

**EMICO HOLDINGS BERHAD (Company No : 230326-D)**  
**CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)**  
**FOR THE QUARTER ENDED 30 JUNE 2018**

	3 months ended 30 June		3 months ended 30 June	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Revenue	12,069	10,571	12,069	10,571
Cost of sales	(9,561)	(7,860)	(9,561)	(7,860)
Gross profit/(loss)	2,508	2,711	2,508	2,711
Other income	181	382	181	382
Sales and marketing expenses	(333)	(306)	(333)	(306)
Administrative expenses	(2,772)	(3,006)	(2,772)	(3,006)
Operating profit/(loss)	(416)	(219)	(416)	(219)
Finance costs	(124)	(147)	(124)	(147)
Profit/(Loss) before tax	(540)	(366)	(540)	(366)
Tax expense	(211)	(223)	(211)	(223)
<b>Profit/(Loss) for the period</b>	<b>(751)</b>	<b>(589)</b>	<b>(751)</b>	<b>(589)</b>
<b>Profit/(Loss) attributable to:</b>				
Equity holders of the parent	(719)	(566)	(719)	(566)
Non-controlling interests	(32)	(23)	(32)	(23)
<b>Profit/(Loss) for the period</b>	<b>(751)</b>	<b>(589)</b>	<b>(751)</b>	<b>(589)</b>
<b>Earnings per share attributable to equity holders of the parent:</b>				
Basic, profit/(loss) for the period (sen)	(0.75)	(0.59)	(0.75)	(0.59)
Fully Diluted	(0.75)	(0.59)	(0.75)	(0.59)

(The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 March 2018 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 ENDED 30 JUNE 2018**

	3 months ended 30 June		3 months ended 30 June	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>Profit/(Loss) for the period</b>	(751)	(589)	(751)	(589)
<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	4	6	4	6
<b>Total comprehensive income/(loss) for the period</b>	<b>(747)</b>	<b>(583)</b>	<b>(747)</b>	<b>(583)</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the parent	(715)	(560)	(715)	(560)
Non-controlling interests	(32)	(23)	(32)	(23)
	<b>(747)</b>	<b>(583)</b>	<b>(747)</b>	<b>(583)</b>

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2018 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 30 JUNE 2018**

	<b>30 June 2018 Unaudited RM'000</b>	<b>31 March 2018 Audited RM'000</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	24,536	24,896
Investment properties	170	171
Goodwill on consolidation	552	552
Deferred tax assets	28	28
Total non current assets	25,286	25,647
<b>Current Assets</b>		
Inventories	42,450	41,373
Trade and other receivables	11,969	13,267
Current tax assets	679	696
Cash and cash equivalents	2,101	2,728
Total current assets	57,199	58,064
<b>TOTAL ASSETS</b>	<b>82,485</b>	<b>83,711</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	17,329	17,329
Reserves	12,716	12,712
Retained earnings	12,462	13,181
Total equity attributable to owners of the Company	42,507	43,222
Non-controlling interests	7,847	7,879
<b>TOTAL EQUITY</b>	50,354	51,101
<b>Non Current Liabilities</b>		
Borrowings	2,267	2,276
Deferred tax liabilities	4,920	4,979
Total non current liabilities	7,187	7,255
<b>Current liabilities</b>		
Trade and other payables	18,025	18,056
Bank borrowings	6,793	7,164
Deferred revenue	-	-
Current tax liabilities	126	135
Total current liabilities	24,944	25,355
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>82,485</b>	<b>83,711</b>
Net assets per share (RM)	0.44	0.45

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2018 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 THREE MONTHS ENDED 30 JUNE 2018**

	<----- Attributable to equity holders of parent ----->					
	Share Capital RM'000	Revaluation Reserve RM'000	Exchange Reserve RM'000	Retained earning RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 April 2018	17,329	12,690	22	13,181	7,879	51,101
Profit/(Loss) for the period	-	-	-	(719)	(32)	(751)
Revaluation reserve on leasehold land and buildings	-	-	-	-	-	-
Foreign exchange translation differences	-	-	4	-	-	4
Total comprehensive income/(loss) for the period	-	-	4	(719)	(32)	(747)
At 30 June 2018	17,329	12,690	26	12,462	7,847	50,354
At 1 April 2017	17,329	11,811	1	13,400	8,041	50,582
Profit/(Loss) for the period	-	-	-	(566)	(23)	(589)
Foreign exchange translation differences	-	-	6	-	-	6
Total comprehensive income/(loss) for the period	-	-	6	(566)	(23)	(583)
At 30 June 2017	17,329	11,811	7	12,834	8,018	49,999

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2018 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 THREE MONTHS ENDED 30 JUNE 2018**

