

EMICO HOLDINGS BERHAD (Company No : 230326-D)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE QUARTER AND YEAR ENDED 30 JUNE 2021

	3 months ended 30 June		3 months ended 30 June	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	7,535	8,804	7,535	8,804
Cost of sales	(6,792)	(7,683)	(6,792)	(7,683)
Gross profit	743	1,121	743	1,121
Other income	105	111	105	111
Sales and marketing expenses	(472)	(527)	(472)	(527)
Administrative expenses	(1,335)	(1,488)	(1,335)	(1,488)
Operating loss	(959)	(783)	(959)	(783)
Finance costs	(86)	(76)	(86)	(76)
Loss before tax	(1,045)	(859)	(1,045)	(859)
Tax expense	(30)	(45)	(30)	(45)
Loss for the period	(1,075)	(904)	(1,075)	(904)
Loss attributable to:				
Equity holders of the parent	(1,037)	(876)	(1,037)	(876)
Non-controlling interests	(38)	(28)	(38)	(28)
Loss for the period	(1,075)	(904)	(1,075)	(904)
Earnings per share attributable to equity holders of the parent:				
Basic, loss for the period (sen)	(0.90)	(0.83)	(0.90)	(0.83)
Fully Diluted	*	*	*	*

* Diluted loss per ordinary share equal basic loss per ordinary share as the effect on the basic loss per ordinary share is antidilutive.

(The unaudited condensed consolidated statement of profit and loss should be read in conjunction with the audited financial statements for the year ended 31 March 2021 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 YEAR ENDED 30 JUNE 2021

	3 months ended 30 June		3 months ended 30 June	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Loss for the period	(1,075)	(904)	(1,075)	(904)
Other comprehensive income, net of tax				
Revaluation reserve on leasehold land and building, net of tax	-	-	-	-
Foreign currency translation differences for foreign operation	(7)	4	(7)	4
Total comprehensive loss for the period	(1,082)	(900)	(1,082)	(900)
Total comprehensive loss attributable to:				
Equity holders of the parent	(1,044)	(872)	(1,044)	(872)
Non-controlling interests	(38)	(28)	(38)	(28)
	(1,082)	(900)	(1,082)	(900)

(The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2021 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 2021

	30 June 2021 Unaudited RM'000	31 March 2021 Audited RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	14,527	14,581
Investment properties	150	152
Intangible assets	605	606
Right of use assets	8,622	9,154
Deferred tax assets	12	178
Other receivables	28	28
Total non current assets	23,944	24,699
Current Assets		
Inventories	38,349	37,751
Trade and other receivables	8,533	9,096
Current tax assets	426	355
Cash and cash equivalents	2,102	2,686
Total current assets	49,410	49,888
TOTAL ASSETS	73,354	74,587
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	20,555	20,555
Reserves	13,401	13,408
Retained earnings	9,379	10,416
Total equity attributable to owners of the Company	43,335	44,379
Non-controlling interests	8,665	8,703
TOTAL EQUITY	52,000	53,082
Non Current Liabilities		
Borrowings	2,547	2,813
Lease liabilities	956	1,146
Deferred tax liabilities	4,084	4,219
Total non current liabilities	7,587	8,178
Current liabilities		
Trade and other payables	7,485	7,800
Borrowings	5,310	4,457
Lease liabilities	832	934
Current tax liabilities	140	136
Total current liabilities	13,767	13,327
TOTAL EQUITY AND LIABILITIES	73,354	74,587
Net assets per share (RM)	0.38	0.39

(The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2021 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 30 JUNE 2021

	<----- Attributable to equity holders of parent ----->						Total Equity RM'000
	Share Capital RM'000	Revaluation Reserve RM'000	Share Option Reserve RM'000	Exchange Reserve RM'000	Retained earning RM'000	Non-controlling Interests RM'000	
At 1 April 2021	20,555	13,313	60	35	10,416	8,703	53,082
Loss for the period	-	-	-	-	(1,037)	(38)	(1,075)
Foreign exchange translation differences	-	-	-	(7)	-	-	(7)
Total comprehensive loss for the period	-	-	-	(7)	(1,037)	(38)	(1,082)
At 30 June 2021	20,555	13,313	60	28	9,379	8,665	52,000
At 1 April 2020	18,801	13,313	69	39	12,964	8,423	53,609
Profit/(Loss) for the period	-	-	-	-	(2,548)	170	(2,378)
Share options vested under ESOS	-	-	358	-	-	-	358
Foreign exchange translation differences	-	-	-	(4)	-	-	(4)
Total comprehensive income/(loss) for the period	-	-	358	(4)	(2,548)	170	(2,024)
Issuance of new shares	1,754	-	(367)	-	-	110	1,497
At 31 March 2021	20,555	13,313	60	35	10,416	8,703	53,082

