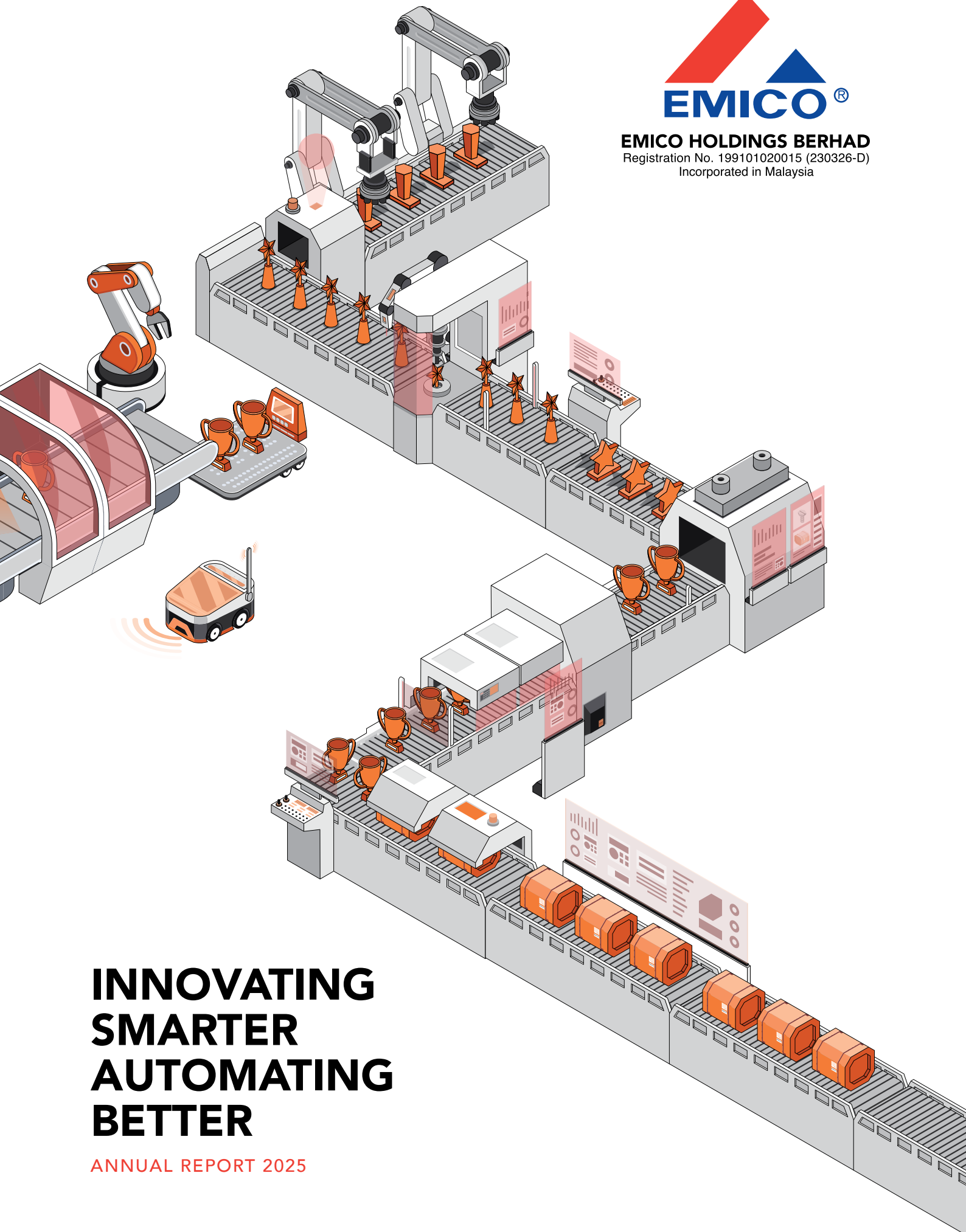




EMICO HOLDINGS BERHAD

Registration No. 199101020015 (230326-D)
Incorporated in Malaysia



INNOVATING SMARTER AUTOMATING BETTER

ANNUAL REPORT 2025

OUR MISSION

Dedicated to delivering innovative, high quality, competitive, and value-added products and services.

OUR VALUES

Our values serve as guiding principles for our actions, decisions, and conduct in all our dealings.

01



MOTIVATION

We work together as a high performing team and deliver what we promise.

02



UNDERSTANDING

We listen to our customers and strive to meet their needs.

03



FLEXIBLE & FRIENDLY

We are dedicated to supporting each other as a team and adapting to changing conditions.

04



RESPONSIBLE & RELIABLE

We operate safely, responsibly, and in compliance with regulations. We take pride in our duties and performance, and we are committed to delivering quality products and services that fulfill customer needs.

05



INNOVATIVE

We treat our colleagues, customers, and business partners with the highest level of fairness and trust. We strive to develop new products, enhance services, and continuously improve how we do business.



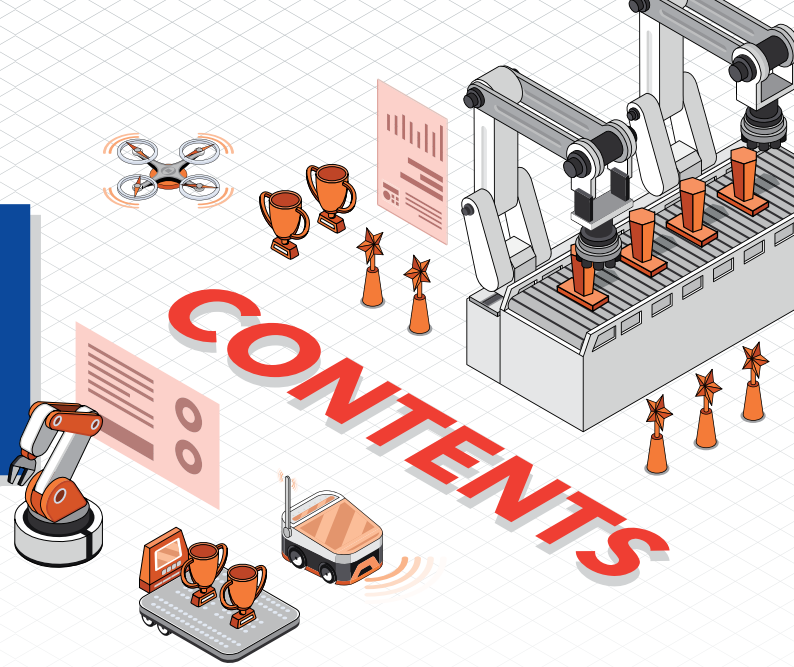
33rd Annual General Meeting



Thursday,
11 September 2025
at 11.00 a.m



The Conference Room of Emico Holdings Berhad,
18 Lebuhraya Kampung Jawa, 11900 Bayan Lepas,
Penang.



INNOVATING SMARTER, AUTOMATING BETTER

At Emico, we are advancing our operations by embracing smarter innovations and practical automation. From streamlining production lines to adopting AI-powered tools, we are enhancing efficiency, accelerating decisions making, and driving consistent output. These improvements not only raise productivity but also strengthen our ability to adapt and compete globally. By integrating intelligent solutions into our processes, we are shaping a more agile, responsive, and future-ready manufacturer.

.. WHO WE ARE

- 02 Corporate Information
- 03 Corporate Structure
- 04 Group Five-Year Financial Highlights
- 05 Board of Directors' Profile
- 08 Profile of Key Senior Management

.. PERFORMANCE REVIEW

- 10 Chairman's Statement
- 11 Management Discussion and Analysis

.. SUSTAINABILITY STATEMENTS

- 17 Sustainability Report

.. CORPORATE GOVERNANCE

- 50 Report of Audit and Risk Management Committee
- 57 Corporate Governance Overview Statement
- 63 Statement of Directors' Responsibilities
- 64 Statement on Risk Management and Internal Control
- 66 Additional Compliance Information

.. FINANCIAL STATEMENTS

- 68 Directors' Report
- 76 Statement by Directors
- 76 Statutory Declaration
- 77 Independent Auditors' Report
- 80 Statements of Financial Position
- 82 Statements of Profit or Loss and Other Comprehensive Income
- 84 Statements of Changes in Equity
- 88 Statements of Cash Flows
- 92 Notes to the Financial Statements

.. ADDITIONAL INFORMATION

- 144 Analysis of Shareholdings
- 145 List of Top 30 Shareholders
- 146 List of Properties
- 147 Notice of Annual General Meeting Proxy Form



CORPORATE INFORMATION

BOARD OF DIRECTORS



- **Lim Teck Chye**
Executive Chairman

- **Lim Lay Khim**
Executive Director

- **Dato' Jimmy Ong Chin Keng**
Non-Independent Non-Executive Director

- **Ng Hong Kiat @ Ng Han Kiat**
Independent Non-Executive Director

- **Kee Chei Hen**
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Ng Hong Kiat @ Ng Han Kiat
Chairman
Dato' Jimmy Ong Chin Keng
Kee Chei Hen

NOMINATING COMMITTEE

Kee Chei Hen
Chairman
Ng Hong Kiat @ Ng Han Kiat
Dato' Jimmy Ong Chin Keng

REMUNERATION COMMITTEE

Kee Chei Hen
Chairman
Ng Hong Kiat @ Ng Han Kiat
Dato' Jimmy Ong Chin Keng

ESOS COMMITTEE

Lim Teck Chye
Lim Lay Khim
Yeow Chun Hou
Financial Controller
Adriana Chooi Phui Yee
Accountant

SECRETARIES

Lee Peng Loon (MACS 01258)
SSM PC NO. 201908002340
P'ng Chiew Keem (MAICSA 7026443)
SSM PC NO. 201908002334

REGISTERED OFFICE

51-21-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang
T: (604) 210 8833
F: (604) 210 8831
Email: corporatenet21@gmail.com

SHARE REGISTRAR

**TRICOR INVESTOR & ISSUING
HOUSE SERVICE SDN BHD**
197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8 Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
T: (603) 2783 9299
Email: is.enquiry@vistra.com

AUDITORS

BDO PLT
(201906000013 (LLP0018825-
LCA) & AF 0206)

Chartered Accountants
51-21-F Menara BHL
Jalan Sultan Ahmad Shah
10050 Penang
T: (604) 222 0288
F: (604) 222 0299

STOCK EXCHANGE LISTING

Main Market of the Bursa
Malaysia Securities Berhad

Stock Name **EMICO**
Stock Code **9091**
Sector **Consumer Products**

PRINCIPAL BANKERS

RHB Bank Berhad
196501000373 (6171-M)
CIMB Bank Berhad
197201001799 (13491-P)

CORPORATE STRUCTURE

AS AT 4 JULY 2025



EMICO HOLDINGS BERHAD



* Dormant/Inactive



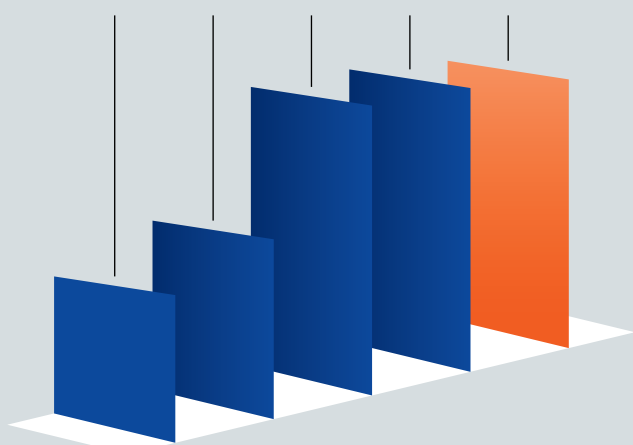
GROUP FIVE-YEAR FINANCIAL HIGHLIGHTS

EMICO GROUP 5 YEARS FINANCIAL HIGHLIGHTS

	FY2021 RM'000	FY2022 RM'000	FY2023 RM'000	FY2024 RM'000	FY2025 RM'000
Revenue	34,040	39,545	61,202	61,017	57,564
Profit/(Loss) Before Tax	(2,979)	(1,265)	1,408	5,523	(306)
Share Capital	20,555	23,218	23,524	24,242	26,260
Net Assets	44,379	46,159	49,457	52,285	53,005
Net Assets Per Share (SEN)	0.39	0.38	0.40	0.42	0.40
Net Earnings/(Loss) Per Share (SEN)	(2.29)	(0.70)	0.30	2.29	(0.84)

REVENUE (RM'000)

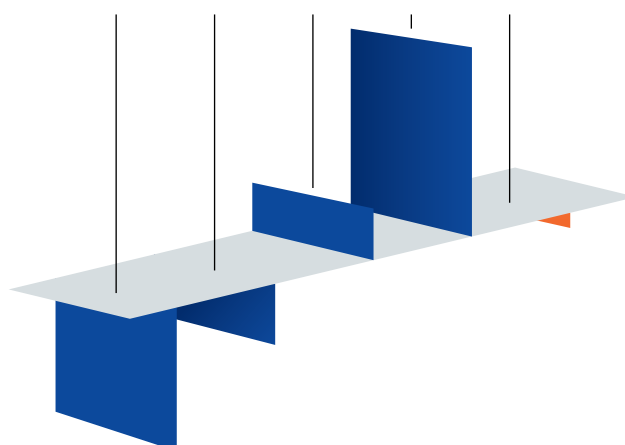
34,040 39,545 61,202 61,017 **57,564**



FY2021 FY2022 FY2023 FY2024 **FY2025**

PROFIT/(LOSS) BEFORE TAX (RM'000)

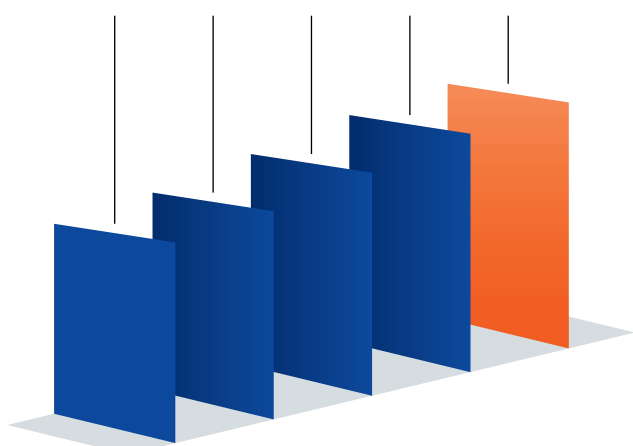
(2,979) (1,265) 1,408 5,523 **(306)**



FY2021 FY2022 FY2023 FY2024 **FY2025**

NET ASSETS (RM'000)

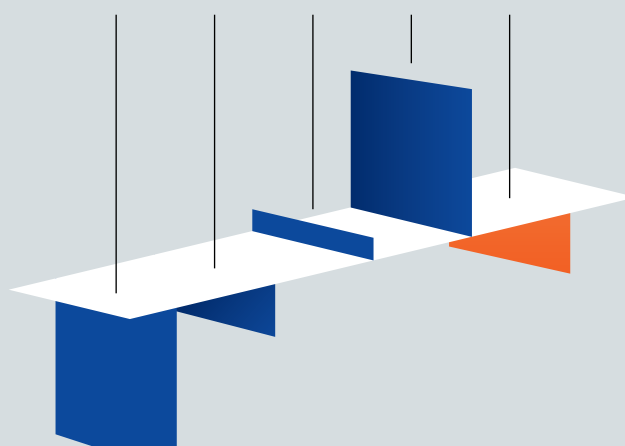
44,379 46,159 49,457 52,285 **53,005**



FY2021 FY2022 FY2023 FY2024 **FY2025**

NET EARNINGS/(LOSS) PER SHARE (SEN)

(2.29) (0.70) 0.30 2.29 **(0.84)**



FY2021 FY2022 FY2023 FY2024 **FY2025**

BOARD OF DIRECTORS' PROFILE



LIM TECK CHYE

→ Executive Chairman

Nationality	Malaysian
Age	51
Gender	Male

In 1999, he joined the Board of Northern Elevator Berhad as Executive Director, overseeing operations in cost reduction and productivity improvement. From 2005 to 2011, he served as Regional Sourcing Director (Southeast Asia) and Service Director at KONE Elevator Sdn. Bhd. Mr. Lim has extensive experience and knowledge in manufacturing, strategic sourcing, and customer service.

