

EMICO HOLDINGS BERHAD (Company No : 230326-D)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE QUARTER AND YEAR ENDED 30 JUNE 2024

	3 months ended 30 June		3 months ended 30 June	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	16,695	13,185	16,695	13,185
Cost of sales	(12,455)	(10,019)	(12,455)	(10,019)
Gross profit	4,240	3,166	4,240	3,166
Other income	154	407	154	407
Sales and marketing expenses	(1,014)	(908)	(1,014)	(908)
Administrative expenses	(1,920)	(1,554)	(1,920)	(1,554)
Operating profit	1,460	1,111	1,460	1,111
Finance costs	(153)	(145)	(153)	(145)
Share of profit of an associate	9	30	9	30
Profit before tax	1,316	996	1,316	996
Taxation	(262)	(86)	(262)	(86)
Profit for the period	1,054	910	1,054	910
Profit attributable to:				
Equity holders of the parent	1,054	918	1,054	918
Non-controlling interests	-	(8)	-	(8)
Profit for the period	1,054	910	1,054	910
Earnings per share attributable to equity holders of the parent:				
Basic earnings for the period (sen)	0.80	0.74	0.80	0.74
Fully Diluted (sen)	0.79	0.73	0.79	0.73

(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 2024 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 2024

	3 months ended 30 June		3 months ended 30 June	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit for the period	1,054	910	1,054	910
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operation	-	(5)	-	(5)
Total comprehensive profit for the period	<u>1,054</u>	<u>905</u>	<u>1,054</u>	<u>905</u>
Total comprehensive profit attributable to:				
Equity holders of the parent	1,054	913	1,054	913
Non-controlling interests	-	(8)	-	(8)
	<u>1,054</u>	<u>905</u>	<u>1,054</u>	<u>905</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 2024 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 2024

	30 June 2024 Unaudited RM'000	31 March 2024 Audited RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	17,032	16,844
Investment properties	130	132
Investment in an associate	304	295
Intangible assets	552	552
Right of use assets	10,495	10,780
Deferred tax assets	407	407
Total non current assets	28,920	29,010
Current Assets		
Inventories	41,085	40,043
Trade and other receivables	15,883	11,899
Current tax assets	439	402
Cash and cash equivalents	5,354	7,405
Total current assets	62,761	59,749
TOTAL ASSETS	91,681	88,759
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	26,079	24,242
Reserves	16,003	16,089
Retained earnings	13,008	11,954
Total equity attributable to owners of the Company	55,090	52,285
Non-controlling interests	8,329	8,329
TOTAL EQUITY	63,419	60,614
Non Current Liabilities		
Borrowings	3,766	3,619
Lease liabilities	1,599	1,551
Deferred tax liabilities	5,362	5,400
Total non current liabilities	10,727	10,570
Current liabilities		
Trade and other payables	10,293	10,066
Borrowings	6,046	5,897
Lease liabilities	759	1,049
Current tax liabilities	437	563
Total current liabilities	17,535	17,575
TOTAL EQUITY AND LIABILITIES	91,681	88,759
Net assets per share (RM)	0.42	0.42

(The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2024 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 2024

	<----- 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 2024	24,242	15,080	982	27	11,954	8,329	60,614
Profit for the period	-	-	-	-	1,054	-	1,054
Share options vested under ESOS	-	-	21	-	-	-	21
Total comprehensive profit for the period	-	-	21	-	1,054	-	1,075
Issuance of new shares	1,837	-	(107)	-	-	-	1,730
At 30 June 2024	26,079	15,080	896	27	13,008	8,329	63,419
At 1 April 2023	23,524	15,080	880	44	9,929	8,619	58,076
Profit for the period	-	-	-	-	2,858	(123)	2,735
Share options vested under ESOS	-	-	348	-	-	-	348
Acquisition of shares from non-controlling interest	-	-	-	-	(833)	(167)	(1,000)
Foreign exchange translation differences	-	-	-	(17)	-	-	(17)
Total comprehensive loss for the period	-	-	348	(17)	2,025	(290)	2,066
Issuance of new shares	718	-	(246)	-	-	-	472
At 31 March 2024	24,242	15,080	982	27	11,954	8,329	60,614

