

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

	<b>3 months ended 31 Dec</b>		<b>9 months ended 31 Dec</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	13,895	15,707	39,683	55,353
Cost of sales	(10,995)	(11,489)	(30,626)	(42,682)
Gross profit/(loss)	2,900	4,218	9,057	12,671
Other income	594	122	1,099	1,881
Sales and marketing expenses	(279)	(242)	(876)	(923)
Administrative expenses	(2,984)	(3,014)	(8,713)	(8,680)
Operating profit/(loss)	231	1,084	567	4,949
Finance costs	(126)	(133)	(391)	(413)
Profit/(Loss) before tax	105	951	176	4,536
Tax expense	(333)	(209)	(764)	(938)
<b>Profit/(Loss) for the period</b>	<b>(228)</b>	<b>742</b>	<b>(588)</b>	<b>3,598</b>
<b>Profit/(Loss) attributable to:</b>				
Equity holders of the parent	(197)	899	(513)	3,826
Non-controlling interests	(31)	(157)	(75)	(228)
<b>Profit/(Loss) for the period</b>	<b>(228)</b>	<b>742</b>	<b>(588)</b>	<b>3,598</b>
<b>Earnings per share attributable to equity holders of the parent:</b>				
Basic, profit/(loss) for the period (sen)	(0.21)	0.94	(0.53)	3.99
Fully Diluted	(0.21)	0.94	(0.53)	3.99

(The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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 NINE MONTHS ENDED 31 DECEMBER 2017**

	3 months ended 31 Dec		9 months ended 31 Dec	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<b>Profit/(Loss) for the period</b>	(228)	742	(588)	3,598
<b>Other comprehensive income, net of tax</b>				
Revaluation reserve on leasehold land and building, net of tax	-	-	-	-
Foreign currency translation differences for foreign operation	5	(6)	15	(10)
<b>Total comprehensive income/(loss) for the period</b>	<u>(223)</u>	<u>736</u>	<u>(573)</u>	<u>3,588</u>
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the parent	(192)	893	(498)	3,816
Non-controlling interests	(31)	(157)	(75)	(228)
	<u>(223)</u>	<u>736</u>	<u>(573)</u>	<u>3,588</u>

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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 DECEMBER 2017**

	<b>31 December 2017 Unaudited RM'000</b>	<b>31 March 2017 Audited RM'000</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	23,853	22,940
Investment properties	173	178
Goodwill on consolidation	552	552
Deferred tax assets	89	89
<b>Total non current assets</b>	<b>24,667</b>	<b>23,759</b>
<b>Current Assets</b>		
Inventories	43,320	36,640
Trade and other receivables	14,121	15,521
Current tax assets	528	344
Cash and cash equivalents	2,983	4,357
<b>Total current assets</b>	<b>60,952</b>	<b>56,862</b>
<b>TOTAL ASSETS</b>	<b>85,619</b>	<b>80,621</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	17,329	17,329
Reserves	11,827	11,812
Retained earnings	12,887	13,400
<b>Total equity attributable to owners of the Company</b>	<b>42,043</b>	<b>42,541</b>
Non-controlling interests	7,966	8,041
<b>TOTAL EQUITY</b>	<b>50,009</b>	<b>50,582</b>
<b>Non Current Liabilities</b>		
Borrowings	1,874	2,422
Deferred tax liabilities	4,617	4,705
<b>Total non current liabilities</b>	<b>6,491</b>	<b>7,127</b>
<b>Current liabilities</b>		
Trade and other payables	18,706	15,308
Bank borrowings	6,409	6,447
Deferred revenue	3,730	839
Current tax liabilities	274	318
<b>Total current liabilities</b>	<b>29,119</b>	<b>22,912</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>85,619</b>	<b>80,621</b>
Net assets per share (RM)	0.44	0.44

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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 NINE MONTHS ENDED 31 DECEMBER 2017**

