

ACME HOLDINGS BERHAD

Company No.: 198901012432 (189740-X)
(Incorporated in Malaysia)

Interim Financial Report
For The First Quarter Ended 30 June 2022 (Unaudited)

ACME HOLDINGS BERHAD
COMPANY NO.: 198901012432 (189740-X)
(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2022
(THE FIGURES HAVE NOT BEEN AUDITED)

	Note	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		CURRENT QUARTER ENDED 30 JUNE 2022 RM'000	CORRESPONDING PRECEDING QUARTER ENDED 30 JUNE 2021 RM'000	CUMULATIVE PERIOD ENDED 30 JUNE 2022 RM'000	CORRESPONDING PRECEDING PERIOD ENDED 30 JUNE 2021 RM'000
Revenue		777	2,886	777	2,886
Cost of sales		(542)	(2,798)	(542)	(2,798)
Gross profit		235	88	235	88
Other income		130	137	130	137
Administrative and general expenses		(744)	(761)	(744)	(761)
Selling and distribution expenses		0	(5)	0	(5)
Finance costs		(2)	(12)	(2)	(12)
Share of result of joint venture		(6)	0	(6)	0
Loss before tax	16	(387)	(553)	(387)	(553)
Taxation	18	(25)	3	(25)	3
Net loss, representing total comprehensive loss for the financial period		(412)	(550)	(412)	(550)
Total comprehensive loss attributable to:-					
- Owners of the Company		(412)	(550)	(412)	(550)
- Non-controlling interests		0	0	0	0
		(412)	(550)	(412)	(550)
Loss per share attributable to owners of the Company (sen)	23				
- Basic		(0.11)	(0.18)	(0.11)	(0.18)
- Diluted		(0.11)	(0.18)	(0.11)	(0.18)

Note:-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2022.

ACME HOLDINGS BERHAD
COMPANY NO : 198901012432 (189740-X)
(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	(Unaudited) 30 JUNE 2022 RM'000	(Audited) 31 MARCH 2022 RM'000
Non-current assets		
Property, plant and equipment	76	87
Right-of-use asset	167	183
Investment properties	6,193	6,263
Investment in a joint venture	110	116
	6,546	6,649
Current assets		
Inventory properties	68,678	68,295
Trade and other receivables	7,258	8,215
Prepayments	1,306	1,184
Contract assets	945	590
Current tax assets	597	563
Investment securities	174	185
Cash and cash equivalents	31,672	32,127
	110,630	111,159
Current liabilities		
Trade and other payables	10,307	10,495
Lease liability	48	65
Short-term bank borrowings	1,491	1,485
Current tax liabilities	0	13
	11,846	12,058
Net current assets	98,784	99,101
Non-current liabilities		
Lease liability	121	121
Deferred tax liabilities	1,555	1,565
Net assets	103,654	104,064
Financed by:-		
Share capital	251,448	251,448
Treasury shares	(13,874)	(13,874)
Currency translation reserve	(56)	(58)
Retained losses	(133,864)	(133,452)
Equity Attributable to Owners of the Company	103,654	104,064
Net Assets per Share Attributable to Owners of the Company (sen)⁽²⁾	29	29

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 2022.

(2) Based on 358,758,600 shares in issue after excluding 8,784,500 treasury shares as at 30 June 2022 and 31 March 2022.

ACME HOLDINGS BERHAD
COMPANY NO : 198901012432 (189740-X)
(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2022
(THE FIGURES HAVE NOT BEEN AUDITED)

|----- Attributable to owners of the parent -----|

	Share Capital RM'000	Treasury Shares RM'000	Reverse Acquisition Reserve RM'000	Currency Translation Reserve RM'000	Retained (Losses)/ Profits RM'000	Total Equity RM'000
CUMULATIVE PERIOD ENDED 30 JUNE 2022						
Balance as at 1 April 2022	251,448	(13,874)	0	(58)	(133,452)	104,064
Total comprehensive loss for the financial period	0	0	0	2	(412)	(410)
Balance as at 30 June 2022	<u>251,448</u>	<u>(13,874)</u>	<u>0</u>	<u>(56)</u>	<u>(133,864)</u>	<u>103,654</u>
CORRESPONDING PRECEDING PERIOD ENDED 30 JUNE 2021						
Balance as at 1 April 2021	242,826	(13,874)	(193,196)	(46)	62,334	98,044
Total comprehensive loss for the financial period	0	0	0	(4)	(550)	(554)
Balance as at 30 June 2021	<u>242,826</u>	<u>(13,874)</u>	<u>(193,196)</u>	<u>(50)</u>	<u>61,784</u>	<u>97,490</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 2022.