(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 2024 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 2024

	3 months ended 30 June 2024 RM'000	12 months ended 31 March 2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,316	5,523
Adjustments for :		
Amortisation of investment properties	2	7
Amortisation of intangible assets	-	9
Depreciation of property, plant and equipment	357	1,269
Depreciation of right of use assets	452	1,816
Gain on disposal of property, plant and equipment	-	(125)
Impairment losses on trade and other receivables	-	312
Interest expenses	151	627
Interest income	(22)	(138)
Bad debts written off	3	-
Property, plant and equipment written off	-	53
Intangible assets written off	-	15
Inventories written down	-	336
Inventories written off	-	26
Reversal of impairment losses on trade and other receivables	-	(127)
Share options vested under ESOS	21	348
Share of profit of an associate	(9)	(122)
Unrealised loss/(gain) on foreign exchange	43	(13)
Operating profit before working capital changes	2,314	9,816
Changes in working capital:		
Increase in inventories	(1,042)	(3,332)
(Increase)/Decrease in trade and other receivables	(4,031)	427
Increase/(Decrease) in trade and other payables	227	(276)
Cash (used in)/generated from operations	(2,532)	6,635
Interest received	22	138
Tax refund	-	157
Tax paid	(463)	(1,747)
Net cash (used in)/generated from operating activities	(2,973)	5,183
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(584)	(3,677)
Purchase of right of use assets	-	(58)
Proceed from disposal of property, plant & equipment	11	125
Acquisition of shares from non-controlling interest	-	(1,000)
Net cash used in investing activities	(573)	(4,610)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(139)	(440)
Proceeds from issuance of ordinary shares pursuant to:-		
- Private placement	1,509	-
- ESOS	221	472
Net drawdown of bank borrowings	296	(500)
Net repayment of lease liabilities	(392)	(1,896)
Net cash generated from/(used in) financing activities	1,495	(2,364)
Net decrease in cash and cash equivalents	(2,051)	(1,791)
Effects of exchange rate changes on cash and cash equivalents	-	(24)
Cash and cash equivalents at beginning of financial year	7,310	9,125
Cash and cash equivalents at end of financial year	5,259	7,310
Cash and cash equivalents comprise of:		
Cash and bank balances	5,259	7,310
Deposits with licensed banks	95	95
	5,354	7,405
Less: Deposits pledged to licensed banks	(95)	(95)
	5,259	7,310

(The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2024 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 2024

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 2024. 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 2024.

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 121	Lack of Exchangeability	1-Jan-25
Amendments to MFRS 9 and MFRS 7	Classification and Measurement of Financial Instruments	1-Jan-26
Amendments to MFRS 18	Presentation and Disclosure in Financial Statements	1-Jan-27
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures	1-Jan-27
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules	See MFRS 112
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 2024 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 2024.

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 2024.

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 2024.

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 2024 are as follows:

	<-----3 months ended----->	
	30-6-2024	30-6-2023
	RM'000	RM'000
Segment Revenue		
Manufacturing and trading - consumable products	16,695	13,185
Property development	-	-
Investment holdings	123	123
	<u>16,818</u>	<u>13,308</u>
Inter-segment elimination	(123)	(123)
	<u>16,695</u>	<u>13,185</u>
Segment Results		
Manufacturing and trading - consumable products	1,895	1,453
Property development	(73)	(98)
Investment holdings	(362)	(244)
	<u>1,460</u>	<u>1,111</u>
Total Segment Results	1,460	1,111
Finance cost	(153)	(145)
Share of profit of an associate	9	30
	<u>1,316</u>	<u>996</u>
Profit before tax	1,316	996
Taxation	(262)	(86)
Non-controlling interests	-	8
	<u>1,054</u>	<u>918</u>
Profit for the period	1,054	918

