



ACME HOLDINGS BERHAD

(Company No. 189740-X)

(Incorporated in Malaysia)

Interim Financial Report
For The Third Quarter Ended 31 December 2019 (Unaudited)

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2019
 (THE FIGURES HAVE NOT BEEN AUDITED)

	Note	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE PERIOD</u>	
		CURRENT QUARTER ENDED 31 DECEMBER 2019 RM'000	CORRESPONDING PRECEDING QUARTER ENDED 31 DECEMBER 2018 RM'000	CUMULATIVE PERIOD ENDED 31 DECEMBER 2019 RM'000	CORRESPONDING PRECEDING PERIOD ENDED 31 DECEMBER 2018 RM'000
Revenue		7,063	7,896	19,077	22,583
Cost of sales		(5,803)	(5,002)	(14,740)	(16,142)
Gross profit		1,260	2,894	4,337	6,441
Other income		331	169	670	1,008
Administrative and general expenses		(1,354)	(1,167)	(3,917)	(3,081)
Selling and distribution expenses		(256)	(174)	(692)	(588)
Finance costs		(6)	(4)	(23)	(29)
(Loss)/Profit before tax	16	(25)	1,718	375	3,751
Tax (expense)/income	18	(146)	(447)	69	(800)
Net (loss)/profit, representing total comprehensive income for the financial period		(171)	1,271	444	2,951
Total comprehensive (loss)/income attributable to:-					
- Owners of the Company		(171)	1,271	444	2,951
- Non-controlling interests		0	0	0	0
		(171)	1,271	444	2,951
(Loss)/Earnings per share attributable to owners of the Company (sen)	23				
- Basic		(0.07)	0.55	0.19	1.28
- Diluted		(0.07)	0.55	0.19	1.28

Note:-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2019.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	(Unaudited) 31 DECEMBER 2019 RM'000	(Audited) 31 MARCH 2019 RM'000
Non-current assets		
Property, plant and equipment	21,537	21,435
Investment properties	8,417	8,651
Land held for development	14,997	14,785
Deferred tax assets	89	88
	45,040	44,959
Current assets		
Inventory properties	19,267	19,747
Inventories	2,508	2,363
Trade and other receivables	13,136	12,145
Prepayments	2,955	755
Current tax assets	1,225	10,036
Cash and cash equivalents	10,649	6,769
	49,740	51,815
Current liabilities		
Trade and other payables	9,556	14,561
Short-term bank borrowings	95	376
Current tax liabilities	34	95
	9,685	15,032
Net current assets	40,055	36,783
Non-current liabilities		
Long-term bank borrowings	234	234
Deferred tax liabilities	2,236	2,236
Net assets	82,625	79,272
Financed by:-		
Share capital	228,951	226,051
Treasury shares	(13,874)	(13,874)
Reverse acquisition reserve	(193,196)	(193,196)
Currency translation reserve	(27)	(36)
Retained profits	60,771	60,327
Equity Attributable to Owners of the Company	82,625	79,272
Net Assets per Share Attributable to Owners of the Company (sen)⁽²⁾	34	34

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 2019.

(2) Based on 239,973,500 ordinary shares in issue after excluding 8,784,500 treasury shares as at 31 December 2019 and 31 March 2019.

ACME HOLDINGS BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2019
 (THE FIGURES HAVE NOT BEEN AUDITED)

	Attributable to owners of the parent							Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Distributable Treasury Shares RM'000	Reverse Acquisition Reserve RM'000	Non-Distributable Currency Translation Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000			
CUMULATIVE PERIOD ENDED 31 DECEMBER 2019									
Balance as at 1 April 2019	226,051	(13,874)	(193,196)	(36)	60,327	79,272	0	79,272	
Profit (representing total comprehensive income for the financial period)	0	0	0	9	444	453	0	453	
<i>Transaction with owners:</i>									
Issuance of shares pursuant to private placement	2,900	0	0	0	0	2,900	0	2,900	
Balance as at 31 December 2019	<u>228,951</u>	<u>(13,874)</u>	<u>(193,196)</u>	<u>(27)</u>	<u>60,771</u>	<u>82,625</u>	<u>0</u>	<u>82,625</u>	
CORRESPONDING PRECEDING PERIOD ENDED 31 DECEMBER 2018									
Balance as at 1 April 2018	226,051	(13,874)	(193,196)	(3)	51,026	70,004	(441)	69,563	
Profit (representing total comprehensive income for the financial period)	0	0	0	0	2,951	2,951	0	2,951	
Disposal of a subsidiary	0	0	0	0	0	0	441	441	
Balance as at 31 December 2018	<u>226,051</u>	<u>(13,874)</u>	<u>(193,196)</u>	<u>(3)</u>	<u>53,977</u>	<u>72,955</u>	<u>0</u>	<u>72,955</u>	

Notes:-

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2019.

