

EMICO HOLDINGS BERHAD (Company No : 230326-D)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE QUARTER AND YEAR ENDED 30 JUNE 2023

	3 months ended 30 June		3 months ended 30 June	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	13,185	13,945	13,185	13,945
Cost of sales	(10,019)	(12,417)	(10,019)	(12,417)
Gross profit	3,166	1,528	3,166	1,528
Other income	407	213	407	213
Sales and marketing expenses	(908)	(836)	(908)	(836)
Administrative expenses	(1,554)	(1,411)	(1,554)	(1,411)
Operating profit/(loss)	1,111	(506)	1,111	(506)
Finance costs	(145)	(124)	(145)	(124)
Share of profit of an associate	30	7	30	7
Profit/(Loss) before tax	996	(623)	996	(623)
Taxation	(86)	31	(86)	31
Profit/(Loss) for the period	910	(592)	910	(592)
Profit/(Loss) attributable to:				
Equity holders of the parent	918	(837)	918	(837)
Non-controlling interests	(8)	245	(8)	245
Profit/(Loss) for the period	910	(592)	910	(592)
Earnings per share attributable to equity holders of the parent:				
Basic earnings/(loss) for the period (sen)	0.74	(0.68)	0.74	(0.68)
Fully Diluted	0.73	*	0.73	*

* 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 2023 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 2023

	3 months ended 30 June		3 months ended 30 June	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit/(Loss) for the period	910	(592)	910	(592)
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operation	(5)	3	(5)	3
Total comprehensive profit/(loss) for the period	<u>905</u>	<u>(589)</u>	<u>905</u>	<u>(589)</u>
Total comprehensive profit/(loss) attributable to:				
Equity holders of the parent	913	(834)	913	(834)
Non-controlling interests	(8)	245	(8)	245
	<u>905</u>	<u>(589)</u>	<u>905</u>	<u>(589)</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 2023 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
AS AT 30 JUNE 2023

	30 June 2023 Unaudited RM'000	31 March 2023 Audited RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	15,189	14,489
Investment properties	137	139
Investment in an associate	203	173
Intangible assets	573	576
Right of use assets	11,567	11,414
Deferred tax assets	149	335
Other receivables	26	26
Total non current assets	27,844	27,152
Current Assets		
Inventories	38,394	37,073
Trade and other receivables	10,981	12,473
Current tax assets	730	684
Cash and cash equivalents	6,850	9,220
Total current assets	56,955	59,450
TOTAL ASSETS	84,799	86,602
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	23,886	23,524
Reserves	15,954	16,004
Retained earnings	10,031	9,929
Total equity attributable to owners of the Company	49,871	49,457
Non-controlling interests	8,427	8,619
TOTAL EQUITY	58,298	58,076
Non Current Liabilities		
Borrowings	3,919	4,101
Lease liabilities	1,822	2,041
Deferred tax liabilities	4,632	4,850
Total non current liabilities	10,373	10,992
Current liabilities		
Trade and other payables	9,597	10,348
Borrowings	5,445	5,915
Lease liabilities	960	1,145
Current tax liabilities	126	126
Total current liabilities	16,128	17,534
TOTAL EQUITY AND LIABILITIES	84,799	86,602
Net assets per share (RM)	0.40	0.40

(The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2023 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 2023

	<- ----- 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 2023	23,524	15,080	880	44	9,929	8,619	58,076
Profit for the period	-	-	-	-	918	(8)	910
Share options vested under ESOS	-	-	87	-	-	-	87
Acquisition of shares from non-controlling interest	-	-	-	-	(816)	(184)	(1,000)
Foreign exchange translation differences	-	-	-	(5)	-	-	(5)
Total comprehensive profit for the period	-	-	87	(5)	102	(192)	(8)
Issuance of new shares	362	-	(132)	-	-	-	230
At 30 June 2023	23,886	15,080	835	39	10,031	8,427	58,298
At 1 April 2022	23,218	13,313	49	26	9,553	8,400	54,559
Profit for the period	-	-	-	-	368	219	587
Share options vested under ESOS	-	-	951	-	-	-	951
Transfer of share options reserve to retained earnings upon lapse of ESOS	-	-	(8)	-	8	-	-
Revaluation reserve on leasehold land and buildings	-	1,767	-	-	-	-	1,767
Foreign exchange translation differences	-	-	-	18	-	-	18
Total comprehensive loss for the period	-	1,767	943	18	376	219	3,323
Issuance of new shares	306	-	(112)	-	-	-	194
At 31 March 2023	23,524	15,080	880	44	9,929	8,619	58,076

(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 2023 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 2023