	<b>3 months ended 30 June 2018 RM'000</b>	<b>12 months ended 31 March 2018 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before tax	(540)	505
Adjustments for :		
Depreciation of property, plant and equipment	439	1,782
Interest expenses	104	494
Impairment losses on trade and other receivables	-	252
Amortisation of investment properties	1	6
Unrealised loss /(gain) on foreign exchange	19	(99)
Interest income	(12)	(86)
Gain on disposal of property, plant and equipment	(102)	-
Operating profit/(loss) before working capital changes	(91)	2,854
Changes in working capital:		
Decrease/(increase) in trade and other receivables	1,372	2,002
Decrease/(increase) in inventories	(1,083)	(4,732)
(Decrease)/increase in deferred revenue	-	(839)
(Decrease)/increase in trade and other payables	(104)	2,748
Cash generated from operations	94	2,033
Interest received	12	86
Tax refund	-	9
Tax paid	(256)	(1,374)
Net cash generated from operating activities	(150)	754
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(79)	(1,589)
Proceed from disposal of property plant and equipment	102	-
Net cash used in investing activities	23	(1,589)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(104)	(135)
Net (repayment)/ drawdown of bank borrowings	(55)	(1,107)
Net (repayment)/ drawdown of hire purchase payables	10	(401)
Changes in deposits pledged to licensed banks	-	(3)
Net cash used in financing activities	(149)	(1,646)
Net increase/(decrease) in cash and cash equivalents	(276)	(2,481)
Effects of exchange rate changes on cash and cash equivalents	(19)	129
Cash and cash equivalents at beginning of financial year	653	3,005
Cash and cash equivalents at end of financial period	358	653
Cash and cash equivalents comprise of:		
Cash and bank balances	2,011	2,639
Deposits with licensed banks	90	89
Bank overdrafts included in bank borrowings	(1,653)	(1,986)
	448	742
Less: Deposits pledged to licensed banks	(90)	(89)
	358	653

(The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 March 2018 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 2018. 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 2018.

Except as described above, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 March 2018. The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 March 2019.

The Group has adopted MFRS 15 Revenue from Contracts with Customers with effect from 1 April 2018 as mentioned below: MFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

MFRS 15 does not have any material financial impact to current period and prior period financial statements of the Group apart from the reclassification of certain components from revenue to cost of sales. Certain comparatives for the financial period ended 30 June 2017 have been reclassified and restated to conform to the current year's presentation under MFRS 15.

<b>Condensed Consolidated Income Statement for the 3 months ended 30 June 2017</b>			
	<b>MFRS 118</b>	<b>Reclassification</b>	<b>MFRS 15</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	12,422	(1,851)	10,571
Cost of sales	(9,711)	1,851	(7,860)

The adoption of other new standards are not expected to have any material financial impact to the Group upon their adoption with effective from 1 April 2018.

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 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
Amendments to MFRS 119	Employee Benefits	1-Jan-19
Amendments to MFRS 10	Consolidated Financial statements	Effective date yet to be confirmed
MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	

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

The auditors' report on the financial statements for the year ended 31 March 2018 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 period ended 30 June 2018.

**A5 Changes in estimates**

There were no significant changes in estimates of amount, which give a material effect in the financial period ended 30 June 2018.

**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 period ended 30 June 2018.

**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 30 June 2018 are as follows:

	<-----3 months ended----->	
	30-6-2018	30-6-2017
	RM'000	RM'000
<b>Segment Revenue</b>		
Manufacturing and trading - consumable products	12,069	10,571
Property development		-
Investment holdings	30	45
	12,099	10,616
Inter-segment elimination	(30)	(45)
Total Revenue	12,069	10,571
<b>Segment Results</b>		
Manufacturing and trading - consumable products	145	550
Property development	(345)	(528)
Investment holdings	(216)	(241)
	(416)	(219)
Total Segment Results	(416)	(219)
Finance cost	(124)	(147)
	(540)	(366)
Profit/(Loss) before tax	(540)	(366)
Tax expense	(211)	(223)
Non-controlling interests	32	23
	(719)	(566)
Profit/(Loss) for the period	(719)	(566)

**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 30 June 2018 were as follows:

	<-----3 months ended----->	
	30-6-2018	30-6-2017
	RM'000	RM'000
Sales of raw materials:		
Century Plas Industries Sdn Bhd	1,876	1,575
Purchases of semi finished parts and components:		
Century Plas Industries Sdn Bhd	2,793	1,996
Sales and purchases of trading items		
U Can Marketing Sdn Bhd	7	7
Rental of premises received:		
Century Plas Industries Sdn Bhd	39	39
Rental of machinery received:		
Century Plas Industries Sdn Bhd	6	6
Rental of factory paid and payable to:		
Beng Choo Marketing Sdn Bhd	90	90
Purchases and sales of trophy parts and bases:		
Emico (Vietnam) Co. Ltd	1,573	639
Contract works billed:		
Frame World Sdn Bhd	-	1,026