ACME HOLDINGS BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2019
(THE FIGURES HAVE NOT BEEN AUDITED)

	CUMULATIVE PERIOD ENDED 31 DECEMBER 2019 RM'000	CORRESPONDING PRECEDING PERIOD ENDED 31 DECEMBER 2018 RM'000
Cash flows from operating activities		
Profit before tax	375	3,751
Adjustments for:-		
Allowance for expected credit losses	9	0
Bad debts recovered	(43)	0
Depreciation	1,681	1,169
Gain on deconsolidation of subsidiary	0	(662)
Interest expense	23	0
Interest income	(229)	(219)
Unrealised loss on foreign exchange	9	0
Operating profit before working capital changes	1,825	4,039
Changes in:-		
Inventory properties	267	3,894
Inventories	(145)	(1,028)
Receivables and prepayments	(3,157)	1,187
Payables	(5,003)	(3,425)
Cash (used in)/generated from operations	(6,213)	4,667
Income tax paid	(808)	(1,844)
Income tax refund	9,626	0
Interest paid	(23)	(30)
Net cash from operating activities	2,582	2,793
Cash flows from investing activities		
Change in bank balances held in trusts	13	0
Interest received	229	219
Proceeds from private placement	2,900	0
Purchase of property, plant and equipment	(1,550)	(4,315)
Net cash from/(used in) investing activities	1,592	(4,096)
Cash flows from financing activities		
Drawdown of finance lease liabilities	0	80
Payment of finance lease liabilities	(281)	(170)
Placement of fixed deposits	0	(65)
Placement of term deposits pledged as security	(4)	(135)
Net cash used in financing activities	(285)	(290)
Net increase/(decrease) in cash and cash equivalents	3,889	(1,593)
Cash and cash equivalents brought forward	6,562	5,853
Cash and cash equivalents carried forward	10,451	4,260
Cash and cash equivalents comprise the following:-		
Cash and bank balances	10,451	4,260
Term deposits with licensed banks	198	389
	10,649	4,649
Term deposits pledged as security	(198)	(389)
	10,451	4,260

Note:-

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2019.

ACME HOLDINGS BERHAD

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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 2019.

The financial statements of the Group for the financial year ending 31 March 2020 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.

Adoption of New and Amendments/Improvements to MFRS

The Group has adopted the following standards with a date of initial application of 1 January 2019:

Effective for annual periods beginning on or after 1 January 2019

MFRS 16 Leases

Amendments to MFRS 9 Prepayment Features with Negative Compensation

Amendments to MFRS 119 Employee Benefits

Amendments to MFRS 128 Investments in Associates and Joint Ventures: Long-term Interest in Associates and Joint Ventures

IC Int 23 Uncertainty over Income Tax Treatments

Annual Improvements to MFRS Standards 2015 – 2017 Cycle

The initial application of the above standards is not expected to have any material impact to the consolidated financial statements of the Group upon adoption except as mentioned below:

MFRS 16 Leases

MFRS 16 supersedes MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting under MFRS 16 is substantially unchanged under MFRS 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 did not have an impact for leases where the Group is the lessor. The Group adopted MFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying MFRS 117 and IC Interpretation 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

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NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation (cont'd)

The effects of adoption MFRS 16 as at 1 January 2019 is as follows:

	Current Quarter Ended 31 December 2019 (Unaudited) RM'000	Impact of MFRS 16 Adoption RM'000	Current Quarter Ended 31 December 2019 with adoption of MFRS 16 (Unaudited) RM'000
<u>Non-current Assets</u>			
Right-of-use of assets	-	113	113
<u>Non-current Liabilities</u>			
Lease Liabilities	-	98	98
<u>Current Liabilities</u>			
Lease Liabilities	-	15	15

The Group has not applied the following standards that have been issued by the Malaysian Accounting Standard Board ("MASB") but are not yet effective for the Group:

Effective for annual periods beginning on or after 1 January 2020

Amendments to References to the Conceptual Framework in MFRS Standards
Amendments to MFRS 3 Business Combination: Definition of a Business
Amendments to MFRS 101 Presentation of Financial Statement and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material

Effective for annual periods beginning on or after 1 January 2021

MFRS 17 Insurance Contracts

Effective date yet to be confirmed

Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above standards is not expected to have any material impacts to the financial statements of the Group upon adoption.

