

EMICO HOLDINGS BERHAD (Company No : 230326-D)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE QUARTER AND YEAR ENDED 31 MARCH 2022

	3 months ended 31 March		12 months ended 31 March	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	13,303	7,320	39,548	34,040
Cost of sales	(11,119)	(6,847)	(34,806)	(29,258)
Gross profit	2,184	473	4,742	4,782
Other income	1,730	307	2,083	721
Sales and marketing expenses	(797)	(542)	(2,595)	(1,987)
Administrative expenses	(761)	(1,663)	(5,060)	(6,181)
Operating profit/(loss)	2,356	(1,425)	(830)	(2,665)
Finance costs	(109)	(84)	(430)	(314)
Share of loss of an associate	(1)	-	-	-
Profit/(Loss) before tax	2,246	(1,509)	(1,260)	(2,979)
Tax expense	188	583	96	601
Profit/(Loss) for the period	2,434	(926)	(1,164)	(2,378)
Profit/(Loss) attributable to:				
Equity holders of the parent	2,629	(802)	(862)	(2,548)
Non-controlling interests	(195)	(124)	(302)	170
Profit/(Loss) for the period	2,434	(926)	(1,164)	(2,378)
Earnings per share attributable to equity holders of the parent:				
Basic, profit/(loss) for the period (sen)	2.14	(0.70)	(0.70)	(2.22)
Fully Diluted	2.13	*	*	*

* 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 31 MARCH 2022

	3 months ended 31 March		12 months ended 31 March	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit/(Loss) for the period	2,434	(926)	(1,164)	(2,378)
Other comprehensive income, net of tax				
Revaluation reserve on leasehold land and building, net of tax	-	-	-	-
Foreign currency translation differences for foreign operation	4	(2)	(10)	(4)
Total comprehensive profit/(loss) for the period	<u>2,438</u>	<u>(928)</u>	<u>(1,174)</u>	<u>(2,382)</u>
Total comprehensive profit/(loss) attributable to:				
Equity holders of the parent	2,633	(804)	(872)	(2,552)
Non-controlling interests	<u>(195)</u>	<u>(124)</u>	<u>(302)</u>	<u>170</u>
	<u>2,438</u>	<u>(928)</u>	<u>(1,174)</u>	<u>(2,382)</u>

(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 31 MARCH 2022

	31 March 2022 Unaudited RM'000	31 March 2021 Audited RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	13,885	14,581
Investment properties	145	152
Investment in an associate	33	-
Intangible assets	600	606
Right of use assets	8,918	9,154
Deferred tax assets	118	178
Other receivables	28	28
Total non current assets	23,727	24,699
Current Assets		
Inventories	39,320	37,751
Trade and other receivables	10,834	9,096
Current tax assets	474	355
Cash and cash equivalents	3,526	2,686
Total current assets	54,154	49,888
TOTAL ASSETS	77,881	74,587
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	23,217	20,555
Reserves	13,387	13,408
Retained earnings	9,554	10,416
Total equity attributable to owners of the Company	46,158	44,379
Non-controlling interests	8,401	8,703
TOTAL EQUITY	54,559	53,082
Non Current Liabilities		
Borrowings	3,725	2,813
Lease liabilities	916	1,146
Deferred tax liabilities	4,008	4,219
Total non current liabilities	8,649	8,178
Current liabilities		
Trade and other payables	8,424	7,800
Borrowings	4,911	4,457
Lease liabilities	1,206	934
Current tax liabilities	132	136
Total current liabilities	14,673	13,327
TOTAL EQUITY AND LIABILITIES	77,881	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 TWELVE MONTHS ENDED 31 MARCH 2022