	3 months ended 30 June 2023 RM'000	12 months ended 31 March 2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	996	1,408
Adjustments for :		
Amortisation of investment properties	2	7
Amortisation of intangible assets	3	24
Depreciation of property, plant and equipment	291	992
Depreciation of right of use assets	445	1,685
Impairment losses on trade and other receivables	-	369
Interest expenses	137	569
Interest income	(40)	(97)
Property, plant and equipment written off	-	63
Inventories written off	-	1,135
Reversal of impairment losses on trade and other receivables	-	(198)
Share options vested under ESOS	87	951
Share of profit of an associate	(30)	(71)
Unrealised gain on foreign exchange	(190)	(97)
Operating profit before working capital changes	1,701	6,740
Changes in working capital:		
(Increase)/Decrease in inventories	(1,320)	1,112
Increase in trade and other receivables	(57)	(884)
Increase in trade and other payables	939	1,233
Decrease in contract liability	-	(390)
Cash generated from operations	1,263	7,811
Interest received	40	97
Tax refund	-	16
Tax paid	(164)	(988)
Net cash generated from operating activities	1,139	6,936
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(846)	(635)
Purchase of right of use assets	(713)	(246)
Investment in an associate	-	(69)
Acquisition of shares from non-controlling interest	(1,000)	-
Net cash used in investing activities	(2,559)	(950)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(121)	(423)
Proceeds from issuance of ordinary shares pursuant to:-		
- ESOS	148	194
Net drawdown of bank borrowings	(650)	1,483
Net repayment of lease liabilities	(327)	(1,720)
Net cash used in financing activities	(950)	(466)
Net (decrease)/increase in cash and cash equivalents	(2,370)	5,520
Effects of exchange rate changes on cash and cash equivalents	-	32
Cash and cash equivalents at beginning of financial year	9,125	3,573
Cash and cash equivalents at end of financial year	6,755	9,125
Cash and cash equivalents comprise of:		
Cash and bank balances	6,755	9,125
Deposits with licensed banks	95	95
	6,850	9,220
Less: Deposits pledged to licensed banks	(95)	(95)
	6,755	9,125

(The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2023 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 2023

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 2023. 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 2023.

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
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules	See MFRS 112 paragraph 98M
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1-Jan-24
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1-Jan-24
Amendments to MFRS 101	Non-current Liabilities with Covenants	1-Jan-24
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1-Jan-24
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 2023 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 2023.

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 2023.

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 2023.

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 2023 are as follows:

	<-----3 months ended----->	
	30-6-2023 RM'000	30-6-2022 RM'000
Segment Revenue		
Manufacturing and trading - consumable products	13,185	12,647
Property development	-	1,298
Investment holdings	123	114
	13,308	14,059
Inter-segment elimination	(123)	(114)
Total Revenue	13,185	13,945
Segment Results		
Manufacturing and trading - consumable products	1,453	(717)
Property development	(98)	431
Investment holdings	(244)	(220)
Total Segment Results	1,111	(506)
Finance cost	(145)	(124)
Share of profit of an associate	30	7
	996	(623)
Profit/(Loss) before tax	996	(623)
Taxation	(86)	31
Non-controlling interests	8	(245)
Profit/(Loss) for the period	918	(837)

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

There were no material contingent liabilities 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 2023 were as follows:

	<-----3 months ended----->	
	30-6-2023	30-6-2022
	RM'000	RM'000
Purchases of semi finished parts and components:		
Century Plas Industry Sdn Bhd	701	693
Sales and purchases of trading items		
U Can Marketing Sdn Bhd	2	1
Rental of premises received:		
Century Plas Industry Sdn Bhd	39	39
Rental of machinery received:		
Century Plas Industry Sdn Bhd	59	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	1,050	1,012

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-23 RM'000
Property, plant and equipment:	
Approved and contracted for	<u>174</u>

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

B1 Taxation

	<-----3 months ended----->	
	30-6-2023 RM'000	30-6-2022 RM'000
Current period	118	-
Deferred	(32)	(31)
	86	(31)
Taxation - net	86	(31)

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-23 RM'000	31-Mar-23 RM'000
<u>a) Current Borrowings - Secured</u>		
Bank overdraft	-	-
Bankers' acceptance	4,567	5,037
Term loan	878	878
	5,445	5,915
<u>b) Non Current Borrowings - Secured</u>		
Term loan	3,919	4,101
	3,919	4,101

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 31 July 2023.

