

ACME HOLDINGS BERHAD

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

Interim Financial Report
For The Fourth Quarter Ended 31 March 2024 (Unaudited)

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2024
(THE FIGURES HAVE NOT BEEN AUDITED)

	Note	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		CURRENT QUARTER ENDED 31 MARCH 2024 RM'000	CORRESPONDING PRECEDING QUARTER ENDED 31 MARCH 2023 RM'000	CUMULATIVE PERIOD ENDED 31 MARCH 2024 RM'000	CORRESPONDING PRECEDING PERIOD ENDED 31 MARCH 2023 RM'000
Revenue		16,258	8,868	61,086	12,140
Cost of sales		(12,296)	(7,077)	(48,240)	(9,190)
Gross profit		<u>3,962</u>	<u>1,791</u>	<u>12,846</u>	<u>2,950</u>
Other income		568	454	789	3,578
Administrative and general expenses		(1,264)	(1,007)	(4,132)	(5,484)
Finance costs		(137)	(22)	(300)	(68)
Share of result of joint venture		(1)	(11)	(36)	(33)
Profit before tax	16	<u>3,128</u>	<u>1,205</u>	<u>9,167</u>	<u>943</u>
Taxation	17	(715)	(375)	(2,325)	(717)
Net profit, representing total comprehensive income for the financial period		<u>2,413</u>	<u>830</u>	<u>6,842</u>	<u>226</u>
Total comprehensive income attributable to:-					
- Owners of the Company		2,413	830	6,842	226
- Non-controlling interests		-	0	0	0
		<u>2,413</u>	<u>830</u>	<u>6,842</u>	<u>226</u>
Earnings per share attributable to owners of the Company (sen)	22				
- Basic		<u>0.67</u>	<u>0.23</u>	<u>1.91</u>	<u>0.06</u>
- Diluted		<u>0.67</u>	<u>0.23</u>	<u>1.91</u>	<u>0.06</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 31 MARCH 2024

	(Unaudited) 31 MARCH 2024 RM'000	(Audited) 31 MARCH 2023 RM'000
Non-current assets		
Property, plant and equipment	1,457	638
Right-of-use asset	50	117
Investment properties	5,708	5,985
Investment in a joint venture	0	83
	7,215	6,823
Current assets		
Inventory properties	66,086	73,208
Trade receivables	2,839	669
Other receivables, deposits and prepayments	32,958	14,703
Contract assets	28,056	7,404
Contract costs	3,582	158
Current tax assets	161	196
Investment securities	175	163
Cash and cash equivalents	7,917	18,015
	141,774	114,516
Current liabilities		
Trade payables	354	639
Other payables and accruals	21,232	9,177
Contract liabilities	57	174
Lease liability	53	68
Borrowings	4,541	1,908
Current tax liabilities	821	51
	27,058	12,017
Net current assets	114,716	102,499
Non-current liabilities		
Lease liability	0	53
Trade payables	2,959	1,064
Borrowings	4,117	0
Deferred tax liabilities	1,363	1,555
	8,439	2,672
Net assets	113,492	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	33,616	26,774
Equity Attributable to Owners of the Company	113,492	106,650
Net Assets per Share Attributable to Owners of the Company (sen)⁽²⁾		
	32	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 31 March 2024 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 31 MARCH 2024
(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 31 MARCH 2024						
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	6,842	6,842
Balance as at 31 March 2024	91,448	(13,874)	2,302	0	33,616	113,492
CORRESPONDING PRECEDING PERIOD ENDED 31 MARCH 2023						
Balance as at 1 April 2022	251,448	(13,874)	0	(58)	(133,452)	104,064
Total comprehensive profit for the financial period	0	0	0	58	226	284
<i>Transaction with owners:</i>						
Capital reduction	(160,000)	0	0	0	160,000	0
Recognition of equity-settled share-based payment	0	0	2,302	0	0	2,302
Balance as at 31 March 2023	91,448	(13,874)	2,302	0	26,774	106,650

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2024
(THE FIGURES HAVE NOT BEEN AUDITED)