He is a member of the ESOS Committee. He is not a director of any other public company.

His brother, Mr. Lim Teik Hian, and his sister, Ms. Lim Poh Hoon, are major shareholders of the Company. Save as disclosed herein, he does not have any other family relationship with any Director and/or major shareholder.

Lim Teck Chye was appointed to the Board of the Company on 11 May 2004 and currently serves as the Executive Chairman.

Mr. Lim is a professional engineer with a Bachelor of Science in Engineering and a Master's Degree in Industrial Engineering from the University of Toledo, Ohio, USA. Upon graduating in 1997, he joined Northern Elevator Manufacturing Sdn. Bhd. as a Marketing Manager. In mid-1998, he was seconded abroad to establish an elevator manufacturing plant in Fujian, China, and was appointed Managing Director of Fuji-Sino Elevators (Fujian) Co., Ltd.

LIM LAY KHIM

→ Executive Director

Nationality	Malaysian
Age	60
Gender	Female



Lim Lay Khim was appointed to the Board on 25 September 2022 and currently serves as the Executive Director of the Company.

Ms. Lim holds a Diploma in PSC, Pitman from Stamford College, Penang, and has completed Purchasing and Supply Management courses at Strategic Business School, Penang. She began her career with Emico Group in 1997 as an Administrative Assistant and was promoted to Business Development Manager in 2006. On 26 December 2013, she was appointed Director of Business Development, responsible for expanding Emico Group's overseas markets in the trophy and contract manufacturing divisions.

She is a member of the ESOS Committee. She is not a director of any other public company and has no family relationship with any directors or major shareholders of the Company.



BOARD OF DIRECTORS' PROFILE



DATO' JIMMY ONG CHIN KENG

→ Non-Independent and Non-Executive Director

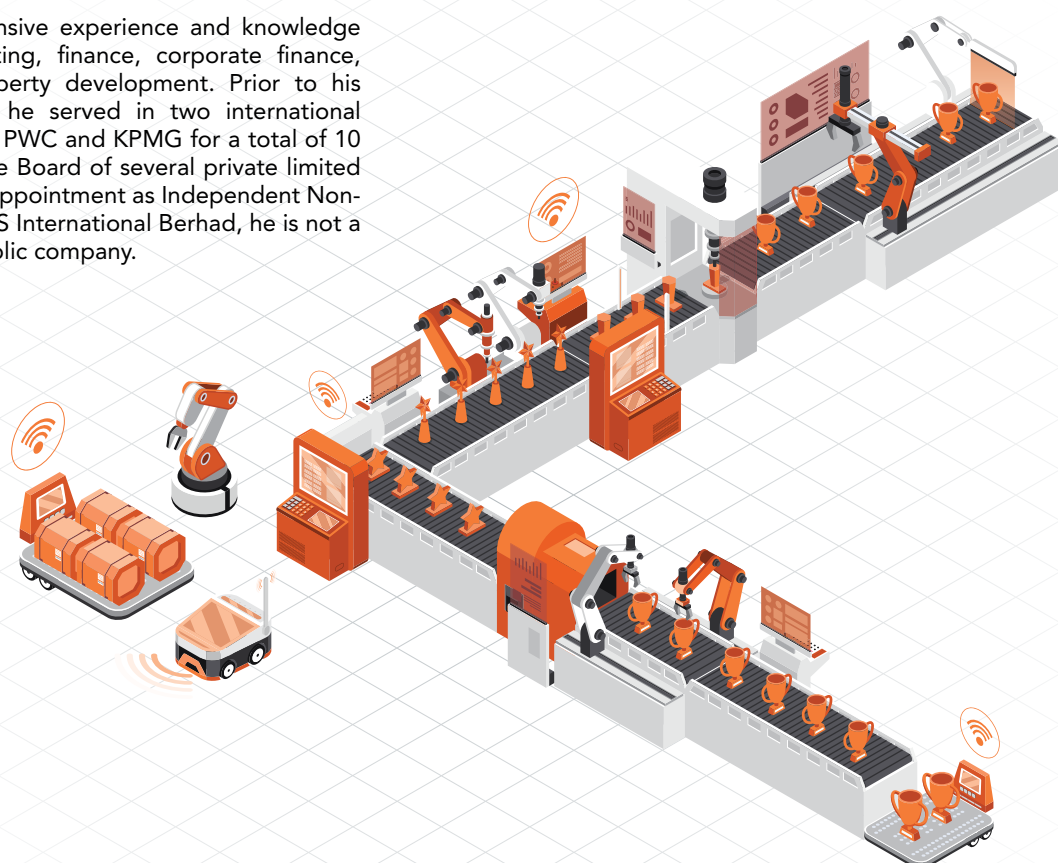
Nationality	Malaysian
Age	62
Gender	Male

Dato' Ong was elected as President of Lions Club of George Town (2013 - 2014), served in various positions for Lions Clubs International District 308B2. He was elected as Chairman of Federation of Malaysian Manufacturers, Penang Branch from year 2020 to 2021.

Dato' Ong does not have any family relationship with any directors or major shareholders of the Company.

Dato' Jimmy Ong Chin Keng was appointed to the Board on 16 February 1996. He is a Chartered Accountant and holds a professional qualification from the Malaysian Institute of Certified Public Accountants and is a member of Malaysian Institute of Accountants. He joined Emico Group in February 1993 as the Financial Controller and rose to the rank of Finance Director in 1996 and re-designated as Managing Director on 23 January 2009. Subsequently, he was redesignated as Executive Director on 1 October 2019. He was redesignated as Non-Independent Non-Executive Director on 25 September 2022. He is also appointed as a member of Audit and Risk Management, Nominating and Remuneration Committees on 25 September 2022.

Dato' Ong has an extensive experience and knowledge in the field of accounting, finance, corporate finance, manufacturing and property development. Prior to his engagement in Emico, he served in two international accounting firms namely PWC and KPMG for a total of 10 years. He also sits on the Board of several private limited companies. Other than appointment as Independent Non-Executive Director of YBS International Berhad, he is not a director of any other public company.



BOARD OF DIRECTORS' PROFILE



NG HONG KIAT @ NG HAN KIAT

→ Independent and Non-Executive Director

Nationality	Malaysian
Age	74
Gender	Male

Mr. Ng Hong Kiat @ Ng Han Kiat was appointed to the Board on 5 September 2017. He graduated from Association of Chartered Certified Accountants in London in the year of 1979. He worked as an Audit Manager with a reputable professional firm namely Midgeley & Co in London between 1977 to 1980. Upon his return, he had a short stint with Ernst & Whinney in Kuala Lumpur and later joined Song Pang Seng Construction Sdn. Bhd., a Licenced Class A Contractor as an Accountant. In the year 1982, he left to join Hong Leong Group as an Accountant in various group of companies and was promoted to Manager - Branch Operations. Mr. Ng joined

Farlim Group in 1987 as Finance & Marketing Manager and was subsequently promoted to Senior Manager in Finance & Marketing, Deputy General Manager and Senior General Manager until his retirement on 30 June 2017. Mr. Ng has over 40 years of experience in professional accounting, manufacturing, building construction, trading, property development and property management. Currently, he is a Fellow Member of the Association of Chartered Certified Accountants and member of the Malaysian Institute of Accountants. He is not a director of any other public company.

Mr. Ng was appointed as Chairman of the Audit and Risk Management Committee on 1 April 2023. He is also a member of Nominating and Remuneration Committees.

Mr. Ng does not have any family relationship with any directors or major shareholders of the Company.

KEE CHEI HEN

→ Independent and Non-Executive Director

Nationality	Malaysian
Age	65
Gender	Male



Mr. Kee Chei Hen was appointed to the Board on 24 May 2022. He is a graduate member of the Malaysian Institute of Certified Public Accountants (MICPA). He began his career as an Audit Senior in a public accounting firm. He joined Fuji Lift & Escalator Mfg. Sdn. Bhd. as Finance Manager in 1994 and was promoted to General Manager, Admin and Finance in 1999 until his retirement in 2011. He has more than 30 years of experience in auditing, accounting and financial management. He is not a director of any other public company.

Mr. Kee does not have any family relationship with any directors or major shareholders of the Company.

He was appointed as Chairman of the Nominating and Remuneration Committees on 1 April 2023. He is also a member of Audit and Risk Management Committee.

Notes:

- 1) Disclosure of Conflict of Interest with the Company and its subsidiaries**
The conflict of interest and potential conflict of interest involving Lim Teck Chye and the potential conflict of interest involving Lim Lay Khim and Dato' Jimmy Ong Chin Keng are disclosed on page 54 to 56 of the Audit Committee Report of this Annual Report 2025. Saved as mentioned, none of the other Directors have any conflict of interest or potential conflict of interest with the Company or its subsidiaries.
- 2) Conviction for offences within the past five (5) years (other than traffic offences, if any) or have any public sanction or penalty imposed on them by any regulatory bodies during the FY2025.**
None of the Directors have any conviction for offences within the past five (5) years (other than traffic offences, if any) or have any public sanction or penalty imposed on them by any regulatory bodies during the FY2025.



PROFILE OF KEY SENIOR MANAGEMENT



FROM LEFT TO RIGHT:

LIEW KONG WANG, YEOW CHUN HOU, LIM LAY KHIM, LIM TECK CHYE, JULIE ONG LYE IM, DARREN LIM YAN DA

•• LIM TECK CHYE

→ Executive Chairman

Nationality	Malaysian
Age	51
Gender	Male

His profile is set out in Profile of Directors on Page 5.

•• LIM LAY KHIM

→ Executive Director

Nationality	Malaysian
Age	60
Gender	Female

Her profile is set out in Profile of Directors on Page 5.

•• LIEW KONG WANG

→ Director of Supply Chain

Nationality	Malaysian
Age	50
Gender	Male

Liew Kong Wang graduated with a Bachelor's Degree in Finance, Accountancy, and Banking from Universiti Sains Malaysia in 1999. He joined Emico Group in 2003 as a Technical Support Executive in the trading division of household

products and was promoted to Quality Control and Business Support Manager in 2007. On 26 December 2014, he was appointed Director of Supply Chain, responsible for overseeing the Group's procurement and logistics processes.

Mr. Liew does not have any family relationship with any directors or major shareholders of the Company and is not a director of any other public company.



PROFILE OF KEY SENIOR MANAGEMENT

•• JULIE ONG LYE IM

→ Director of Warehouse

Nationality	Malaysian
Age	58
Gender	Female

Julie Ong Lye Im began her career with the Emico Group in 1997 as Business Logistics Manager and was promoted to Operations Manager in 2007. She was appointed Director of Operations on 26 December 2013, overseeing strategies to improve productivity and manufacturing performance. On 28 February 2018, she was redesignated as Special Assistant to the Managing Director ("MD"), supporting special projects and strategic initiatives. Following the MD's redesignation, she became Special Assistant to the Executive Chairman on 7 October 2020. She was promoted to Director of Procurement on 15 June 2022 and later redesignated as Director of Warehouse on 10 October 2022.

Ms. Ong does not have any family relationship with any directors or major shareholders of the Company. She is not a director of any public company.

•• YEOW CHUN HOU

→ Financial Controller

Nationality	Malaysian
Age	31
Gender	Male

Yeow Chun Hou graduated with a Bachelor's Degree in Commerce (Honours) Accounting from Universiti Tunku Abdul Rahman in 2016. He began his professional career with Deloitte Malaysia as an Audit Associate in 2016 and was promoted to Audit Senior in 2018. In 2019, he transitioned into commercial finance as a Management Controller at In'Tech Medical Penang, where he gained valuable experience in financial planning and analysis within the manufacturing sector. In 2022, Mr. Yeow joined KPMG Malaysia as an Audit Assistant Manager and was subsequently promoted to Audit Manager in 2025. With well-rounded expertise in auditing and financial management, he joined Emico Group as the Financial Controller. He is a member of the Association of Chartered Certified Accountants.

Mr. Yeow does not have any family relationship with any directors or major shareholders of the Company.

He is a member of the ESOS Committee. He is not a director of any public company.

•• DARREN LIM YAN DA

→ Director of Operations

Nationality	Malaysian
Age	28
Gender	Male

Darren Lim Yan Da began his career in the food and beverages industry, managing a team of outlets while studying in Los Angeles in 2015. He pursued a degree in Business Administration at Pasadena City College in 2018 and specialised in Entrepreneurship at California State University, Fullerton. During his studies, he led two consultancy teams focused on marketing strategies for new products and production management for Pendarvis Manufacturing, the sole global supplier of running boards for Toyota.

He joined Emico Group as a Production Controller on 1 September 2019 and was promoted to Production Manager on 26 September 2022. On 26 March 2023, he was appointed Director of Operations, overseeing the Group's manufacturing activities, operational efficiency, and continuous process improvement.