B8 Performance review

	<----- 3 months ended ----->		<----- 3 months ended ----->	
	Apr-23 to Jun-23 RM'000	Jan-23 to Mar-23 RM'000	Apr-23 to Jun-23 RM'000	Apr-22 to Jun-22 RM'000
<u>REVENUE</u>				
Manufacturing and trading	13,185	13,581	13,185	12,647
Property development	-	340	-	1,298
	13,185	13,921	13,185	13,945
Total	13,185	13,921	13,185	13,945
<u>PROFIT/(LOSS) BEFORE TAX ("PBT" & "LBT")</u>				
Manufacturing and trading - operations	1,342	(332)	1,342	(826)
Property development	(102)	111	(102)	423
Investment holdings	(244)	(312)	(244)	(220)
	996	(533)	996	(623)
Net Total	996	(533)	996	(623)

Comparison with preceding quarter

For the current quarter under review, the revenue of the Group decreased slightly from RM13.92 million in the preceding quarter to RM13.19 million for the current quarter. However, the Group posted a PBT of RM1.00 million for the current quarter as compared to LBT of RM0.54 million in the preceding quarter. The LBT in the preceding quarter was mainly due to the property, plant and equipment and inventories written off caused by the fire incident occurred on 8 January 2023.

The manufacturing and trading division posted a slight decrease of 2.9% in revenue from RM13.58 million in the preceding quarter to RM13.19 million for the current quarter. However, it posted a PBT of RM1.34 million for the current quarter as compared to LBT of RM0.33 million in the preceding quarter. The LBT in the preceding quarter was mainly due to the property, plant and equipment and inventories written off caused by the fire incident occurred on 8 January 2023.

The property development division was unable to generate revenue for the current quarter. As a result, the property development division posted a LBT of RM0.10 million as compared to PBT of RM0.11 million in the preceding quarter.

For the investment holding division, it posted a LBT of RM0.24 million for the current quarter as compared to RM0.31 million in the preceding quarter.

Comparison with preceding year results

The Group revenue for the 3 months ended 30 June 2023 was RM13.19 million as compared to RM13.95 million in the preceding period, a decrease of 5.4%. The decrease was mainly due to no sales generated by the property development division. However, the Group posted a PBT of RM1.00 million, an increase of 259.9% for the current period as compared to LBT of RM0.62 million in the preceding period. The LBT in the preceding period was mainly due to the full implementation of new Enterprise Resource Planning ("ERP") system which resulted in an one off adjustment in the closing stocks which will reflect a more accurate stocks value.

The manufacturing and trading division posted an increase of 4.3% in revenue from RM12.65 million in the preceding period to RM13.19 million for the current period due to an increase in sales. The increase in sales is mainly due to the stronger demand from the overseas market. As a result, it posted a higher PBT of RM1.34 million, an increase of 262.5% for the current period as compared to LBT of RM0.62 million in the preceding period. The LBT in the preceding period was mainly due to the full implementation of new ERP system which resulted in an one off adjustment in the closing stocks which will reflect a more accurate stocks value.

The property development division was unable to generate revenue for the current quarter as compared to RM1.30 million of revenue generated in the preceding period. As a result, the property development division posted a LBT of RM0.10 million as compared to PBT of RM0.42 million in the preceding period.

For the investment holding division, it posted a LBT of RM0.24 million for the current period and RM0.22 million for the preceding period.

B9 Prospects

The recent quarter has been marked by the challenge of high inflation, which has impacted various sectors of the economy. Despite this, we are pleased to report that our Group has managed to sustain strong sales performance.

Our sales have remained resilient in the face of inflationary pressures, a testament to the strong demand for our products. Looking ahead, we foresee the demand for consumable products remains positive. In response to the challenging economic environment, we have implemented the lean manufacturing concept across our production processes. This approach has allowed us to optimize resource allocation, minimize waste, and enhance overall efficiency. The integration of automation and machine upgrades has also been instrumental in elevating our production output, resulting in greater productivity gains.

Barring any unforeseen circumstances, our Group maintains its optimistic outlook for FYE 31 March 2024.

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 2023.

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 profit/(loss) per share (Sen)

II) Diluted 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)

Diluted earnings per share (Sen)

3 months	
30.6.2023	30.6.2022
918	(837)
124,592	122,747
0.74	(0.68)

3 months	
30.6.2023	30.6.2022
918	(837)
125,256	123,445
0.73	*

* 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-23 RM'000	3 months ended Jun-22 RM'000
Depreciation of property, plant and equipment	(291)	(414)
Amortisation of investment properties	(2)	(2)
Amortisation of intangible assets	(3)	(2)
Interest expense	(137)	(116)
Interest income	40	4
Unrealised gain on foreign exchange	190	33
Depreciation of right of use assets	(445)	(229)
Share options vested under ESOS	(87)	(173)
Share of profit of an associate	30	7