows:

	RM'000
Long term borrowings (secured)	
Finance lease payables	234
Short term borrowings (secured)	
Finance lease payables	376

All borrowings are denominated in Ringgit Malaysia.

The finance lease liabilities are secured over the leased assets.

21. Changes in Material Litigation

Further to the announcements dated 19 March 2019 and 20 March 2019 as well as the status update as disclosed in the unaudited interim financial report for the third quarter ended 31 December 2018, Supportive Technology Sdn Bhd ("STSB"), a wholly-owned subsidiary of the Company has entered into a settlement agreement ("SA") dated 19 March 2019 with the Inland Revenue Board of Malaysia ("IRB").

IRB allowed STSB to revise its tax computations for year of assessment 2003 to 2005 and to claim the tax exemption granted via the Income Tax (Exemption) (No. 17) Order 2005 [PU(A) 158/2005] for year of assessment 2003 to 2005. Subsequent to that, STSB had received the notifications of reduced assessment dated 9 May 2019 from IRB for the sum of RM9,167,240.60.

22. Dividend Declared/Recommended

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

23. 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 2019	Corresponding Preceding Quarter Ended 31 March 2018	Cumulative Period Ended 31 March 2019	Corresponding Preceding Period Ended 31 March 2018
Net profit for the financial period attributable to owners of the Company (RM'000)	6,532	147	9,483	3,369
Weighted average number of ordinary shares (RM'000)	229,974	209,815	229,974	209,815
Basic earnings per share (sen)	2.84	(0.07)	4.12	1.61

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.

24. 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
30 May 2019