	<----- 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	-	-	-	-	(862)	(302)	(1,164)
Foreign exchange translation differences	-	-	-	(10)	-	-	(10)
Total comprehensive loss for the period	-	-	-	(10)	(862)	(302)	(1,174)
Issuance of new shares	2,662	-	(11)	-	-	-	2,651
At 31 March 2022	23,217	13,313	49	25	9,554	8,401	54,559
At 1 April 2020	18,801	13,313	69	39	12,964	8,423	53,609
Loss for the period	-	-	-	-	(2,548)	170	(2,378)
Share options vested under ESOS	-	-	358	-	-	-	358
Foreign exchange translation differences	-	-	-	(4)	-	-	(4)
Total comprehensive 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 TWELVE MONTHS ENDED 31 MARCH 2022

	12 months ended 31 March 2022 RM'000	12 months ended 31 March 2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(1,260)	(2,979)
Adjustments for :		
Amortisation of investment properties	7	7
Amortisation of intangible assets	6	6
Depreciation of property, plant and equipment	1,112	959
Depreciation of right of use assets	1,366	1,550
Gain on lease termination	-	(1)
Gain on disposal of property, plant and equipment	(6)	(26)
Impairment losses on trade and other receivables	42	435
Interest expenses	470	320
Interest income	(14)	(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)
Reversal of foreseeable loss	(1,661)	-
Share options vested under ESOS	-	358
Unrealised loss/(gain) on foreign exchange	151	(79)
Operating profit before working capital changes	213	493
Changes in working capital:		
Decrease in inventories	134	2,552
(Increase)/Decrease in trade and other receivables	(1,929)	1,532
Increase/(Decrease) in trade and other payables	552	(5,278)
Cash used in operations	(1,030)	(701)
Interest received	14	9
Tax refund	-	18
Tax paid	(167)	(325)
Net cash used in operating activities	(1,183)	(999)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(215)	(280)
Purchase of intangible assets	-	(60)
Investment in an associate	(33)	-
Subscription of shares by non-controlling interest	-	110
Proceed from disposal of property, plant and equipment	6	46
Net cash used in investing activities	(242)	(184)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(418)	(207)
Proceeds from issuance of ordinary shares pursuant to:-		
- Private placement	2,637	894
- ESOS	14	492
Net drawdown of bank borrowings	1,416	1,604
Net repayment of lease liabilities	(1,338)	(1,195)
Net cash generated from financing activities	2,311	1,588
Net increase in cash and cash equivalents	886	405
Effects of exchange rate changes on cash and cash equivalents	4	7
Cash and cash equivalents at beginning of financial year	2,437	2,025
Cash and cash equivalents at end of financial year	3,327	2,437
Cash and cash equivalents comprise of:		
Cash and bank balances	3,431	2,591
Deposits with licensed banks	95	95
Bank overdrafts included in bank borrowings	(104)	(154)
Less: Deposits pledged to licensed banks	(95)	(95)
	3,327	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 4TH QUARTER ENDED 31 MARCH 2022

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
MFRS 17	Insurance Contracts	1-Jan-23
Amendments to MFRS 17	Insurance Contracts	1-Jan-23
Amendment to MFRS 17 Insurance Contracts	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1-Jan-23
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1-Jan-23
Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)		1-Jan-23
Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)		1-Jan-23
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112)		1-Jan-23
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 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 31 March 2022.

A5 Changes in estimates

There were no significant changes in estimates of amount, which give a material effect in the financial period ended 31 March 2022.

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 31 March 2022.

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 2022 are as follows:

	<-----3 months ended----->		<-----12 months ended----->	
	31-3-2022 RM'000	31-3-2021 RM'000	31-3-2022 RM'000	31-3-2021 RM'000
Segment Revenue				
Manufacturing and trading - consumable products	12,156	6,880	38,401	29,064
Property development	1,147	440	1,147	4,976
Investment holdings	114	114	456	456
	<u>13,417</u>	<u>7,434</u>	<u>40,004</u>	<u>34,496</u>
Inter-segment elimination	(114)	(114)	(456)	(456)
Total Revenue	<u>13,303</u>	<u>7,320</u>	<u>39,548</u>	<u>34,040</u>
Segment Results				
Manufacturing and trading - consumable products	921	(1,180)	(988)	(2,562)
Property development	1,728	(84)	1,249	708
Investment holdings	(293)	(161)	(1,091)	(811)
	<u>2,356</u>	<u>(1,425)</u>	<u>(830)</u>	<u>(2,665)</u>
Total Segment Results	<u>2,356</u>	<u>(1,425)</u>	<u>(830)</u>	<u>(2,665)</u>
Finance cost	(109)	(84)	(430)	(314)
Share of loss of an associate	(1)	-	-	-
	<u>2,246</u>	<u>(1,509)</u>	<u>(1,260)</u>	<u>(2,979)</u>
Profit/(Loss) before tax	<u>2,246</u>	<u>(1,509)</u>	<u>(1,260)</u>	<u>(2,979)</u>
Tax expense	188	583	96	601
Non-controlling interests	195	124	302	(170)
	<u>2,629</u>	<u>(802)</u>	<u>(862)</u>	<u>(2,548)</u>
Profit/(Loss) for the period	<u>2,629</u>	<u>(802)</u>	<u>(862)</u>	<u>(2,548)</u>

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 year ended 31 March 2022 were as follows:

	<-----3 months ended----->		<-----12 months ended----->	
	31-3-2022 RM'000	31-3-2021 RM'000	31-3-2022 RM'000	31-3-2021 RM'000
Sales of raw materials:				
Century Plas Industries Sdn Bhd	-	667	-	4,966
Purchases of semi finished parts and components:				
Century Plas Industries Sdn Bhd	616	-	3,101	6,990
Sales and purchases of trading items				
U Can Marketing Sdn Bhd	1	-	12	11
Rental of premises received:				
Century Plas Industries Sdn Bhd	39	39	156	156
Rental of machinery received:				
Century Plas Industries Sdn Bhd	56	56	222	222
Rental of factory paid and payable to:				
Beng Choo Marketing Sdn Bhd	150	150	600	600
Purchases and sales of trophy parts and bases:				
Emico (Vietnam) Co. Ltd	840	201	1,890	706

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-22 RM'000
Property, plant and equipment: Approved and contracted for	<u>1,125</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 31-3-2022 RM'000	Current 12 months 31-3-2021 RM'000
Current period	-	56
Under/(over) provision in prior years	52	58
Deferred	(148)	(715)
Taxation - net	(96)	(601)

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

There were no corporate proposals announced during the period.

B5 Group borrowings

Group borrowings and debt securities are as follows:

	31-Mar-22 RM'000	31-Mar-21 RM'000
<u>a) Current Borrowings - Secured</u>		
Bank overdraft	104	153
Bankers' acceptance	3,762	3,310
Term loan	1,045	994
	<u>4,911</u>	<u>4,457</u>
<u>b) Non Current Borrowings - Secured</u>		
Term loan	3,725	2,813
	<u>3,725</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 17 May 2022.

B8 Performance review

	<----- 3 months ended ----->		<----- 12 months ended ----->	
	Jan-22 to Mar-22	Oct-21 to Dec-21	Apr-21 to Mar-22	Apr-20 to Mar-21
	RM'000	RM'000	RM'000	RM'000
<u>REVENUE</u>				
Manufacturing and trading	12,156	9,920	38,401	29,064
Property development	1,147	-	1,147	4,976
Total	<u>13,303</u>	<u>9,920</u>	<u>39,548</u>	<u>34,040</u>
<u>PROFIT/(LOSS) BEFORE TAX ("PBT" & "LBT")</u>				
Manufacturing and trading - operations	787	(1,129)	(1,415)	(2,826)
Property development	1,720	(45)	1,214	658
Investment holdings	(261)	(447)	(1,059)	(811)
Net Total	<u>2,246</u>	<u>(1,621)</u>	<u>(1,260)</u>	<u>(2,979)</u>

Comparison with preceding quarter

For the current quarter under review, the revenue of the Group was increased from RM9.92 million in the preceding quarter to RM13.30 million for the current quarter mainly due to higher sales generated by the manufacturing and trading division and property development division. As a result, the Group posted a higher PBT of RM2.25 million for the current quarter as compared to LBT of RM1.62 million in the preceding quarter.

