

ACME HOLDINGS BERHAD

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

Interim Financial Report
For The First Quarter Ended 30 June 2023 (Unaudited)

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

	Note	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		CURRENT QUARTER ENDED 30 JUNE 2023 RM'000	CORRESPONDING PRECEDING QUARTER ENDED 30 JUNE 2022 RM'000	CUMULATIVE PERIOD ENDED 30 JUNE 2023 RM'000	CORRESPONDING PRECEDING PERIOD ENDED 30 JUNE 2022 RM'000
Revenue		10,295	777	10,295	777
Cost of sales		(8,355)	(542)	(8,355)	(542)
Gross profit		<u>1,940</u>	<u>235</u>	<u>1,940</u>	<u>235</u>
Other income		92	130	92	130
Administrative and general expenses		(848)	(744)	(848)	(744)
Finance costs		(30)	(2)	(30)	(2)
Share of result of joint venture		(11)	(6)	(11)	(6)
Profit/(Loss) before tax	16	<u>1,143</u>	<u>(387)</u>	<u>1,143</u>	<u>(387)</u>
Taxation	18	(370)	(25)	(370)	(25)
Net profit/(loss), representing total comprehensive income/(loss) for the financial period		<u>773</u>	<u>(412)</u>	<u>773</u>	<u>(412)</u>
Total comprehensive income/(loss) attributable to:-					
- Owners of the Company		773	(412)	773	(412)
- Non-controlling interests		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		<u>773</u>	<u>(412)</u>	<u>773</u>	<u>(412)</u>
Earnings/(Loss) per share attributable to owners of the Company (sen)	23				
- Basic		<u>0.22</u>	<u>(0.11)</u>	<u>0.22</u>	<u>(0.11)</u>
- Diluted		<u>0.22</u>	<u>(0.11)</u>	<u>0.22</u>	<u>(0.11)</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 2023.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	(Unaudited) 30 JUNE 2023 RM'000	(Audited) 31 MARCH 2023 RM'000
Non-current assets		
Property, plant and equipment	2,186	638
Right-of-use asset	100	117
Investment properties	5,915	5,985
Investment in a joint venture	72	83
	8,273	6,823
Current assets		
Inventory properties	67,245	73,208
Trade and other receivables	26,617	14,941
Prepayments	429	431
Contract assets	14,822	7,404
Contract costs	771	158
Current tax assets	10	196
Investment securities	160	163
Cash and cash equivalents	12,021	18,015
	122,075	114,516
Current liabilities		
Trade and other payables	13,229	10,880
Contract liabilities	42	174
Lease liability	51	68
Short-term bank borrowings	7,916	1,908
Current tax liabilities	144	51
	21,382	13,081
Net current assets	100,693	101,435
Non-current liabilities		
Lease liability	53	53
Deferred tax liabilities	1,490	1,555
Net assets	107,423	106,650
Financed by:-		
Share capital	91,448	91,448
Treasury shares	(13,874)	(13,874)
Share options reserve	2,302	2,302
Retained profits	27,547	26,774
Equity Attributable to Owners of the Company	107,423	106,650
Net Assets per Share Attributable to Owners of the Company (sen)⁽²⁾	30	30

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 2023.

(2) Based on 358,758,600 shares in issue after excluding 8,784,500 treasury shares as at 30 June 2023 and 31 March 2023.

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

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

	Share Capital RM'000	Treasury Shares RM'000	Share Options Reserve RM'000	Currency Translation Reserve RM'000	Retained Profits/ (Losses) RM'000	Total Equity RM'000
CUMULATIVE PERIOD ENDED 30 JUNE 2023						
Balance as at 1 April 2023	91,448	(13,874)	2,302	0	26,774	106,650
Total comprehensive income for the financial period	0	0	0	0	773	773
Balance as at 30 June 2023	91,448	(13,874)	2,302	0	27,547	107,423
CORRESPONDING PRECEDING PERIOD ENDED 30 JUNE 2022						
Balance as at 1 April 2022	251,448	(13,874)	0	(58)	(133,452)	104,064
Total comprehensive income for the financial period	0	0	0	2	(412)	(410)
Balance as at 30 June 2022	251,448	(13,874)	0	(56)	(133,864)	103,654

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 2023.

