

# **ACME HOLDINGS BERHAD**

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

Interim Financial Report  
For The Second Quarter Ended 30 September 2022 (Unaudited)

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

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

	Note	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		CURRENT QUARTER ENDED 30 SEPTEMBER 2022 RM'000	CORRESPONDING PRECEDING QUARTER ENDED 30 SEPTEMBER 2021 RM'000	CUMULATIVE PERIOD ENDED 30 SEPTEMBER 2022 RM'000	CORRESPONDING PRECEDING PERIOD ENDED 30 SEPTEMBER 2021 RM'000
Revenue		665	2,082	1,442	4,968
Cost of sales		(368)	(2,249)	(910)	(5,047)
Gross profit/(loss)		297	(167)	532	(79)
Other income		225	314	355	451
Administrative and general expenses		(860)	(1,029)	(1,604)	(1,790)
Selling and distribution expenses		0	(5)	0	(10)
Finance costs		(21)	(11)	(23)	(23)
Share of result of joint venture		(7)	(19)	(13)	(19)
Loss before tax	16	(366)	(917)	(753)	(1,470)
Taxation	18	(94)	0	(119)	3
Net loss, representing total comprehensive loss for the financial period		(460)	(917)	(872)	(1,467)
Total comprehensive loss attributable to:-					
- Owners of the Company		(460)	(917)	(872)	(1,467)
- Non-controlling interests		0	0	0	0
		(460)	(917)	(872)	(1,467)
Loss per share attributable to owners of the Company (sen)	23				
- Basic		(0.13)	(0.31)	(0.24)	(0.49)
- Diluted		(0.13)	(0.30)	(0.24)	(0.47)

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 SEPTEMBER 2022**

	(Unaudited) 30 SEPTEMBER 2022 RM'000	(Audited) 31 MARCH 2022 RM'000
<b>Non-current assets</b>		
Property, plant and equipment	64	87
Right-of-use asset	150	183
Investment properties	6,124	6,263
Investment in a joint venture	103	116
	6,441	6,649
<b>Current assets</b>		
Inventory properties	69,067	68,295
Trade and other receivables	8,920	8,215
Prepayments	1,335	1,184
Contract assets	885	590
Current tax assets	555	563
Investment securities	170	185
Cash and cash equivalents	27,347	32,127
	108,279	111,159
<b>Current liabilities</b>		
Trade and other payables	8,863	10,495
Lease liability	32	65
Short-term bank borrowings	942	1,485
Current tax liabilities	16	13
	9,853	12,058
<b>Net current assets</b>	98,426	99,101
<b>Non-current liabilities</b>		
Lease liability	121	121
Deferred tax liabilities	1,549	1,565
	103,197	104,064
<b>Net assets</b>		
<b>Financed by:-</b>		
Share capital	251,448	251,448
Treasury shares	(13,874)	(13,874)
Currency translation reserve	(53)	(58)
Retained profits/(losses)	(134,324)	(133,452)
<b>Equity Attributable to Owners of the Company</b>	103,197	104,064
<b>Net Assets per Share Attributable to Owners of the Company (sen)<sup>(2)</sup></b>	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 September 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 SEPTEMBER 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	Non-Distributable Currency Translation Reserve RM'000	Retained (Losses)/ Profits RM'000	Total Equity RM'000
<b>CUMULATIVE PERIOD ENDED 30 SEPTEMBER 2022</b>						
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	5	(872)	(867)
Balance as at 30 September 2022	<u>251,448</u>	<u>(13,874)</u>	<u>0</u>	<u>(53)</u>	<u>(134,324)</u>	<u>103,197</u>
<b>CORRESPONDING PRECEDING PERIOD ENDED 30 SEPTEMBER 2021</b>						
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	(6)	(1,467)	(1,473)
Balance as at 30 September 2021	<u>242,826</u>	<u>(13,874)</u>	<u>(193,196)</u>	<u>(52)</u>	<u>60,867</u>	<u>96,571</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 SEPTEMBER 2022**  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