The manufacturing and trading division posted an increase of 22.5% in revenue from RM9.92 million in the preceding quarter to RM12.16 million for the current quarter due to an increase in sales. As a result, it posted a higher PBT of RM0.79 million for the current quarter as compared to LBT of RM1.13 million in the preceding quarter. The increase is mainly due to the sales from overseas has returned strongly for the quarter.

The property development division posted revenue of RM1.15 million for the current quarter. The increase was due to the higher sales of completed units. The property development division posted a higher PBT of RM1.72 million is mainly due to the reversal of foreseeable loss recognised in previous years as compared to LBT of RM0.05 million in the preceding quarter.

For the investment holding division, the LBT was maintained at RM0.26 million for the current quarter and RM0.45 million in the preceding quarter.

Comparison with preceding year results

The Group revenue for the 12 months ended 31 March 2022 was RM39.55 million as compared to RM34.04 million in the preceding period, an increase of 16.2%. The increase was mainly due to the higher sales generated by the manufacturing and trading division. As a result, the Group posted a lower LBT of RM1.26 million for the current period as compared to LBT of RM2.98 million in the preceding period.

The manufacturing and trading division posted an increase of 32.1% in revenue from RM29.06 million in the preceding period to RM38.40 million for the current period due to an increase in sales. As a result, it posted a lower LBT of RM1.42 million for the current period as compared to LBT of RM2.83 million in the preceding period. The increase is mainly due to the sales from overseas has returned strongly for the period.

The property development division posted a decrease of 76.9% in revenue from RM4.98 million in the preceding period to RM1.15 million for the current period due to lesser sales of completed units. As a result, the property development division posted a PBT of RM1.21 million for the current period as compared to PBT of RM0.66 million in the preceding period. The higher of PBT is mainly due the reversal of foreseeable loss recognised in previous years.

For the investment holding division, the LBT was maintained at RM1.06 million for the current period and RM0.81 million for the preceding period.

B9 Prospects

In the light of recent global development such as Russia-Ukraine war and China's COVID-19 lockdowns which led to logistics bottlenecks, raw material shortages and rising prices, the market's capex spending and consumers' buying pattern might be impacted. In response to the global economic uncertainties, 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.

Despite the on-going global uncertainties, the Group expects the demand of trophy and properties to gradually increase.

Moving forward, our Group will aim to expand our market share through our offerings of products that can meet diverse demands. We will continue to monitor our risk management strategies, including cost reduction measures and liquidity management, which would benefit the Group as we strengthen our economies of scale and financial position. All things considered, our Group remains cautiously optimistic of our prospects for FYE 31 March 2023 despite these challenging times.

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 31 March 2022.

B12 Earnings per share ("EPS")

I) Basic earnings/(loss) per share

a) Numerator

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

2,629

(802)

(862)

(2,548)

b) Denominator

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

122,747

114,958

122,747

114,958

Basic earnings/(loss) per share (Sen)

2.14

(0.70)

(0.70)

(2.22)

II) Diluted earnings/(loss) per share

a) Numerator

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

2,629

(802)

(862)

(2,548)

b) Denominator

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

123,445

115,631

123,445

115,631

Diluted earnings/(loss) per share (Sen)

2.13

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* 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):

	12 months ended Mar-22 RM'000	12 months ended Mar-21 RM'000
Depreciation of property, plant and equipment	(1,112)	(959)
Amortisation of investment properties	(7)	(7)
Amortisation of intangible assets	(6)	(6)
Interest expense	(470)	(320)
Interest income	14	9
Unrealised gain/(loss) on foreign exchange	(151)	79
Gain on disposal of property, plant and equipment	6	26
Impairment losses on trade and other receivables	(42)	(435)
Depreciation of right of use assets	(1,366)	(1,550)
Property, plant and equipment written off	-	(21)
Reversal of foreseeable loss	1,661	-