

EMICO HOLDINGS BERHAD (Company No : 230326-D)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE QUARTER AND YEAR ENDED 30 JUNE 2022

	3 months ended 30 June		3 months ended 30 June	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	13,945	7,535	13,945	7,535
Cost of sales	(12,417)	(6,792)	(12,417)	(6,792)
Gross profit	1,528	743	1,528	743
Other income	213	105	213	105
Sales and marketing expenses	(836)	(472)	(836)	(472)
Administrative expenses	(1,411)	(1,335)	(1,411)	(1,335)
Operating loss	(506)	(959)	(506)	(959)
Finance costs	(124)	(86)	(124)	(86)
Share of profit of an associate	7	-	7	-
Loss before tax	(623)	(1,045)	(623)	(1,045)
Tax expense	31	(30)	31	(30)
Loss for the period	(592)	(1,075)	(592)	(1,075)
Loss/(Profit) attributable to:				
Equity holders of the parent	(837)	(1,037)	(837)	(1,037)
Non-controlling interests	245	(38)	245	(38)
Loss for the period	(592)	(1,075)	(592)	(1,075)
Earnings per share attributable to equity holders of the parent:				
Basic, loss for the period (sen)	(0.68)	(0.90)	(0.68)	(0.90)
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 2022 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 2022

	3 months ended 30 June		3 months ended 30 June	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Loss for the period	(592)	(1,075)	(592)	(1,075)
Other comprehensive income, net of tax				
Revaluation reserve on leasehold land and building, net of tax	-	-	-	-
Foreign currency translation differences for foreign operation	3	(7)	3	(7)
Total comprehensive loss for the period	(589)	(1,082)	(589)	(1,082)
Total comprehensive (loss)/profit attributable to:				
Equity holders of the parent	(834)	(1,044)	(834)	(1,044)
Non-controlling interests	245	(38)	245	(38)
	(589)	(1,082)	(589)	(1,082)

(The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2022 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 2022

	30 June 2022 Unaudited RM'000	31 March 2022 Audited RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	14,826	13,759
Investment properties	144	145
Investment in an associate	117	33
Intangible assets	598	600
Right of use assets	8,684	9,042
Deferred tax assets	119	280
Other receivables	27	27
Total non current assets	24,515	23,886
Current Assets		
Inventories	38,578	39,320
Trade and other receivables	9,465	11,677
Current tax assets	603	474
Cash and cash equivalents	7,029	3,772
Total current assets	55,675	55,243
TOTAL ASSETS	80,190	79,129
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	23,218	23,218
Reserves	13,564	13,388
Retained earnings	8,716	9,553
Total equity attributable to owners of the Company	45,498	46,159
Non-controlling interests	8,645	8,400
TOTAL EQUITY	54,143	54,559
Non Current Liabilities		
Borrowings	3,739	3,979
Lease liabilities	1,448	911
Deferred tax liabilities	3,976	4,170
Total non current liabilities	9,163	9,060
Current liabilities		
Trade and other payables	9,214	9,118
Contract liability	390	390
Borrowings	5,763	4,658
Lease liabilities	1,383	1,212
Current tax liabilities	134	132
Total current liabilities	16,884	15,510
TOTAL EQUITY AND LIABILITIES	80,190	79,129
Net assets per share (RM)	0.37	0.38

(The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2022 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 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 2022	23,218	13,313	49	26	9,553	
Loss for the period	-	-	-	-	(837)	245	(592)
Share options vested under ESOS	-	-	173	-	-	-	173
Foreign exchange translation differences	-	-	-	3	-	-	3
Total comprehensive loss for the period	-	-	173	3	(837)	245	(416)
At 30 June 2022	23,218	13,313	222	29	8,716	8,645	54,143
At 1 April 2021	20,555	13,313	60	35	10,416	8,703	53,082
Loss for the period	-	-	-	-	(863)	(303)	(1,166)
Foreign exchange translation differences	-	-	-	(9)	-	-	(9)
Total comprehensive loss for the period	-	-	-	(9)	(863)	(303)	(1,175)
Issuance of new shares	2,663	-	(11)	-	-	-	2,652
At 31 March 2022	23,218	13,313	49	26	9,553	8,400	54,559

(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 2022 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 THREE MONTHS ENDED 30 JUNE 2022

