

**EMICO HOLDINGS BERHAD (Company No : 230326-D)**  
**CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)**  
**FOR THE QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2017**

	3 months ended 31 March		12 months ended 31 March	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	14,925	24,906	70,278	80,019
Cost of sales	(12,508)	(19,902)	(55,190)	(63,304)
Gross profit/(loss)	2,417	5,004	15,088	16,715
Other income	269	82	722	1,831
Sales and marketing expenses	(250)	(267)	(1,173)	(1,291)
Administrative expenses	(4,112)	(3,328)	(11,364)	(10,845)
Operating profit/(loss)	(1,676)	1,491	3,273	6,410
Finance costs	(130)	(145)	(543)	(540)
Profit/(Loss) before tax	(1,806)	1,346	2,730	5,870
Tax expense	(531)	(1,065)	(1,380)	(1,824)
<b>Profit/(Loss) for the period</b>	<b>(2,337)</b>	<b>281</b>	<b>1,350</b>	<b>4,046</b>
<b>Profit/(Loss) attributable to:</b>				
Equity holders of the parent	(2,312)	(314)	1,603	3,665
Non-controlling interests	(25)	595	(253)	381
<b>Profit/(Loss) for the period</b>	<b>(2,337)</b>	<b>281</b>	<b>1,350</b>	<b>4,046</b>
<b>Earnings per share attributable to equity holders of the parent:</b>				
Basic, profit/(loss) for the period (sen)	(2.41)	(0.33)	1.67	3.82
Fully Diluted	(2.41)	(0.33)	1.67	3.82

(The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to this interim financial report)

**EMICO HOLDINGS BERHAD (Company No : 230326-D)**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2017**

	3 months ended 31 March		12 months ended 31 March	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<b>Profit/(Loss) for the period</b>	(2,337)	281	1,350	4,046
<b>Other comprehensive income, net of tax</b>				
Revaluation reserve on leasehold land and building, net of tax	-	1,002	-	1,002
Foreign currency translation differences for foreign operation	1	(5)	(9)	(14)
<b>Total comprehensive income/(loss) for the period</b>	<u>(2,336)</u>	<u>1,278</u>	<u>1,341</u>	<u>5,034</u>
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the parent	(2,311)	683	1,594	4,653
Non-controlling interests	<u>(25)</u>	<u>595</u>	<u>(253)</u>	<u>381</u>
	<u>(2,336)</u>	<u>1,278</u>	<u>1,341</u>	<u>5,034</u>

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to this interim financial report)

**EMICO HOLDINGS BERHAD (Company No : 230326-D)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - UNAUDITED**  
**AT 31 MARCH 2017**

	<b>31 March 2017 Unaudited RM'000</b>	<b>31 March 2016 Audited RM'000</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	22,940	23,628
Investment properties	178	184
Goodwill on consolidation	552	552
Deferred tax assets	89	327
<b>Total non current assets</b>	<b>23,759</b>	<b>24,691</b>
<b>Current Assets</b>		
Inventories	36,639	40,245
Trade and other receivables	14,940	17,931
Current tax assets	348	102
Cash and cash equivalents	4,358	8,598
<b>Total current assets</b>	<b>56,285</b>	<b>66,876</b>
<b>TOTAL ASSETS</b>	<b>80,044</b>	<b>91,567</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	9,593	95,927
Reserves	19,549	19,558
Retained profits /(Accumulated losses)	13,400	(74,537)
<b>Total equity attributable to owners of the Company</b>	<b>42,542</b>	<b>40,948</b>
Non-controlling interests	8,041	8,294
<b>TOTAL EQUITY</b>	<b>50,583</b>	<b>49,242</b>
<b>Non Current Liabilities</b>		
Borrowings	2,425	3,653
Deferred tax liabilities	4,706	4,932
<b>Total non current liabilities</b>	<b>7,131</b>	<b>8,585</b>
<b>Current liabilities</b>		
Trade and other payables	14,725	19,042
Bank borrowings	6,443	7,927
Deferred revenue	839	5,828
Current tax liabilities	323	943
<b>Total current liabilities</b>	<b>22,330</b>	<b>33,740</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>80,044</b>	<b>91,567</b>
Net assets per share (RM)	0.44	0.43