	Attributable to equity holders of parent						Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Exchange Reserve RM'000	Retained earning RM'000			
At 1 April 2017	17,329	-	11,811	1	13,400	8,041	50,582	
Profit/(Loss) for the period	-	-	-	-	(513)	(75)	(588)	
Foreign exchange translation differences	-	-	-	15	-	-	15	
Total comprehensive income/(loss) for the period	-	-	-	15	(513)	(75)	(573)	
At 31 December 2017	17,329	-	11,811	16	12,887	7,966	50,009	
At 1 April 2016	95,927	7,737	11,811	10	(74,537)	8,294	49,242	
Profit/(Loss) for the period	-	-	-	-	3,826	(228)	3,598	
Foreign exchange translation differences	-	-	-	(10)	-	-	(10)	
Total comprehensive income/(loss) for the period	-	-	-	(10)	3,826	(228)	3,588	
At 31 December 2016	95,927	7,737	11,811	-	(70,711)	8,066	52,830	

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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 NINE MONTHS ENDED 31 DECEMBER 2017**

	<b>9 months ended 31 December 2017 RM'000</b>	<b>12 months ended 31 March 2017 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before tax	169	2,730
Adjustments for :		
Depreciation of property, plant and equipment	1,329	1,925
Interest expenses	344	524
Impairment losses on trade and other receivables	251	23
Amortisation of investment properties	5	7
Unrealised loss /(gain) on foreign exchange	109	(110)
Interest income	(300)	(89)
Property, plant and equipment written off	-	7
Operating profit/(loss) before working capital changes	1,907	5,017
Changes in working capital:		
Decrease/(increase) in trade and other receivables	556	2,387
Decrease/(increase) in inventories	(6,697)	3,605
(Decrease)/increase in deferred revenue	2,891	(3,734)
(Decrease)/increase in trade and other payables	4,027	(4,989)
Cash generated from operations	2,684	2,286
Interest received	300	89
Tax refund	-	20
Tax paid	(1,078)	(2,257)
Net cash generated from operating activities	1,906	138
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2,250)	(1,090)
Net cash used in investing activities	(2,250)	(1,090)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(344)	(524)
Net (repayment)/ drawdown of bank borrowings	(1,052)	(1,880)
Net (repayment)/ drawdown of hire purchase payables	169	(249)
Changes in deposits pledged to licensed banks	-	35
Net cash used in financing activities	(1,227)	(2,618)
Net increase/(decrease) in cash and cash equivalents	(1,571)	(3,570)
Effects of exchange rate changes on cash and cash equivalents	(113)	76
Cash and cash equivalents at beginning of financial year	3,005	6,499
Cash and cash equivalents at end of financial period	1,321	3,005
Cash and cash equivalents comprise of:		
Cash and bank balances	2,896	3,771
Deposits with licensed banks	87	586
Bank overdrafts included in bank borrowings	(1,575)	(1,266)
	1,408	3,091
Less: Deposits pledged to licensed banks	(87)	(86)
	1,321	3,005

(The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to this interim financial report)

**EMICO HOLDINGS BERHAD (Company No : 230326-D)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER ENDED 31 DECEMBER 2017**

**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 2017. 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 2017.

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.

		Effective for annual periods beginning on or after
MFRS 9	Financial Instruments (2014)	1-Jan-18
Clarifications to MFRS 15	Revenue from Contracts with Customers	1-Jan-18
Amendments to MFRS 1	Annual improvements to MFRS Standards 2014-2016 Cycle	1-Jan-18
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1-Jan-18
Amendments to MFRS 128	Annual improvements to MFRS Standards 2014-2016 Cycle	1-Jan-18
Amendments to MFRS 140	Transfer of Investment Property	1-Jan-18
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1-Jan-18
MFRS 16	Leases	1-Jan-19
IC Interpretation 23	Uncertainty over Income Tax treatments	1-Jan-19
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1-Jan-19
Amendments to MFRS 128	Long term interest in Associates and Joint Ventures	1-Jan-19
Amendments to MFRS 3	Annual improvements to MFRS Standards 2015-2017 Cycle	1-Jan-19
Amendments to MFRS 11	Annual improvements to MFRS Standards 2015-2017 Cycle	1-Jan-19
Amendments to MFRS 112	Annual improvements to MFRS Standards 2015-2017 Cycle	1-Jan-19
Amendments to MFRS 123	Annual improvements to MFRS Standards 2015-2017 Cycle	1-Jan-19
MFRS 17	Insurance Contracts	1-Jan-21
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

The auditors' report on the financial statements for the year ended 31 March 2017 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 financial quarter ended 31 December 2017.