	CUMULATIVE PERIOD ENDED 31 MARCH 2024 RM'000	CORRESPONDING PRECEDING PERIOD ENDED 31 MARCH 2023 RM'000
Cash flows from operating activities		
Profit before tax	9,167	943
Adjustments for:-		
Accretion of interest	4	7
Depreciation of investment properties	277	278
Depreciation of property, plant and equipment	373	55
Depreciation of right-of-use assets	67	66
Dividend income	(9)	(10)
Equity-settled share-based payment	0	2,302
Fair value (gain)/loss on investment securities	(12)	22
Interest expense	246	0
Interest income	(255)	(581)
Gain on disposal of subsidiaries, net	0	(207)
Gain on disposal of investment in a joint venture	(103)	0
Share of result of joint venture	36	33
Unwinding discount on retention sum payable	(388)	(149)
Operating profit before working capital changes	9,403	2,759
Changes in:-		
Inventory properties	7,122	(4,913)
Contract assets	(20,652)	(6,814)
Contract costs	(3,424)	(158)
Receivables	(20,425)	(5,973)
Payables	14,053	903
Contract liabilities	(117)	174
Cash used in operations	(14,040)	(14,022)
Income tax paid	(2,038)	(334)
Income tax refund	326	12
Interest paid	(246)	0
Net cash used in operating activities	(15,998)	(14,344)
Cash flows from investing activities		
Net cash inflow from disposal of investment in a joint venture	150	0
Interest received	255	477
Dividend received	9	10
Purchase of property, plant and equipment	(1,192)	(606)
Net cash used in investing activities	(778)	(119)
Cash flows from financing activities		
Net changes in short term borrowings	6,750	423
Payment of lease liability	(72)	(72)
Net cash from financing activities	6,678	351
Net decrease in cash and cash equivalents	(10,098)	(14,112)
Cash and cash equivalents brought forward	18,015	32,127
Cash and cash equivalents carried forward	7,917	18,015

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 for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation (Cont'd)

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.

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	59,888	1,198	61,086
Intersegment revenue	0	0	0
External revenue	<u>59,888</u>	<u>1,198</u>	<u>61,086</u>
<u>Results</u>			
Segment results	8,851	307	9,158
Interest income	128	127	255
Interest expense	(246)	0	(246)
Profit before tax	<u>8,733</u>	<u>434</u>	<u>9,167</u>
Taxation	(1,889)	(436)	(2,325)
Net profit	<u>6,844</u>	<u>(2)</u>	<u>6,842</u>
<u>Assets</u>			
Segment assets	145,018	3,810	148,828
Income tax assets	161	0	161
Total assets	<u>145,179</u>	<u>3,810</u>	<u>148,989</u>

NOTES TO THE INTERIM FINANCIAL REPORT

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.

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 31 March 2024 RM'000	Corresponding Preceding Quarter Ended 31 March 2023 RM'000	Changes RM'000	Cumulative Period Ended 31 March 2024 RM'000	Corresponding Preceding Period Ended 31 March 2023 RM'000	Changes RM'000
<u>Revenue</u>						
Property						
development	15,958	8,568	7,390	59,887	10,942	48,945
Others	300	300	0	1,199	1,198	1
	<u>16,258</u>	<u>8,868</u>	<u>7,390</u>	<u>61,086</u>	<u>12,140</u>	<u>48,946</u>
<u>Profit before tax</u>						
Property						
development	2,982	940	2,042	8,734	787	7,947
Others	146	265	(119)	433	156	277
	<u>3,128</u>	<u>1,205</u>	<u>1,923</u>	<u>9,167</u>	<u>943</u>	<u>8,224</u>

Property Development Division

During the cumulative period under review, the Property Development Division recorded a substantially higher revenue of RM61.1 million as compared to RM12.1 million in the corresponding preceding period ended 31 March 2023. The substantial increase in revenue was mainly derived from the robust sales of two newly launched development projects namely Marina Residence and Mandarin Residence.

In the circumstance, the Group's profit before tax also improved substantially to RM9.2 million in the cumulative period under review from RM0.9 million in the corresponding preceding period ended 31 March 2023.

NOTES TO THE INTERIM FINANCIAL REPORT

13. Review of Performance (Cont'd)

(b) Current Quarter Vs Immediate Preceding Quarter

	Current Quarter Ended 31 March 2024 RM'000	Immediate Preceding Quarter Ended 31 December 2023 RM'000	Changes RM'000
<u>Revenue</u>			
Property development	15,958	20,102	(4,144)
Others	300	300	0
	<u>16,258</u>	<u>20,402</u>	<u>(4,144)</u>
<u>Profit/(Loss) before tax</u>			
Property development	2,982	2,774	208
Others	146	33	113
	<u>3,128</u>	<u>2,807</u>	<u>321</u>

The Group's turnover for the reporting quarter was lower at RM16.3 million mainly due lower recorded sales for phase 1 of the Marina Residence as compared to RM20.4 million for the immediate preceding quarter.