ACME HOLDINGS BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

	CUMULATIVE PERIOD ENDED 30 JUNE 2023 RM'000	CORRESPONDING PRECEDING PERIOD ENDED 30 JUNE 2022 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	1,143	(387)
Adjustments for:-		
Accretion of interest	1	1
Depreciation of investment properties	70	70
Depreciation of property, plant and equipment	20	11
Depreciation of right-of-use assets	17	16
Fair value loss on investment securities	3	11
Interest expense	13	2
Interest income	(92)	(120)
Share of result of joint venture	11	6
Unrealised loss on foreign exchange	0	2
Unwinding discount on retention sum payable	(149)	0
Operating profit/(loss) before working capital changes	1,037	(388)
Changes in:-		
Inventory properties	5,963	(383)
Contract assets	(7,418)	(355)
Contract costs	(613)	0
Receivables and prepayments	(11,674)	835
Payables	2,498	(188)
Contract liabilities	(132)	0
Cash used in operations	(10,339)	(479)
Income tax paid	(156)	(82)
Interest paid	(13)	(2)
Net cash used in operating activities	(10,508)	(563)
Cash flows from investing activities		
Interest received	92	120
Purchase of property, plant and equipment	(1,568)	0
Net cash (used in)/from investing activities	(1,476)	120
Cash flows from financing activities		
Net changes in short term borrowings	6,008	6
Payment of principal portion of lease liability	(18)	0
Payment of finance of lease liability	0	(18)
Net cash from/(used in) financing activities	5,990	(12)
Net decrease in cash and cash equivalents	(5,994)	(455)
Cash and cash equivalents brought forward	18,015	32,127
Cash and cash equivalents carried forward	12,021	31,672

Note:-

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2023.

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 2023.

The financial statements of the Group for the financial year ending 31 March 2024 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 2023.

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 2023. 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 2023

MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts
Amendments to MFRS 17 Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101 Presentation of Financial Statements: 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
Amendments to MFRS 112 Income Taxes: International Tax Reform – Pillar Two Model Rules

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 2024

Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback
Amendments to MFRS 101 Presentation of Financial Statements: Non-Current Liabilities with Covenants
Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current

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	9,995	300	10,295
Intersegment revenue	0	0	0
External revenue	<u>9,995</u>	<u>300</u>	<u>10,295</u>
<u>Results</u>			
Segment results	989	75	1,064
Interest income	49	43	92
Interest expense	(13)	0	(13)
Profit before tax	<u>1,025</u>	<u>118</u>	<u>1,143</u>
Taxation	(260)	(110)	(370)
Net profit	<u>765</u>	<u>8</u>	<u>773</u>
<u>Assets</u>			
Segment assets	117,463	12,875	130,338
Income tax assets	10	0	10
Total assets	<u>117,473</u>	<u>12,875</u>	<u>130,348</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 2023.

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 2023.

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 30 June 2023 RM'000	Corresponding Preceding Quarter Ended 30 June 2022 RM'000	Changes RM'000	Cumulative Period Ended 30 June 2023 RM'000	Corresponding Preceding Period Ended 30 June 2022 RM'000	Changes RM'000
<u>Revenue</u>						
Property development	9,995	502	9,493	9,995	502	9,493
Others	300	275	25	300	275	25
	<u>10,295</u>	<u>777</u>	<u>9,518</u>	<u>10,295</u>	<u>777</u>	<u>9,518</u>
<u>Profit/(Loss) before tax</u>						
Property development	1,025	(527)	1,552	1,025	(527)	1,552
Others	118	140	(22)	118	140	(22)
	<u>1,143</u>	<u>(387)</u>	<u>1,530</u>	<u>1,143</u>	<u>(387)</u>	<u>1,530</u>

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 June 2022. The increase in revenue was mainly derived from the sales of a newly launched condominium development project namely Marina Residence located in Teluk Air Tawar, Seberang Perai Utara, Penang.