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to this interim financial report)

**EMICO HOLDINGS BERHAD (Company No : 230326-D)**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - UNAUDITED**  
**FOR THE TWELVE MONTHS ENDED 31 MARCH 2017**  
**RM'000**

	Attributable to equity holders of parent						
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Exchange Reserve RM'000	Accumulated Losses RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 April 2016	95,927	7,737	11,811	10	(74,537)	8,294	49,242
Profit/(Loss) for the period	-	-	-	-	1,603	(253)	1,350
Foreign exchange translation differences	-	-	-	(9)	-	-	(9)
Par value reduction	(86,334)	-	-	-	86,334	-	-
Total comprehensive income/(loss) for the period	(86,334)	-	-	(9)	87,937	(253)	1,341
At 31 March 2017	9,593	7,737	11,811	1	13,400	8,041	50,583
At 1 April 2015	95,927	7,737	10,809	24	(78,202)	7,913	44,208
Profit/(Loss) for the period	-	-	-	-	3,665	381	4,046
Foreign exchange translation differences	-	-	-	(14)	-	-	(14)
Revaluation reserve on leasehold land & buildings	-	-	1,002	-	-	-	1,002
Total comprehensive income/(loss) for the period	-	-	1,002	(14)	3,665	381	5,034
At 31 March 2016	95,927	7,737	11,811	10	(74,537)	8,294	49,242

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to this interim financial report)

**EMICO HOLDINGS BERHAD (Company No : 230326-D)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW - UNAUDITED**  
**FOR THE TWELVE MONTHS ENDED 31 MARCH 2017**

	12 months ended 31 March 2017 RM'000	12 months ended 31 March 2016 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before tax	2,730	5,870
Adjustments for :		
Depreciation and amortisation	1,932	2,031
Interest expenses	477	513
Impairment losses on trade and other receivables	23	26
Amortisation of investment properties	-	6
Unrealised loss /(gain) on foreign exchange	(110)	86
Interest income	(145)	(151)
Impairment losses on trade and other receivables no longer required	-	(4)
Gain on disposal of property, plant and equipment	-	(54)
Operating profit/(loss) before working capital changes	4,907	8,323
Changes in working capital:		
Decrease/(increase) in trade and other receivables	2,432	(1,269)
Decrease/(increase) in inventories	3,636	(97)
(Decrease)/increase in deferred revenue	(4,989)	(544)
(Decrease)/increase in trade and other payables	(3,883)	(1,370)
Cash generated from operations	2,103	5,043
Interest received	145	151
Tax refund	3	17
Tax paid	(2,207)	(1,489)
Net cash generated from operating activities	44	3,722
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,219)	(698)
Proceed from disposal of property, plant and equipment	-	100
Net cash used in investing activities	(1,219)	(598)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(477)	(513)
Net (repayment)/ drawdown of bank borrowings	(1,880)	950
Net (repayment)/ drawdown of hire purchase payables	(121)	(332)
Changes in deposits pledged to licensed banks	36	422
Net cash used in financing activities	(2,442)	527
Net increase/(decrease) in cash and cash equivalents	(3,617)	3,651
Effects of exchange rate changes on cash and cash equivalents	123	(108)
Cash and cash equivalents at beginning of financial year	6,499	2,956
Cash and cash equivalents at end of financial period	3,005	6,499
Cash and cash equivalents comprise of:		
Cash and bank balances	3,771	7,876
Deposits with licensed banks	587	722
Bank overdrafts included in bank borrowings	(1,266)	(1,977)
	3,092	6,621
Less: Deposits pledged to licensed banks	(87)	(122)
	3,005	6,499

(The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to this interim financial report)

**A EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A1 Basis of preparation**

The interim financial statements are unaudited and has been prepared in compliance with MFRS 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2016. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2016.

The following revised MFRSs and Amendments to MFRSs applicable to the Group have been issued by the MASB and are not yet effective for adoption by the Group.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018:

MFRS 9	Financial Instruments (2014)
Clarifications to MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 128	Investments in Associates and Joint Ventures
Amendments to MFRS 140	Investment Property - Transfer of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019:

MFRS 16	Leases
---------	--------

**A2 Audited financial statements of the preceding year**

The auditors' report on the financial statements for the year ended 31 March 2016 was not qualified.

