

**EMICO HOLDINGS BERHAD (Company No : 230326-D)**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2023**

	<b>3 months ended 31 December</b>		<b>9 months ended 31 December</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	17,536	15,470	45,812	47,280
Cost of sales	(12,815)	(11,699)	(34,596)	(37,345)
Gross profit	4,721	3,771	11,216	9,935
Other income	142	150	1,952	604
Sales and marketing expenses	(1,093)	(985)	(3,141)	(2,945)
Administrative expenses	(1,870)	(1,890)	(5,097)	(5,293)
Operating profit	1,900	1,046	4,930	2,301
Finance costs	(148)	(135)	(444)	(409)
Share of profit of an associate	43	26	103	50
Profit before tax	1,795	937	4,589	1,942
Taxation	(646)	(505)	(879)	(441)
<b>Profit for the period</b>	<b>1,149</b>	<b>432</b>	<b>3,710</b>	<b>1,501</b>
<b>Profit attributable to:</b>				
Equity holders of the parent	1,161	558	3,744	1,270
Non-controlling interests	(12)	(126)	(34)	231
<b>Profit for the period</b>	<b>1,149</b>	<b>432</b>	<b>3,710</b>	<b>1,501</b>
<b>Earnings per share attributable to equity holders of the parent:</b>				
Basic earnings for the period (sen)	0.92	0.45	2.98	1.03
Fully Diluted (sen)	0.92	0.45	2.95	1.02

(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 31 DECEMBER 2023**

	3 months ended 31 December		9 months ended 31 December	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Profit for the period</b>	1,149	432	3,710	1,501
<b>Other comprehensive income, net of tax</b>				
Foreign currency translation differences for foreign operation	(5)	17	(6)	25
<b>Total comprehensive profit for the period</b>	<u>1,144</u>	<u>449</u>	<u>3,704</u>	<u>1,526</u>
<b>Total comprehensive profit attributable to:</b>				
Equity holders of the parent	1,156	575	3,738	1,295
Non-controlling interests	(12)	(126)	(34)	231
	<u>1,144</u>	<u>449</u>	<u>3,704</u>	<u>1,526</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 31 DECEMBER 2023**

	<b>31 December 2023 Unaudited RM'000</b>	<b>31 March 2023 Audited RM'000</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	16,352	14,489
Investment properties	134	139
Investment in an associate	276	173
Intangible assets	566	576
Right of use assets	11,269	11,414
Deferred tax assets	151	335
Other investment	50	-
Other receivables	26	26
Total non current assets	28,824	27,152
<b>Current Assets</b>		
Inventories	39,297	37,073
Trade and other receivables	11,326	12,473
Current tax assets	620	684
Cash and cash equivalents	7,375	9,220
Total current assets	58,618	59,450
<b>TOTAL ASSETS</b>	<b>87,442</b>	<b>86,602</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	24,242	23,524
Reserves	16,013	16,004
Retained earnings	12,857	9,929
Total equity attributable to owners of the Company	53,112	49,457
Non-controlling interests	8,401	8,619
<b>TOTAL EQUITY</b>	61,513	58,076
<b>Non Current Liabilities</b>		
Borrowings	4,164	4,101
Lease liabilities	2,222	2,041
Deferred tax liabilities	4,570	4,850
Total non current liabilities	10,956	10,992
<b>Current liabilities</b>		
Trade and other payables	9,020	10,348
Borrowings	4,930	5,915
Lease liabilities	897	1,145
Current tax liabilities	126	126
Total current liabilities	14,973	17,534
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>87,442</b>	<b>86,602</b>
Net assets per share (RM)	0.42	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 NINE MONTHS ENDED 31 DECEMBER 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	-	-	-	-	3,744	(34)	3,710
Share options vested under ESOS	-	-	261	-	-	-	261
Acquisition of shares from non-controlling interest	-	-	-	-	(816)	(184)	(1,000)
Foreign exchange translation differences	-	-	-	(6)	-	-	(6)
Total comprehensive profit for the period	-	-	261	(6)	2,928	(218)	2,965
Issuance of new shares	718	-	(246)	-	-	-	472
At 31 December 2023	24,242	15,080	895	38	12,857	8,401	61,513
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 NINE MONTHS ENDED 31 DECEMBER 2023**

