

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

	3 months ended 31 December		9 months ended 31 December	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	15,470	9,920	47,280	26,245
Cost of sales	(11,699)	(9,005)	(37,345)	(23,687)
Gross profit	3,771	915	9,935	2,558
Other income	150	147	604	353
Sales and marketing expenses	(985)	(808)	(2,945)	(1,798)
Administrative expenses	(1,890)	(1,741)	(5,293)	(4,299)
Operating profit/(loss)	1,046	(1,487)	2,301	(3,186)
Finance costs	(135)	(135)	(409)	(321)
Share of profit of an associate	26	1	50	1
Profit/(Loss) before tax	937	(1,621)	1,942	(3,506)
Tax expense	(505)	(32)	(441)	(92)
<b>Profit/(Loss) for the period</b>	<b>432</b>	<b>(1,653)</b>	<b>1,501</b>	<b>(3,598)</b>
<b>Profit/(Loss) attributable to:</b>				
Equity holders of the parent	558	(1,636)	1,270	(3,491)
Non-controlling interests	(126)	(17)	231	(107)
<b>Profit/(Loss) for the period</b>	<b>432</b>	<b>(1,653)</b>	<b>1,501</b>	<b>(3,598)</b>
<b>Earnings per share attributable to equity holders of the parent:</b>				
Basic earnings/(loss) for the period (sen)	0.45	(1.33)	1.03	(2.84)
Fully Diluted	0.45	*	1.02	*

\* 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 31 DECEMBER 2022**

	3 months ended 31 December		9 months ended 31 December	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Profit/(Loss) for the period</b>	432	(1,653)	1,501	(3,598)
<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	17	(4)	25	(14)
<b>Total comprehensive profit/(loss) for the period</b>	<b>449</b>	<b>(1,657)</b>	<b>1,526</b>	<b>(3,612)</b>
<b>Total comprehensive profit/(loss) attributable to:</b>				
Equity holders of the parent	575	(1,640)	1,295	(3,505)
Non-controlling interests	(126)	(17)	231	(107)
	<b>449</b>	<b>(1,657)</b>	<b>1,526</b>	<b>(3,612)</b>

(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 31 DECEMBER 2022**

	<b>31 December 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	14,958	13,759
Investment properties	142	145
Investment in an associate	160	33
Intangible assets	596	600
Right of use assets	8,888	9,042
Deferred tax assets	120	280
Other receivables	27	27
Total non current assets	24,891	23,886
<b>Current Assets</b>		
Inventories	37,344	39,320
Trade and other receivables	9,642	11,677
Current tax assets	313	474
Cash and cash equivalents	11,196	3,772
Total current assets	58,495	55,243
<b>TOTAL ASSETS</b>	<b>83,386</b>	<b>79,129</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	23,524	23,218
Reserves	13,994	13,388
Retained earnings	10,823	9,553
Total equity attributable to owners of the Company	48,341	46,159
Non-controlling interests	8,631	8,400
<b>TOTAL EQUITY</b>	56,972	54,559
<b>Non Current Liabilities</b>		
Borrowings	3,404	3,979
Lease liabilities	2,085	911
Deferred tax liabilities	3,914	4,170
Total non current liabilities	9,403	9,060
<b>Current liabilities</b>		
Trade and other payables	8,795	9,118
Contract liability	-	390
Borrowings	6,887	4,658
Lease liabilities	1,329	1,212
Current tax liabilities	-	132
Total current liabilities	17,011	15,510
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>83,386</b>	<b>79,129</b>
Net assets per share (RM)	0.39	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 NINE MONTHS ENDED 31 DECEMBER 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	-	-	-	-	1,270	231	1,501
Share options vested under ESOS	-	-	693	-	-	-	693
Foreign exchange translation differences	-	-	-	25	-	-	25
Total comprehensive profit for the period	-	-	693	25	1,270	231	2,219
Issuance of new shares	306	-	(112)	-	-	-	194
At 31 December 2022	23,524	13,313	630	51	10,823	8,631	56,972
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 NINE MONTHS ENDED 31 DECEMBER 2022**