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.

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NOTES TO THE INTERIM FINANCIAL REPORT

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>	Property		Others RM'000	Group RM'000
	Manufacturing RM'000	development RM'000		
<u>Revenue</u>				
Total revenue	23,557	3,794	825	28,176
Intersegment revenue	(9,099)	0	0	(9,099)
External revenue	<u>14,458</u>	<u>3,794</u>	<u>825</u>	<u>19,077</u>
<u>Results</u>				
Segment results	126	373	(329)	170
Interest income	93	134	1	228
Interest expense	(23)	0	0	(23)
Profit/(Loss) before tax	<u>196</u>	<u>507</u>	<u>(328)</u>	<u>375</u>
Tax income/(expense)	221	(152)	0	69
Net profit/(loss) for the financial period	<u>417</u>	<u>355</u>	<u>(328)</u>	<u>444</u>
<u>Assets</u>				
Segment assets	33,516	45,676	14,363	93,555
Income tax assets	85	1,083	57	1,225
Total assets	<u>33,601</u>	<u>46,759</u>	<u>14,420</u>	<u>94,780</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 2019.

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 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 2019.

NOTES TO THE INTERIM FINANCIAL REPORT

12. Capital Commitments

The Group has no major capital commitments as at the end of the reporting period.

13. Review of Performance

(a) Cumulative Period Vs Corresponding Preceding Period

	Current Quarter Ended 31 December 2019 RM'000	Corresponding Preceding Quarter Ended 31 December 2018 RM'000	Changes RM'000	Cumulative Period Ended 31 December 2019 RM'000	Corresponding Preceding Period Ended 31 December 2018 RM'000	Changes RM'000
<u>Revenue</u>						
Manufacturing	4,871	4,357	514	14,458	14,433	25
Property	1,917	3,263	(1,346)	3,794	7,406	(3,612)
Others	275	276	(1)	825	744	81
	<u>7,063</u>	<u>7,896</u>	<u>(833)</u>	<u>19,077</u>	<u>22,583</u>	<u>(3,506)</u>
<u>(Loss)/Profit before tax</u>						
Manufacturing	(266)	782	(1,048)	196	835	(639)
Property	281	891	(610)	507	2,270	(1,763)
Others	(40)	45	(85)	(328)	646	(974)
	<u>(25)</u>	<u>1,718</u>	<u>(1,743)</u>	<u>375</u>	<u>3,751</u>	<u>(3,376)</u>

The Group recorded loss before tax of RM25,000 for current period ended 31 December 2019 as compared to profit before tax of RM1,718,000 for the previous corresponding period ended 31 December 2018. This is mainly due to drop in revenue recorded by the Property Division of about 41%.

(b) Current Quarter Vs Immediate Preceding Quarter

	Current Quarter Ended 31 December 2019 RM'000	Immediate Preceding Quarter Ended 30 September 2019 RM'000	Changes RM'000
<u>Revenue</u>			
Manufacturing	4,871	5,087	(216)
Property	1,917	1,059	858
Others	275	275	-
	<u>7,063</u>	<u>6,421</u>	<u>642</u>
<u>(Loss)/Profit before tax</u>			
Manufacturing	(266)	199	(465)
Property	281	111	170
Others	(40)	(97)	57
	<u>(25)</u>	<u>213</u>	<u>(238)</u>

The Group recorded loss before tax of RM25,000 in the current quarter as compared to profit before tax of RM213,000 in the immediate preceding quarter mainly due to loss incurred by the Manufacturing Division.

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NOTES TO THE INTERIM FINANCIAL REPORT

14. Prospects

After the completion of our highly successful Quayside @ Clear Water Bay development in 2017, the Property Development Division is currently gearing up for 2 new launches next year.

