

ACME HOLDINGS BERHAD

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

Interim Financial Report
For The Fourth Quarter Ended 31 March 2023 (Unaudited)

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

	Note	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		<u>CURRENT QUARTER ENDED 31 MARCH 2023 RM'000</u>	<u>CORRESPONDING PRECEDING QUARTER ENDED 31 MARCH 2022 RM'000</u>	<u>CUMULATIVE PERIOD ENDED 31 MARCH 2023 RM'000</u>	<u>CORRESPONDING PRECEDING PERIOD ENDED 31 MARCH 2022 RM'000</u>
Revenue		8,868	693	12,140	9,852
Cost of sales		(7,077)	(511)	(9,190)	(8,924)
Gross profit		<u>1,791</u>	<u>182</u>	<u>2,950</u>	<u>928</u>
Other income		454	235	3,578	798
Administrative and general expenses		(1,007)	(838)	(5,484)	(4,402)
Selling and distribution expenses		0	(10)	0	19
Finance costs		(22)	(3)	(68)	(33)
Share of result of joint venture		(11)	(6)	(33)	(31)
Profit/(Loss) before tax	16	<u>1,205</u>	<u>(440)</u>	<u>943</u>	<u>(2,721)</u>
Taxation	18	(376)	(224)	(718)	131
Net profit/(loss), representing total comprehensive income/(loss) for the financial period		<u>829</u>	<u>(664)</u>	<u>225</u>	<u>(2,590)</u>
Total comprehensive income/(loss) attributable to:-					
- Owners of the Company		829	(664)	225	(2,590)
- Non-controlling interests		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		<u>829</u>	<u>(664)</u>	<u>225</u>	<u>(2,590)</u>
Earnings/(Loss) per share attributable to owners of the Company (sen)	23				
- Basic		<u>0.23</u>	<u>(0.21)</u>	<u>0.06</u>	<u>(0.82)</u>
- Diluted		<u>0.23</u>	<u>(0.21)</u>	<u>0.06</u>	<u>(0.81)</u>

Note:-

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

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	(Unaudited) 31 MARCH 2023 RM'000	(Audited) 31 MARCH 2022 RM'000
Non-current assets		
Property, plant and equipment	638	87
Right-of-use asset	117	183
Investment properties	5,985	6,263
Investment in a joint venture	83	116
	6,823	6,649
Current assets		
Inventory properties	73,250	68,295
Trade and other receivables	14,903	8,215
Prepayments	431	1,184
Contract assets	7,404	590
Contract costs	158	0
Current tax assets	196	563
Investment securities	163	185
Cash and cash equivalents	18,015	32,127
	114,520	111,159
Current liabilities		
Trade and other payables	11,059	10,495
Lease liability	53	65
Short-term bank borrowings	1,908	1,485
Current tax liabilities	51	13
	13,071	12,058
Net current assets	101,449	99,101
Non-current liabilities		
Lease liability	68	121
Deferred tax liabilities	1,555	1,565
Net assets	106,649	104,064
Financed by:-		
Share capital	91,448	251,448
Treasury shares	(13,874)	(13,874)
Capital contribution reserve	2,302	0
Currency translation reserve	0	(58)
Retained profits/(losses)	26,773	(133,452)
Equity Attributable to Owners of the Company	106,649	104,064
Net Assets per Share Attributable to Owners of the Company (sen)⁽²⁾	30	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 31 March 2023 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 31 MARCH 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

	----- Attributable to owners of the parent -----						Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Reverse Acquisition Reserve RM'000	----- Non-Distributable ----- Capital Contribution Reserve RM'000	Currency Translation Reserve RM'000	Retained Profits/ (Losses) RM'000	
CUMULATIVE PERIOD ENDED 31 MARCH 2023							
Balance as at 1 April 2022	251,448	(13,874)	0	0	(58)	(133,452)	104,064
Total comprehensive loss for the financial period	0	0	0	0	58	225	283
<i>Transaction with owners:</i>							
Capital reduction	(160,000)	0	0	0	0	160,000	0
Recognition of equity-settled share-based payment	0	0	0	2,302	0	0	2,302
Balance as at 31 March 2023	91,448	(13,874)	0	2,302	0	26,773	106,649
CORRESPONDING PRECEDING PERIOD ENDED 31 MARCH 2022							
Balance as at 1 April 2021	242,826	(13,874)	(193,196)	0	(46)	62,334	98,044
Total comprehensive loss for the financial period	0	0	0	0	(12)	(2,590)	(2,602)
Disposal of a subsidiary	0	0	193,196	0	0	(193,196)	0
<i>Transaction with owners:</i>							
Issuance of shares pursuant to private placement	8,622	0	0	0	0	0	8,622
Balance as at 31 March 2022	251,448	(13,874)	0	0	(58)	(133,452)	104,064

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 31 MARCH 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