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

As at 30 June 2024, the contingent liabilities are as follows:

	30-Jun-24 RM'000	31-Mar-24 RM'000
Corporate guarantees given by Emico Holdings Berhad to licensed banks for facilities granted to certain subsidiaries	23,065	20,501

A12 Related Party Transactions

Significant transactions between the Group with the related parties during the financial year ended 30 June 2024 were as follows:

	<-----3 months ended----->	
	30-6-2024 RM'000	30-6-2023 RM'000
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	1,192	1,050

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-24 RM'000
Property, plant and equipment: Approved and contracted for	2,090

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

B1 Taxation

	<-----3 months ended----->	
	30-6-2024 RM'000	30-6-2023 RM'000
Current period	300	118
Deferred	(38)	(32)
Taxation - net	262	86

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 13 May 2024, the Company proposes to undertake a private placement of up to ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) to third party investor(s) to be identified at a later date and at an issue price to be determined later ("Placement Shares") ("Proposed Private Placement").

The Proposed Private Placement was approved by Bursa Malaysia Securities Berhad ("Bursa Securities") vide its letter dated 23 May 2024.

On 30 May 2024, the Board had fixed the issue price for the first tranche of the Proposed Private Placement comprising 4,900,000 Placement Shares at RM0.308 per Placement Share. The first tranche of the Placement Shares was listed on Bursa Securities on 6 June 2024.

As at 27 August 2024, 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 %
i) Working Capital	1,389	1,389	0%
ii) Estimated expenses in relation to the the Proposed Private Placement	120	120	0%
Total gross proceeds	1,509	1,509	100%

B5 Group borrowings

Group borrowings and debt securities are as follows:

	30-Jun-24 RM000	31-Mar-24 RM000
a) Current Borrowings - Secured		
Bankers' acceptance	5,194	4,634
Term loan	852	1,263
	6,046	5,897
b) Non Current Borrowings - Secured		
Term loan	3,766	3,619
	3,766	3,619

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 20 August 2024.

B8 Performance review

	<----- 3 months ended ----->		<----- 3 months ended ----->	
	Apr-24 to Jun-24 RM'000	Jan-24 to Mar-24 RM'000	Apr-24 to Jun-24 RM'000	Apr-23 to Jun-23 RM'000
REVENUE				
Manufacturing and trading	16,695	15,204	16,695	13,185
Property development	-	-	-	-
Total	16,695	15,204	16,695	13,185
PROFIT/(LOSS) BEFORE TAX ("PBT" & "LBT")				
Manufacturing and trading - operations	1,759	1,559	1,759	1,342
Property development	(81)	(355)	(81)	(102)
Investment holdings	(362)	(270)	(362)	(244)
Net Total	1,316	934	1,316	996

Comparison with preceding quarter

For the current quarter under review, the revenue of the Group increased from RM15.204 million in the preceding quarter to RM16.695 million for the current quarter. The increase was mainly due to an increase in sales from trophy and trading businesses which resulted in a higher PBT for the current quarter of RM1.316 million as compared to RM0.934 million in the preceding quarter.

The manufacturing and trading division posted an increase of 9.8% in revenue from RM15.204 million in the preceding quarter to RM16.695 million for the current quarter. The increase was mainly due to an increase in sales from trophy and trading businesses which resulted in a higher PBT for the current quarter of RM1.759 million as compared to RM1.559 million in the preceding quarter.

There was a write down of inventories and no revenue generated under the property development division in the preceding quarter. As a result, the property development division posted a lower LBT of RM0.081 million as compared to LBT of RM0.355 million in the preceding quarter.

For the investment holding division, it posted a higher LBT of RM0.362 million for the current quarter as compared to RM0.270 million in the preceding quarter. The increase was mainly due to the expenses incurred for private placement.

Comparison with preceding year results

The Group revenue for the 3 months ended 30 June 2024 was RM16.695 million as compared to RM13.185 million in the preceding period, an increase of 26.6%. The increase was mainly due to additional orders from one of the contract manufacturing customers. Hence, the Group posted a higher PBT of RM1.316 million, an increase of 32.1% for the current period as compared to PBT of RM0.996 million in the preceding period.