The Group has obtained approvals in July 2019 for the building plans in respect of a future development of 6 blocks of 13-storey apartments (with a total of 404 units) which the Group intends to launch in the second quarter of 2020. The development land is located in Teluk Air Tawar, Seberang Perai Utara, Pulau Pinang and the gross development value is estimated to be approximately RM198.5 million.

As further disclosed in Note 19 Corporate Proposals, at the Extraordinary General Meeting of the Company held on 6 November 2019, shareholders of the Company had amongst other matters, approved the proposed acquisition of the entire share capital in Medan Tropika Sdn Bhd for a total consideration of RM34,225,000. Medan Tropika Sdn Bhd is the registered owner of 2 adjoining parcels of freehold development land located in Air Itam, Pulau Pinang with total land area measuring about 178,748 square feet. Subject to the approvals of the relevant authorities being granted, the proposed development is expected to commence in the third quarter of 2020 and the gross development value is forecasted to be approximately RM194.37 million.

As for the Manufacturing Division, barring any unforeseen impairment loss, it is expected to return to profitability in the current financial year on the back of favourable resin price and consistent order from existing customers.

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 December 2019 (Unaudited) RM'000	Corresponding Preceding Quarter Ended 31 December 2018 (Unaudited) RM'000	Cumulative Period Ended 31 December 2019 (Unaudited) RM'000	Corresponding Preceding Period Ended 31 December 2018 (Unaudited) RM'000
(Loss)/Profit before tax is arrived at after charging:-				
Allowance for expected credit lossess	0	0	9	0
Depreciation of:-				
- Property, plant and equipment	507	343	1,447	935
- Investment properties	78	78	234	234
Interest expense	6	5	23	30
and crediting:-				
Bad debts recovered	5	0	43	0
(Loss)/Gain on foreign exchange	0	2	(9)	3
Interest income	66	129	229	219

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NOTES TO THE INTERIM FINANCIAL REPORT

17. Additional Disclosure Information

(a) Foreign Exchange Exposure / Hedging Policy

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

The Group does not engage in any formal hedging activities.

(b) Significant Related Party Transaction

Included in other payables is an amount of RM1,535,000 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 (Expense)/Income

	Current Quarter Ended 31 December 2019 RM'000	Corresponding Preceding Quarter Ended 31 December 2018 RM'000	Cumulative Period ended 31 December 2019 RM'000	Corresponding Preceding Period Ended 31 December 2018 RM'000
Tax based on results for the financial period:-				
Malaysian income tax	(146)	(447)	69	(800)
Deferred tax	0	0	0	0
	<u>(146)</u>	<u>(447)</u>	<u>69</u>	<u>(800)</u>

The positive tax position of RM69,000 for the current period relates mainly on tax refund from Manufacturing Division.

19. Corporate Proposals

There were no other corporate proposals announced but not completed as at the date of this report save for the following:

On 7 August 2019, the Company has proposed to undertake the following:

- (i) proposed bonus issue of up to 59,689,500 free warrants in ACME ("Warrants") on the basis of 1 warrant for every 4 existing ordinary shares in ACME ("ACME Shares") held on an entitlement date to be determined and announced later ("Proposed Bonus Issue of Warrants");
- (ii) proposed private placement of up to 89,534,200 new ACME shares, representing up to 30% of the enlarged number of issued ACME shares (excluding treasury shares) ("Proposed Private Placement");
- (iii) proposed acquisition of the entire share capital of Medan Tropika Sdn Bhd for a total cash consideration of RM20,000,000 from the shareholders of Medan Tropika Sdn Bhd ("Medan Vendors"); and
- (iv) proposed acquisition of the entire share capital of Focal Products Sdn Bhd for a total cash consideration of RM2,000,000.

(collectively referred to as the "Proposals").

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NOTES TO THE INTERIM FINANCIAL REPORT

19. Corporate Proposals (Cont'd)

Further to above announcement, the Company has announced on 24 September 2019 that ACME had on the same date entered into a supplemental share purchase agreement ("Supplemental Medan SPA") with Medan Vendors to amend certain terms and conditions of the share purchase agreement ("Medan SPA").