	3 months ended 30 June 2022 RM'000	12 months ended 31 March 2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(623)	(1,265)
Adjustments for :		
Amortisation of investment properties	2	7
Amortisation of intangible assets	2	6
Depreciation of property, plant and equipment	414	1,037
Depreciation of right of use assets	229	1,459
Gain on lease termination	-	(3)
Gain on disposal of property, plant and equipment	-	(6)
Impairment losses on trade and other receivables	-	118
Interest expenses	116	475
Interest income	(4)	(6)
Reversal of impairment losses on trade and other receivables	-	(70)
Reversal of foreseeable loss	-	(1,661)
Share options vested under ESOS	173	-
Share of profit of an associate	(7)	-
Unrealised (gain)/loss on foreign exchange	(33)	36
Operating profit before working capital changes	269	127
Changes in working capital:		
Decrease in inventories	738	93
Decrease/(Increase) in trade and other receivables	1,288	(2,639)
Increase in trade and other payables	1,054	1,307
Increase in contract liability	-	390
Cash generated from/(used in) operations	3,349	(722)
Interest received	4	6
Tax refund	-	45
Tax paid	(127)	(223)
Net cash generated from/(used in) operating activities	3,226	(894)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,233)	(215)
Investment in an associate	(77)	(33)
Proceed from disposal of property, plant and equipment	6	6
Net cash used in investing activities	(1,304)	(242)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(102)	(358)
Proceeds from issuance of ordinary shares pursuant to:-		
- Private placement	-	2,637
- ESOS	-	15
Net drawdown of bank borrowings	1,889	1,416
Net repayment of lease liabilities	(348)	(1,421)
Net cash generated from financing activities	1,439	2,289
Net increase in cash and cash equivalents	3,361	1,153
Effects of exchange rate changes on cash and cash equivalents	-	(18)
Cash and cash equivalents at beginning of financial year	3,573	2,438
Cash and cash equivalents at end of financial year	6,934	3,573
Cash and cash equivalents comprise of:		
Cash and bank balances	5,034	3,677
Deposits with licensed banks	1,995	95
Bank overdrafts included in bank borrowings	-	(104)
	7,029	3,668
Less: Deposits pledged to licensed banks	(95)	(95)
	6,934	3,573

(The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2022 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 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 2022. 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 2022.

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
Amendment to MFRS 17 Insurance Contracts	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1-Jan-23
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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 2022 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 2022.

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 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 30 June 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 30 June 2022 are as follows:

	<-----3 months ended----->	
	30-6-2022	30-6-2021
	RM'000	RM'000
Segment Revenue		
Manufacturing and trading - consumable products	12,647	7,535
Property development	1,298	-
Investment holdings	114	114
	<u>14,059</u>	<u>7,649</u>
Inter-segment elimination	(114)	(114)
	<u>13,945</u>	<u>7,535</u>
Segment Results		
Manufacturing and trading - consumable products	(717)	(648)
Property development	431	(173)
Investment holdings	(220)	(138)
	<u>(506)</u>	<u>(959)</u>
Total Segment Results	(506)	(959)
Finance cost	(124)	(86)
Share of profit of an associate	7	-
	<u>(623)</u>	<u>(1,045)</u>
Profit/(Loss) before tax	(623)	(1,045)
Tax expense	31	(30)
Non-controlling interests	(245)	38
	<u>(837)</u>	<u>(1,037)</u>
Profit/(Loss) for the period	(837)	(1,037)

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 30 June 2022 were as follows:

	<-----3 months ended----->	
	30-6-2022	30-6-2021
	RM'000	RM'000
Purchases of semi finished parts and components:		
Century Plas Industries Sdn Bhd	693	702
Sales and purchases of trading items		
U Can Marketing Sdn Bhd	1	2
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	1,012	84

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-22 RM'000
Property, plant and equipment:	
Approved and contracted for	<u>1,092</u>

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

B1 Tax expense

	Current 3 months 30-6-2022 RM'000	Current 3 months 30-6-2021 RM'000
Current period	-	-
Deferred	(31)	30
	<u>(31)</u>	<u>30</u>
Taxation - net	<u>(31)</u>	<u>30</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

There were no corporate proposals announced during the period.

B5 Group borrowings

Group borrowings and debt securities are as follows:

	30-Jun-22 RM'000	31-Mar-22 RM'000
<u>a) Current Borrowings - Secured</u>		
Bank overdraft	-	104
Bankers' acceptance	4,826	3,762
Term loan	937	792
	<u>5,763</u>	<u>4,658</u>
<u>b) Non Current Borrowings - Secured</u>		
Term loan	3,739	3,979
	<u>3,739</u>	<u>3,979</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 29 July 2022.