The manufacturing and trading division posted an increase of 26.6% in revenue from RM13.185 million in the preceding period to RM16.695 million for the current period. The increase was mainly due to additional orders from one of the contract manufacturing customers. As a result, it posted a higher PBT of RM1.759 million, an increase of 31.1% for the current period as compared to PBT of RM1.342 million in the preceding period.

There is no revenue generated under the property development division for the current period. As a result, the property development division posted a LBT of RM0.081 million as compared to LBT of RM0.102 million in the preceding period.

For the investment holding division, it posted a higher LBT of RM0.362 million for the current period as compared RM0.244 million in the preceding period. The increase was mainly due to the expenses incurred for private placement.

B9 Prospects

Manufacturing and Trading:

We remain optimistic about the prospects for both export and domestic trophy markets, with a positive outlook on our sales performance. Despite the ongoing trade tensions between the USA and China, Emico's sales have remained unaffected. In fact, our customer base in the USA, Canada, and Europe has not only remained stable but has also expanded. Several clients have increased the range of Emico products featured in their catalogs, reflecting growing demand and confidence in our offerings.

Furthermore, our ongoing discussions with a potential partner in Jakarta, Indonesia, are progressing smoothly and are expected to be finalized in the financial year. This expansion into Indonesia marks a significant step in our strategic growth plan for Southeast Asia.

Our marketing team has and will continue to visit customers regularly to maintain strong relationships. The introduction of new trophy product selections by customers will be finalized by the next quarter. Our largest American customer has confirmed a total of 21 projects, which will lead to substantial sales returns during this financial year.

In the domestic market, the new trophy product launched during the Malaysia Gifts Fair in June 2024 have generated strong interest and received positive response. Feedback from both existing and new customers has translated into encouraging sales figures, reinforcing the success of our innovations and the range of new products.

Our team is actively pursuing new OEM customers both locally and internationally through direct outreach and strategic engagement. By upgrading and enhancing our facilities, we have created new opportunities for business growth and long-term success.

For Trading Division, the potential orders from existing customers remain stable, despite the current economy condition in UK. The division remains committed in regular customers' visits and attending international fairs. This is poised to take on and accomplish customers' projects and ordering, at the same time it is on constant lookout for new collaboration opportunities with retailers.

Property Development:

The Group is currently developing a project in Bandar Mutiara at Sungai Petani, Kedah comprises of 21 units of shoplots known as Platinum Commercial Centre. This is expected to complete within this financial year. This project was launched in August 2024 and has received favourable response. Additionally, we are planning for another new residential project in Bandar Mutiara to be launched in the coming financial year.

Barring any unforeseen circumstances, the Group maintains its optimistic outlook for FYE 31 March 2025.

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 2024.

B12 Earnings per share ("EPS")**I) Basic earnings per share****a) Numerator**

Profit attributable to ordinary equity holders:

Profit from operations (RM'000)

b) Denominator

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

Basic profit per share (Sen)

3 months	
30.6.2024	30.6.2023
1,054	918
131,496	124,592
0.80	0.74

II) Diluted earnings per share**a) Numerator**

Profit attributable to ordinary equity holders:

Profit 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	
30.6.2024	30.6.2023
1,054	918
133,049	125,256
0.79	0.73

B13 Operating Income/(Expenses)

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

	3 months ended Jun-24 RM'000	3 months ended Jun-23 RM'000
Depreciation of property, plant and equipment	(357)	(291)
Depreciation of right of use assets	(452)	(445)
Amortisation of investment properties	(2)	(2)
Amortisation of intangible assets	-	(3)
Interest expense	(151)	(137)
Interest income	22	40
Unrealised (loss)/gain on foreign exchange	(43)	190
Share options vested under ESOS	(21)	(87)
Share of profit of an associate	9	30
Bad debts written off	(3)	-