	<b>9 months ended 31 December 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	1,942	(1,265)
Adjustments for :		
Amortisation of investment properties	5	7
Amortisation of intangible assets	5	6
Depreciation of property, plant and equipment	1,252	1,037
Depreciation of right of use assets	731	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	395	475
Interest income	(58)	(6)
Reversal of impairment losses on trade and other receivables	-	(70)
Reversal of foreseeable loss	-	(1,661)
Share options vested under ESOS	692	-
Share of profit of an associate	(50)	-
Unrealised loss on foreign exchange	66	36
Operating profit before working capital changes	4,980	127
Changes in working capital:		
Decrease in inventories	1,953	93
Decrease/(Increase) in trade and other receivables	986	(2,639)
Increase in trade and other payables	707	1,307
(Decrease)/Increase in contract liability	(390)	390
Cash generated from/(used in) operations	8,236	(722)
Interest received	58	6
Tax refund	-	45
Tax paid	(508)	(223)
Net cash generated from/(used in) operating activities	7,786	(894)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,976)	(215)
Investment in an associate	(77)	(33)
Proceed from disposal of property, plant and equipment	6	6
Net cash used in investing activities	(2,047)	(242)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(351)	(358)
Proceeds from issuance of ordinary shares pursuant to:-		
- Private placement	-	2,637
- ESOS	194	15
Net drawdown of bank borrowings	1,758	1,416
Net repayment of lease liabilities	191	(1,421)
Net cash generated from financing activities	1,792	2,289
Net increase in cash and cash equivalents	7,531	1,153
Effects of exchange rate changes on cash and cash equivalents	(3)	(18)
Cash and cash equivalents at beginning of financial year	3,573	2,438
Cash and cash equivalents at end of financial year	11,101	3,573
Cash and cash equivalents comprise of:		
Cash and bank balances	9,301	3,677
Deposits with licensed banks	1,895	95
Bank overdrafts included in bank borrowings	-	(104)
	11,196	3,668
Less: Deposits pledged to licensed banks	(95)	(95)
	11,101	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 3RD QUARTER ENDED 31 DECEMBER 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 16 Leases	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 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 31 December 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 December 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 December 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 December 2022 are as follows:

	<-----3 months ended----->		<-----9 months ended----->	
	31-12-2022	31-12-2021	31-12-2022	31-12-2021
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Manufacturing and trading - consumable products	15,330	9,920	45,502	26,245
Property development	140	-	1,778	-
Investment holdings	123	114	369	342
	<u>15,593</u>	<u>10,034</u>	<u>47,649</u>	<u>26,587</u>
Inter-segment elimination	(123)	(114)	(369)	(342)
Total Revenue	<u>15,470</u>	<u>9,920</u>	<u>47,280</u>	<u>26,245</u>
<b>Segment Results</b>				
Manufacturing and trading - consumable products	1,192	(1,004)	2,384	(1,909)
Property development	89	(36)	650	(479)
Investment holdings	(235)	(447)	(733)	(798)
Total Segment Results	<u>1,046</u>	<u>(1,487)</u>	<u>2,301</u>	<u>(3,186)</u>
Finance cost	(135)	(135)	(409)	(321)
Share of profit of an associate	26	1	50	1
Profit/(Loss) before tax	<u>937</u>	<u>(1,621)</u>	<u>1,942</u>	<u>(3,506)</u>
Tax expense	(505)	(32)	(441)	(92)
Non-controlling interests	126	17	(231)	107
Profit/(Loss) for the period	<u>558</u>	<u>(1,636)</u>	<u>1,270</u>	<u>(3,491)</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 December 2022 were as follows:

	<-----3 months ended----->		<-----9 months ended----->	
	31-12-2022	31-12-2021	31-12-2022	31-12-2021
	RM'000	RM'000	RM'000	RM'000
Purchases of semi finished parts and components:				
Century Plas Industry Sdn Bhd	968	1,032	2,456	2,485
Sales and purchases of trading items				
U Can Marketing Sdn Bhd	1	2	5	12
Rental of premises received:				
Century Plas Industry Sdn Bhd	39	39	117	117
Rental of machinery received:				
Century Plas Industry Sdn Bhd	58	56	169	167
Rental of factory paid and payable to:				
Beng Choo Marketing Sdn Bhd	150	150	450	450
Purchases and sales of trophy parts and bases:				
Emico (Vietnam) Co. Ltd	1,572	683	4,232	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:

Property, plant and equipment:	As at
Approved and contracted for	31-Dec-22
	RM'000
	<u>558</u>

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

**B1 Tax expense**

	Current 9 months 31-12-2022 RM'000	Current 9 months 31-12-2021 RM'000
Current period	536	-
Deferred	(95)	92
	<u>441</u>	<u>92</u>
Taxation - net	<u>441</u>	<u>92</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:

	31-Dec-22 RM'000	31-Mar-22 RM'000
<u>a) Current Borrowings - Secured</u>		
Bank overdraft	-	104
Bankers' acceptance	5,229	3,762
Term loan	1,658	792
	<u>6,887</u>	<u>4,658</u>
<u>b) Non Current Borrowings - Secured</u>		
Term loan	3,404	3,979
	<u>3,404</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 9 February 2023.