Mr. Lim is the son of Mr. Lim Teik Hian, a major shareholder of the Company, and the nephew of Mr. Lim Teck Chye. Save as disclosed herein, he does not have any other family relationship with any Director and/or major shareholder. He is not a director of any public company.

Notes:

1) Disclosure of Conflict of Interest with the Company and its subsidiaries

The conflict of interest and potential conflict of interest involving Darren Lim Yan Da are disclosed on page 55 of the Audit Committee Report of this Annual Report 2025. Save as mentioned, none of the other key senior management have any conflict of interest or potential conflict of interest with the Company or its subsidiaries.

2) Conviction for offences within the past five (5) years (other than traffic offences, if any) or have any public sanction or penalty imposed on them by any regulatory bodies during the FY2025.

None of the key senior management have any conviction for offences within the past five (5) years (other than traffic offences, if any) or have any public sanction or penalty imposed on them by any regulatory bodies during the FY2025.



CHAIRMAN'S STATEMENT

KEY MESSAGES TO SHAREHOLDERS

Dear Valued Shareholders,

As we conclude our fiscal year 2025, I am pleased to share Emico Group's progress in navigating a year shaped by external challenges and our strategic developments. Amid persistent geopolitical tensions, rising cost pressures, and shifting trade dynamics, the prolonged effects of US tariffs and global uncertainties continued to impact international trade and reshape the global business landscape.

Despite these headwinds, Emico remained focused on strengthening its core business foundations and enhancing operational resilience. FY2025 marked a period of strategic recalibration, with the Group recording revenue of RM57.56 million and a loss before tax of RM0.31 million. To address this, we implemented targeted cost optimisation measures, streamlined operations, and refined our organisational structure to position the Group for improved financial performance.

Our manufacturing segment remained a key growth driver as we advanced automation, adopted lean practices, and enhanced productivity. Innovation continued to shape our operations, enabling the delivery of bespoke, value-added products and more efficient processes. Backed by our integrated facilities, we are well positioned to provide high quality, cost effective solutions to a growing and diversified customer base.

Emico's trophies and awards business continues to be a cornerstone of our operations and a key contributor to our global reputation. We actively develop a wide range of exciting new products and co-develop customised, refined product lines through long-standing collaborations with international partners. These efforts reflect our commitment to craftsmanship and innovation, delivering products that are both unique and distinctive in the market. In parallel, our contract manufacturing business has shown encouraging progress, successfully expanding into new market segments and unlocking fresh growth opportunities.

Our property development arm also made significant progress during the year. We are pleased to report the successful completion of the Platinum Commercial Centre, which is expected to contribute positively to the Group's performance. With the upcoming launch of our next development project, we are confident it will further drive revenue growth and strengthen our market presence.



LIM TECK CHYE
Executive Chairman

As we move forward, Emico remains committed to building a sustainable and innovative organisation. On behalf of the Board, I extend my sincere appreciation to our valued shareholders, customers, and business partners for their continued trust and support. I would also like to express my heartfelt thanks to all our employees for their dedication, effort, and meaningful contributions throughout the year.

With a solid foundation and a clear strategic direction, we are confident that Emico will continue to deliver long-term shareholder value and sustainable growth in FY2026 and beyond.

Lim Teck Chye
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Dear Valued Shareholders,

This Management Discussion and Analysis (MD&A) provides an overview of Emico Holdings Berhad's (referred to as "Emico" or "The Group") financial and operational performance for the fiscal year ended on March 31, 2025 (FY2025). It also offers guidance on upcoming activities and outlines Management's expectations for the Group's prospects in the current fiscal year.

OPERATION AND BUSINESS REVIEW

Since April 6, 1994, Emico Holdings Berhad has been listed on Bursa Malaysia Securities Berhad as an investment holding company. The Group's subsidiaries are engaged in four principal business activities:

- 

Manufacturing and distribution of trophy products

- 

Contract manufacturing of medical rehabilitation products, marine engineering, automotive components, and plastic injection moulding and finishing for various industries and products

- 

Trading of home furnishing and household products

- 

Property development

Today, Emico stands as one of the largest plastic trophy manufacturers worldwide, with a strong distribution network and customer base in Malaysia and Southeast Asia. Our products are exported to over 50 countries globally. With a dedicated design team, skilled engineering team, experienced merchandisers, and integrated manufacturing facilities, we possess the capability to develop and deliver an extensive range of exciting and unique trophies and award products to our customers.

Emico also provides contract manufacturing services to various industries, including medical rehabilitation products, marine engineering, automotive and lighting components, as well as plastic injection moulding and finishing for a wide range of industries and products. Over the years, Emico has earned a reputation as a reliable and reputable company, boasting an experienced and committed team of engineers, designers, and product development professionals who consistently deliver world-class quality products.

With over 25 years of expertise in sourcing and trading furniture and household products, Emico has cultivated an experienced team dedicated to providing comprehensive professional services. These services encompass product sourcing, factory auditing, order administration, quality control, and logistical arrangements, ensuring customer satisfaction. Our strong supplier network and professional business approach have positioned Emico as a trusted agent for esteemed customers in Europe.

Since 1996, Emico has also been involved in Property Development, embarking on two major projects in Taman Batik Township and Bandar Mutiara Township, which encompass mixed developments in Sungai Petani, Kedah. Additionally, Emico has entered into several joint venture agreements to develop landed properties and service apartment projects in Langkawi, Kedah.

Our Group's businesses operate in two integrated manufacturing facilities located in Bayan Lepas Industrial Park, Penang. The property development projects are situated in Sungai Petani and Langkawi, Kedah.



MANAGEMENT DISCUSSION AND ANALYSIS

HIGHLIGHTS OF GROUP FINANCIAL PERFORMANCE FOR THE PAST 5 YEARS

	FY2021 RM'000	FY2022 RM'000	FY2023 RM'000	FY2024 RM'000	FY2025 RM'000
Revenue	34,040	39,545	61,202	61,017	57,564
Profit/(Loss) Before Interest & Tax	(2,659)	(790)	1,977	6,150	411
Finance Cost	320	475	569	627	717
Profit/(Loss) Before Tax	(2,979)	(1,265)	1,408	5,523	(306)
Net Profit/(Loss)	(2,379)	(1,166)	587	2,735	(1,140)



MARKET OVERVIEW

As we entered FY2025, the Group continued to operate in a market shaped by cautious optimism amid ongoing global uncertainties. The evolving US trade policies and intensified geopolitical tensions have influenced global supply chains and economic sentiment, introducing new complexities to an already dynamic business environment.

In the face of these challenges, Emico remained steadfast and adaptable. We strengthened our strategic focus on risk management by enhancing supply chain agility, diversifying procurement channels, and broadening our regional reach. At the same time, we maintained our commitment to long-term efficiency through continued investment in automation, digitalisation, and lean manufacturing. These efforts have allowed us to preserve operational resilience and cost competitiveness despite external pressures.

Looking ahead, we remain mindful of the uncertainties that lie ahead. However, with a strong foundation, a dedicated team, and a clear strategic direction, we are confident in our ability to navigate the evolving landscape. By staying focused on innovation, operational excellence, and delivering value to our customers, Emico is well-positioned for sustainable progress into FY2026 and beyond.

GROUP REVENUE

For the financial year ended 31 March 2025, the Group recorded revenue of RM57.56 million, compared to RM61.02 million in the preceding year. The decline was mainly attributable to softer demand for trophy and award products, lower sales from the Trading Division, as well as the impact of unfavourable foreign exchange translation.

The Group's sales by segments and markets are summarised as follows:

Segmental Revenue by Division	2021		2022		2023		2024		2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Consumer Products Division										
- Trophy	5,415	16	10,147	26	23,997	40	33,592	55	31,539	55
- Contract Manufacturing	18,992	56	21,937	55	29,678	48	18,956	31	20,080	35
- Trading	4,656	14	6,314	16	5,409	9	8,469	14	5,779	10
Property Division	4,977	14	1,147	3	2,118	3	-	-	166	-
Total Group Revenue	34,040	100	39,545	100	61,202	100	61,017	100	57,564	100

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW (CONT'D)

GROUP REVENUE (CONT'D)

Revenue Distribution by Key Market	2021		2022		2023		2024		2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Europe	25,011	73	31,648	80	43,543	71	39,342	64	34,210	59
Other countries	2,040	6	3,501	9	8,041	13	11,565	19	13,052	23
Total Exports	27,051	79	35,149	89	51,584	84	50,907	83	47,262	82
Malaysia	6,989	21	4,396	11	9,618	16	10,110	17	10,302	18
Total Group Revenue	34,040	100	39,545	100	61,202	100	61,017	100	57,564	100

CONSUMER PRODUCTS

-
- **Trophy** For the financial year ended 31 March 2025, the Trophy Division recorded revenue of RM31.54 million, compared to RM33.59 million in the preceding year. The modest decline reflected softer market sentiment, as customers adopted a more cautious approach to inventory planning amid ongoing economic uncertainties. The division remained resilient, continuing to engage actively with customers while closely monitoring market conditions.
-
- **Contract Manufacturing** In FY2025, the Contract Manufacturing Division recorded higher revenue of RM20.08 million, up from RM18.96 million in the preceding year. The increase was primarily driven by stronger order volumes for long-established OEM product lines.
-
- **Trading** For the financial year ended 31 March 2025, the Trading Division recorded revenue of RM5.78 million, compared to RM8.47 million in the preceding year. The decline was mainly due to a slower pace of order intake, despite the successful introduction of a newly developed furniture product line. Trading activity for trophy and award products remained steady and continued to provide a stable source of revenue for the division. Customer purchasing behaviour was more cautious, influenced by subdued market confidence and ongoing uncertainty surrounding US trade policies.
-

PROPERTY DEVELOPMENT

The property development division has recorded revenue of RM0.17 million during the current financial year.

GROUP PROFIT/LOSS BEFORE TAX

For the financial year ended 31 March 2025, the Group recorded a loss before tax ("LBT") of RM0.31 million, compared to a profit before tax ("PBT") of RM5.52 million in the preceding year. The LBT was primarily due to a decline in Group revenue, driven by softer demand for trophy and award products and reduced sales from the Trading Division. The weakening of the US Dollar against the Malaysian Ringgit further impacted profit margin, particularly on export sales.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL POSITION

	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Shareholders' Equity	44,379	46,159	49,457	52,285	53,005
Total Assets	74,588	79,129	86,602	88,759	99,458
Borrowings	8,680*	9,729*	12,071*	11,292*	15,181*
Share Capital	20,555	23,218	23,524	24,242	26,260
Net Assets	44,379	46,159	49,457	52,285	53,005
Debts/Equity (%)	19.56	21.08	24.41	21.60	28.64
Net Assets Per Share (Sen)	0.39	0.38	0.40	0.42	0.40
Net Earnings/(Loss) Per Share (Sen)	(2.29)	(0.70)	0.30	2.29	(0.84)

* Including hire purchase creditors of approximately RM1.22 million and RM1.78 million for FY2025 and FY2024 respectively which were classified as lease liabilities due to adoption of MFRS 16

EQUITY AND LIABILITY



CAPITAL STRUCTURE

As at 31 March 2025, the Company's total share capital increased to 131,998,106 ordinary shares amounting to RM26,260,165. The increase was the result of the issuance of 1,436,215 new shares under the Employees' Share Option Scheme ("ESOS") and the completion of the first tranche of a private placement comprising 4,900,000 shares.



BORROWINGS

As at 31 March 2025, the Group's total borrowings, including hire purchase creditors classified as lease liabilities under MFRS 16, stood at RM15.18 million, compared to RM11.29 million in FY2024. The increase was primarily attributable to the drawdown of new term loans amounting to RM2.1 million and the utilisation of RM1.75 million from other bank facilities during the financial year.

The Group's debt-to-equity ratio increased to 28.46%, from 21.60% in the previous year. Notwithstanding the rise, the Group remains committed to maintaining a sound and balanced capital structure to support the execution of its long-term strategic objectives.



DIVIDEND

The Board of Directors does not recommend any dividend for the financial year ended 31 March 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATING ACTIVITIES

MANUFACTURING OF CONSUMER PRODUCTS

a. Trophy and OEM Products

The sentiment in the trophy market softened during the financial year, as customers adopted a more prudent inventory management approach amid ongoing global market uncertainties. Despite this, we remain optimistic about the recovery in trophy sales. In response to ongoing trade tensions between the US and China, we have intensified our engagement with both existing and prospective customers in the US. The outcome of these discussions has been highly encouraging, and we anticipate increased order volumes as well as the onboarding of new customers in the coming months.

To reinforce our market position, our team continues to closely monitor evolving market conditions and has implemented targeted sales strategies. These include the launch of new product offerings, competitively priced solutions, and promotional campaigns tailored to major and strategic customers to enhance engagement and drive sales.

OEM product sales remained stable throughout the year. Our team continues to actively explore new opportunities to broaden our customer base. We are pleased to report the successful onboarding of a new local OEM customer in the packaging industry, with the first delivery completed in the first quarter of the coming financial year. This marks a positive step toward expanding our domestic OEM presence.

b. Trading of Trophy, Home Furnishing and Household Products

The division maintained its strong focus on delivering quality products and service excellence to its customers in the UK, strengthening long-established relationships within the European region.

In parallel, anticipating the potential impact of more restrictive US trade policies, the division proactively engaged with American importers and distributors to explore new collaboration opportunities. This strategic initiative aims to strengthen the division's presence in the US market by broadening product offerings in both the home furnishing and trophy export segments through enhanced sourcing and distribution channels.



c. Property Development Division

We have completed our Platinum Commercial Centre project located within the Bandar Mutiara Township in Sungai Petani, Kedah, with the Certificate of Completion and Compliance (CCC) obtained on 11 May 2025. The development comprises 21 modern shop-offices strategically positioned along the Eastern Bypass, offering prominent road frontage and exposure to very high-volume traffic, making it highly suitable for a wide range of business activities.

To date, several units have been successfully taken up. The Group continues to leverage extensive marketing and promotional initiatives to drive interest and accelerate the sale of the remaining units.

ANTICIPATED AND KNOWN RISKS

BUSINESS RISK

The Group is exposed to both external and internal business risks. External risks include adverse economic conditions, geopolitical uncertainties, and market volatility, while internal risks relate to the Group's operations and financial management. It is important to acknowledge that the Group's ability to manage and mitigate external economic risks is limited.

However, the Group has implemented a risk management framework to identify, manage, and mitigate internal operational risks. Procurement and operational procedures are in place and are regularly reviewed to manage operational costs through improved efficiency and innovation. In addition, ongoing training and development programmes are conducted to enhance the capabilities of the Group's human capital.