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
	30-Jun-18
	RM'000
Property, plant and equipment:	
Approved and contracted for	-

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

**B1 Tax expense**

	Current 3 months 30-6-2018 RM'000	Current 3 months 30-6-2017 RM'000
Current period	243	252
Under/(over) provision in prior years		-
Deferred	(32)	(29)
Taxation - net	211	223

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:

	30-Jun-18 RM'000	31-Mar-18 RM'000
<u>a) Current bank Borrowings - Secured</u>		
Bank overdraft	1,653	1,986
Bankers' acceptance	4,292	4,060
Hire purchase creditors	439	428
Term loan	409	690
	6,793	7,164
<u>b) Non Current Bank Borrowings - Secured</u>		
Hire purchase creditors	1,430	1,432
Term loan	837	844
	2,267	2,276

**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 13 August 2018.

**B8 Performance review**

	<----- 3 months ended ----->		<-----3 months ended ----->	
	Apr-18 to Jun-18	Jan-18 to Mar-18	Apr-18 to Jun-18	Apr-17 to Jun-17
	RM'000	RM'000	RM'000	RM'000
<u>REVENUE</u>				
Manufacturing and trading	12,069	10,696 **	12,069	10,571
Property development	-	6,158	-	-
Total	12,069	16,854	12,069	10,571

Note \*\*

The revenue for the period from Jan18 to Mar18 has been restated to conform with MFRS 15 presentation. The revenue was restated from RM12.61 million previously to RM10.70 million by way of reclassification of RM1.92 million to cost of sales.



**PROFIT/ (LOSS) BEFORE TAX ("PBT" & "LBT")**

Manufacturing and trading - operations	35	(601)	35	420
Property development	(359)	1,192	(359)	(545)
Investment holdings	(216)	(261)	(216)	(241)
Net Total	(540)	330	(540)	(366)

**Comparison with preceding quarter**

For the current quarter under review, the revenue of the Group decreased from RM16.85 million in preceding quarter to RM12.07 million for current quarter due to a project completion recognised in the quarter ended Mar18 which contributed RM6.16 million in revenue. As such, the Group posted a LBT of RM0.54 million as compared to PBT of RM0.33 million in preceding quarter.

Manufacturing and trading division posted revenue of RM12.07 million for current quarter as compared to RM10.70 million in preceding quarter. In tandem with higher revenue for current quarter, it posted PBT of RM0.04 million as compared to LBT of RM0.60 million in preceding quarter.

The property development division does not post any revenue for current quarter due to no project completion. However, there was a project completion in the preceding quarter which posted RM6.16 million revenue. As such, the current quarter posted LBT of RM0.36 million as compared to PBT of RM1.19 million in preceding quarter.

Investment holding division LBT was maintained at RM0.22 million for current quarter and RM0.26 million in preceding quarter.

**Comparison with preceding year results**

The Group revenue for the 3 months ended 30 June 2018 was RM12.07 million as compared to RM10.57 million in preceding period, an increase of 14.2%. The increase was mainly due to higher sales revenue from the manufacturing division despite of a drop in revenue from trading division. However, the Group posted a higher LBT of RM0.54 million for current period as compared to LBT of RM0.37 million in preceding period due lower margin sales mix and higher operational cost.

There was no project completion for current and preceding periods for property development division. Hence, it posted LBT of RM0.36 million for current period as compared to LBT of RM0.55 million in preceding period.

Investment holding division LBT was maintained at RM0.22 million for current period and RM0.24 million for preceding period.

**B9 Prospects**

Manufacturing and trading division will remain the major business segment for the coming financial year and is expecting a more challenging environment in respect of labour cost which may adversely affect the Group's profit margin. Despite the challenging environment, the Group will continue to strive for business sustainability and taking proactive measures to optimize productivity and efficiency.

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 30 June 2018.

**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	
30.6.2018	30.6.2017
(719)	(566)
95,927	95,927
(0.75)	(0.59)

**B13 Operating Income/(Expenses)**

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

	3 months ended Jun-18 RM'000	3 months ended Jun-17 RM'000
Depreciation of property, plant and equipment	(439)	(443)
Amortisation of investment properties	(1)	(2)
Interest expense	(104)	(130)
Interest income	12	80
Unrealised gain/(loss) on foreign exchange	(19)	(59)
Gain on disposal of property plant and equipment	102	-