However, the Group recorded a higher profit before tax of RM3.1 million in the current quarter mainly due to sales of better profit margin units as compared to profit before tax of RM2.8 million in the immediate preceding quarter.

14. Prospects

The Group has launched phase 1 of 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. As at 21 May 2024, the project has achieved take-up rate of 92%.

Given the overwhelming response, the Group has launched phase 2 of the Marina Residence in May 2024. This final phase of our Teluk Air Tawar development project is expected to achieve gross development value ("GDV") of about RM 103.43 million.

In September 2023, the Group launched the Mandarin Residence, an affordable housing project consisting of 2 blocks of 39-storey apartments (646 units) located in Bandar Baru Air Itam, Penang. The GDV is approximately RM 243.44 million, with a take up rate of about 61% as at 21 May 2024.

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) 2 Blocks of 54 storey Service Apartment, (ii) 11 storey car park and commercial retail 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 RM1.5 billion.

NOTES TO THE INTERIM FINANCIAL REPORT

14. Prospects (Cont'd)

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 RM1.4 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.

15. Profit Forecast

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

16. Profit Before Tax

	Current Quarter Ended 31 March 2024 RM'000	Corresponding Preceding Quarter Ended 31 March 2023 RM'000	Cumulative Period Ended 31 March 2024 RM'000	Corresponding Preceding Period Ended 31 March 2023 RM'000
After charging:-				
Depreciation of				
- Property, plant and equipment	149	20	373	55
- Investment properties	69	70	277	278
- Right-of-use assets	17	16	67	66
Finance costs on				
- Accretion of interest	0	1	4	7
- Commitment fee	4	21	50	61
- Interest expenses	133	0	246	0
And crediting:-				
Interest income	25	96	255	581

17. Taxation

	Current Quarter Ended 31 March 2024 RM'000	Corresponding Preceding Quarter Ended 31 March 2023 RM'000	Cumulative Period Ended 31 March 2024 RM'000	Corresponding Preceding Period Ended 31 March 2023 RM'000
Tax based on results for the financial period:-				
Malaysian income tax	(849)	(359)	(2,552)	(726)
Deferred tax	134	(16)	227	9
	<u>(715)</u>	<u>(375)</u>	<u>(2,325)</u>	<u>(717)</u>

The income tax expense of RM715,000 for the current quarter ended 31 March 2024 relates mainly to taxable profit of the Property Development Division.

18. Corporate Proposals

There was no corporate proposal announced but not completed as at 21 May 2024, 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

19. Loans and Borrowings

The Group's borrowings as at 31 March 2024 are as follows:

<u>Bank borrowings (secured)</u>	Short term RM'000	Long term RM'000
Bank Overdraft	3,285	0
Term Loans	1,256	4,117
	<u>4,541</u>	<u>4,117</u>

All borrowings are denominated in Ringgit Malaysia.

20. 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.

21. Dividend Declared/Recommended

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

22. 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 excluding treasury shares as follows:-

	Current Quarter Ended 31 March 2024	Corresponding Preceding Quarter Ended 31 March 2023	Cumulative Period Ended 31 March 2024	Corresponding Preceding Period Ended 31 March 2023
Net profit for the financial period attributable to owners of the Company (RM'000)	2,413	830	6.842	226
Weighted average number of ordinary shares ('000)	358,759	358,759	358,759	358,759
Basic earnings/(loss) per share (sen)	<u>0.67</u>	<u>0.23</u>	<u>1.91</u>	<u>0.06</u>

NOTES TO THE INTERIM FINANCIAL REPORT

22. 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 shares as follows:-

	Current Quarter Ended 31 March 2024	Corresponding Preceding Quarter Ended 31 March 2023	Cumulative Period Ended 31 March 2024	Corresponding Preceding Period Ended 31 March 2023
Net profit for the financial period attributable to owners of the Company (RM'000)	2,413	830	6,842	226
Weighted average number of ordinary shares ('000)	358,759	358,759	358,759	358,759
Effect of warrants ('000)	0	0	0	0
Weighted average number of ordinary shares (diluted) ('000)	358,759	358,759	358,759	358,759
Diluted earnings per share (sen)	0.67	0.23	1.91	0.06

23. 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
 28 May 2024