Financial and cash flow risks are mitigated by maintaining sufficient cash reserves and ensuring the availability of credit facilities from financial institutions.



MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD LOOKING STATEMENT →

Looking ahead to FY2026, the Group is committed to expanding its business market. Our focus remains steadfast on developing and delivering differentiated products to our customers through continual innovation. Additionally, the Group prioritises cultivating enduring business partnerships by leveraging its integrated facilities and extensive manufacturing expertise. This enables us to enhance manufacturing capabilities, improve productivity, broaden our product range, and strengthen quality control.

Contract manufacturing and property development are also key focus areas for the Group. We aim to grow our contract manufacturing business by deepening collaboration with existing OEM customers and exploring new opportunities across various industries. In property development, we continue to capitalise on strategic locations and market demand to deliver high-quality, commercially viable projects that support sustainable growth and long-term value creation.

As we navigate the evolving business environment, the Group remains committed to delivering exceptional value to customers, fostering long-term partnerships, and reinforcing our leadership in the trophy and award industry.

CONSUMER PRODUCTS SEGMENT

a. Manufacturing of Consumer Products

The outlook for the trophy market remains favourable, with both export and domestic sales expected to grow.

Ongoing trade tensions between the US and China have accelerated a realignment of global supply chains, creating favourable opportunities for the Group to expand its market share in the trophy export segment, particularly in the US and Canada. This shift positions the Group as a competitive and reliable alternative supplier in these key markets. We are currently in active discussions with prospective international customers, highlighting our manufacturing capabilities and quality standards. These collaborations, once finalised, are expected to drive organic sales growth and improve utilisation of our existing production capacity.

Our participation in the Hong Kong Gifts and Premium Fair (HKGP) in April 2025 received a very positive response, particularly during presentations of new product offerings. We secured numerous orders and confirmed several new project collaborations, which are expected to contribute positively to revenue growth in the next financial year.

On the domestic front, trophy sales showed encouraging growth, supported by sustained promotional efforts. A key initiative was our participation in the Malaysia Gifts and Premium Fair (MGF), held from 24 to 26 June 2025 at the Kuala Lumpur Convention Centre (KLCC). The event strengthened customer engagement and generated strong interest from both existing and prospective clients.

The Group's Contract Manufacturing Division is actively exploring opportunities across diverse industries to broaden its customer portfolio. This segment remains a key focus for the Group's long-term growth.

b. Trading of Trophy, Home Furnishing and Household Products

The division has made strong progress by completing multiple product development projects, reinforcing its reputation for high-quality products and services. Building on this momentum, it is now exploring a potential collaboration with a prominent US-based international furniture importer and distributor, marking an important step in expanding the division's presence in the US market. Meanwhile, the division continues to maintain a strong foothold in the United Kingdom, where it remains actively engaged with its existing customer base.

In the trophy and award segment, the division is working actively to develop a supply chain for resin and glass trophies by leveraging manufacturing capabilities within its core Southeast Asian network, positioning the Group to further grow its sales in the US trophy market.

c. Property Development Segment

The Group is planning a new commercial development project in the mature, densely populated township of Taman Batik in Sungai Petani, Kedah. Strategically located next to Mydin Hypermarket with easy access via the Eastern Bypass, this project follows the successful completion of the Platinum Commercial Centre. Currently in the planning stage, it will feature 60 single-storey shop office units with modern designs and spacious layouts to meet evolving commercial needs. The launch will be carried out in two phases: Phase 1 with 34 units, followed by 26 units in Phase 2.



SUSTAINABILITY REPORT

PREFACE

Key Frameworks Applied and Scope of the Report

This Sustainability Report (“SR”) for the financial year from 1 April 2024 to 31 March 2025 is prepared following Bursa’s 11 Common Sustainability Matters (“Common Sustainability Matters”), a common set of sustainability matters that includes the primary components as set out in Paragraph 6.0, Practice Note 9, Risk Management and Internal Control, Corporate Governance and Sustainability Statement in Main Market Listing Requirements.

The scope of this report covers the sustainability performance and practices across the Group where we have direct management control and excludes our associate company. This includes mainly our operations in Malaysia, unless otherwise stated.

Where relevant, we included data from previous years to track year-on-year progress and to provide additional context. This report addresses our response to the material sustainability matters which impact our business and our ability to deliver value to stakeholders.



Assurance

The information presented in this report has not been independently assured by any external assurance provider. However, management has put in place internal controls and verification procedures aimed at supporting the accuracy and reliability of the narrative content and data. In preparing this report, we have also taken into account guidance from an external Environmental, Social, and Governance (“ESG”) consultant, particularly in identifying material topics and aligning with the Main Market Listing Requirements.

Feedback

This supplementary report complements the Group’s Annual Report for 2025, accessible online through Bursa Malaysia and www.emico.com.my. A comprehensive section reference aligning with Common Sustainability Matters can be found in the last section of this report.

We actively encourage feedback from our stakeholders to contribute to the enhancement of our sustainability practices. Any questions or feedback regarding this report can be directed to info@emico.com.my.

Materiality

This report centers on the material issues affecting our business and stakeholders. We follow a four-step materiality assessment process to pinpoint and prioritise these material matters, ensuring their relevance and impact. The report discusses our strategy for addressing seven (7) material matters that substantially affect our business and stakeholder value. We remain committed to improving the quality of our reporting and are open to stakeholder feedback to promote ongoing enhancements in this area.

Disclaimer

This report may contain forward-looking statements that involves assumptions, risks, and uncertainties. Future performance, outcomes, and results may vary significantly from those expressed in these statements. These statements are founded on the current perspective of management regarding future events, which is subject to change.



SUSTAINABILITY REPORT

Board Responsibility Statement

The Board of Directors is committed to ensuring the integrity and credibility of this report, recognising its importance to stakeholders and its influence on the Group's reputation. The Board acknowledges that accurate and transparent reporting is essential to maintaining the trust of investors, regulators and other interested parties. As such, it has taken reasonable steps to present a comprehensive overview of the factors influencing the Group's ability to create value, while aiming to provide a fair and accurate representation of the Group's performance during the reporting period.

In line with established standards and best practices, including Common Sustainability Matters, the Board has sought to maintain accuracy and transparency in this report. This reflects the Group's ongoing commitment to environmental, social and governance (ESG) principles, which are of increasing importance to stakeholders. The Board has also prioritised the inclusion of relevant and material information to provide insight into the Group's approach to sustainability, governance and ethical business conduct.

The Board's commitment to responsible reporting is supported by engagement with both internal and external experts. This collaborative process involved reviewing key aspects of the Group's operational performance, financial results and sustainability initiatives. Areas such as environmental impact, corporate governance, workforce diversity and community engagement were reviewed to reflect the Group's sustainability priorities.

In addition, the Board has implemented internal review processes and controls to help ensure the content of this report aligns with applicable regulations and industry standards. These efforts are intended to provide stakeholders with a reasonable level of confidence that the report presents a balanced and transparent account of the Group's achievements, ongoing efforts and areas for improvement.

By offering a clear and comprehensive view of the Group's performance, the Board aims to foster trust and strengthen relationships with all stakeholders in line with its commitment to sustainable and responsible business practices.

Mr. Lim Teck Chye
Executive Chairman



SUSTAINABILITY REPORT

SUSTAINABILITY

Sustainability Strategy

Our business management and operations are guided by a strong commitment to sustainability, aimed at creating long-term value for both people and the planet. We support the transition to a low-carbon economy, aligning our efforts with the United Nations' ("UN") Net Zero Carbon Emissions ("NZCE") 2050 Roadmap.

Sustainability is a key component of our business strategy and is integrated across the organisation through a structured framework based on three core pillars: Environmental, Social, and Governance ("ESG"). This approach covers a range of focus areas and aligns with seven (7) selected UN Sustainable Development Goals ("UN SDGs") that encompass all three ESG dimensions.



→ Environment

To support our Sustainability Strategy, we have introduced green energy solutions and implemented waste management initiatives as part of our broader efforts in Environmental Stewardship. This approach helps us address key environmental considerations within our sustainability framework.

In line with evolving stakeholder expectations, we are also taking steps to reduce Scope 1 and Scope 2 emissions, in support of our long-term aspiration to achieve Net Zero Carbon Emissions by 2050. Addressing emissions is an important part of contributing to climate change mitigation and promoting environmental responsibility.

Our Environmental pillar includes several key focus areas and aligns with two (2) of the United Nations Sustainable Development Goals, as outlined below.



→ Social

The Group aims to foster an inclusive work environment built on mutual respect, fairness, and equal opportunity for all employees and workers. We recognise the important role our workforce plays in the organisation's progress and place emphasis on providing relevant training and development opportunities.

Our objective is to support employees in enhancing their skills and realising their potential. This forms the basis of our second sustainability pillar, which includes several key focus areas and aligns with three (3) selected United Nations Sustainable Development Goals, as listed below.



→ Governance

The Group strives to comply with all applicable laws and regulations, including the Malaysian Code of Corporate Governance ("MCCG") and the Main Market Listing Requirements. Our management team regularly reviews legislative and regulatory developments to support continued compliance. Relevant updates are communicated to staff, and internal systems are in place to monitor our activities and performance.

The Board is kept informed of legal, accounting, and regulatory developments through regular updates from the Group Secretary, who shares pertinent articles, reports, and press releases issued by Bursa Malaysia.

This approach reflects our commitment to sound governance practices and sustainability, helping us identify opportunities for improvement and implement effective strategies. It also supports the ongoing enhancement of our sustainability initiatives in line with industry expectations.

The third pillar of our sustainability framework encompasses several key focus areas and aligns with two (2) selected United Nations Sustainable Development Goals, as outlined below.





SUSTAINABILITY REPORT

Methodology

The materiality assessment in FY2025 consisted of four key steps:

- **STEP 1**
IDENTIFY
We conducted a comprehensive analysis of the factors shaping our strategic direction, examining current trends, potential risks, and promising opportunities.

- **STEP 2**
PRIORITISE
We categorised the identified subjects into a matrix to prioritise the most significant concerns that impact both business expansion and stakeholder decision-making.

- **STEP 3**
VERIFY
We presented the identified material matters to both the Sustainability Steering Committee (“SSC”) and the Board for in-depth discussion and validation.

- **STEP 4**
ENGAGE
By analysing feedback obtained from stakeholder engagement, we assessed and pinpointed the most notable concerns expressed by stakeholders.

Identification: Materiality Assessment

We stress the need for regular materiality assessments to keep our sustainability efforts current and aligned with Business Continuity Planning (“BCP”). Nevertheless, we conducted a baseline assessment during FY2025; our most recent assessment was on all eleven (11) Common Sustainability Matters, with seven (7) material matters considered high-priority. The following materiality matrix visually represents the significance and impact of these matters on our sustainability strategy. Our goal is to ensure that our sustainability efforts are focused on the most relevant and impactful areas, meeting the needs and expectations of our stakeholders.

Environmental	GRI 305: Emissions Management	
	GRI 302: Energy Management	
	GRI 303: Water	
	GRI 306: Waste Management	
Social	GRI 403: Health and Safety	
	Community and Society GRI 413: Local Communities	
	Supply Chain Management GRI 308: Supplier Environment Assessment GRI 414: Supplier Social Assessment	
	Diversity GRI 405: Diversity and Equal Opportunity	
	GRI 401: Labour Practices and Standards	
Governance	GRI 205: Anti-corruption	
	GRI 418: Data Privacy and Security	

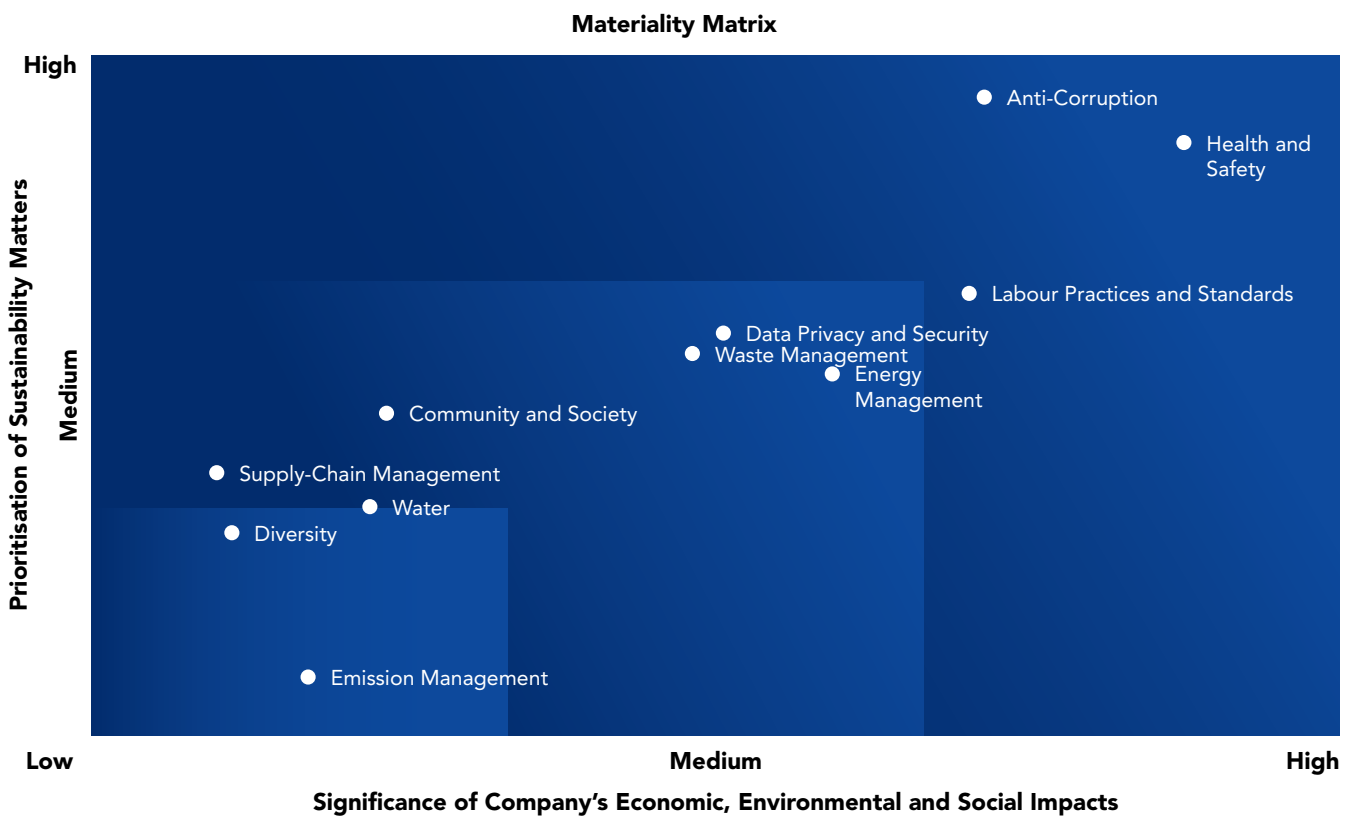
SUSTAINABILITY REPORT

Prioritisation: Mapping of Material Matters

It is essential for our business and stakeholders to identify and address key sustainability issues within the Environmental, Social, and Governance (ESG) pillars. These material matters play a critical role in shaping our understanding of industry trends and enable us to assess related risks and opportunities.