	<b>9 months ended 31 December 2023 RM'000</b>	<b>12 months ended 31 March 2023 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	4,589	1,408
Adjustments for :		
Amortisation of investment properties	5	7
Amortisation of intangible assets	10	24
Depreciation of property, plant and equipment	954	992
Depreciation of right of use assets	1,336	1,685
Gain on disposal of property, plant and equipment	3	-
Impairment losses on trade and other receivables	-	369
Interest expenses	440	569
Interest income	(102)	(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	261	951
Share of profit of an associate	(103)	(71)
Unrealised gain on foreign exchange	(73)	(97)
Operating profit before working capital changes	7,320	6,740
Changes in working capital:		
(Increase)/Decrease in inventories	(2,223)	1,112
Increase in trade and other receivables	(1,200)	(884)
Increase in trade and other payables	983	1,233
Decrease in contract liability	-	(390)
Cash generated from operations	4,880	7,811
Interest received	102	97
Tax refund	-	16
Tax paid	(911)	(988)
Net cash generated from operating activities	4,071	6,936
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2,685)	(635)
Purchase of right of use assets	(713)	(246)
Investment in an associate	-	(69)
Investment in other investment	(50)	-
Acquisition of shares from non-controlling interest	(1,000)	-
Net cash used in investing activities	(4,448)	(950)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(392)	(423)
Proceeds from issuance of ordinary shares pursuant to:-		
- ESOS	472	194
Net drawdown of bank borrowings	(920)	1,483
Net repayment of lease liabilities	(629)	(1,720)
Net cash used in financing activities	(1,469)	(466)
Net (decrease)/increase in cash and cash equivalents	(1,846)	5,520
Effects of exchange rate changes on cash and cash equivalents	1	32
Cash and cash equivalents at beginning of financial year	9,125	3,573
Cash and cash equivalents at end of financial year	7,280	9,125
Cash and cash equivalents comprise of:		
Cash and bank balances	7,280	9,125
Deposits with licensed banks	95	95
	7,375	9,220
Less: Deposits pledged to licensed banks	(95)	(95)
	7,280	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 3RD QUARTER ENDED 31 DECEMBER 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 121	Lack of Exchangeability	1-Jan-25
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 31 December 2023.

**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 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 31 December 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 31 December 2023 are as follows:

	<-----3 months ended----->		<-----9 months ended----->	
	31-12-2023	31-12-2022	31-12-2023	31-12-2022
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Manufacturing and trading - consumable products	17,536	15,330	45,812	45,502
Property development	-	140	-	1,778
Investment holdings	123	123	369	369
	<u>17,659</u>	<u>15,593</u>	<u>46,181</u>	<u>47,649</u>
Inter-segment elimination	<u>(123)</u>	<u>(123)</u>	<u>(369)</u>	<u>(369)</u>
Total Revenue	<u>17,536</u>	<u>15,470</u>	<u>45,812</u>	<u>47,280</u>
<b>Segment Results</b>				
Manufacturing and trading - consumable products	2,276	1,192	6,021	2,384
Property development	(96)	89	(271)	650
Investment holdings	(280)	(235)	(820)	(733)
	<u>1,900</u>	<u>1,046</u>	<u>4,930</u>	<u>2,301</u>
Finance cost	(148)	(135)	(444)	(409)
Share of profit of an associate	<u>43</u>	<u>26</u>	<u>103</u>	<u>50</u>
Profit before tax	1,795	937	4,589	1,942
Taxation	(646)	(505)	(879)	(441)
Non-controlling interests	<u>12</u>	<u>126</u>	<u>34</u>	<u>(231)</u>
Profit for the period	<u>1,161</u>	<u>558</u>	<u>3,744</u>	<u>1,270</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**

As at 31 December 2023, the contingent liabilities are as follows:

	31-Dec-23 RM'000	31-Mar-23 RM'000
Corporate guarantees given by Emico Holdings Berhad to licensed banks for facilities granted to certain subsidiaries	22,301	18,474

**A12 Related Party Transactions**

Significant transactions between the Group with the related parties during the financial year ended 31 December 2023 were as follows:

	<-----3 months ended----->		<-----9 months ended----->	
	31-12-2023 RM'000	31-12-2022 RM'000	31-12-2023 RM'000	31-12-2022 RM'000
Purchases of semi finished parts and components:				
Century Plas Industry Sdn Bhd	-	968	1,270	2,456
Sales and purchases of trading items				
U Can Marketing Sdn Bhd	3	1	9	5
Rental of premises received:				
Century Plas Industry Sdn Bhd	-	39	78	117
Rental of machinery received:				
Century Plas Industry Sdn Bhd	-	58	117	169
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	2,172	1,572	4,808	4,232

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 31-Dec-23 RM'000
Property, plant and equipment:	
Approved and contracted for	36

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

**B1 Taxation**

	<-----3 months ended----->		<-----9 months ended----->	
	31-12-2023 RM'000	31-12-2022 RM'000	31-12-2023 RM'000	31-12-2022 RM'000
Current period	679	536	975	536
Deferred	(33)	(31)	(96)	(95)
Taxation - net	<u>646</u>	<u>505</u>	<u>879</u>	<u>441</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-23 RM'000	31-Mar-23 RM'000
<b>a) Current Borrowings - Secured</b>		
Bankers' acceptance	4,097	5,037
Term loan	833	878
	<u>4,930</u>	<u>5,915</u>
<b>b) Non Current Borrowings - Secured</b>		
Term loan	4,164	4,101
	<u>4,164</u>	<u>4,101</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 8 February 2024.