ACME HOLDINGS BERHAD
COMPANY NO : 198901012432 (189740-X)
(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2022
(THE FIGURES HAVE NOT BEEN AUDITED)

	CUMULATIVE PERIOD ENDED 30 JUNE 2022 RM'000	CORRESPONDING PRECEDING PERIOD ENDED 30 JUNE 2021 RM'000
Cash flows from operating activities		
Loss before tax	(387)	(553)
Adjustments for:-		
Accretion of interest	1	0
Depreciation of investment properties	70	78
Depreciation of property, plant and equipment	11	508
Depreciation of right-of-use assets	16	14
Fair value loss on investment securities	11	3
Interest expense	2	12
Interest income	(120)	(37)
Share of result of joint venture	6	0
Unrealised loss/(gain) on foreign exchange	2	(5)
Operating (loss)/profit before working capital changes	(388)	20
Changes in:-		
Inventory properties	(383)	180
Contract assets	(355)	(26)
Inventories	0	750
Receivables and prepayments	835	8,165
Payables	(188)	(9,768)
Refund liabilities	0	(60)
Cash generated used in operations	(479)	(739)
Income tax paid	(82)	(28)
Income tax refund	0	10
Interest paid	(2)	(12)
Net cash used in operating activities	(563)	(769)
Cash flows from investing activities		
Interest received	120	37
Purchase of property, plant and equipment	0	(17)
Net cash from investing activities	120	20
Cash flows from financing activities		
Net change in term loan balance	6	0
Payment of finance lease liabilities	0	(71)
Payment of principal portion of lease liability	(18)	(12)
Net cash used in financing activities	(12)	(83)
Net decrease in cash and cash equivalents	(455)	(832)
Cash and cash equivalents brought forward	32,127	12,345
Cash and cash equivalents carried forward	31,672	11,513

Note:-

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2022.

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 2022.

The financial statements of the Group for the financial year ending 31 March 2023 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 significant accounting policies, methods of computation and basis of consolidation adapted by the Group for the preparation of the interim financial report are consistent with those adopted in the annual audited financial statements for the year ended 31 March 2022.

The Group also applied the following standards, IC Interpretations and amendment to standard that have been issued by the Malaysian Accounting Standard Board ("MASB") effective from 1 April 2022. Initial application of the following amendments to MFRSs did not have any material impact to the financial statements of the Group upon adoption.

Effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 3 Business Combinations: Reference to the Conceptual Framework
Amendments to MFRS 116 Property, Plant and Equipment: Proceeds before Intended Use
Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 - 2020

Standards Issued But Not Yet Effective

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

Effective for annual periods beginning on or after 1 January 2023

Amendments to MFRS 4 Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9
MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts
Amendments to MFRS 17 Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current & Disclosure of Accounting Policies
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - 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.

NOTES TO THE INTERIM FINANCIAL REPORT

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 current interim period under review.

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 current interim period.

6. Dividend Paid

There was no payment of dividend during the current interim period.

7. Segment Information

<u>Analysis by activity</u>	Property development RM'000	Others RM'000	Group RM'000
<u>Revenue</u>			
Total revenue	502	275	777
Intersegment revenue	0	0	0
External revenue	<u>502</u>	<u>275</u>	<u>777</u>
<u>Results</u>			
Segment results	(559)	52	(507)
Interest income	32	88	120
Interest expense	0	0	0
(Loss)/profit before tax	<u>(527)</u>	<u>140</u>	<u>(387)</u>
Taxation	10	(35)	(25)
Net (loss)/profit	<u>(517)</u>	<u>105</u>	<u>(412)</u>
<u>Assets</u>			
Segment assets	80,475	36,104	116,579
Income tax assets	564	33	597
Total assets	<u>81,039</u>	<u>36,137</u>	<u>117,176</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 2022.