(The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to this interim financial report)

EMICO HOLDINGS BERHAD (Company No : 230326-D)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED
FOR THE NINE MONTHS ENDED 30 JUNE 2021

	3 months ended 30 June 2021 RM'000	12 months ended 31 March 2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(1,045)	(2,979)
Adjustments for :		
Amortisation of investment properties	2	7
Amortisation of intangible assets	1	6
Depreciation of property, plant and equipment	409	959
Depreciation of right of use assets	215	1,550
Gain on lease termination	-	(1)
Gain on disposal of property, plant and equipment	(6)	(26)
Impairment losses on trade and other receivables	-	435
Interest expenses	87	320
Interest income	-	(9)
Lease concessions	-	(58)
Loss on struck off of subsidiaries	-	2
Property, plant and equipment written off	-	21
Reversal of impairment losses on trade and other receivables	-	(13)
Share options vested under ESOS	-	358
Unrealised loss/(gain) on foreign exchange	144	(79)
Operating loss before working capital changes	(193)	493
Changes in working capital:		
(Increase)/Decrease in inventories	(582)	2,552
(Increase)/Decrease in trade and other receivables	(768)	1,532
Increase/(Decrease) in trade and other payables	847	(5,278)
Cash used in operations	(696)	(701)
Interest received	-	9
Tax refund	-	18
Tax paid	(68)	(325)
Net cash used in operating activities	(764)	(999)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(280)
Purchase of intangible assets	-	(60)
Subscription of shares by non-controlling interest	-	110
Proceed from disposal of property, plant and equipment	8	46
Net cash generated from/(used in) investing activities	8	(184)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(78)	(207)
Proceeds from issuance of ordinary shares pursuant to:-		
- Private placement	-	894
- ESOS	-	492
Net (repayment)/drawdown of bank borrowings	(284)	1,604
Net repayment of lease liabilities	(343)	(1,195)
Net cash (used in)/generated from financing activities	(705)	1,588
Net (decrease)/increase in cash and cash equivalents	(1,461)	405
Effects of exchange rate changes on cash and cash equivalents	1	7
Cash and cash equivalents at beginning of financial year	2,437	2,025
Cash and cash equivalents at end of financial year	977	2,437
Cash and cash equivalents comprise of:		
Cash and bank balances	2,007	2,591
Deposits with licensed banks	95	95
Bank overdrafts included in bank borrowings	(1,030)	(154)
	1,072	2,532
Less: Deposits pledged to licensed banks	(95)	(95)
	977	2,437

(The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2021 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 1ST QUARTER ENDED 30 JUNE 2021

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 2021. 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 2021.

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
Annual improvements to MFRS Standards 2018 - 2020	01-Jan-22
Amendments to MFRS 3	01-Jan-22
Amendments to MFRS 116	01-Jan-22
Amendments to MFRS 137	01-Jan-22
MFRS 17	01-Jan-23
Amendments to MFRS 17	01-Jan-23
Amendments to MFRS 101	01-Jan-23
Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)	01-Jan-23
Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)	01-Jan-23
Amendments to MFRS 10 and MFRS 128	Deferred

A2 Audited financial statements of the preceding year

The auditors' report on the financial statements for the year ended 31 March 2021 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 2021.

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 2021.

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

There were no issuance and repayment of debt and equity securities for the financial period ended 30 June 2021.

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 2021 are as follows:

	<-----3 months ended----->	
	30-6-2021	30-6-2020
	RM'000	RM'000
Segment Revenue		
Manufacturing and trading - consumable products	7,535	6,609
Property development	-	2,195
Investment holdings	114	114
	<u>7,649</u>	<u>8,918</u>
Inter-segment elimination	(114)	(114)
Total Revenue	<u>7,535</u>	<u>8,804</u>
Segment Results		
Manufacturing and trading - consumable products	(648)	(784)
Property development	(173)	208
Investment holdings	(138)	(207)
	<u>(959)</u>	<u>(783)</u>
Total Segment Results	(959)	(783)
Finance cost	(86)	(76)
	<u>(1,045)</u>	<u>(859)</u>
Profit/(Loss) before tax	(1,045)	(859)
Tax expense	(30)	(45)
Non-controlling interests	38	28
	<u>(1,037)</u>	<u>(876)</u>
Loss for the period	(1,037)	(876)

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

Save for the corporate proposal as disclosed in Section B4 below, there were no other 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 year ended 30 June 2021 were as follows:

	<-----3 months ended----->	
	30-6-2021	30-6-2020
	RM'000	RM'000
Sales of raw materials:		
Century Plas Industries Sdn Bhd	-	1,332
Purchases of semi finished parts and components:		
Century Plas Industries Sdn Bhd	702	2,090
Sales and purchases of trading items		
U Can Marketing Sdn Bhd	2	1
Rental of premises received:		
Century Plas Industries Sdn Bhd	39	39
Rental of machinery received:		
Century Plas Industries Sdn Bhd	56	56
Rental of factory paid and payable to:		
Beng Choo Marketing Sdn Bhd	150	150
Purchases and sales of trophy parts and bases:		
Emico (Vietnam) Co. Ltd	84	328

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-21 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 30-6-2021 RM'000	Current 3 months 30-6-2020 RM'000
Current period	-	77
Deferred	30	(32)
Taxation - net	30	45

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

On 9 October 2020, the Company proposed to undertake a proposed private placement of up to 10% of the total number of issued shares of the Company ("**Placement Shares**") to third party investor(s) to be identified at a later date ("**Proposed Private Placement**").

The Proposed Private Placement was approved by Bursa Malaysia Securities Berhad ("**Bursa Securities**") vide its letter dated 16 October 2020.

On 11 December 2020, the Board had fixed the issue price for the first tranche of the Proposed Private Placement comprising 3,000,000 Placement Shares at RM0.298 per Placement Share. The first tranche of the Placement Shares was listed on Bursa Securities on 18 December 2020.

On 1 April 2021, Bursa Securities has approved the application for an extension of time until 15 October 2021 to complete the implementation of the Proposed Private Placement.

On 16 August 2021, the Board had fixed the issue price for the second tranche of the Proposed Private Placement comprising 3,000,000 Placement Shares at RM0.281 per Placement Share. The second tranche of the Placement Shares was listed on Bursa Securities on 20 August 2021.

On 15 September 2021, the Board had fixed the issue price for the final tranche of the Proposed Private Placement comprising 4,600,000 Placement Shares at RM0.39 per Placement Share. The final tranche of the Placement Shares was listed on Bursa Securities on 23 September 2021.

As at 27 September 2021, the status of the utilization of the gross proceeds from the first tranche of the private placement is as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Utilisation %	Expected Timeframe for Utilisation
i) Working Capital	3,431	3,431	100%	Within 12 months
ii) Estimated expenses in relation to the Proposed Private Placement	100	100	100%	Within 1 month
Total gross proceeds	3,531	3,531	100%	

On 23 September 2021, the Group has been completed the Proposed Private Placement.

B5 Group borrowings

Group borrowings and debt securities are as follows:

	30-Jun-21 RM'000	31-Mar-21 RM'000
a) Current Borrowings - Secured		
Bank overdraft	1,030	153
Bankers' acceptance	3,261	3,310
Term loan	1,019	994
	<u>5,310</u>	<u>4,457</u>
b) Non Current Borrowings - Secured		
Term loan	2,547	2,813
	<u>2,547</u>	<u>2,813</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 14 September 2021.

B8 Performance review

	<----- 3 months ended ----->		<----- 3 months ended ----->	
	Apr-21 to Jun-21	Jan-21 to Mar-21	Apr-21 to Jun-21	Apr-20 to Jun-20
	RM'000	RM'000	RM'000	RM'000
REVENUE				
Manufacturing and trading	7,535	6,880	7,535	6,609
Property development	-	440	-	2,195
Total	<u>7,535</u>	<u>7,320</u>	<u>7,535</u>	<u>8,804</u>
PROFIT/ (LOSS) BEFORE TAX ("PBT" & "LBT")				
Manufacturing and trading - operations	(725)	(1,253)	(725)	(847)
Property development	(182)	(95)	(182)	195
Investment holdings	(138)	(161)	(138)	(207)
Net Total	<u>(1,045)</u>	<u>(1,509)</u>	<u>(1,045)</u>	<u>(859)</u>

Comparison with preceding quarter

For the current quarter under review, the revenue of the Group was increased from RM7.32 million in the preceding quarter to RM7.54 million for the current quarter mainly due to higher sales generated by the manufacturing and trading division. As a result, the Group posted a lower LBT of RM1.05 million for the current quarter as compared to RM1.51 million in the preceding quarter.

The manufacturing and trading division posted an increase of 9.5% in revenue from RM6.88 million in the preceding quarter to RM7.54 million for the current quarter due to an increase in sales. As a result, it posted a lower LBT of RM0.73 million for the current quarter as compared to RM1.25 million in the preceding quarter.

The property development division was unable to generate revenue for the current quarter as compared to RM0.44 million of revenue was generated in the preceding quarter. The decrease was due to tough property market conditions such as strict lending policy as well as increased property overhang which affect this division performance. As a result, the property development division posted a higher LBT of RM0.18 million as compared to RM0.01 million in the preceding quarter.