**A3 Seasonality or cyclicity of operations**

The Group operations is not subject to seasonality or cyclicity of operations.

**A4 Items of unusual nature and amount**

There were no items affecting assets, liabilities, equity, net income or cash flows of the Group that are unusual because of their nature, size or incidence during the quarter except for the cancellation of RM0.90 of the par value of each ordinary shares of RM1.00 in Emico Holdings Berhad amounting to RM86.33 million which has been utilised to set-off the Group's accumulated losses. Refer Note A6 for further details of the cancellation of par value.

**A5 Changes in estimates**

There were no significant changes in estimates of amount, which give a material effect in the current financial period.

**A6 Issuance, cancellations, repurchases, resale and repayment of debt/equity securities**

On 17 March 2017, the Company had lodged the office copy of the sealed Court Order with the Companies Commission of Malaysia, upon which the reduction of the issued and paid-up share capital of Emico Holdings Berhad ("Emico") pursuant to Section 64 of the Companies Act 1965, involving the cancellation of RM0.90 of the par value of each ordinary share of RM1.00 each in Emico is completed..

**A7 Dividend paid**

There were no dividend paid during the quarter under review.

**A8 Segmental Reporting**

The analysis by activity of the Group for the financial period ended 31 March 2017 are as follows:

	<-----3 months ended----->		<-----12 months ended----->	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Manufacturing and trading - consumable products	14,925	14,366	58,361	61,739
Property development	-	10,540	11,917	18,280
Investment holdings	45	60	180	240
	<u>14,970</u>	<u>24,966</u>	<u>70,458</u>	<u>80,259</u>
Inter-segment elimination	(45)	(60)	(180)	(240)
Total Revenue	<u>14,925</u>	<u>24,906</u>	<u>70,278</u>	<u>80,019</u>

<b>Segment Results</b>				
Manufacturing and trading - consumable products	(779)	(445)	3,765	4,325
Property development	(629)	2,189	626	2,950
Investment holdings	(268)	(253)	(1,118)	(865)
Total Segment Results	(1,676)	1,491	3,273	6,410
Finance cost	(130)	(145)	(543)	(540)
Profit/(Loss) before tax	(1,806)	1,346	2,730	5,870
Tax expense	(531)	(1,065)	(1,380)	(1,824)
Non-controlling interests	25	(595)	253	(381)
Profit/(Loss) for the period	(2,312)	(314)	1,603	3,665

#### A9 Valuation of property, plant and equipment

The valuation of leasehold land and buildings have been brought forward without amendments from previous annual financial statements.

#### A10 Material events subsequent to the balance sheet date

There were no material events subsequent to the end of the current quarter.

#### A11 Contingent Liabilities

The Directors are not aware of any contingent liabilities that have arisen since the last annual balance sheet date.

#### A12 Related Party Transactions

Significant transactions between the Group with the related parties during the financial period ended 31 March 2017 were as follows:

	<-----3 months ended----->		<-----12 months ended----->	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
	RM'000	RM'000	RM'000	RM'000
Sales of raw materials:				
Century Plas Industries Sdn Bhd	1,522	1,566	7,162	6,490
Purchases of semi finished parts and components:				
Century Plas Industries Sdn Bhd	2,888	3,918	10,272	10,103
Sales and purchases of trading items				
U Can Marketing Sdn Bhd	21	2	47	4
Rental of premises received:				
Century Plas Industries Sdn Bhd	39	39	156	156
Rental of machinery received:				
Century Plas Industries Sdn Bhd	6	6	24	24
Rental of factory paid and payable to:				
Beng Choo Marketing Sdn Bhd	90	90	360	360
Purchases of trophy parts and bases:				
Emico (Vietnam) Co. Ltd	782	164	3,020	2,275
Contract works billed:				
Frame World Sdn Bhd	1,739	3,270	4,335	8,965

The transactions were entered in the normal course of business and have been established under normal commercial terms that are no less favourable than those arranged with independent third parties.