	<b>CUMULATIVE PERIOD ENDED 30 SEPTEMBER 2022 RM'000</b>	<b>CORRESPONDING PRECEDING PERIOD ENDED 30 SEPTEMBER 2021 RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(753)	(1,470)
<b>Adjustments for:-</b>		
Accretion of interest	4	0
Allowance for expected credit losses	0	3
Bad debts recovered	0	(19)
Depreciation of investment properties	139	156
Depreciation of property, plant and equipment	23	1,015
Depreciation of right-of-use assets	33	28
Dividend income	(4)	0
Fair value loss on investment securities	15	5
Interest expense	19	23
Interest income	(346)	(114)
Share of result of joint venture	13	19
Unrealised loss/(gain) on foreign exchange	5	(6)
Operating loss before working capital changes	<u>(852)</u>	<u>(360)</u>
<b>Changes in:-</b>		
Inventory properties	(772)	1,028
Contract assets	(295)	(30)
Inventories	0	346
Receivables and prepayments	(856)	9,435
Payables	(1,632)	(6,688)
Refund liabilities	0	(84)
Cash (used in)/generated from operations	<u>(4,407)</u>	<u>3,647</u>
Income tax paid	(134)	(32)
Income tax refund	10	91
Interest paid	(19)	(23)
Net cash (used in)/from operating activities	<u>(4,550)</u>	<u>3,683</u>
<b>Cash flows from investing activities</b>		
Interest received	346	114
Dividend received	4	0
Purchase of property, plant and equipment	0	(21)
Net cash from investing activities	<u>350</u>	<u>93</u>
<b>Cash flows from financing activities</b>		
Net change in term loan balance	(544)	11
Payment of principal portion of lease liability	(36)	(25)
Payment of finance of lease liability	0	(136)
Net cash used in financing activities	<u>(580)</u>	<u>(150)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(4,780)</b>	<b>3,626</b>
<b>Cash and cash equivalents brought forward</b>	<b>32,127</b>	<b>12,345</b>
<b>Cash and cash equivalents carried forward</b>	<b><u>27,347</u></b>	<b><u>15,971</u></b>

*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**

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### **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	842	600	1,442
Intersegment revenue	0	0	0
External revenue	<u>842</u>	<u>600</u>	<u>1,442</u>
<u>Results</u>			
Segment results	(1,092)	16	(1,076)
Interest income	52	294	346
Interest expense	(23)	0	(23)
(Loss)/profit before tax	<u>(1,063)</u>	<u>310</u>	<u>(753)</u>
Taxation	16	(135)	(119)
Net (loss)/profit	<u>(1,047)</u>	<u>175</u>	<u>(872)</u>
<u>Assets</u>			
Segment assets	78,539	35,626	114,165
Income tax assets	555	0	555
Total assets	<u>79,094</u>	<u>35,626</u>	<u>114,720</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 changes in the Group's composition during the reporting period.

#### Acquisition of subsidiaries

- (i) On 13 October 2022, the Company acquired 1 ordinary share in Ayana Bayu Sdn. Bhd. ("ABSB"), representing 100% equity interest in ABSB for a cash consideration of RM1.
- (ii) On the same date, the Company acquired 1 ordinary share in Lagenda Etika Sdn. Bhd. ("LESB"), representing 100% equity interest for a cash consideration of RM1.

### 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 September 2022 RM'000	Corresponding Preceding Quarter Ended 30 September 2021 RM'000	Changes RM'000	Cumulative Period Ended 30 September 2022 RM'000	Corresponding Preceding Period Ended 30 September 2021 RM'000	Changes RM'000
<u>Revenue</u>						
Manufacturing	0	1,810	(1,810)	0	4,265	(4,265)
Property development	340	0	340	842	165	677
Others	325	272	53	600	538	62
	<u>665</u>	<u>2,082</u>	<u>(1,417)</u>	<u>1,442</u>	<u>4,968</u>	<u>(3,526)</u>
<u>(Loss)/Profit before tax</u>						
Manufacturing	0	(463)	463	0	(732)	732
Property development	(536)	(521)	(15)	(1,063)	(846)	(217)
Others	170	67	103	310	108	202
	<u>(366)</u>	<u>(917)</u>	<u>551</u>	<u>(753)</u>	<u>(1,470)</u>	<u>717</u>

#### Manufacturing Division

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

#### Property Development Division

During the quarter under review, the Property Development Division recorded a higher revenue as compared to the previous corresponding quarter ended 30 September 2021. The increase in revenue was solely derived from the sales of its on-going low-cost flats project. However, the division registered a loss before tax of RM536,000 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**

	<b>Current Quarter Ended 30 June 2022 RM'000</b>	<b>Immediate Preceding Quarter Ended 30 June 2022 RM'000</b>	<b>Changes RM'000</b>
<u>Revenue</u>			
Property development	340	502	(162)
Others	325	275	50
	665	777	(112)
<u>(Loss)/Profit before tax</u>			
Property development	(536)	(527)	(9)
Others	170	140	30
	(366)	(387)	21

The Group's turnover for the reporting quarter was RM665,000 as compared to RM777,000 for the immediate preceding quarter. This decrease of approximately 14% is due to lower revenue being recorded for the current quarter from the Property Development Division.

Overall, the Group recorded a loss before tax of RM366,000 in the current quarter as compared to loss before tax of RM387,000 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 (which consist of 202 units to be built on 3 blocks of 12-storey condominiums) in the fourth quarter of year 2022 and is 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 second quarter of year 2023. The gross development value is forecasted to be approximately RM196.68 million.

The Group had on 7 November 2022 entered into a Joint Venture Agreement with Koperasi Kampung Melayu Balik Pulau Berhad to jointly develop 7 pieces of land located at Balik Pulau, Penang with total land area of approximately 178.34 acres into a multi-phased integrated development.