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.

NOTES TO 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 2022.

12. Capital Commitments

Contracted but not provided for:

Investment Properties

RM'000

4,760

13. Review of Performance

(a) Cumulative Period Vs Corresponding Preceding Period

	Current Quarter Ended 30 June 2022 RM'000	Corresponding Preceding Quarter Ended 30 June 2021 RM'000	Changes RM'000	Cumulative Period Ended 30 June 2022 RM'000	Corresponding Preceding Period Ended 30 June 2021 RM'000	Changes RM'000
<u>Revenue</u>						
Manufacturing	0	2,455	(2,455)	0	2,455	(2,455)
Property development	502	165	337	502	165	337
Others	275	266	9	275	266	9
	<u>777</u>	<u>2,886</u>	<u>(2,109)</u>	<u>777</u>	<u>2,886</u>	<u>(2,109)</u>
<u>(Loss)/Profit before tax</u>						
Manufacturing	0	(269)	269	0	(269)	269
Property development	(527)	(325)	(202)	(527)	(325)	(202)
Others	140	41	99	140	41	99
	<u>(387)</u>	<u>(553)</u>	<u>166</u>	<u>(387)</u>	<u>(553)</u>	<u>166</u>

Manufacturing Division

No contribution was recorded for the current quarter ended 30 June 2022 from the Manufacturing Division since it was disposed on 21 December 2021.

Property Development Division

During the quarter under review, turnover of the Property Development Division increased by 204% as compared to the previous corresponding quarter ended 30 June 2021. The increase in revenue was solely derived from revenue recognized from the on-going low-cost flats project. However, the division registered a loss before tax of RM527,000 due to no profit contribution from the sales of the low-cost flats.

NOTES TO THE INTERIM FINANCIAL REPORT

13. Review of Performance (Cont'd)

(b) Current Quarter Vs Immediate Preceding Quarter

	Current Quarter Ended 30 June 2022 RM'000	Immediate Preceding Quarter Ended 31 March 2022 RM'000	Changes RM'000
<u>Revenue</u>			
Property development	502	418	84
Others	275	275	0
	777	693	84
<u>(Loss)/Profit before tax</u>			
Property development	(527)	(525)	(2)
Others	140	85	55
	(387)	(440)	53

The Group's turnover for the reporting quarter was RM777,000 as compared to RM693,000 for the immediate preceding quarter. This increase of approximately 12% is due to higher revenue being recorded for the current quarter from the Property Development Division.

Overall, the Group recorded a loss before tax of RM387,000 in the current quarter as compared to loss before tax of RM440,000 in the immediate preceding quarter.

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 upcoming new launches.

The Group will be embarking on the final phase of the project which involves 6 blocks of 12-storey condominiums (404 units) located in Teluk Air Tawar, Seberang Perai Utara, Penang on a piece of 11-acre land. The Group targets to launch phase 1 of this development project in the third quarter of year 2022 and forecasted to generate a gross development value of approximately RM99.3 million.

In addition, the Group intends to launch an affordable housing project consisting of 2 blocks of 39-storey apartments (646 units) on 2 adjoining parcels of freehold development land in Air Itam, Penang with a total land area measuring approximately 4.1 acres in the fourth quarter of year 2022. The gross development value is forecasted to be approximately RM196.68 million.