#### A13 Capital Commitments

Capital expenditures which have not been provided for at the end of each reporting period are as follows:

	As at 31-Mar-17 RM'000
Property, plant and equipment: Approved and contracted for	<u>567</u>

## B ADDITIONAL INFORMATION AS REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (PART A OF APPENDIX 9B)

#### B1 Tax expense

	Current 12 months 31-03-2017 RM'000	Current 12 months 31-03-2016 RM'000
Current period	1,411	1,970
Under/(over) provision in prior years	(89)	(329)
RPGT	45	-
Deferred	13	183
Taxation - net	<u>1,380</u>	<u>1,824</u>

The effective tax rates were higher than statutory tax rate mainly due to the losses which cannot be set-off against taxable profits made by subsidiaries and certain expenses which are not tax deductible.

**B2 Sale of unquoted investments and properties**

There were no profit on sale of investments or properties for the current financial period.

**B3 Particulars of purchase or disposal of quoted investments**

There were no sales or purchases of quoted securities during the period.

**B4 Status of Corporate proposals announced but not completed**

There were no corporate proposals announced but not completed during the period.

**B5 Group borrowings**

Group borrowings and debt securities are as follows:

	31-Mar-17 RM'000	31-Mar-16 RM'000
<b>a) Current bank Borrowings - Secured</b>		
Bank overdraft	1,266	1,977
Bankers' acceptance	3,831	3,987
Hire purchase creditors	237	242
Term loan	1,109	1,050
Receivable financing	-	671
	<u>6,443</u>	<u>7,927</u>
<b>b) Non Current Bank Borrowings - Secured</b>		
Hire purchase creditors	898	1,014
Term loan	1,527	2,639
	<u>2,425</u>	<u>3,653</u>

**B6 Financial Instruments with Off Balance Sheet Risks**

There were no financial instruments with off balance sheet risks for the current financial period.

**B7 Material Litigations**

There are no material litigation pending as at 17 May 2017.

**B8 Performance review**

	<----- 3 months ended ----->		<-----12 months ended ----->	
	Jan-17 to Mar-17	Oct-16 to Dec-16	Apr-16 to Mar-17	Apr-15 to Mar-16
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>				
Manufacturing and trading	14,925	15,707	58,361	61,739
Property development	-	-	11,917	18,280
Total	<u>14,925</u>	<u>15,707</u>	<u>70,278</u>	<u>80,019</u>
<b>PROFIT/ (LOSS) BEFORE TAX ("PBT" &amp; "LBT")</b>				
Manufacturing and trading - operations	(891)	1,912	3,294	3,824
Property development	(647)	(595)	554	2,911
Investment holdings	(268)	(366)	(1,118)	(865)
Net Total	<u>(1,806)</u>	<u>951</u>	<u>2,730</u>	<u>5,870</u>

**Comparison with preceding quarter**

For the current quarter under review, the revenue of the Group was lower at RM14.93 million as compared to RM15.71 million in the preceding quarter mainly due to lower sales from the manufacturing and trading division. The Group posted LBT of RM1.81 million for current quarter as compared to PBT of RM0.95 million in preceding quarter.

Manufacturing and trading division posted a decrease of 4.98% in revenue from of RM15.71 million in preceding quarter to RM14.93 million for current quarter. The lower number of working days caused by the long festive break during the current quarter resulted in lower revenue for the manufacturing sector which decline from RM14.60 million in preceding quarter to RM13.74 million in current quarter. Revenue from the trading sector was maintained at RM1.18 million for current quarter against RM1.10 million for preceding quarter. Manufacturing and trading division posted LBT of RM0.89 million as compared to PBT 1.91 million due to lower sales and higher administrative expenses.

There was no project completion for current quarter and preceding quarter. As such, property division posted LBT of RM0.65 million for current quarter and RM0.60 million for preceding quarter.

Investment holding division posted lower LBT of RM0.27 million for current quarter as compared to LBT of RM0.37 million in preceding quarter due to expenditure on legal and professional fees incurred during the preceding quarter in relation to the par value reduction exercise as mentioned in Note A4 and A6.