Further to the above, the Group had on 28 October 2022 entered into a Term Sheet with Pertubuhan Keselamatan Sosial ("PERKESO") whereby the Group will undertake the proposed planning, design, construction and completion of the development of (i) 1 Block of 48 storey Service Apartment, (ii) 8 storey car park and commercial retail (2 storey) and (iii) 1 storey basement car park to be constructed on a piece of development land located at Jalan Kia Peng, Wilayah Persekutuan Kuala Lumpur with a total land area measuring approximately 1.87 acres subject to a definitive agreement to be entered into by the Group and PERKESO.

Both the above joint venture projects are expected to contribute positively to the Group's revenue and bottom line sustainably over the mid-term.

**NOTES TO THE INTERIM FINANCIAL REPORT**

**15. Profit Forecast**

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

**16. Loss Before Tax**

	<b>Current Quarter Ended 30 September 2022 RM'000</b>	<b>Corresponding Preceding Quarter Ended 30 September 2021 RM'000</b>	<b>Cumulative Period Ended 30 September 2022 RM'000</b>	<b>Corresponding Preceding Period Ended 30 September 2021 RM'000</b>
After charging:-				
Depreciation of				
- Property, plant and equipment	12	507	23	1,015
- Investment properties	69	78	139	156
- Right-of-use assets	17	14	33	28
Interest expense	21	11	23	23
And crediting:-				
Interest income	226	77	346	114

**17. Additional Disclosure Information**

(a) Significant Related Party Transaction

- (i) Included in the other receivables is an amount of RM2,142,344 due from Skymind Intelligent Systems Sdn. Bhd., a joint venture of the Company. It is unsecured and interest bearing at 4.43% per annum and repayable on demand.
- (ii) Included in other payables is an amount of RM249,332 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**

	<b>Current Quarter Ended 30 September 2022 RM'000</b>	<b>Corresponding Preceding Quarter Ended 30 September 2021 RM'000</b>	<b>Cumulative Period Ended 30 September 2022 RM'000</b>	<b>Corresponding Preceding Period Ended 30 September 2021 RM'000</b>
Tax based on results for the financial period:-				
Malaysian income tax	(100)	0	(135)	0
Deferred tax	6	0	16	3
	<u>(94)</u>	<u>0</u>	<u>(119)</u>	<u>3</u>

The income tax expense of RM94,000 for the current quarter ended 30 September 2022 relates mainly to taxable profit of the Investment Holding Division.

## **NOTES TO THE INTERIM FINANCIAL REPORT**

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### **19. Corporate Proposals**

There was no corporate proposal announced but not completed as at 17 November 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:

#### 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.

At the Extraordinary General Meeting held on 30 August 2022, the shareholders of the Company have approved the Proposed Share Capital Reduction. Further to that, the Company had on 21 November 2022 received notice dated 17 November 2022 issued by the Registrar of Companies confirming the reduction of share capital. Accordingly, the Share Capital Reduction is effective as at 17 November 2022.

Following the completion of the Share Capital Reduction, the issued share capital of the Company as at 17 November 2022 is RM91,448,465 comprising 367,543,100 ACME Shares of which 8,784,500 ACME Shares are held as Treasury Shares.

### **20. Loans and Borrowings**

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

<u>Short-term bank borrowings (secured)</u>	<u>RM'000</u>
Term Loans	942

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.

**NOTES TO THE INTERIM FINANCIAL REPORT**

**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:-

	<b>Current Quarter Ended 30 September 2022</b>	<b>Corresponding Preceding Quarter Ended 30 September 2021</b>	<b>Cumulative Period Ended 30 September 2022</b>	<b>Corresponding Preceding Period Ended 30 September 2021</b>
Net loss for the financial period attributable to owners of the Company (RM'000)	(460)	(917)	(872)	(1,467)
Weighted average number of ordinary shares ('000)	358,759	298,955	358,759	298,955
Basic loss per share (sen)	<u>(0.13)</u>	<u>(0.31)</u>	<u>(0.24)</u>	<u>(0.49)</u>

(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:-

	<b>Current Quarter Ended 30 September 2022</b>	<b>Corresponding Preceding Quarter Ended 30 September 2021</b>	<b>Cumulative Period Ended 30 September 2022</b>	<b>Corresponding Preceding Period Ended 30 September 2021</b>
Net loss for the financial period attributable to owners of the Company (RM'000)	(460)	(917)	(872)	(1,467)
Weighted average number of ordinary shares ('000)	358,759	298,955	358,759	298,955
Effect of warrants ('000)	2,815	10,139	2,815	10,139
Weighted average number of ordinary shares (diluted) ('000)	361,574	309,094	361,574	309,094
Basic loss per share (sen)	<u>(0.13)</u>	<u>(0.30)</u>	<u>(0.24)</u>	<u>(0.47)</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**  
**24 November 2022**