

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

	<b>3 months ended 30 September</b>		<b>6 months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	17,865	8,790	31,810	16,325
Cost of sales	(13,229)	(7,890)	(25,646)	(14,682)
Gross profit	4,636	900	6,164	1,643
Other income	241	101	454	206
Sales and marketing expenses	(1,124)	(518)	(1,960)	(990)
Administrative expenses	(1,992)	(1,223)	(3,403)	(2,558)
Operating profit/(loss)	1,761	(740)	1,255	(1,699)
Finance costs	(150)	(100)	(274)	(186)
Share of profit of an associate	17	-	24	-
Profit/(Loss) before tax	1,628	(840)	1,005	(1,885)
Tax expense	33	(30)	64	(60)
<b>Profit/(Loss) for the period</b>	<b>1,661</b>	<b>(870)</b>	<b>1,069</b>	<b>(1,945)</b>
<b>Profit/(Loss) attributable to:</b>				
Equity holders of the parent	1,549	(818)	712	(1,855)
Non-controlling interests	112	(52)	357	(90)
<b>Profit/(Loss) for the period</b>	<b>1,661</b>	<b>(870)</b>	<b>1,069</b>	<b>(1,945)</b>
<b>Earnings per share attributable to equity holders of the parent:</b>				
Basic earnings/(loss) for the period (sen)	1.26	(0.67)	0.58	(1.51)
Fully Diluted	1.24	*	0.57	*

\* 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 SEPTEMBER 2022**

	3 months ended 30 September		6 months ended 30 September	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Profit/(Loss) for the period</b>	1,661	(870)	1,069	(1,945)
<b>Other comprehensive income, net of tax</b>				
Revaluation reserve on leasehold land and building, net of tax	-	-	-	-
Foreign currency translation differences for foreign operation	5	(3)	8	(10)
<b>Total comprehensive profit/(loss) for the period</b>	<u>1,666</u>	<u>(873)</u>	<u>1,077</u>	<u>(1,955)</u>
<b>Total comprehensive profit/(loss) attributable to:</b>				
Equity holders of the parent	1,554	(821)	720	(1,865)
Non-controlling interests	112	(52)	357	(90)
	<u>1,666</u>	<u>(873)</u>	<u>1,077</u>	<u>(1,955)</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 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**  
**AS AT 30 SEPTEMBER 2022**

	<b>30 September 2022 Unaudited RM'000</b>	<b>31 March 2022 Audited RM'000</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	14,663	13,759
Investment properties	142	145
Investment in an associate	134	33
Intangible assets	597	600
Right of use assets	8,817	9,042
Deferred tax assets	120	280
Other receivables	27	27
Total non current assets	24,500	23,886
<b>Current Assets</b>		
Inventories	37,549	39,320
Trade and other receivables	10,806	11,677
Current tax assets	796	474
Cash and cash equivalents	9,352	3,772
Total current assets	58,503	55,243
<b>TOTAL ASSETS</b>	<b>83,003</b>	<b>79,129</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	23,388	23,218
Reserves	13,766	13,388
Retained earnings	10,265	9,553
Total equity attributable to owners of the Company	47,419	46,159
Non-controlling interests	8,757	8,400
<b>TOTAL EQUITY</b>	56,176	54,559
<b>Non Current Liabilities</b>		
Borrowings	3,594	3,979
Lease liabilities	1,621	911
Deferred tax liabilities	3,945	4,170
Total non current liabilities	9,160	9,060
<b>Current liabilities</b>		
Trade and other payables	9,199	9,118
Contract liability	-	390
Borrowings	6,928	4,658
Lease liabilities	1,403	1,212
Current tax liabilities	137	132
Total current liabilities	17,667	15,510
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>83,003</b>	<b>79,129</b>
Net assets per share (RM)	0.38	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 SIX MONTHS ENDED 30 SEPTEMBER 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	8,400	54,559
Profit for the period	-	-	-	-	712	357	1,069
Share options vested under ESOS	-	-	432	-	-	-	432
Foreign exchange translation differences	-	-	-	8	-	-	8
Total comprehensive profit for the period	-	-	432	8	712	357	1,509
Issuance of new shares	170	-	(62)	-	-	-	108
At 30 September 2022	23,388	13,313	419	34	10,265	8,757	56,176
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 SIX MONTHS ENDED 30 SEPTEMBER 2022**