**A5 Changes in estimates**

There were no significant changes in estimates of amount, which give a material effect in the financial quarter ended 31 December 2017.

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

There have been no issuance and repayment of debt and equity securities for the financial quarter ended 31 December 2017.

**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 December 2017 are as follows:

	<-----3 months ended----->		<-----9 months ended----->	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Manufacturing and trading - consumable products	13,606	15,707	39,105	43,436
Property development	289	-	578	11,917
Investment holdings	45	45	135	135
	<u>13,940</u>	<u>15,752</u>	<u>39,818</u>	<u>55,488</u>
Inter-segment elimination	(45)	(45)	(135)	(135)
Total Revenue	<u>13,895</u>	<u>15,707</u>	<u>39,683</u>	<u>55,353</u>

<b>Segment Results</b>				
Manufacturing and trading - consumable products	708	2,027	2,494	4,544
Property development	(235)	(577)	(1,169)	1,255
Investment holdings	(242)	(366)	(758)	(850)
Total Segment Results	231	1,084	567	4,949
Finance cost	(126)	(133)	(391)	(413)
Profit/(Loss) before tax	105	951	176	4,536
Tax expense	(333)	(209)	(764)	(938)
Non-controlling interests	31	157	75	228
Profit/(Loss) for the period	(197)	899	(513)	3,826

#### 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 December 2017 were as follows:

	<-----3 months ended----->		<-----9 months ended----->	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
	RM'000	RM'000	RM'000	RM'000
Sales of raw materials:				
Century Plas Industries Sdn Bhd	1,896	1,954	4,756	5,640
Purchases of semi finished parts and components:				
Century Plas Industries Sdn Bhd	2,360	2,741	6,256	7,384
Sales and purchases of trading items				
U Can Marketing Sdn Bhd	5	10	28	26
Rental of premises received:				
Century Plas Industries Sdn Bhd	39	39	117	117
Rental of machinery received:				
Century Plas Industries Sdn Bhd	6	6	18	18
Rental of factory paid and payable to:				
Beng Choo Marketing Sdn Bhd	90	90	270	270
Purchases and sales of trophy parts and bases:				
Emico (Vietnam) Co. Ltd	662	986	2,195	2,237
Contract works billed:				
Frame World Sdn Bhd	2,164	646	3,938	2,596

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-Dec-17
	RM'000
Property, plant and equipment:	
Approved and contracted for	<u>126</u>

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

#### B1 Tax expense

	Current 9 months 31-12-2017 RM'000	Current 9 months 31-12-2016 RM'000
Current period	852	1,025
Deferred	(88)	(87)
Taxation - net	<u>764</u>	<u>938</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-Dec-17 RM'000	31-Mar-17 RM'000
<b>a) Current bank Borrowings - Secured</b>		
Bank overdraft	1,575	1,266
Bankers' acceptance	3,596	3,831
Hire purchase creditors	272	237
Term loan	966	1,113
	<u>6,409</u>	<u>6,447</u>
<b>b) Non Current Bank Borrowings - Secured</b>		
Hire purchase creditors	1,020	898
Term loan	854	1,524
	<u>1,874</u>	<u>2,422</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 19 February 2018.