B8 Performance review

	<----- 3 months ended ----->		<----- 3 months ended ----->	
	Apr-22 to Jun-22	Jan-22 to Mar-22	Apr-22 to Jun-22	Apr-21 to Jun-21
	RM'000	RM'000	RM'000	RM'000
<u>REVENUE</u>				
Manufacturing and trading	12,647	12,156	12,647	7,535
Property development	1,298	1,147	1,298	-
Total	<u>13,945</u>	<u>13,303</u>	<u>13,945</u>	<u>7,535</u>
<u>PROFIT/ (LOSS) BEFORE TAX ("PBT" & "LBT")</u>				
Manufacturing and trading - operations	(826)	787	(826)	(725)
Property development	423	1,720	423	(182)
Investment holdings	(220)	(261)	(220)	(138)
Net Total	<u>(623)</u>	<u>2,246</u>	<u>(623)</u>	<u>(1,045)</u>

Comparison with preceding quarter

For the current quarter under review, the revenue of the Group was increased from RM13.30 million in the preceding quarter to RM13.95 million for the current quarter mainly due to higher sales generated by the manufacturing and trading division and property development division. However, the Group posted a LBT of RM0.62 million for the current quarter as compared to PBT of RM2.25 million in the preceding quarter.

The manufacturing and trading division posted an increase of 4% in revenue from RM12.16 million in the preceding quarter to RM12.65 million for the current quarter due to an increase in sales. However, it posted a LBT of RM0.83 million for the current quarter as compared to PBT of RM0.79 million in the preceding quarter. During this quarter, the decrease in PBT is mainly due to the full implementation of new Enterprise Resource Planning ("ERP") system which resulted in a one off adjustment in the closing stocks which will reflect more accurate stocks accounting for the ensuing period.

The property development division posted an increase revenue from RM1.15 million in the preceding quarter to RM1.30 million for the current quarter. The increase was due to the higher sales of completed units. However, the property development division posted a lower PBT of RM0.42 million is mainly due to the reversal of foreseeable loss amounting to RM1.66 million recognised in the preceding quarter.

For the investment holding division, the LBT was maintained at RM0.22 million for the current quarter and RM0.26 million in the preceding quarter.

Comparison with preceding year results

The Group revenue for the 3 months ended 30 June 2022 was RM13.95 million as compared to RM7.54 million in the preceding period, an increase of 85.1%. The increase was mainly due to the higher sales generated by the manufacturing and trading division and property development division. As a result, the Group posted a lower LBT of RM0.62 million for the current period as compared to LBT of RM1.05 million in the preceding period.

The manufacturing and trading division posted an increase of 67.8% in revenue from RM7.54 million in the preceding period to RM12.65 million for the current period due to an increase in sales. However, it posted a higher LBT of RM0.83 million for the current period as compared to LBT of RM0.73 million in the preceding period. The lower in LBT is mainly due to the full implementation of new Enterprise Resource Planning ("ERP") system which resulted in a one off adjustment in the closing stocks which will reflect more accurate stocks accounting for the ensuing period.

The property development division posted an increase revenue of RM1.30 million for the current period. As a result, the property development division posted a PBT of RM0.42 million for the current period due to sales of completed units.

For the investment holding division, the LBT was maintained at RM0.22 million for the current period and RM0.14 million for the preceding period.

B9 Prospects

The current challenging operating environment brought about by Russia-Ukraine war and China's COVID-19 lockdown. Various issues such as shortages in labour, raw material shortages and rising prices continue to plague many industry globally, including manufacturing services. This has resulted in a rising cost environment with pressure on profit margins. 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 to gradually increase. The Group has recently received a new batch of foreign workers, with more to arrive in the coming months. The additional labour force will boost fulfilment of orders from key customers that have remained robust. In addition, being an exporter, the weaker RM against USD generally augurs well for the Group too.

The Group is working hard and implementing necessary measures to ensure operations continue with least interruptions. 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 30 June 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)

b) Denominator

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

Basic earnings/(loss) per share (Sen)

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	
30.6.2022	30.6.2021
(837)	(1,037)
122,747	114,958
(0.68)	(0.90)

3 months	
30.6.2022	30.6.2021
(837)	(1,037)
123,445	115,631
*	*

* 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-22 RM'000	3 months ended Jun-21 RM'000
Depreciation of property, plant and equipment	(414)	(409)
Amortisation of investment properties	(2)	(2)
Amortisation of intangible assets	(2)	(1)
Interest expense	(116)	(87)
Interest income	4	-
Unrealised gain/(loss) on foreign exchange	33	(144)
Gain on disposal of property, plant and equipment	-	6
Depreciation of right of use assets	(229)	(215)
Share options vested under ESOS	(173)	-
Share of profit of an associate	7	-