In FY2025, we conducted a comprehensive review of all eleven (11) Common Sustainability Matters to ensure alignment with current industry standards and guiding principles. This review served as the foundation for our three sustainability pillars, and the identified material issues were aligned with the United Nations Sustainable Development Goals.

The matrix below illustrates the mapping of these eleven material matters:



Verification: Material Matters

Following thorough consideration and validation, we concluded by retaining the seven (7) prioritised material matters under the three (3) pillars illustrated below and demonstrating their impacts on the affected stakeholder to provide a comprehensive overview of each matter. Also, the mapping of the material matters has been enhanced to include risk, response, and opportunity.

Prioritised Material Matters

1	Environmental	GRI 302: Energy Management	
2	Environmental	GRI 306: Waste Management	
3	Social	GRI 413: Community and Society	
4	Social	GRI 403: Health and Safety	
5	Social	GRI 401: Labour Practices and Standards	
6	Governance	GRI 205: Anti-corruption	
7	Governance	GRI 418: Data Privacy and Security	









SUSTAINABILITY REPORT

Pillars	Prioritised Material Matters	Risks	Opportunities & Responses	Policy	Stakeholders	UN SDGs
Environment	1: Energy Management 	High energy consumption could increase operating costs and carbon footprint, leading to financial and reputational risks. Due to rising energy prices and environmental regulations.	<p>Opportunity: Effective energy management can lead to cost savings, enhanced operational efficiency, and a competitive edge by aligning with sustainable practices and attracting eco-friendly customers.</p> <p>Response/Strategy: We plan to invest in energy-efficient technologies, renewable energy sources, and comprehensive monitoring systems while promoting energy conservation and compliance with environmental regulations.</p>	Energy Management Policy	Employees Vendors Customers Communities Regulators Shareholders & Investors	
	2: Waste Management 	Ineffective waste management could result in regulatory fines, damage to ecosystems, and loss of customer trust, as stakeholders expect environmentally responsible practices.	<p>Opportunity: Utilising 100% recycled Acrylonitrile Butadiene Styrene ("ABS") resin for plastic trophies demonstrates a commitment to sustainability, creating opportunities for reduced waste, cost savings, and enhanced brand image among eco-conscious consumers.</p> <p>Response/Strategy: The Group focuses on recycling, reusing materials, and optimising production processes to minimise waste, promote a circular economy, and reduce environmental impact.</p>	Waste Management Policy		







ESG Initiative: Ocean-Bound Plastic Coastal Cleanup

SUSTAINABILITY REPORT

Pillars	Prioritised Material Matters	Risks	Opportunities & Responses	Policy	Stakeholders	UN SDGs
Social	3: Community and Society 	When lacks involvement in the community and society, it could reduce customer loyalty and employee morale, ultimately affecting business growth and sustainability.	Opportunity: Active participation in charity events, food fairs, and school donations can enhance the Group’s community presence, foster positive relationships, and demonstrate corporate social responsibility. Response/Strategy: The Group engages in charity fundraising, food fairs, and school donations to build strong community ties, bolster its reputation, and support societal well-being.	Corporate Social Responsibility Policy	Employees Vendors Customers Regulators Shareholders & Investors	  
	4: Health & Safety 	When lacks of compliance with health and safety protocols could result in regulatory penalties, increased employee turnover, and reputational damage, impacting customer trust and business sustainability.	Opportunity: Strong health and safety practices can improve employee morale and retention, reduce workplace accidents, and enhance operational efficiency, creating a safer, more productive work environment. Response/Strategy: The Group has established an Occupational Safety and Health (“OSH”) unit, provides personal protective equipment to workers in hazardous environments, promotes a safe working culture through regular inspections and safety briefings, and conducts ongoing safety training programs to comply with Occupational Safety and Health Act (“OSHA”) standards and reduce risks.	OHS Policy		
	5: Labour Practices and Standards 	Failure to offer fair compensation, benefits, and safe working conditions could significantly impact a company’s workforce. It could lead to reduced employee morale, increased turnover rates, and lower productivity, ultimately undermining overall business performance.	Opportunity: Implementing fair labour practices, providing competitive remuneration, and ensuring safe working conditions can boost employee retention, attract skilled workers, and foster a positive work culture. Response/Strategy: The Group offers reasonable remuneration packages, employee share option scheme, a safe workplace, training and development, compliance with labour regulations, medical benefits, and insurance coverage, ensuring all workers, including foreign employees with valid permits, are treated fairly and have access to suitable housing and amenities.	Human Resource Policy		




SUSTAINABILITY REPORT

Pillars	Prioritised Material Matters	Risks	Opportunities & Responses	Policy	Stakeholders	UN SDGs
Governance	6: Anti-corruption 	Corruption could increase the risk of internal fraud, embezzlement, and losing a competitive edge due to a tarnished reputation. Corruption could create a culture of unethical behaviour in the Group.	Opportunity: Implementing anti-corruption measures can enhance corporate reputation, attract ethical business partnerships, and ensure compliance with legal frameworks, fostering a transparent and trustworthy environment. Response/Strategy: The Group enforces strict anti-corruption policies, conducts regular audits, offers ethics training to employees, and establishes confidential reporting systems to prevent and detect corrupt practices.	Anti-corruption Policy	Employees Vendors Customers Regulators Shareholders & Investors	 
	7: Data Privacy and Security 	The data breaches or inadequate data protection could lead to legal consequences, loss of customer trust, financial losses, and damage to the Group's reputation.	Opportunity: Prioritising data privacy and security can enhance customer trust, meet regulatory requirements, and offer a competitive advantage by demonstrating a commitment to protecting sensitive information. Response/Strategy: The Group implements strict data privacy policies, uses advanced cybersecurity tools, conducts regular security audits, and trains employees on data protection to prevent breaches and ensure compliance with privacy regulations.	Whistle-blowing Policy		






Engagement: Stakeholders

The Group recognises that achieving sustainable growth requires meeting or exceeding the reasonable expectations of our key stakeholders. To stay informed of their evolving concerns, we actively engage in constructive dialogue and participate in various industry and government forums.

Stakeholders are defined as groups that influence or are influenced by the Group's business activities. The table below outlines our primary stakeholder groups, the methods of engagement, and the key issues communicated by each group.

Who	Why	When	How	What issues
 <p>Employees</p>	We leverage a skilled talent pool that enhances and enriches EMICO's services. We focus on understanding what is needed for the business to be sustainable and prosperous.	Mix	Meetings, Discussions, Annual Assessments, Notices, Ad-hoc Surveys, off-hour sports, gatherings and charitable events.	The issues revolved around employee well-being, job satisfaction, competitive salaries and wages, safe working conditions and training, career development support, and comprehensive benefits packages.

SUSTAINABILITY REPORT

Who	Why	When	How	What issues
<p>Vendors</p> 	<p>As leading manufacturers of plastic trophies, contract manufacturing, and home furnishing trading, we partner with raw material and solution providers to secure business continuity and reduce our carbon footprint.</p>	<p>Ad-hoc</p>	<p>Meetings, Vendor Audit, Visitation, and Vendor Assessments.</p>	<p>The issue was that timely payment could build trust and strengthen business partnerships. Fostering long-term relationships encourages collaboration, reliability, and mutual success, promoting sustained business growth and stability.</p>
<p>Communities</p> 	<p>We ensure our operations do not impact the local community.</p>	<p>Ad-hoc</p>	<p>Engagement in community services, and participating in sports sponsorship events.</p>	<p>Environmental impact, Social development.</p>
<p>Customers</p> 	<p>We engage the direct users to identify and understand their needs and wants.</p>	<p>Ad-hoc</p>	<p>Dialogues, feedback, plant visitation, complaints, and annual customer satisfaction survey.</p>	<p>High product quality expectations ensure customer satisfaction and loyalty, while timely delivery demonstrates reliability.</p>
<p>Regulators</p> 	<p>We engage in articulating the industry challenges to the formal institution of governing rules and regulations.</p>	<p>Yearly</p>	<p>Annual reports, Sustainability reports, Corporate governance report, formal meetings, and site surveillance.</p>	<p>Transparency fosters trust and accountability while supporting government policies and initiatives in manufacturing, strengthening industry compliance, and promoting sustainability goals.</p>
<p>Shareholders and investors</p> 	<p>We engage the investors and shareholders to create corporate values.</p>	<p>Mix</p>	<p>Annual reports, Quarterly reports, Investor relations management, Annual general meetings.</p>	<p>Shareholders expect the financial returns to drive investment interest, while future development plans outline growth strategies. Corporate governance ensures ethical business practices, building investor confidence and long-term sustainability through transparency and accountability.</p>



SUSTAINABILITY REPORT

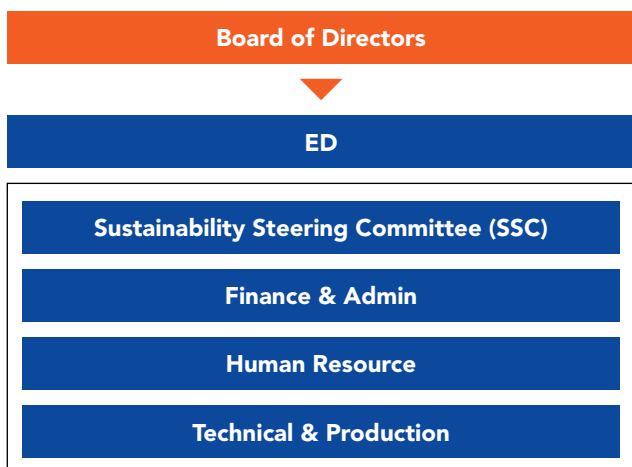
SUSTAINABILITY FRAMEWORK



Governance Structure

At EMICO, we are committed to maintaining high standards of integrity and accountability, with sustainability as a core strategic focus. To lead our Sustainability and Climate Change Agenda, we have established a dedicated Sustainability Steering Committee (“SSC”). The agenda is first approved by the Executive Director (“ED”) before being presented to the Board for final endorsement. By clearly defining roles and responsibilities, we aim to ensure effective and accountable execution of our sustainability initiatives.

The governance structure outlined below defines the specific roles and responsibilities of each stakeholder in managing sustainability and climate-related matters, reinforcing EMICO’s ongoing commitment to responsible business practices.



The Board has actively integrated sustainability into the Group’s overall business strategy, identifying key ESG factors and overseeing their management and monitoring. The Board plays a crucial role in driving EMICO’s sustainability agenda, evaluating progress, and ensuring alignment with established goals and targets. Sustainability and climate-related matters are regularly discussed at Board meetings, and members participate in external training sessions to remain updated on the evolving sustainability landscape. These discussions include topics such as climate-related performance metrics, greenhouse gas (GHG) emissions reduction, and progress in developing a low-carbon portfolio.

The Board’s commitment to sustainability also extends to evaluating the Group’s strategy, annual budgets, action plans, and performance objectives, as well as overseeing major capital expenditures, acquisitions, and divestitures. Communicating the Group’s sustainability strategies and targets to stakeholders is also a key priority.

Recognising the importance of ESG integration, the Board actively supervises its incorporation into strategic planning. Sustainability is viewed as central to long-term value creation, as reflected in discussions on the sustainability roadmap, key performance indicators (KPIs), material issues, and governance-related matters.

The SSC, led by the ED and supported by key executives from the administrative, human resources, and technical divisions, is responsible for guiding the Group’s sustainability policies and procedures. The SSC integrates sustainability principles into business operations, strategies, and decision-making processes while setting targets for environmental, social, and governance improvements. It monitors the Group’s sustainability performance, implements action plans to reduce environmental impact, and identifies and manages sustainability-related risks and opportunities.

Transparency in reporting and adherence to recognised reporting standards are essential to fostering stakeholder trust and collaboration. Although executive compensation is not currently linked to sustainability performance, the Group is exploring mechanisms such as performance-based incentives to integrate sustainability into remuneration frameworks. Recognising that addressing sustainability challenges requires collective effort, EMICO plans to introduce ESG-related KPIs into incentive plans for department heads and employees, with bonuses and incentives tied to the achievement of these targets.

Members of the SSC are responsible for measuring, verifying, and validating ESG data, and compiling it into reports for internal assurance. This team includes officers from the administrative, human resources, and technical departments, all of whom are trained to support and advance sustainable practices across the Group. They are dedicated to fostering an ESG-focused culture, ensuring compliance with sustainability standards, and periodically integrating advanced data measurement technologies. Through these efforts, they contribute to achieving the Group’s sustainability goals and driving continuous improvement across environmental, social, and governance dimensions.

SUSTAINABILITY REPORT

Risk Management

We take a proactive approach to identifying and managing risks, including those related to sustainability. We consider ESG a key component in building resilience and earning stakeholder trust. Our method addresses interconnected factors, recognising the link between risks, opportunities, sustainability pillars, and the UN Sustainable Development Goals. All seven (7) prioritised material matters are embedded into our risk management strategy, demonstrating our commitment to sustainability.

Sustainability Policy

EMICO’s sustainability policy establishes guiding principles that promote responsible environmental, social, and governance practices. These policies ensure the Group’s current and future well-being while reducing negative environmental, societal, and climate change impacts.

Membership of Association

Joining associations strategically strengthens corporate networks, expands knowledge, and increases influence. It offers avenues for growth, collaboration, and maintaining a competitive edge. EMICO recognises the significant benefits and advantages of association memberships.

Name of Association

Federation of Malaysian Manufacturers (“**FMM**”)

Malaysian Plastics Manufacturers Association (“**MPMA**”)

Penang Chinese Chamber of Commerce (“**PCCC**”)

SUSTAINABILITY SCOREBOARD

Prioritised Material Matters 1: Energy Management

We acknowledge that our business operations contribute a significant impact to the environment, particularly through the natural resources that we consume, emission and waste generation. As such, we remain deeply mindful of our responsibility to uphold environmentally responsible practices. Embracing sustainability not only enhances operational efficiency but also fosters a competitive edge. We maintain our commitment to using 100% recycled resin, optimising our carbon footprint, and ensuring strict environmental standards across our supply chain. This section addresses how the Group combats climate change from the energy management perspective, operationalising in scopes 1 and 2 emissions and their intensity.