**B8 Performance review**

	<----- 3 months ended ----->		<-----9 months ended ----->	
	Oct-17 to Dec-17	Jul-17 to Sep-17	Apr-17 to Dec-17	Apr-16 to Dec-16
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>				
Manufacturing and trading	13,606	13,077	39,105	43,436
Property development	289	289	578	11,917
Total	<u>13,895</u>	<u>13,366</u>	<u>39,683</u>	<u>55,353</u>
<b>PROFIT/ (LOSS) BEFORE TAX ("PBT" &amp; "LBT")</b>				
Manufacturing and trading - operations	598	1,135	2,153	4,185
Property development	(251)	(423)	(1,219)	1,201
Investment holdings	(242)	(275)	(758)	(850)
Net Total	<u>105</u>	<u>437</u>	<u>176</u>	<u>4,536</u>

**Comparison with preceding quarter**

For the current quarter under review, the revenue of the Group was maintained at RM13.89 million as compared to RM13.37 million in the preceding quarter. However, the Group posted PBT of RM0.11 million for current quarter as compared to RM0.44 million in preceding quarter due to lower contribution from the manufacturing and trading division as a result of change in sales mix.

Manufacturing and trading division posted revenue from of RM13.61 million for current quarter as compared to RM13.08 million in preceding quarter. The slight increase in revenue was contributed by the OEM operations which was able to offset the decline in the trophy operations. Trophy operations revenue was lower for current quarter due to the down time incurred for the replacement and installation of new vacuum metalizing machines. As such, manufacturing and trading operations posted lower PBT of RM0.60 million for current quarter as compared to RM1.13 million in preceding quarter.

The property development division current quarter revenue was derived from the sales of completed units classified under inventory. There was no project completion for current and preceding quarters. As such, the property division posted lower LBT of RM0.25 million as compared to LBT of RM0.42 million for preceding quarter.

Investment holding division LBT was maintained at RM0.24 million for current quarter and RM0.28 million in preceding quarter.

**Comparison with preceding year results**

The Group revenue for the nine months ended 31 December 2017 was RM39.68 million as compared to RM55.35 million for preceding period representing a decline of 28.31%. The decline was mainly due to a drop in revenue from all divisions especially the property development division whereby there was no project completion for the current period. In tandem with the lower revenue, it posted PBT of RM0.18 million as compared to PBT of RM4.54 million in preceding period whereby the property division contributed PBT of RM1.20 million.

The manufacturing and trading division posted a decrease of 9.97% in revenue from RM43.44 million in preceding period to RM39.11 million for current period mainly due to lower sales from trading division and OEM operation. In tandem with the lower sales, it posted lower PBT of RM2.15 million for current period as compared to PBT of RM4.19 million in preceding period.

The property development division posted a decrease of RM11.34 million in revenue as compared to preceding period due to no project completion for the current period. As such, it posted LBT of RM1.22 million for current period as compared to PBT of RM1.20 million for preceding period.

Investment holding division LBT was maintained at RM0.76 million for current period and RM0.85 million for preceding period.



**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 December 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)

**b) Denominator**

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

**Basic Earnings per share (Sen)**

3 months		9 months	
31.12.2017	31.12.2016	31.12.2017	31.12.2016
(197)	899	(513)	3,826
95,927	95,927	95,927	95,927
(0.21)	0.94	(0.53)	3.99

**B13 Operating Income/(Expenses)**

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

	9 months ended Dec-17 RM'000	9 months ended Dec-16 RM'000
Depreciation of property, plant and equipment	(1,329)	(1,468)
Amortisation of investment properties	(5)	(5)
Interest expense	(344)	(364)
Interest income	300	125
Unrealised gain/(loss) on foreign exchange	(109)	(77)
Impairment losses on trade and other receivables	(251)	-

**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 9 months ended 31.12.2017 RM'000	As at end of year ended 31.03.2017 RM'000
Total retained profits /(accumulated losses) of the Company and its subsidiaries:		
- Realised	19,957	20,329
- Unrealised	(1,016)	(797)
Total before consolidation adjustments	18,941	19,532
Less: Consolidation adjustments	(6,054)	(6,132)
Total Group retained profits/( accumulated losses) as per consolidation accounts	12,887	13,400