For the investment holding division, the LBT was maintained at RM0.14 million for the current quarter and RM0.16 million in the preceding quarter.

Comparison with preceding year results

The Group revenue for the 3 months ended 30 June 2021 was RM7.54 million as compared to RM8.80 million in the preceding period, a decrease of 14.4%. The decrease was mainly due to lower sales generated by the property development division. As a result, the Group posted a higher LBT of RM1.05 million for the current period as compared to RM0.86 million in the preceding period.

The manufacturing and trading division posted an increase of 14.0% in revenue from RM6.61 million in the preceding period to RM7.54 million for the current period due to an increase in sales. As a result, it posted a lower LBT of RM0.73 million for the current period as compared to RM0.85 million in the preceding period.

The property development division was unable to generate revenue for the current quarter as compared to RM2.20 million of revenue was generated in the preceding quarter. The decrease was due to tough property market conditions such as strict lending policy as well as increased property overhang which affect this division performance. As a result, the property development division posted a LBT of RM0.18 million as compared to PBT of RM0.20 million in the preceding quarter.

For the investment holding division, the LBT was maintained at RM0.14 million for the current period and RM0.21 million for the preceding period.

B9 Prospects

The Covid-19 pandemic continues to have a profound impact across the globe and on the Malaysian economic growth. However, with the push for mass vaccination across the country, movement control restrictions will be gradually removed to spur the recovery of the economy. In response to the Covid-19 pandemic, the Group has implemented various precautionary measures at its factories and offices to minimise the risk of Covid-19 infections and to ensure compliance with the standard operating procedures imposed by the Government. Furthermore, the Group had put in place guiding principles to manage liquidity and costs as well as the Group will continue to actively monitor and adapt these to sustain our commitment to deliver long-term value to our stakeholders.

The Group will continue to strengthen its fundamentals; including reengineering and simplifying processes, optimising resources, reviewing its cost structure and revising business plans to mitigate further negative impacts arising from the Covid-19 pandemic. A series of austerity measures had been carried out by the Group such as managing its workforce at an optimal level to meet the operational requirements and continue with cost-consciousness exercise within the operations as well as will leverage on technology and digitalisation to improve processes and operations, to provide insight to sharpen its market execution and gain competitive advantage.

With regard to the property development market under the current Covid-19 pandemic condition, we expect market conditions remain tough and more challenging as the consumers have their concerns on job security and will be more conscious in procuring capital goods like properties, strict lending policy as well as increased property overhang. On a more positive note, with the supportive measures and initiatives had been announced by the Government with aim to stimulate interests in home ownership whilst offering an opportunity for property developers to address the property overhang situation. Among other initiatives, the Government will extend Youth Housing Scheme from 1 January 2020 to 31 December 2021 to assist the youths and young married couple to own their first homes, to lower the threshold on high-rise property prices in urban areas for foreign ownership from RM1 million to RM600,000, provide full exemption of stamp duty on property Sales and Purchase Agreement and loan agreement and BNM's RM1 billion Fund for Affordable Homes to assist first-time home ownership for lower income group. However, at this juncture, all new planned launches will be reviewed diligently and phased accordingly to current property market sentiments.

While the National Covid-19 vaccination rollout would foster market recovery, the Board remains cautious as the pandemic persists and anticipates the year to still be challenging. The Group will continue to explore new business opportunities to invest, enhance the competitiveness of the products, its supply chain management, productivity and cost management to mitigate the increase in material cost and the shipping cost as well as continue to reinvent and improve the business and will take affirmative steps to expand the Group's scope. The Board are confident that our mid and long-term strategies will build a stronger and sustainable business and strengthening our resilience in this new normal.

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 financial period ended 30 June 2021.

B12 Earnings per share ("EPS")

1) Basic earnings/(loss) 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/(loss) per share (Sen)

3 months	
30.6.2021	30.6.2020
(1,037)	(876)
114,958	105,519
(0.90)	(0.83)

II) Diluted earnings/(loss) 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)

Diluted earnings/(loss) per share (Sen)

3 months	
30.6.2021	30.6.2020
(1,037)	(876)
115,631	106,543
*	*

* Diluted loss per ordinary share equal basic loss per ordinary share as the effect on the basic loss per ordinary share is antidilutive.

B13 Operating Income/(Expenses)

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

	3 months ended Jun-21 RM'000	3 months ended Jun-20 RM'000
Depreciation of property, plant and equipment	(409)	(407)
Amortisation of investment properties	(2)	(2)
Amortisation of intangible assets	(1)	-
Interest expense	(87)	(67)
Interest income	-	4
Unrealised gain/(loss) on foreign exchange	(144)	13
Gain on disposal of property, plant and equipment	6	-
Depreciation of right of use assets	(215)	(204)