In FY2025, the Group has successfully installed new solar photovoltaic (“**PV**”) panels on the rooftops of our two main facility buildings in Bayan Lepas, Penang. This helps us to reduce our reliance on electricity from the national grid by harnessing clean, renewable energy generated from these solar PV panels.

Sustainability is a core pillar of EMICO’s business strategy. The Group continues to take a proactive and ethical approach to environmental stewardship in response to the evolving expectations of the modern business landscape. With a firm commitment to sustainability, the Group has strategically invested in various initiatives to promote environmental stewardship and responsible conduct. A primary focus area for EMICO lies in environmental protection, where substantial resources have been allocated to mitigate its ecological footprint and advocate for sustainable practices. This encompasses adopting energy-efficient technologies, optimising waste management protocols, and integrating solar energy solutions. Through these concerted efforts, EMICO endeavours to minimise its environmental impact and play an active role in combating the challenges posed by climate change on a broader scale, translating into below revenue in FY2025.

RM	FY2025	FY2024
Revenue	57,563,853	61,017,184



SUSTAINABILITY REPORT



Emission of Energy Management

Greenhouse gas emissions are critical for assessing and reducing environmental impacts, with the widely-used Greenhouse Gas (GHG) Protocol classifying emissions into three scopes. This framework helps companies develop comprehensive plans for reducing emissions and promoting sustainability. Scope 1 covers emissions from direct activities under a Group’s control of consuming fossil energy, Scope 2 involves emissions from purchased electricity energy, and Scope 3 includes emissions from the employees commuting that primarily rely on fossil energy. This comprehensive approach facilitates informed decision-making and targeted action to address climate change. In FY2025, EMICO continues to report on scope 1, 2, and 3 emissions as part of its sustainability efforts to cover the entire divisions, namely trophy manufacturing, contract manufacturing, trading, and property development.

Scope 1: The Fossil Energy

Scope 1 emissions are crucial to our environmental impact assessment, representing direct greenhouse gas emissions from our trophy, contract manufacturing and construction operations. These emissions originate from the combustion of diesel fuel as energy to power stationary and mobile machinery crucial to our manufacturing processes. As part of our sustainability efforts, we closely monitor and analyse these emissions to find ways to reduce them and optimise our processes. By focusing on Scope 1 emissions, we aim to reduce our environmental impact and promote more sustainable practices across our operations, reinforcing our commitment to environmental stewardship and corporate responsibility.

The Group is committed to sustainability and reducing its carbon footprint, particularly in production, which is traditionally energy-intensive. Energy consumption, an essential measure of operational efficiency, is tracked carefully. Our steel precast factories consumed 65,130 litres of diesel in FY2025, producing a total emission of 166.59 tCO₂e. These emission calculations are based on factors from the USEPA and conform to ISO14064-1 standards. The Group seeks to minimise its environmental impact and improve energy efficiency by monitoring these metrics.

Scope 1 emissions (tCO ₂ e)	FY2025	FY2024
Diesel (Stationary Combustion)	165.75	193.37
Diesel (Mobile Combustion)	0.84	4.91
Total Scope 1 emissions	166.59	198.28
Scope 1 emission intensity/revenue (kgCO₂e/RM)	0.0029	0.0033

Diesel Consumption	FY2025	FY2024
Diesel (litres)	65,130	77,520

Note: The diesel calculation was normalised based on the Biodiesel average blend due to the inconsistency of getting B5 and B7 biodiesel.

SUSTAINABILITY REPORT

Scope 2: The Electric Energy

Scope 2 emissions refer to the indirect greenhouse gas emissions from purchased electricity in our facilities. These emissions are generated by external electricity providers, whose energy is used to power various operations and activities within our facilities. Our commitment to sustainability means we closely monitor and manage Scope 2 emissions, given their considerable impact on our overall environmental footprint.

To reduce these emissions, we are implementing energy- efficient technologies, optimising electricity usage, and exploring renewable energy sources to reduce our reliance on conventional power. Additionally, fostering a culture of energy conservation among employees plays a crucial role in our efforts to lower Scope 2 emissions.

Through these measures, we aim to improve operational efficiency, reduce our environmental impact, and affirm our dedication to sustainability and environmental stewardship. The scope 2 emissions are 1,332.89 tCO₂e in FY2025, setting the baseline for continuous removal. With the installation of solar PV panels, the Group successfully generated 614.61 MWh of solar energy during the year. This clean energy generation enabled us to avoid 465.87 tCO₂e in emissions, reflecting a tangible step forward in our decarbonisation journey.

Scope 2 emissions (tCO ₂ e)	FY2025	FY2024
Electricity	1,332.89	1,408.11
Total Scope 2 emissions	1,332.89	1,408.11
Scope 2 Emission intensity/revenue (kgCO₂e/RM)	0.023	0.023

Electric Usage and Sources (MW)	FY2025	FY2024
Government electricity (MW)	1,758.43	1,857.67
Solar energy	614.61	-
Net total	2,373.04	1,857.67
Intensity: Electricity consumption/revenue (MW/RM)	0.0000412	0.0000304

Note: The calculation of Scope 2 emissions is based on the power grid data published by the Suruhanjaya Tenaga in 2021.

Scope 3: Fossil Energy to Move People and Goods

Scope 3 Employee commuting in a manufacturing facility encompasses the indirect greenhouse gas emissions generated by employees travelling to and from work. This aspect of Scope 3 emissions considers all forms of transportation employees use, whether personal vehicles, public transport, carpooling, or ridesharing services. These emissions can vary widely in manufacturing depending on the facility's location, workforce size, and commuting patterns. The Scope 3 emissions are 74.31 tCO₂e in FY2025.

Scope 3 emissions (tCO ₂ e)	FY2025	FY2024
Employee commuting by car	55.89	42.55
Employee commuting by bus	1.77	0.95
Employee commuting by train	-	0.03
Business travelling by land	3.08	6.18
Business travelling by air	13.57	15.97
Total Scope 3 emissions	74.31	65.68
Scope 3 Emission intensity/revenue (kgCO₂e/RM)	0.00000129	0.00000108

Diesel Consumption	FY2025	FY2024
Mileage (km)	873,845	773,404



SUSTAINABILITY REPORT

GHG Intensity

Greenhouse gas (GHG) emissions, or carbon intensity, represent the amount of greenhouse gases produced per unit of output or activity, providing a crucial indicator of environmental impact. EMICO uses this metric to identify ways to decrease its carbon footprint and promote sustainability. The Group focuses on energy efficiency improvements, optimising energy use, and adopting renewable energy sources like solar power. With climate change posing significant risks, reducing emissions intensity is critical to addressing global warming. EMICO is committed to a sustainable, low-carbon future by enhancing energy efficiency, embracing clean technologies, managing waste effectively, and setting ambitious emissions reduction targets. Collaborative efforts among businesses, policymakers, and the public are essential to tackle climate change and build environmental resilience. The Group's total emissions intensity per revenue for FY2025 is 0.02734 kg CO₂e/RM.

Total emissions (tCO ₂ e)	FY2025	FY2024
Scope 1 Direct emissions	166.59	198.28
Scope 2 Indirect emissions	1,332.89	1,408.11
Scope 3 Indirect emissions (Transportation)	74.31	65.68
Total emissions	1,573.79	1,672.07
Total emission intensity/revenue (kgCO₂e/RM)	0.027340	0.027403

Prioritised Material Matter 2: Waste Management

We understand that our business activities have a considerable impact on the environment. Since our inception, we have committed to using sustainable materials in our manufacturing processes. All our plastic trophy components are made from 100% recycled resin, specifically ABS. This material is sourced from recycled plastics, reducing the need for virgin materials and minimising waste. By adopting recycled ABS as our primary raw material in plastic moulding, we actively contribute to a circular economy and reduce our carbon footprint. This commitment to sustainability reflects our broader goal to minimise environmental impact and promote responsible manufacturing practices. Our approach addresses environmental concerns and meets the expectations of customers and stakeholders who value eco-friendly products. The Group registered 24,136 kg of waste in FY2025.

Waste Generation (kg)	FY2025	FY2024
SW306 Spent hydraulic oil	5,340	-
SW311 Waste oil or oily sludge	-	3,050
SW409 Disposed of contaminated containers	1,850	2,630
SW410 Usage Rags	300	120
SW416 Sludges of inks and paints	-	12,550
SW417 Waste of inks and paints	16,646	2,105
Total waste	24,136	20,455
Total waste diverted from disposal	0	0
Total waste directed to disposal	24,136	20,455

Water Usage and Sources

The Group recognises the importance of water management, especially in water-scarce Malaysia. We follow responsible water management practices to promote sustainability and achieve cost savings. Our water is sourced from a public utility network that serves manufacturing operations. Most of the water we use is for daily sanitation and production. The Group carefully tracks water usage and discharge to ensure compliance with local regulations. In FY2025, our total water usage was 19.74 megalitres, with a water use intensity of 0.00000034 megalitres/RM.

Water Usage and Sources (megalitres)	FY2025	FY2024
Water	19.74	19.48
Rain harvesting water	-	-
Recycle water	-	-
Total	19.74	19.48
Intensity: Water consumption/revenue (megalitres/RM)	0.00000034	0.00000032

SUSTAINABILITY REPORT



Social Data and Analysis

The Group upholds its dedication to cultivating an inclusive workplace free from discrimination. Our commitment to fair employment practices ensures equal opportunities for all employees, regardless of gender or age, fostering a diverse and skilled workforce. Embracing employee diversity stimulates innovation and drives positive transformation across the organisation.

Employment, Diversity and Equal Opportunity

As of FY2025, our workforce comprises 218 employees, 167 of whom are male and 51 females employed full-time. Our employee demographics, including gender and age distribution, are depicted in the table and charts below, reflecting our commitment to transparency and accountability in workforce management. We are actively working to improve gender balance by increasing female representation across all levels and functions. Through gender diversity and inclusion initiatives, we aim to foster an environment where every employee feels valued and empowered.

Our commitment to diversity extends beyond gender, encompassing age, ethnicity, and background. By promoting inclusion, we harness diverse perspectives to drive innovation and sustainable growth. Also, our steadfast commitment to diversity, equity, and inclusion underscores our dedication to creating an environment where everyone can thrive. We are shaping a more inclusive future for all employees through ongoing investment in diversity initiatives.

Social Data		FY2025 (%)	FY2025	FY2024 (%)	FY2024
Number of employees		100.0%	218	100.0%	230
Number of employees with disabilities		0.0%	0	0.0%	0
Percentage of employees with tertiary education		29.4%	64	29.6%	68
Number of foreign employees		45.0%	98	45.2%	104
Number of female managers		7.3%	16	6.5%	15
Gender Group by Employee Category					
Diversity	Management Male (Manager)	6.0%	13	5.2%	12
	Management Female (Manager)	7.3%	16	6.5%	15
	Executive Male	8.3%	18	6.1%	14
	Executive Female	6.4%	14	5.2%	12
	Non-executive/Technical Staff Male	8.3%	18	15.2%	35
	Non-executive/Technical Staff Female	5.5%	12	7.8%	18
	General Workers Male	54.1%	118	48.3%	111
	General Workers Female	4.1%	9	5.7%	13



SUSTAINABILITY REPORT

Social Data		FY2025 (%)	FY2025	FY2024 (%)	FY2024
Age Group by Employee Category					
Diversity	Management Under 30 (Manager)	1.4%	3	0.9%	2
	Management Between 30-50 (Manager)	6.4%	14	7.0%	16
	Management Above 50 (Manager)	5.5%	12	3.9%	9
	Executive Under 30	6.4%	14	6.1%	14
	Executive Between 30-50	7.3%	16	3.0%	7
	Executive Above 50	0.9%	2	2.2%	5
	Non-executive/Technical Staff Under 30	6.9%	15	11.7%	27
	Non-executive/Technical Staff Between 30-50	5.5%	12	7.4%	17
	Non-executive/Technical Staff Above 50	1.4%	3	3.9%	9
	General Workers Under 30	28.4%	62	30.4%	70
	General Workers Between 30-50	24.3%	53	19.6%	45
	General Workers Above 50	5.5%	12	3.9%	9
Percentage of directors by gender and age group					
	Male	80.0%	4	80.0%	4
	Female	20.0%	1	20.0%	1
	Under 30	0.0%	0	0.0%	0
	Between 30-50	0.0%	0	20.0%	1
	Above 50	100.0%	5	80.0%	4
	Percentage of female managers (%)	55.2%	16	55.6%	15
	Percentage of female Key Management Members (%)	33.3%	2	33.3%	2

Prioritised Material Matter 3: Community and Society

The Group's core values revolve around the belief that it is responsible for positively impacting the communities and markets it serves. This belief translates into active engagement in charitable endeavours and a commitment to mitigating any adverse consequences of its operations. Regarding giving back to society, the Group is resolute in its stance as a conscientious corporate entity. Recognising the significance of community involvement in ensuring long-term business sustainability, the Group channels its efforts into initiatives aimed at societal betterment. In FY2025, the Group donated RM24,739.23, encompassing 4 CSR programs that benefit the environment and society.

The Group interacts with the community by discussing industry advancements and workforce well-being. By openly discussing its approaches to issues such as foreign worker engagement and workplace safety, the Group aims to stimulate broader awareness and dialogue on these vital topics. These contributions underscore the Group's dedication to actively supporting and engaging with the communities it operates within. Through these initiatives, the Group fulfils its corporate social responsibility, strengthens stakeholder relationships, and solidifies its reputation as a socially responsible organisation. The Group reaffirms its role as a positive contributor to societal advancement and development by prioritising community engagement and support.

SUSTAINABILITY REPORT

CSR Events	Amount (RM)	Impact
Sponsorship to Penang Charity Food Fair @ Penang Youth Park	20,000.00	Environment
Bowling Fun Day with children from The Salvation Army Penang Children's Home	1,671.13	Social
Blood donation campaign	-	Social
Raya Celebration with children @ Pusat Jagaan Nasyyatul Aisyiyah, Balik Pulau	3,068.10	Social
Total	24,739.23	4 projects benefited 769 participants

Prioritised Material Matter 4: Safety and Health Risk

The Group's commitment to safety reflects its dedication to providing a secure work environment for all stakeholders. Governed by a specialised Safety Committee, health and safety policies undergo regular review and enhancement to align with industry best practices.