The Supplemental Medan SPA arose due to 14,255,000 new shares at RM1.00 each of Medan Tropika Sdn Bhd being issued to shareholders of Medan Tropika Sdn Bhd on 19 September 2019. On 24 September 2019, the Medan Vendors and ACME further agreed to enter into the Supplemental Medan SPA for the sale and purchase of all the 37,255,000 shares of Medan Tropika Sdn Bhd ("Medan Shares"), representing the entire share capital of Medan Tropika Sdn Bhd, for a total cash consideration of RM34,255,000. Part of the total cash consideration amounting to RM20,000,000 will be settled by ACME on or before the completion of the Medan SPA ("1st Tranche") and the remaining RM14,255,000 will be settled by ACME within 2 years after the completion of the Medan SPA in one or more tranches as ACME may deem fit ("2nd Tranche").

The Company has further announced on 14 October 2019 that Bursa Malaysia Securities Bhd ("Bursa Securities") had, via its letter dated 11 October 2019, resolved to approve the following:

- (a) admission to the Official List and the listing of and quotation for up to 59,689,500 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants;
- (b) listing of and quotation for up to 89,534,200 new ACME Shares to be issued pursuant to the Proposed Private Placement; and
- (c) listing of and quotation for up to 59,689,500 new ACME Shares to be issued arising from the exercise of the Warrants.

on the Main Market of Bursa Securities, subject to the conditions set out in the Bursa Securities letter.

At the Extraordinary General Meeting of the Company held on 6 November 2019, shareholders of the Company had approved the Proposal as well as the Supplemental Medan SPA.

On 5 February 2020, the Company has announced that:

- (i) ACME and the Medan Vendors had on the same date mutually agreed to extend the Medan Conditional Period for a period of 6 months up to 6 August 2020 for the parties to fulfil the conditions precedent set out in the Medan SPA and Supplemental Medan SPA; and
- (ii) ACME and the shareholders of Focal Products Sdn Bhd ("Focal Vendors") had on the same date mutually agreed to extend the Focal Conditional Period for a period of 6 months up to 6 August 2020 for the parties to fulfil the conditions precedent set out in the Focal SPA.

NOTES TO THE INTERIM FINANCIAL REPORT

20. Loans and Borrowings

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

	RM'000
<u>Long term borrowings (secured)</u>	
Hire purchase creditors	234
<u>Short term borrowings (secured)</u>	
Hire purchase creditors	95

All borrowings are denominated in Ringgit Malaysia.

The finance lease liabilities are secured over the leased assets.

21. Changes in Material Litigation

As at the date of this interim financial report, there is no litigation or arbitration against the Group, which has a material effect on the financial position of the Group, and the Board is not aware of any material proceedings pending or of any fact likely to give rise to any proceedings.

22. Dividend Declared/Recommended

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

23. (Loss)/Earnings per Share

(a) Basic 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 issued during the interim period excluding treasury share as follows:-

	Current Quarter Ended 31 December 2019	Corresponding Preceding Quarter Ended 31 December 2018	Cumulative Period Ended 31 December 2019	Corresponding Preceding Period Ended 31 December 2018
Net (loss)/profit for the financial period attributable to owners of the Company (RM'000)	(171)	1,271	444	2,951
Weighted average number of ordinary shares ('000)	230,156	229,974	230,156	229,974
Basic (loss)/earnings per share (sen)	<u>(0.07)</u>	<u>0.55</u>	<u>0.19</u>	<u>1.28</u>

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NOTES TO THE INTERIM FINANCIAL REPORT

23. (Loss)/Earnings per Share (Cont'd)

(b) Diluted earnings per share

The diluted 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 issued excluding treasury shares after adjustment for all dilutive potential ordinary share as follows:-

	Current Quarter Ended 31 December 2019	Corresponding Preceding Quarter Ended 31 December 2018	Cumulative Period Ended 31 December 2019	Corresponding Preceding Period Ended 31 December 2018
Net (loss)/profit for the financial period attributable to owners of the Company (RM'000)	(171)	1,271	444	2,951
Weighted average number of ordinary shares ('000)	230,156	229,974	230,156	229,974
Effect of warrants	7,930	0	7,930	0
Basic (loss)/earnings per share (sen)	<u>(0.07)</u>	<u>0.55</u>	<u>0.19</u>	<u>1.28</u>

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**LIM SHIOU GHAY
NON-EXECUTIVE CHAIRMAN
20 February 2020**