15. Profit Forecast

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

NOTES TO THE INTERIM FINANCIAL REPORT

16. Loss Before Tax

	Current Quarter Ended 30 June 2022 RM'000	Corresponding Preceding Quarter Ended 30 June 2021 RM'000	Cumulative Period Ended 30 June 2022 RM'000	Corresponding Preceding Period Ended 30 June 2021 RM'000
After charging:-				
Depreciation of				
- Property, plant and equipment	11	508	11	508
- Investment properties	70	78	70	78
- Right-of-use assets	16	14	16	14
Interest expense	2	12	2	12
And crediting:-				
Interest income	120	37	120	37

17. Additional Disclosure Information

(a) Significant Related Party Transaction

- (i) Included in the other receivables is an amount of RM2,119,725 due from Skymind Intelligent Systems Sdn. Bhd., a joint venture of the Company. It is unsecured and interest bearing at 3.79% per annum and repayable on demand.
- (ii) Included in other payables is an amount of RM231,332 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. Taxation

	Current Quarter Ended 30 June 2022 RM'000	Corresponding Preceding Quarter Ended 30 June 2021 RM'000	Cumulative Period Ended 30 June 2022 RM'000	Corresponding Preceding Period Ended 30 June 2021 RM'000
Tax based on results for the financial period:-				
Malaysian income tax	(35)	0	(35)	0
Deferred tax	10	3	10	3
	<u>(25)</u>	<u>3</u>	<u>(25)</u>	<u>3</u>

The income tax expense of RM25,000 for the current quarter ended 30 June 2022 relates mainly to taxable profit of the Investment Holding Division.

19. Corporate Proposals

There was no corporate proposal announced but not completed as at 23 August 2022, 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:

NOTES TO THE INTERIM FINANCIAL REPORT

19. Corporate Proposals (Cont'd)

Proposed Share Capital Reduction

The Company had on 28th July 2022 announced the Proposed Share Capital Reduction exercise which entails the reduction of the issued share capital of the Company via the cancellation of the Company's paid-up share capital which is substantially unrepresented by available assets of RM160,000,000 pursuant to Section 117 of the Companies Act 2016.

Subject to shareholders approval of the Proposed Share Capital Reduction at the Extraordinary General Meeting to be held on 30 August 2022 and no objections from the Company's creditors, the corresponding credit of RM160,000,000 arising from such cancellation will be used to set-off against the accumulated losses of the Company while the remaining balance will be credited to the retained earnings of the Company which shall be used in a manner to be determined by the Board at a later date and in the best interest of the Company as permitted by the relevant and applicable laws as well as the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

20. Loans and Borrowings

The Group's borrowings as at 30 June 2022 are as follows:

<u>Short-term bank borrowings (secured)</u>	<u>RM'000</u>
Term Loans	1,491

All borrowings are denominated in Ringgit Malaysia.

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 under review.

23. Loss per Share

(a) Basic loss per share

The basic loss per share is calculated by dividing the net loss attributable to owners of the Company by the weighted average number of ordinary shares in issued excluding treasury shares as follows:-

	Current Quarter Ended 30 June 2022	Corresponding Preceding Quarter Ended 30 June 2021	Cumulative Period Ended 30 June 2022	Corresponding Preceding Period Ended 30 June 2021
Net loss for the financial period attributable to owners of the Company (RM'000)	(412)	(550)	(412)	(550)
Weighted average number of ordinary shares ('000)	358,759	298,955	358,759	298,955
Basic loss per share (sen)	<u>(0.11)</u>	<u>(0.18)</u>	<u>(0.11)</u>	<u>(0.18)</u>

NOTES TO THE INTERIM FINANCIAL REPORT

23. Loss per Share (Cont'd)

(b) Diluted loss per share

The diluted loss per share is calculated by dividing the net loss 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 shares as follows:-

	Current Quarter Ended 30 June 2022	Corresponding Preceding Quarter Ended 30 June 2021	Cumulative Period Ended 30 June 2022	Corresponding Preceding Period Ended 30 June 2021
Net loss for the financial period attributable to owners of the Company (RM'000)	(412)	(550)	(412)	(550)
Weighted average number of ordinary shares ('000)	358,759	298,955	358,759	298,955
Effect of warrants ('000)	4,514	11,657	4,514	11,657
Weighted average number of ordinary shares (diluted) ('000)	363,273	310,612	363,273	310,612
Basic loss per share (sen)	<u>(0.11)</u>	<u>(0.18)</u>	<u>(0.11)</u>	<u>(0.18)</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
INDEPENDENT NON-EXECUTIVE CHAIRMAN
30 August 2022