#### Comparison with preceding year results

The Group revenue for the year ended 31 March 2017 was RM70.28 million as compared to RM80.02 million for preceding year, representing a decline of 12.17% .The decline was mainly due to a drop in revenue from the property development division and trading sector.

The manufacturing and trading division posted a decrease of 5.79% in revenue from RM61.74 million in preceding year to RM58.36 million for current year mainly due to lower contribution from the trading sector revenue. Manufacturing sector posted an increase of 13.53% in turnover increasing from RM47.07 million in preceding year to RM53.44 million. The better results was brought about by the strong performance from the export business. However, the trading sector posted a drop of 66.39% in revenue from RM14.67 million in preceding year to RM4.93 million. The decline was caused by the exit of retail business by one of its major customer during the fourth quarter of the preceding year. In tandem with the lower revenue, the manufacturing and trading division posted a lower PBT of RM3.29 million as compared to PBT of RM3.82 million in preceding year.

Property development division posted revenue of RM11.92 million for current year as compared to RM18.28 million in preceding year. The current year turnover was derived from the sales of 40 units of double storey terrace house in Sungai Petani project . The preceding year revenue was derived from the sales of 55 units of double storey terrace house in Sungai Petani project, 4 units double storey terrace house in Langkawi project and 3 units of single storey terrace house in Melaka project. In tandem with the lower revenue, the property development division posted a lower PBT of RM0.55 million as compared to PBT of RM2.91 million in preceding year.

Investment holding division posted LBT RM0.87 million for current year as compared to RM1.11 million in preceding year. The higher LBT was due to expenditure on legal and professional fees in relation to the proposed par value reduction as mentioned in Note A4 and A6.

#### **B9 Prospects**

The manufacturing sector is expected to better its performance for the financial year 2018 through the upgrading and automation of certain production process to be undertaken in stages over the period. However, the trading sector will remain challenging as it is largely dependent on the recovery of the European economy. The Group will look into strengthening our sourcing team to provide a wider range of quality household products with competitive pricing to our customers. Property development division will remain challenging due to the rising cost of living and weak consumer spending in purchasing property. Despite the unfavourable market condition, the Group will continue to take proactive measures to optimize our project management and cost.

#### **B10 Explanatory notes on any variance in actual profit from forecasted profit**

This note is not applicable for the financial period under review.

#### **B11 Dividend**

The Directors do not recommend any dividend for the period ended 31 March 2017.

#### **B12 Earnings per share ("EPS")**

##### 1) Basic Earnings per share

##### **a) Numerator**

Profit attributable to ordinary equity holders:  
Profit/(Loss) from operations (RM'000)

3 months		12 months	
31.03.2017	31.03.2016	31.03.2017	31.03.2016
(2,312)	(314)	1,603	3,665
95,927	95,927	95,927	95,927
(2.41)	(0.33)	1.67	3.82

##### **b) Denominator**

Weighted average number of ordinary shares used as denominator (per 1000 shares)

##### **Basic Earnings per share (Sen)**

#### **B13 Operating Income/(Expenses)**

Included in operating income/(expenses) are the followings credits/(charges):

	12 months ended Mar-17 RM'000	12 months ended Mar-16 RM'000
Depreciation of property, plant and equipment	(1,925)	(2,030)
Amortisation of investment properties	(7)	(7)
Interest expense	(477)	(513)
Interest income	145	197
Gain on disposal of property, plant & equipment	-	54
Unrealised gain/(loss) on foreign exchange	110	(138)
Impairment losses on trade and other receivables	(23)	(9)
Impairment losses on trade and other receivables no longer required	-	4

#### **B14 Accumulated losses**

The breakdown of accumulated losses of the Group as at reporting date, into realised and unrealised is as follows:

	As at end of year ended 31.03.2017 RM'000	As at end of year ended 31.03.2016 RM'000
Total retained profits /(accumulated losses) of the Company and its subsidiaries:		
- Realised	(66,005)	(79,165)
- Unrealised	(797)	(864)
Par value reduction of share capital	86,334	-
Total before consolidation adjustments	19,532	(80,029)
Less: Consolidation adjustments	(6,132)	5,492
Total Group retained profits/( accumulated losses) as per consolidation accounts	13,400	(74,537)