In FY2025, the Group has obtained ISO 45001 certification for its Occupational Health and Safety (OHS) management system. This demonstrates the Group's adherence to global standards for workplace safety. The Group implements preventive measures effectively by identifying potential hazards through systematic risk assessments and feedback mechanisms.

Certification courses like the Building Construction Supervisor Safety Course are foundational to enhancing staff competency and awareness. By equipping employees with accredited qualifications, the Group ensures a high standard of safety proficiency across its workforce. Additionally, stringent criteria govern the evaluation of contractors and suppliers, prioritising partnerships with those upholding exemplary safety practices.

The Group fosters a safety culture permeating every operational aspect through continuous improvement and stakeholder engagement. Prioritising safety as a core value, the Group mitigates risks and promotes a conducive work environment where employees feel valued, respected, and protected. This steadfast commitment to safety epitomises the Group's ethos of responsibility and integrity, establishing it as a beacon of excellence in the industry.

	Work Place Safety and Health Risk	
	FY2025	Number FY2024
Fatalities as a result of work-related injury	0	0
High-consequence work-related injuries (Excluding fatalities)	0	0
Recordable work-related injuries	0	2
Fatalities as a result of work-related ill health	0	0
Recordable work-related health	0	0
Number of employees trained on health and safety standards	55	55
Lost time incident rate ("LTIR")	0	0.91



SUSTAINABILITY REPORT

Prioritised Material Matter 5: Employment on Labour Practices and Standards

The Group boasts a diverse workforce with an inevitable turnover rate. However, the gender distribution remains skewed towards males, reflecting industry norms. To promote inclusivity, efforts to enhance gender diversity persist, ensuring all genders feel valued and empowered. The Group strives to achieve a more balanced workforce with equal opportunities for all employees through targeted initiatives and inclusive hiring practices. In FY2025, the group's overall turnover rate was 17%. The turnover rate by male and female employees are 12% and 35% respectively. The Group has no employment dispute cases in the Labour Office or Industrial Relation Court in FY2025.

Diversity Data		FY2025		FY2024	
		Female	Male	Female	Male
Gender					
Current employee	%	23%	77%	25%	75%
New hires	%	42%	58%	33%	67%
New hires	no.	11	15	15	30
Separation	no.	18	20	15	21
Employee at the start of the period	no.	58	172	57	164
Employee at the end of the period	no.	51	167	58	172
Turnover	%	35%	12%	26%	12%

Age-based Diversity		< 30	30 - 50	>= 50	< 30	30 - 50	>= 50
Current employee	%	43%	45%	12%	49%	37%	14%
Separation	no.	17	13	8	12	13	11
Employee at the start of the period	no.	113	85	32	107	78	36
Employee at the end of the period	no.	94	98	26	113	85	32
Turnover	%	18%	13%	31%	11%	15%	34%

Employment		FY2025	FY2024
Separation	no.	38	36
Turnover	%	17%	16%
Total employee	no.	218	230

Development & Training		Female	Male	Female	Male
Training hours	Hrs	1,064	1,245	897	913
Average training hours/employee	Hrs/no.	20.86	7.46	9.06	8.30
Average training hours/employee	Hrs/no.	10.59		7.87	

SUSTAINABILITY REPORT

Labour Practices and Standards		FY2025	FY2024
Total of training by employee category			
Management	no.	126	82
Executive	no.	79	57
Non-executive/Technical staff	no.	84	56
General workers	no.	52	14
Percentage of employees that are contractors or temporary staff	%	1.83	6.52
Total number of employee turnovers by employee category			
Management	no.	3	0
Executive	no.	7	3
Non-executive/Technical staff	no.	10	13
General workers	no.	18	20
Number of substantial complaints concerning human right	no.	0	0

Employee Training and Development

Engaging in certification courses like the schedule waste competency and internal auditor course presents significant advantages for EMICO, especially in enhancing workforce competency and safety awareness. These courses equip EMICO's staff with essential knowledge and protocols, ensuring they execute their duties safely and effectively. Additionally, investing in staff training underscores EMICO's commitment to maintaining high safety standards, reducing the risk of workplace accidents, and fostering a safety-oriented culture.

Effective training programs are pivotal in enhancing productivity and reducing workplace accidents. Through comprehensive sessions, employees gain skills, knowledge, and awareness to mitigate risks, fostering a safer work environment. Moreover, well-trained employees enhance task precision and effectiveness, ultimately boosting productivity. Training cultivates a safety consciousness and accountability culture, leading to fewer accidents and increased productivity. In FY2025, the Group recorded 2,309 training hours, reflecting its commitment to employee development and safety.

Development & Training		FY2025		FY2024	
		Female	Male	Female	Male
Training hours	Hrs	1,064	1,245	897	913
Average training hours/employee	Hrs/no.	20.86	7.46	9.06	8.30
Average training hours/employee	Hrs/no.	10.59		7.87	



SUSTAINABILITY REPORT

Below are various training programs conducted in FY2025.

Department	Course Name
Metalizing And Quality Control	Fire Evacuation Training
All Employees	Anti-Corruption Internal Training
All Employees	Introduction To IMS Refreshing Training
All Employees	Fire Safety Course For Emergency Response Team
Human Resource	Certified Environmental Professional in Scheduled Waste Management workshop
All Employees	Internal Audit ISO 9001 workshop
Human Resource	Seminar Permohonan Asrama Pekerja Dari Perspektif Pihak Berkuasa Tempatan
Human Resource	Seminar Handling Misconduct & Staff Discipline in the Labour Laws In Malaysia
Finance, Warehouse & Planning	Finance And Accounting in Monitor G5
Executive Board	Mandatory Accreditation Programme Part II: Leading For Impact (Lip)
Marketing	Advanced Google Ads Masterclass
All Employees	Introduction to IMS ISO 9001, ISO 14001, ISO 45001
All Employees	Introduction to Audit IMS
Warehouse	Competent Forklift Safety Diving Training Course
All Employees	E-Invoicing training
Finance	Tax Seminar on Budget 2025
All Employees	ESG training
All Employees	E-Invoicing In-House Training (Monitor Erp)
Human Resource	Pengurusan Penginapan Pekerja Berdasar Peruntukan Akta
Human Resource	Workshop on English Essentials for the Workplace for HR Professionals
Human Resource	Safety And Health Officer course

Supply Chain Management

The Group prioritises engaging vendors as stakeholders through sustainable partnerships and ethical supply chain practices. Their annual vendor assessment process ensures sustainability and accountability. The Group purchased 64.8% from local vendors compared to 35.2% from overseas.

	FY2025		FY2024	
	(RM)	%	(RM)	%
Local	31,705,539	64.8	31,326,500	56.9
Overseas	17,185,274	35.2	23,717,410	43.1
Total	48,890,813	100.0	55,043,910	100.0

	Number	Number
Vendor Audit/Assessment	219	453

SUSTAINABILITY REPORT

GOVERNANCE SCOREBOARD



Governance Data and Analysis

In the diversified industry, we prioritise governance ('G') within the Environmental, Social, and Governance (ESG) framework to establish resilient environments and social structures. While environmental and social aspects are vital, governance is essential for sustained success. Our Group emphasises governance at all levels, from the Board of Directors to operational procedures. Led by independent non-executive directors, our Board and its committees, including audit, nominating, and remuneration committees, ensure impartial oversight, promoting fair decision-making and accountability. The clear separation between the Chairman of the Board and the ED underscores our commitment to transparent governance, preventing power concentration. Maintaining a board independence ratio of 40% and at least one female representative in FY2025, the board composition underscores our dedication to independent corporate leadership, as outlined in the corporate governance section of the annual report (refer to pages page 57 to 59 of Annual Report 2025). These efforts demonstrate our steadfast commitment to robust governance principles, which are essential for fostering sustainable growth and enhancing stakeholder value in the property development sector.

Board Diversity	FY2025		FY2024	
	Number	%	Number	%
Independent Non-Executive Directors	2	40	2	40
Executive Directors	2	40	2	40
Non-Independent Non-Executive Directors	1	20	1	20
Foreign Independent Non-Executive Directors	0	0	0	0
Foreign Executive Directors	0	0	0	0
Foreign Non-Independent Non-Executive Directors	0	0	0	0
<30 years old	0	0	0	0
30-50 years old	0	0	1	20
>50 years old	5	100	4	80
Male	4	80	4	80
Female	1	20	1	20
PhD	0	0	0	0
Master	1	20	1	20
Degree	0	0	0	0
Other	4	80	4	80



SUSTAINABILITY REPORT

Prioritised Material Matters 6: Anti-corruption Policy

The Group maintains a strict stance against corruption, implementing policies to prevent fraud, bribery, and unethical behaviour. This includes robust measures for detection and prevention, mandatory disclosure of conflicts of interest, and a confidential whistleblowing system for impartial investigations. Comprehensive anti-corruption education is provided to all stakeholders, and no corruption incidents were reported during the reporting period, indicating the efficacy of these measures. Senior management adopts a zero-tolerance approach, with HR overseeing policy enforcement and compliance with laws and regulations to ensure fair trade practices. New hires receive detailed briefings on anti-corruption policies upon joining the organisation. In FY2025, the Group conducted substantial anti-corruption training for all of its employees.

Anti-bribery Related Training	FY2025	FY2024
Percentage of employees who have received training on anti-corruption	100.00%	23.92%
Management	13.30%	8.70%
Executive	14.68%	7.83%
Non-executive/Technical Staff	13.76%	7.39%
General Workers	58.26%	0.00%
Percentage of risk assessment related to corruption by department*	31.00%	31.00%
Confirmed incidents of corruption and action taken	0	0

*As of FY2025, the Group has completed 5 out of 16 departments

Prioritised Material Matters 7: Data Privacy and Security

The Group has instituted a comprehensive policy to ensure the security and confidentiality of personal data for all stakeholders, including employees, clients, vendors, and trainees. Our primary objective is to handle, manage, and utilise personal data securely, and we have implemented the following measures to achieve this objective:

Employee Orientation Program: As part of our onboarding process, new employees and trainees undergo an induction program where they receive an introduction to our Personal Data Protection (“PDP”) and Confidentiality Policy. They must acknowledge and sign the policy, demonstrating their understanding of its importance and commitment to adhering to its guidelines. This ensures that all workforce members comprehend the significance of personal data protection from the outset of their engagement with our organisation.

Vendor Assessment and Non-Disclosure Agreement (“NDA”): Our commitment to data protection extends to our relationships with vendors. During the annual vendor assessment process, major vendors are required to review and adopt our NDA policy. This underscores our expectation that our business partners uphold the same level of care and commitment to securing personal data when handling information on our behalf.

These measures establish a robust and cohesive approach to personal data protection across all stakeholders. Acknowledging and adhering to our PDP policy and NDA reinforces our organisation’s dedication to upholding the highest data security and confidentiality standards.

Our commitment to safeguarding personal data transcends regulatory requirements; it reflects our core values and our commitment to fostering trust with our stakeholders. We continually monitor and update our PDP policy to ensure its relevance and effectiveness in response to evolving best practices and legal requirements. This demonstrates our commitment to an ongoing process of improvement and adaptation to provide the utmost protection of personal data and maintain the trust placed in us by our stakeholders.

Data Privacy and Security	FY2025	FY2024
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0



SUSTAINABILITY REPORT

Sustainability Performance Report

Indicator	Measurement Unit	2024	2025
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	198.28 *	166.59
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	1,408.11 *	1,332.89
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	65.68 *	74.31
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	1,857.67	2,373.04
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	20,455.00 *	24,136.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.00	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	20,455.00 *	24,136.00
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	19.476000	19.740000
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 30	Percentage	0.87	1.38
Management Between 30-50	Percentage	6.96	6.42
Management Above 50	Percentage	3.91	5.50
Executive Under 30	Percentage	6.09	6.42
Executive Between 30-50	Percentage	3.04	7.34
Executive Above 50	Percentage	2.17	0.92
Non-executive/Technical Staff Under 30	Percentage	11.74	6.88
Non-executive/Technical Staff Between 30-50	Percentage	7.39	5.50
Non-executive/Technical Staff Above 50	Percentage	3.91	1.38
General Workers Under 30	Percentage	30.43	28.44
General Workers Between 30-50	Percentage	19.57	24.31
General Workers Above 50	Percentage	3.91	5.50
Gender Group by Employee Category			
Management Male	Percentage	5.22	5.96
Management Female	Percentage	6.52	7.34
Executive Male	Percentage	6.09	8.26
Executive Female	Percentage	5.22	6.42
Non-executive/Technical Staff Male	Percentage	15.22	8.26
Non-executive/Technical Staff Female	Percentage	7.83	5.50
General Workers Male	Percentage	48.26	54.13
General Workers Female	Percentage	5.65	4.13
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	80.00	80.00
Female	Percentage	20.00	20.00
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	20.00	0.00
Above 50	Percentage	80.00	100.00



SUSTAINABILITY REPORT

Sustainability Performance Report

Indicator	Measurement Unit	2024	2025
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	25,086.68	24,739.23
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	751	769
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.91	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	55	55
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	82	126
Executive	Hours	57	79
Non-executive/Technical Staff	Hours	56	84
General Workers	Hours	14	52
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	6.52	1.83
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	0	3
Executive	Number	3	7
Non-executive/Technical Staff	Number	13	10
General Workers	Number	20	18
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	56.91	64.85
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	8.70	13.30
Executive	Percentage	7.83	14.68
Non-executive/Technical Staff	Percentage	7.39	13.76
General Workers	Percentage	0.00	58.26
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	31.00	31.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0