	<b>6 months ended 30 September 2022 RM'000</b>	<b>12 months ended 31 March 2022 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	1,005	(1,265)
Adjustments for :		
Amortisation of investment properties	3	7
Amortisation of intangible assets	3	6
Depreciation of property, plant and equipment	830	1,037
Depreciation of right of use assets	473	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	257	475
Interest income	(23)	(6)
Reversal of impairment losses on trade and other receivables	-	(70)
Reversal of foreseeable loss	-	(1,661)
Share options vested under ESOS	432	-
Share of profit of an associate	(24)	-
Unrealised (gain)/loss on foreign exchange	(127)	36
Operating profit before working capital changes	2,829	127
Changes in working capital:		
Decrease in inventories	1,761	93
Increase in trade and other receivables	(164)	(2,639)
Increase in trade and other payables	1,255	1,307
(Decrease)/Increase in contract liability	(390)	390
Cash generated from/(used in) operations	5,291	(722)
Interest received	23	6
Tax refund	-	45
Tax paid	(317)	(223)
Net cash generated from/(used in) operating activities	4,997	(894)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,743)	(215)
Investment in an associate	(77)	(33)
Proceed from disposal of property, plant and equipment	6	6
Net cash used in investing activities	(1,814)	(242)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(228)	(358)
Proceeds from issuance of ordinary shares pursuant to:-		
- Private placement	-	2,637
- ESOS	108	15
Net drawdown of bank borrowings	1,989	1,416
Net repayment of lease liabilities	632	(1,421)
Net cash generated from financing activities	2,501	2,289
Net increase in cash and cash equivalents	5,684	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	9,257	3,573
Cash and cash equivalents comprise of:		
Cash and bank balances	4,957	3,677
Deposits with licensed banks	4,395	95
Bank overdrafts included in bank borrowings	-	(104)
	9,352	3,668
Less: Deposits pledged to licensed banks	(95)	(95)
	9,257	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 2ND QUARTER ENDED 30 SEPTEMBER 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 September 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 September 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 September 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 September 2022 are as follows:

	<-----3 months ended----->		<-----6 months ended----->	
	30-9-2022 RM'000	30-9-2021 RM'000	30-9-2022 RM'000	30-9-2021 RM'000
<b>Segment Revenue</b>				
Manufacturing and trading - consumable products	17,525	8,790	30,172	16,325
Property development	340	-	1,638	-
Investment holdings	132	114	246	228
	<u>17,997</u>	<u>8,904</u>	<u>32,056</u>	<u>16,553</u>
Inter-segment elimination	(132)	(114)	(246)	(228)
	<u>17,865</u>	<u>8,790</u>	<u>31,810</u>	<u>16,325</u>
<b>Segment Results</b>				
Manufacturing and trading - consumable products	1,909	(257)	1,192	(905)
Property development	130	(270)	561	(443)
Investment holdings	(278)	(213)	(498)	(351)
	<u>1,761</u>	<u>(740)</u>	<u>1,255</u>	<u>(1,699)</u>
Total Segment Results	1,761	(740)	1,255	(1,699)
Finance cost	(150)	(100)	(274)	(186)
Share of profit of an associate	17	-	24	-
	<u>1,628</u>	<u>(840)</u>	<u>1,005</u>	<u>(1,885)</u>
Profit/(Loss) before tax	1,628	(840)	1,005	(1,885)
Tax expense	33	(30)	64	(60)
Non-controlling interests	(112)	52	(357)	90
	<u>1,549</u>	<u>(818)</u>	<u>712</u>	<u>(1,855)</u>
Profit/(Loss) for the period	1,549	(818)	712	(1,855)

**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 September 2022 were as follows:

	<-----3 months ended----->		<-----6 months ended----->	
	30-9-2022 RM'000	30-9-2021 RM'000	30-9-2022 RM'000	30-9-2021 RM'000
Purchases of semi finished parts and components:				
Century Plas Industry Sdn Bhd	795	754	1,488	1,453
Sales and purchases of trading items				
U Can Marketing Sdn Bhd	3	8	4	10
Rental of premises received:				
Century Plas Industry Sdn Bhd	39	39	78	78
Rental of machinery received:				
Century Plas Industry Sdn Bhd	56	56	111	111
Rental of factory paid and payable to:				
Beng Choo Marketing Sdn Bhd	150	150	300	300
Purchases and sales of trophy parts and bases:				
Emico (Vietnam) Co. Ltd	1,648	69	2,660	153

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:

Property, plant and equipment:	As at
Approved and contracted for	30-Sep-22
	RM'000
	<u>911</u>

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

**B1 Tax expense**

	Current 6 months 30-9-2022 RM'000	Current 6 months 30-9-2021 RM'000
Current period	-	-
Deferred	(64)	60
	<u>(64)</u>	<u>60</u>
Taxation - net	<u>(64)</u>	<u>60</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-Sep-22 RM'000	31-Mar-22 RM'000
<u>a) Current Borrowings - Secured</u>		
Bank overdraft	-	104
Bankers' acceptance	5,632	3,762
Term loan	1,296	792
	<u>6,928</u>	<u>4,658</u>
<u>b) Non Current Borrowings - Secured</u>		
Term loan	3,594	3,979
	<u>3,594</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 11 November 2022.