NOTES TO THE INTERIM FINANCIAL REPORT

13. Review of Performance (Cont'd)

(b) Current Quarter Vs Immediate Preceding Quarter

	Current Quarter Ended 30 June 2023 RM'000	Immediate Preceding Quarter Ended 31 March 2023 RM'000	Changes RM'000
<u>Revenue</u>			
Property development	9,995	8,568	1,427
Others	300	300	0
	<u>10,295</u>	<u>8,868</u>	<u>1,427</u>
<u>Profit before tax</u>			
Property development	1,025	940	85
Others	118	265	(147)
	<u>1,143</u>	<u>1,205</u>	<u>(62)</u>

The Group's turnover for the reporting quarter was RM10,295,000 as compared to RM8,868,000 for the immediate preceding quarter. This increase of approximately 16% 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 RM1,143,000 in the current quarter as compared to profit before tax of RM1,205,000 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. As at 19 August 2023, the take-up rate achieved is approximately 78%.

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.

Legenda 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 to long-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 30 June 2023 RM'000	Corresponding Preceding Quarter Ended 30 June 2022 RM'000	Cumulative Period Ended 30 June 2023 RM'000	Corresponding Preceding Period Ended 30 June 2022 RM'000
After charging:-				
Depreciation of				
- Property, plant and equipment	20	11	20	11
- Investment properties	70	70	70	70
- Right-of-use assets	17	16	17	16
Interest expense	13	2	13	2
And crediting:-				
Interest income	92	120	92	120

17. Additional Disclosure Information

Significant Related Party Transaction

Included in the other receivables is an amount of RM2,740,481 due from Skymind Intelligent Systems Sdn. Bhd., a joint venture of the Company. It is unsecured and interest bearing at 5.39% per annum and repayable on demand.

18. Taxation

	Current Quarter Ended 30 June 2023 RM'000	Corresponding Preceding Quarter Ended 30 June 2022 RM'000	Cumulative Period Ended 30 June 2023 RM'000	Corresponding Preceding Period Ended 30 June 2022 RM'000
Tax based on results for the financial period:-				
Malaysian income tax	(435)	(35)	(435)	(35)
Deferred tax	65	10	65	10
	<u>(370)</u>	<u>(25)</u>	<u>(370)</u>	<u>(25)</u>

The income tax expense of RM370,000 for the current quarter ended 30 June 2023 relates mainly to taxable profit of the Property Development Division.

19. Corporate Proposals

There was no other corporate proposal announced but not completed as at 22 August 2023, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

NOTES TO THE INTERIM FINANCIAL REPORT

20. Loans and Borrowings

The Group's borrowings as at 30 June 2023 are as follows:

<u>Short-term bank borrowings (secured)</u>	<u>RM'000</u>
Term Loans	3,334
Bank Overdraft	4,582
	<u>7,916</u>

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. 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 30 June 2023	Corresponding Preceding Quarter Ended 30 June 2022	Cumulative Period Ended 30 June 2023	Corresponding Preceding Period Ended 30 June 2022
Net profit/(loss) for the financial period attributable to owners of the Company (RM'000)	773	(412)	773	(412)
Weighted average number of ordinary shares ('000)	358,759	358,759	358,759	358,759
Basic earnings/(loss) per share (sen)	<u>0.22</u>	<u>(0.11)</u>	<u>0.22</u>	<u>(0.11)</u>

NOTES TO THE INTERIM FINANCIAL REPORT

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

(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 30 June 2023	Corresponding Preceding Quarter Ended 30 June 2022	Cumulative Period Ended 30 June 2023	Corresponding Preceding Period Ended 30 June 2022
Net profit/(loss) for the financial period attributable to owners of the Company (RM'000)	773	(412)	773	(412)
Weighted average number of ordinary shares ('000)	358,759	358,759	358,759	358,759
Effect of warrants ('000)	0	4,514	0	4,514
Weighted average number of ordinary shares (diluted) ('000)	358,759	363,273	358,759	363,273
Diluted earnings/(loss) per share (sen)	0.22	(0.11)	0.22	(0.11)

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
29 August 2023