	CUMULATIVE PERIOD ENDED 31 MARCH 2023 RM'000	CORRESPONDING PRECEDING PERIOD ENDED 31 MARCH 2022 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	943	(2,721)
Adjustments for:-		
Accretion of interest	7	9
Bad debts recovered	0	(23)
Depreciation of investment properties	278	302
Depreciation of property, plant and equipment	55	1,486
Depreciation of right-of-use assets	66	59
Dividend income	(10)	(8)
Equity-settled share-based payment	2,302	0
Fair value loss on investment securities	22	(18)
Gain on remeasurement of right-of-use asset	0	(20)
Interest expense	61	23
Interest income	(581)	(316)
Gain on deconsolidation of investment in subsidiaries	(207)	743
Share of result of joint venture	33	31
Unrealised loss/(gain) on foreign exchange	12	(11)
Unwinding discount on retention sum payable	(149)	(78)
Operating profit/(loss) before working capital changes	2,832	(542)
Changes in:-		
Inventory properties	(4,955)	(590)
Contract assets	(6,814)	(179)
Contract costs	(158)	478
Receivables and prepayments	(5,935)	5,905
Payables	966	(13,425)
Refund liabilities	0	(92)
Cash used in operations	(14,064)	(8,445)
Income tax paid	(335)	(906)
Income tax refund	12	101
Interest paid	(61)	(23)
Net cash used in operating activities	(14,448)	(9,273)
Cash flows from investing activities		
Proceeds from disposal of subsidiaries	0	20,877
Interest received	581	316
Dividend received	10	8
Purchase of property, plant and equipment	(606)	(531)
Net cash (used in)/from investing activities	(15)	20,670
Cash flows from financing activities		
Net change in term loan balance	423	23
Payment of principal portion of lease liability	(72)	(197)
Payment of finance of lease liability	0	(63)
Proceeds from private placement	0	8,622
Net cash from financing activities	351	8,385
Net (decrease)/increase in cash and cash equivalents	(14,112)	19,782
Cash and cash equivalents brought forward	32,127	12,345
Cash and cash equivalents carried forward	18,015	32,127

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	10,942	1,198	12,140
Intersegment revenue	0	0	0
External revenue	<u>10,942</u>	<u>1,198</u>	<u>12,140</u>
<u>Results</u>			
Segment results	753	(330)	423
Interest income	95	486	581
Interest expense	(61)	0	(61)
Profit before tax	<u>787</u>	<u>156</u>	<u>943</u>
Taxation	(377)	(341)	(718)
Net profit/(loss)	<u>410</u>	<u>(185)</u>	<u>225</u>
<u>Assets</u>			
Segment assets	106,782	14,365	121,147
Income tax assets	196	0	196
Total assets	<u>106,978</u>	<u>14,365</u>	<u>121,343</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:

RM'000

Investment Properties 4,760

13. Review of Performance

(a) Cumulative Period Vs Corresponding Preceding Period

	Current Quarter Ended 31 March 2023 RM'000	Corresponding Preceding Quarter Ended 31 March 2022 RM'000	Changes RM'000	Cumulative Period Ended 31 March 2023 RM'000	Corresponding Preceding Period Ended 31 March 2022 RM'000	Changes RM'000
<u>Revenue</u>						
Manufacturing	0	0	0	0	7,050	(7,050)
Property development	8,568	418	8,150	10,942	1,714	9,228
Others	300	275	25	1,198	1,088	110
	<u>8,868</u>	<u>693</u>	<u>8,175</u>	<u>12,140</u>	<u>9,852</u>	<u>2,288</u>
<u>Profit/(Loss) before tax</u>						
Manufacturing	0	0	0	0	(720)	720
Property development	940	(525)	1,465	787	(1,324)	2,111
Others	265	85	180	156	(677)	833
	<u>1,205</u>	<u>(440)</u>	<u>1,645</u>	<u>943</u>	<u>(2,721)</u>	<u>3,664</u>

Manufacturing Division

No contribution was recorded for the current quarter ended 31 March 2023 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 31 March 2022. The increase in revenue was mainly derived from the sales of a newly launched condominium development project.

NOTES TO THE INTERIM FINANCIAL REPORT

13. Review of Performance (Cont'd)

(b) Current Quarter Vs Immediate Preceding Quarter

	Current Quarter Ended 31 March 2023 RM'000	Immediate Preceding Quarter Ended 31 December 2022 RM'000	Changes RM'000
<u>Revenue</u>			
Property development	8,568	1,532	7,036
Others	300	298	2
	8,868	1,830	7,038
<u>Profit/(Loss) before tax</u>			
Property development	940	909	31
Others	265	(418)	683
	1,205	491	714

The Group's turnover for the reporting quarter was RM8,868,000 as compared to RM1,830,000 for the immediate preceding quarter. This increase of approximately 385% is due to higher revenue being recorded for the current quarter from the Property Development Division.

Overall, the Group recorded a profit before tax of RM1,205,000 in the current quarter as compared to profit before tax of RM491,000 in the immediate preceding quarter.

14. Prospects

The Group has launched the Marina Residence, a property development project which consist of 202 units to be built on 3 blocks of 12-storey condominiums located in Teluk Air Tawar, Seberang Perai Utara, Penang in February 2023. The response from homebuyers has been encouraging given its well-developed location and pricing of the units.