**B8 Performance review**

	<----- 3 months ended ----->		<----- 6 months ended ----->	
	July-22 to Sep-22 RM'000	Apr-22 to Jun-22 RM'000	Apr-22 to Sep-22 RM'000	Apr-21 to Sep-21 RM'000
<u>REVENUE</u>				
Manufacturing and trading	17,525	12,647	30,172	16,325
Property development	340	1,298	1,638	-
Total	<u>17,865</u>	<u>13,945</u>	<u>31,810</u>	<u>16,325</u>
<u>PROFIT/ (LOSS) BEFORE TAX ("PBT" &amp; "LBT")</u>				
Manufacturing and trading - operations	1,785	(826)	959	(1,073)
Property development	121	423	544	(461)
Investment holdings	(278)	(220)	(498)	(351)
Net Total	<u>1,628</u>	<u>(623)</u>	<u>1,005</u>	<u>(1,885)</u>



#### Comparison with preceding quarter

For the current quarter under review, the revenue of the Group was increased from RM13.95 million in the preceding quarter to RM17.87 million for the current quarter mainly due to higher sales generated by the manufacturing and trading division. As a result, the Group posted a PBT of RM1.63 million for the current quarter as compared to LBT of RM0.62 million in the preceding quarter.

The manufacturing and trading division posted an increase of 38.6% in revenue from RM12.65 million in the preceding quarter to RM17.53 million for the current quarter due to an increase in sales. As a result, it posted a PBT of RM1.79 million for the current quarter as compared to LBT of RM0.83 million in the preceding quarter. During this quarter, the increase in sales is mainly due to the stronger demand from overseas market.

The property development division posted a decrease in revenue from RM1.30 million in the preceding quarter to RM0.34 million for the current quarter. The decrease was due to the lower sales of completed units. As a result, the property development division posted a lower PBT of RM0.12 million as compared to PBT of RM0.42 million in the preceding quarter.

For the investment holding division, it posted a LBT of RM0.28 million for the current quarter and RM0.22 million in the preceding quarter.

#### Comparison with preceding year results

The Group revenue for the 6 months ended 30 September 2022 was RM31.81 million as compared to RM16.33 million in the preceding period, an increase of 94.9%. 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 higher PBT of RM1.01 million for the current period as compared to LBT of RM1.89 million in the preceding period.

The manufacturing and trading division posted an increase of 84.8% in revenue from RM16.33 million in the preceding period to RM30.17 million for the current period due to an increase in sales. As a result, it posted a higher PBT of RM0.96 million for the current period as compared to LBT of RM1.07 million in the preceding period. The increase in sales is mainly due to the stronger demand from overseas market.

The property development division posted an increase in revenue of RM1.64 million for the current period. As a result, the property development division posted a PBT of RM0.54 million for the current period.

For the investment holding division, it posted a LBT of RM0.50 million for the current period and RM0.35 million for the preceding period.

### **B9 Prospects**

Global economic growth appears to have tapered following gains in the months after the lifting restrictions of movement control due to COVID-19 in many countries. The ongoing Russian-Ukraine war has caused disruptions of basic food and energy supply and fuelled global inflation. Responding to high inflation rates, the US Federal Reserve announced a series of rate hikes, leading to similar responses from most central banks around the world including Malaysia.

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. 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 to continue with least interruptions. Barring unforeseen circumstances, our Group maintains optimistic outlook for FYE 31 March 2023.

### **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 September 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)**

3 months		6 months	
30.9.2022	30.9.2021	30.9.2022	30.9.2021
1,549	(818)	712	(1,855)
123,217	122,747	123,217	122,747
1.26	(0.67)	0.58	(1.51)

#### **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		6 months	
30.9.2022	30.9.2021	30.9.2022	30.9.2021
1,549	(818)	712	(1,855)
124,441	123,445	124,441	123,445
1.24	*	0.57	*

\* 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):

	6 months ended Sep-22 RM'000	6 months ended Sep-21 RM'000
Depreciation of property, plant and equipment	(830)	(812)
Amortisation of investment properties	(3)	(3)
Amortisation of intangible assets	(3)	(3)
Interest expense	(257)	(188)
Interest income	23	11
Unrealised gain/(loss) on foreign exchange	127	(144)
Gain on disposal of property, plant and equipment	-	6
Depreciation of right of use assets	(473)	(431)
Share options vested under ESOS	(432)	-
Share of profit of an associate	24	-