**B8 Performance review**

	<----- 3 months ended ----->		<----- 9 months ended ----->	
	Oct-22 to Dec-22	July-22 to Sep-22	Apr-22 to Dec-22	Apr-21 to Dec-21
	RM'000	RM'000	RM'000	RM'000
<u>REVENUE</u>				
Manufacturing and trading	15,330	17,525	45,502	26,245
Property development	140	340	1,778	-
Total	<u>15,470</u>	<u>17,865</u>	<u>47,280</u>	<u>26,245</u>
<u>PROFIT/ (LOSS) BEFORE TAX ("PBT" &amp; "LBT")</u>				
Manufacturing and trading - operations	1,092	1,785	2,051	(2,202)
Property development	80	121	624	(506)
Investment holdings	(235)	(278)	(733)	(798)
Net Total	<u>937</u>	<u>1,628</u>	<u>1,942</u>	<u>(3,506)</u>



#### Comparison with preceding quarter

For the current quarter under review, the revenue of the Group decreased from RM17.87 million in the preceding quarter to RM15.47 million for the current quarter mainly due to lower sales generated by the manufacturing and trading division. As a result, the Group posted a lower PBT of RM0.94 million for the current quarter as compared to PBT of RM1.63 million in the preceding quarter.

The manufacturing and trading division posted a decrease of 12.5% in revenue from RM17.53 million in the preceding quarter to RM15.33 million for the current quarter due to decrease in sales. As a result, it posted a lower PBT of RM1.09 million for the current quarter as compared to PBT of RM1.79 million in the preceding quarter.

The property development division posted a decrease in revenue from RM0.34 million in the preceding quarter to RM0.14 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 RM0.08 million as compared to PBT of RM0.12 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 RM0.28 million in the preceding quarter.

#### Comparison with preceding year results

The Group revenue for the 9 months ended 31 December 2022 was RM47.28 million as compared to RM26.25 million in the preceding period, an increase of 80.1%. 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 higher PBT of RM1.94 million, an increase of 155.4% for the current period as compared to LBT of RM3.51 million in the preceding period.

The manufacturing and trading division posted an increase of 73.4% in revenue from RM26.25 million in the preceding period to RM45.50 million for the current period due to an increase in sales. As a result, it posted a higher PBT of RM2.05 million, an increase of 193.1% for the current period as compared to LBT of RM2.20 million in the preceding period. The increase in sales is mainly due to the stronger demand from the overseas market.

The property development division posted an increase in revenue of RM1.78 million for the current period. As a result, the property development division posted a PBT of RM0.62 million for the current period. There was no turnover for the preceding period with LBT of RM0.51 million.

For the investment holding division, it posted a LBT of RM0.73 million for the current period and RM0.80 million for the preceding period.

### **B9 Prospects**

The Group is operating under a challenging market condition with global economic uncertainties as well as facing increases in the production costs, interest rates and fluctuation in foreign exchange rates that have led to rising cost of living and in turn, affected consumer sentiment and purchasing power.

Despite the on-going global uncertainties, the Group foresees the demand for trophy is expected to pick up gradually. With the recent recruitment of new foreign labours, production volume has improved leading to higher production volume and efficiency in meeting the demand. At this juncture, the sales order flow has improved satisfactory.

Barring any 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 31 December 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)

3 months		9 months	
31.12.2022	31.12.2021	31.12.2022	31.12.2021
558	(1,636)	1,270	(3,491)

##### **b) Denominator**

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

123,592	122,747	123,592	122,747
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##### **Basic earnings/(loss) per share (Sen)**

0.45	(1.33)	1.03	(2.84)
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#### **II) Diluted earnings per share**

##### **a) Numerator**

Profit attributable to ordinary equity holders:

Profit/(Loss) from operations (RM'000)

558	(1,636)	1,270	(3,491)
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##### **b) Denominator**

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

124,679	123,445	124,679	123,445
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##### **Diluted earnings per share (Sen)**

0.45	*	1.02	*
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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):

	9 months ended Dec-22 RM'000	9 months ended Dec-21 RM'000
Depreciation of property, plant and equipment	(1,252)	(1,215)
Amortisation of investment properties	(5)	(5)
Amortisation of intangible assets	(5)	(5)
Interest expense	(395)	(320)
Interest income	58	14
Unrealised loss on foreign exchange	(66)	(163)
Gain on disposal of property, plant and equipment	-	6
Depreciation of right of use assets	(731)	(658)
Share options vested under ESOS	(692)	-
Share of profit of an associate	50	-