**B8 Performance review**

	<----- 3 months ended ----->		<----- 9 months ended ----->	
	Oct-23 to Dec-23 RM'000	Jul-23 to Sep-23 RM'000	Apr-23 to Dec-23 RM'000	Apr-22 to Dec-22 RM'000
<b>REVENUE</b>				
Manufacturing and trading	17,536	15,091	45,812	45,502
Property development	-	-	-	1,778
Total	<u>17,536</u>	<u>15,091</u>	<u>45,812</u>	<u>47,280</u>
<b>PROFIT/(LOSS) BEFORE TAX ("PBT" &amp; "LBT")</b>				
Manufacturing and trading - operations	2,180	2,181	5,703	2,051
Property development	(105)	(87)	(294)	624
Investment holdings	(280)	(296)	(820)	(733)
Net Total	<u>1,795</u>	<u>1,798</u>	<u>4,589</u>	<u>1,942</u>



#### Comparison with preceding quarter

For the current quarter under review, the revenue of the Group increased from RM15.091 million in the preceding quarter to RM17.536 million for the current quarter. However, the PBT for the current quarter of RM1.795 million was comparable to RM1.798 million in the preceding quarter.

The manufacturing and trading division posted an increase of 16.2% in revenue from RM15.091 million in the preceding quarter to RM17.536 million for the current quarter. However, the PBT for the current quarter of RM2.180 million was comparable to PBT of RM2.181 million in the preceding quarter.

There is no revenue generated under the property development division for the current quarter. As a result, the property development division posted a LBT of RM0.105 million as compared to LBT of RM0.087 million in the preceding quarter.

For the investment holding division, it posted a LBT of RM0.280 million for the current quarter as compared to RM0.296 million in the preceding quarter.

#### Comparison with preceding year results

The Group revenue for the 9 months ended 31 December 2023 was RM45.812 million as compared to RM47.280 million in the preceding period, a decrease of 3.1%. The decrease was mainly due to no sales generated by the property development division. However, the Group posted a higher PBT of RM2.647 million, an increase of 136.3% for the current period as compared to PBT of RM1.942 million in the preceding period. The increase in PBT for the current period was primarily due to higher selling price, strengthening of USD against RM and an insurance claim of RM1.270 million received.

The manufacturing and trading division posted a slight increase of 0.7% in revenue from RM45.502 million in the preceding period to RM45.812 million for the current period due to the slight increase in sales from the trophy business. As a result, it posted a higher PBT of RM5.703 million, an increase of 178.1% for the current period as compared to PBT of RM2.051 million in the preceding period. The increase in PBT for the current period was primarily due to higher selling price, strengthening of USD against RM and an insurance claim of RM1.270 million received.

There is no revenue generated under the property development division for the current period as compared to RM1.778 million of revenue generated in the preceding period. As a result, the property development division posted a LBT of RM0.294 million as compared to PBT of RM0.624 million in the preceding period.

For the investment holding division, it posted a LBT of RM0.820 million for the current period and RM0.733 million for the preceding period.

### **B9 Prospects**

In anticipation of easing global interest rates, challenges persist in the business landscape. A notable concern arises from the recent surge in labor costs, propelled by factors like escalating wage rates and the escalating demand for skilled personnel. This trend significantly strains the cost structures of businesses, necessitating strategic adaptations to maintain competitiveness. Moreover, the parallel escalation in utility and financing expenditures exacerbates these challenges, intensifying the imperative for prudent management practices. In this dynamic environment, businesses must remain vigilant, proactively adjusting their operational strategies to navigate the complexities and sustain profitability.

Despite the formidable challenges in the business landscape, the Group maintains a positive outlook, anticipating a stronger sales orders in the trophy segment and stability within the contract manufacturing division. Leveraging a strategic approach, the Group has implemented lean manufacturing principles across its production processes. This proactive approach helps use resources better, reduces waste, and makes operations run smoother. As the Group is moving towards Industry 4.0 and actively engaging in the process of digital transformation. This involves implementation of advanced technologies and innovates digital solutions across our operations. By embracing digitalization, we aim to optimize our processes, streamline workflows, and improve overall efficiency.

Barring any unforeseen circumstances, the 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 31 December 2023.

### **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		9 months	
31.12.2023	31.12.2022	31.12.2023	31.12.2022
1,161	558	3,744	1,270
125,661	123,592	125,661	123,592
0.92	0.45	2.98	1.03

#### **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		9 months	
31.12.2023	31.12.2022	31.12.2023	31.12.2022
1,161	558	3,744	1,270
126,770	124,679	126,770	124,679
0.92	0.45	2.95	1.02

**B13 Operating Income/(Expenses)**

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

	9 months ended Dec-23 RM'000	9 months ended Dec-22 RM'000
Depreciation of property, plant and equipment	(954)	(1,252)
Depreciation of right of use assets	(1,336)	(731)
Amortisation of investment properties	(5)	(5)
Amortisation of intangible assets	(10)	(5)
Interest expense	(440)	(395)
Interest income	102	58
Unrealised gain on foreign exchange	73	(66)
Gain on disposal of property, plant and equipment	(3)	-
Share options vested under ESOS	(261)	(692)
Share of profit of an associate	103	50