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 third quarter of year 2023. The gross development value is forecasted to be approximately RM196.68 million.

Lagenda Etika Sdn. Bhd. ("LESB" or the "Developer"), a wholly-owned subsidiary of the Company had on 28 October 2022 entered into a Term Sheet with Pertubuhan Keselamatan Sosial ("PERKESO" or the "Landowner") whereby LESB 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 LESB and PERKESO. The Company has further announced that LESB had on 2 May 2023 entered into a Definitive Agreement with PERKESO. The gross development value of this project is estimated to be about RM1.46 billion.

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 which is projected to generate a gross development value of approximately RM1.40 billion.

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. Profit/(Loss) Before Tax

	Current Quarter Ended 31 March 2023 RM'000	Corresponding Preceding Quarter Ended 31 March 2022 RM'000	Cumulative Period Ended 31 March 2023 RM'000	Corresponding Preceding Period Ended 31 March 2022 RM'000
After charging:-				
Depreciation of				
- Property, plant and equipment	20	11	55	1,486
- Investment properties	70	69	278	302
- Right-of-use assets	16	18	66	59
Interest expense	15	0	61	23
And crediting:-				
Interest income	96	117	581	316

17. Additional Disclosure Information

Significant Related Party Transaction

Included in the other receivables is an amount of RM2,704,638 due from Skymind Intelligent Systems Sdn. Bhd., a joint venture of the Company. It is unsecured and interest bearing at 5.13% per annum and repayable on demand.

18. Taxation

	Current Quarter Ended 31 March 2023 RM'000	Corresponding Preceding Quarter Ended 31 March 2022 RM'000	Cumulative Period Ended 31 March 2023 RM'000	Corresponding Preceding Period Ended 31 March 2022 RM'000
Tax based on results for the financial period:-				
Malaysian income tax	(360)	(55)	(727)	(201)
Deferred tax	(16)	(169)	9	332
	<u>(376)</u>	<u>(224)</u>	<u>(718)</u>	<u>131</u>

The income tax expense of RM376,000 for the current quarter ended March 2023 relates mainly to taxable profit of the Property Development Division and Investment Holding Division.

NOTES TO THE INTERIM FINANCIAL REPORT

19. Corporate Proposals

Memorandum of Understanding (MOU)

The Company had on 28th October 2022 announced that Lagenda Etika Sdn. Bhd. ("LESB" or the "Developer"), a wholly-owned subsidiary of the Company had on 28 October 2022 entered into a Term Sheet ("Term Sheet") with Pertubuhan Keselamatan Sosial ("PERKESO" or the "Landowner") whereby the Developer 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 (the "Project") to be erected and/or constructed on the development land held under No. Hakmilik: Geran 34211, Lot No. 94, Seksyen 58, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur measuring approximately 1.87 acres in total area (the "Development Land") which shall be subject to the approved development order issued by Dewan Bandaraya Kuala Lumpur dated 31st October 2017 and variation and/or changes/amendments/modifications of the development order issued by the relevant authorities from time to time (the "Development Order") and subject to a definitive agreement (the "Definitive Agreement") to be entered into by the Landowner and the Developer.

The Board of Directors of the Company had on 2 May 2023 announced that LESB has entered into a Definitive Agreement with PERKESO.

20. Loans and Borrowings

The Group's borrowings as at 31 March 2023 are as follows:

<u>Short-term bank borrowings (secured)</u>	<u>RM'000</u>
Term Loans	1,908

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. Earnings/(Loss) per Share

(a) Basic earnings/(loss) per share

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

	Current Quarter Ended 31 March 2023	Corresponding Preceding Quarter Ended 31 March 2022	Cumulative Period Ended 31 March 2023	Corresponding Preceding Period Ended 31 March 2022
Net profit/(loss) for the financial period attributable to owners of the Company (RM'000)	829	(664)	225	(2,590)
Weighted average number of ordinary shares ('000)	358,759	314,407	358,759	314,407
Basic earnings/(loss) per share (sen)	0.23	(0.21)	0.06	(0.82)

(b) Diluted earnings/(loss) per share

The diluted earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issued excluding treasury shares after adjustment for all dilutive potential ordinary shares as follows:-

	Current Quarter Ended 31 March 2023	Corresponding Preceding Quarter Ended 31 March 2022	Cumulative Period Ended 31 March 2023	Corresponding Preceding Period Ended 31 March 2022
Net profit/(loss) for the financial period attributable to owners of the Company (RM'000)	829	(664)	225	(2,590)
Weighted average number of ordinary shares ('000)	358,759	314,407	358,759	314,407
Effect of warrants ('000)	0	5,580	0	5,580
Weighted average number of ordinary shares (diluted) ('000)	358,759	319,987	358,759	319,987
Diluted earnings/(loss) per share (sen)	0.23	(0.21)	0.06	(0.81)

NOTES TO THE INTERIM FINANCIAL REPORT

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
31 May 2023