Internal assurance

External assurance

No assurance

(*)Restated

SUSTAINABILITY REPORT

Common Sustainability Indicators

PILLAR	TOPIC	METRIC	UNIT	FRAMEWORK ALIGNMENT	LOCATION	
Environment	Energy management	Total energy consumption	kWh	GRI 302-1, TCFD, SASB 130	29	
	Water	Total volume of water used	m ³	GRI 303-5, SASB 140, TCFD, WEF core metrics	30	
	Waste management	Total waste generated and a breakdown of the following: (i) total waste diverted from disposal (ii) total waste directed to disposal	kg	GRI 306-3, SASB 150, TCFD, WEF expanded metrics	30	
			kg		30	
	Emissions management	Scope 1 emissions in tonnes of CO ₂ e	tCO ₂ e	GRI 305-1, GRI 305-2, GRI 305-3, TCFD, SASB 110, WEF core metrics	28	
			Scope 2 emissions in tonnes of CO ₂ e	tCO ₂ e	29	
Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)			tCO ₂ e	29		
Social	Community/Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	GRI 413-1	32-33	
		Total number of beneficiaries of the investment in communities	no			
	Diversity	Percentage of employees by gender and age group for each employee category	%	GRI 405-1, SASB 330, WEF core metrics	31-32	
			Percentage of directors by gender and age group	%		
	Health and Safety	Number of work-related fatalities	no	GRI 403-9, WEF core metrics	33	
			Lost time incident rate	%		
			Number of employees trained on health and safety standards	no		
	Labour practices and standards	Total hours of training by employee category	no	GRI 404-1, WEF core metrics	34-36	
			Percentage of employees that are contractors or temporary staff	%	GRI 404-1, WEF core metrics	
			Total number of employee turnover by employee category	no	GRI 401-1, SASB 310, WEF core metrics	
Number of substantiated complaints concerning human rights violations			no	GRI 404-1, WEF core metrics		
Supply chain management	Proportion of spending on local suppliers	%	GRI414-2	36		



SUSTAINABILITY REPORT

PILLAR	TOPIC	METRIC	UNIT	FRAMEWORK ALIGNMENT	LOCATION
Governance	Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category	%	GRI 205-2, WEF core metrics	38
		Percentage of operations assessed for corruption-related risks	%	GRI 205-1, GRI 205-2 and GRI 205-3	
		Confirmed incidents of corruption and action taken	no		
	Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	no	GRI 2-9, GRI 405-1, WEF core metrics, SASB 330	38

SUSTAINABILITY REPORT

SUPPORT AND CONTRIBUTION TO COMMUNITIES





SUSTAINABILITY REPORT

→
Bowling Fun Day with Children from The Salvation Army Penang Children's Home



→
Festive Season Celebrations with Employees



SUSTAINABILITY REPORT

→
Employee Appreciation Dinner 2025



→
Emico's Commitment to Continuous Learning & Development





SUSTAINABILITY REPORT



→
15th Malaysia Gifts Fair 2025 at KLCC Convention Centre, KL



→
Exclusive New Product Pre-launch Highlights





SUSTAINABILITY REPORT

→

HKTDCC Hong Kong Gifts & Premium Fair 2025 at Hong Kong Convention and Exhibition Centre



→

Platinum Commercial Centre – Project Launch & Sales Promotion





SUSTAINABILITY REPORT

→ Sponsorship for the Pertandingan Drama Bahasa Mandarin Sekolah-Sekolah Menengah Malaysia



→ Official Medal Sponsor for the Eastern Asia Youth Chess Competition 2024



SUSTAINABILITY REPORT

→
Official Medal Sponsor and Merchandiser for the Penang International Dragon Boat Regatta 2024



→
Official Medal Sponsor and Merchandiser for the Penang Bridge International Marathon 2024





REPORT OF AUDIT AND RISK MANAGEMENT COMMITTEE

The Board has appointed the Audit and Risk Management Committee (“ARMC” or “Committee”) to assist the Board in discharging its duties of maintaining a sound system of internal controls to safeguard shareholders’ investment and the Group’s assets.

TERMS OF REFERENCE

- **Purpose**

The primary objective of the ARMC (as a sub-committee of the Board) is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting and internal control.

- **Reporting Responsibilities**

The ARMC will report to the Board on the nature and extent of the functions performed by it and may make such recommendations to the Board on any audit and financial reporting matters as it may think fit.

- **Attendance at Meeting**

The head of finance, the head of internal audit and a representative of the external audit shall normally attend meetings. The Company Secretary shall be the Secretary of the ARMC. Other Board members or employees may be invited to brief the Committee on issues that are incorporated into the agenda.

- **Frequency of Meeting**

The Committee will meet as frequently as the Chairman shall decide, with due notice of issues to be discussed and shall record its conclusions whilst discharging its duties and responsibilities. The Audit and Risk Management Committee should meet with the external auditors without executive board members present at least once a year.

The Chairman of the ARMC should engage on a continuous basis with senior management, such as the executive chairman, the head of the internal audit and the external auditors in order to be kept informed of matters affecting the Company.

- **Quorum**

The quorum for a meeting shall be two (2) members, the majority of whom shall be Independent Non-Executive Directors.

- **Authority**

The ARMC is authorised by the Board to investigate any activity within its terms of reference. The Committee shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The internal audit function reports directly to the ARMC. The Committee may, with the approval of the Board, consult legal or other professionals where they consider it necessary to discharge their duties.

MEMBERSHIP AND MEETINGS

The ARMC is appointed by the Board from among its members, comprises two (2) members of which are Independent Non-Executive Directors and one (1) member of which is a non-independent non-executive director.

REPORT OF AUDIT AND RISK MANAGEMENT COMMITTEE

MEMBERSHIP AND MEETINGS (CONT'D)

Membership

- The members of the Committee shall be appointed by the Board.
- The Committee shall consist of not less than three (3) members of which:
 - a) all members of the Committee must be Non-Executive Directors with a majority of them being independent directors;
 - b) at least one (1) member of the Committee:
 - i) must be a member of the Malaysian Institute of Accountants; or
 - ii) if he or she is not a member of the Malaysian Institute of Accountants, he or she must have at least three (3) years' working experience; and
 1. he or she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
 2. he or she must be a member of one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
 - iii) he or she fulfils such other requirements as prescribed or approved by Bursa Securities.
 - c) all members of the Committee should be financially literate.
 - No alternate director shall be appointed as a member of the Committee.
 - The Chairman of the Committee shall be appointed by the members of the ARMC among their members who is an independent director.
 - The Board must review the term of office and performance of the Committee and each of its members at least once every three (3) years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.
 - The Board shall, within three (3) months of a vacancy occurring in the ARMC which result in the number of members reduced to below three (3), appoint such number of new members as may be required to make up the minimum number of three (3) members.
 - d) a former key audit partner to observe a cooling-off period of at least three years before being appointed as a member of the Committee. However, currently, there is no appointment of a former key audit partner as a Committee.

Meetings

During the financial year ended 31 March 2025, the Committee held meetings on 30 May 2024, 5 July 2024, 27 August 2024, 28 November 2024 and 25 February 2025 respectively, making a total of five (5) meetings.

Name	Designation	Independence Status	Attendance of meetings
Ng Hong Kiat @ Ng Han Kiat	Chairman	Independent Non-Executive Director	5/5
Kee Chei Hen	Member	Independent Non-Executive Director	5/5
Dato' Jimmy Ong Chin Keng	Member	Non-Independent Non-Executive Director	5/5



REPORT OF AUDIT AND RISK MANAGEMENT COMMITTEE

DUTIES AND RESPONSIBILITIES

The primary goal of the Committee is to review the financial condition of the Group, its internal controls, performance and findings of the internal auditors and to recommend appropriate remedial action. The primary duties and responsibilities of the Committee are as follows:

- to review both the internal and external auditors' scope of the audit plan, their evaluation of the system of internal controls and audit reports.
- to review and evaluate the adequacy of the scope, functions, competency and resources of the internal audit functions that it has the necessary authority to carry out its work.
- to consider the appointment and/or reappointment of external and internal auditors, their fees and any question of their resignation or dismissal and to recommend to the Board.
- to nominate, for the approval of the Board of Directors, a person or persons as auditor(s).
- to review the assistance and cooperation given by the Company's officers to the external and internal auditors.
- to review the quarterly and year end financial statements before submission to the Board of Directors, focusing particularly on:
 - a) changes in or implementation of major accounting policy changes;
 - b) significant and unusual events; and
 - c) compliance with accounting standards and other legal requirements.
- to review any related party transactions that may arise within the Company or the Group.
- to consider the adequacy of Management's actions taken on internal and external audit reports.
- to review the allocation of shares to employees under the Employees' Share Option Scheme.
- to review and monitor the Conflict of Interest situations.

SUMMARY OF WORK DONE OF THE ARMC

During the financial year ended 31 March 2025, the Committee held meetings on 30 May 2024, 5 July 2024, 27 August 2024, 28 November 2024 and 25 February 2025 respectively, making a total of five (5) meetings. The Committee also appraised the adequacy of actions taken by the Management in resolving the reported audit issues and in implementing suggested improvement measures.

During the year, a summary of work undertaken by the Committee included the following:

1. Financial reporting

- Reviewed the quarterly financial results and announcements as well as annual financial statements of the Group prior to recommending the same for approval by the Board;
- Reviewed the quarterly financial results and annual audited financial statements, the Committee discussed with the Management and the external auditors, amongst others, the accounting policies and standards that were applied and their judgement exercised on the items that may affect the financial results and the financial statements; and
- Confirmed with the Management and the external auditors that the annual financial statements of the Group have been prepared in compliance with applicable Malaysian Financial Reporting Standards and IFRS Accounting Standards. The impact of any changes to accounting policies and the adoption of new financial reporting standards and amendments were discussed and reviewed.

REPORT OF AUDIT AND RISK MANAGEMENT COMMITTEE

SUMMARY OF WORK DONE OF THE ARMC (CONT'D)

During the year, a summary of work undertaken by the Committee included the following: (Cont'd)

2. Internal Audit

- Reviewed and approved the annual audit plan proposed by the internal auditors to ensure the adequacy of the scope and coverage of work;
- Reviewed the effectiveness of the audit process, resource requirements for the year and assessed the performance of the overall Internal Audit function; and
- Reviewed the audit reports presented by the internal auditors on their findings and recommendations with respect to the system and control weaknesses. The Committee then considered those recommendations including the Management's responses thereto, before proposing that those control weaknesses be rectified and recommendations for improvements be implemented.

3. External Audit

- Reviewed the external auditors' audit plan, audit strategy and scope of work for the financial year before their commencement of the audit of the financial statements of the Group;
- Discussed and reviewed the audit findings and opinions, the Auditors' Report and management letter together with Management's response to their findings including all the key audit matters raised. Major issues that arose during the audit were discussed with Management and resolved, wherever possible, or held for further monitoring and resolution in the future;
- Held a private session with external auditors without the presence of Executive Directors and Management of the Group; and
- Assessed the independence and objectivity of the external auditors and services provided, including non-audit services. The Committee undertook an annual assessment to assess the performance, suitability and independence of external auditors based on amongst others, the quality of service, sufficiency of resources, communication and interaction as well as independence, objectivity and professional skepticism. Assurance was also obtained from the external auditors regarding their independence in accordance with the terms of all professional and regulatory requirements. Following the review of the external auditors' effectiveness and independence, the Committee is satisfied with the performance and the audit independence of the external auditors. Accordingly, it was recommended to the Board the reappointment of the external auditors as well as the proposed audit fee for approval.

4. Risk Management

- Reviewed and reported to the Board accordingly on the meeting held to review key risks and measures undertaken by the Group.

5. Related Party Transactions

- Reviewed the recurrent related party transactions of a revenue or trading nature which were necessary for the day-to-day operations entered into by the Group to ensure that the transactions were in the ordinary course of business and on terms not more favourable to the related parties than those generally available to the public.

6. Employees' Share Option Scheme ("ESOS")

- Reviewed and verified the options allocations pursuant to the ESOS of the Company during the financial year under review. The ARMC was satisfied that the allocation of options complied with the criteria set out in the ESOS By-Laws and by the ESOS Committee.



REPORT OF AUDIT AND RISK MANAGEMENT COMMITTEE

SUMMARY OF WORK DONE OF THE ARMC (CONT'D)

During the year, a summary of work undertaken by the Committee included the following: (Cont'd)

7. Conflict of Interest or Potential Conflict of Interest ("COI")

- The Committee reviewed the COI or potential COI involving Directors and Key Senior Management of the Company and the measures taken to address COI or potential COI as set out below.

Name	Nature and extent of interest of Director, Major Shareholder; Persons Connected to Director and Major Shareholder; and Key Senior Management	Nature of COI or Potential COI	Measures taken to resolve, eliminate or mitigate such conflicts
<p>Lim Teck Chye</p> <p>Executive Chairman</p>	<p>Lim Teck Chye is a director of Emico Holdings Berhad ("EHB") and major shareholder of EHB.</p> <p>Lim Teik Hian and Lim Poh Hoon are major shareholders of EHB.</p> <p>Lim Teck Chye, Lim Teik Hian and Lim Poh Hoon are siblings.</p> <p>Lim Beng Huan and Loh Lay Choo are parent of Lim Teck Chye, Lim Teik Hian and Lim Poh Hoon.</p> <p>Chan Lay Li is the spouse of Lim Teik Hian and sister-in-law of Lim Teck Chye.</p> <p>Luo WenJun is the spouse of Darren Lim Yan Da. Darren Lim Yan Da, Deryl Lim Yan Hong and Drake Lim Yan Long are the children of Lim Teik Hian and Chan Lay Li and nephews of Lim Teck Chye.</p> <p>Lim Teik Hian is a director of Emico (Vietnam) Co Ltd ("EVIET") and holds 10% of the total issued and paid-up capital of EVIET.</p> <p>Chan Lay Li is the sole director and sole shareholder of Beng Choo Marketing Sdn Bhd ("BCM").</p> <p>Chan Lay Li is a major shareholder of U-Can Marketing Sdn Bhd ("UCM") and she holds 90% of the total issued and paid-up capital of UCM. The principal activity of UCM is the trading of premium gifts.</p> <p>Deryl Lim Yan Hong is the sole director and sole shareholder of Simfoni Home Sdn Bhd ("SHSB"). The principal activity of SHSB is property development.</p> <p>Lim Teck Chye is a director and shareholder and Deryl Lim Yan Hong is a director of Lean Development Sdn Bhd ("LDSB"). The principal activity of LDSB is property investment.</p>	<ul style="list-style-type: none"> Related party transactions with EVIET, BCM and UCM. Potential COI with with LDSB and SHSB due to similar business activities with the Group. Lim Beng Huan and Loh Lay Choo are employees of Emico Development Sdn Bhd holding positions as advisors. Lim Teik Hian is an employee of Emico Penang Sdn Bhd holding position of Regional Director. Lim Poh Hoon is an employee of Emico Penang Sdn Bhd holding position of Chief Commercial Officer. Darren Lim Yan Da is a key senior management of EHB and also an employee of Emico Penang Sdn Bhd holding the position of Director of Operations. Deryl Lim Yan Hong is an employee of Emico Penang Sdn Bhd holding the position of Business Development Executive. Drake Lim Yan Long is an employee of Emico Development Sdn Bhd holding the position of Project Manager. Luo WenJun is an employee of Emico Penang Sdn Bhd holding the position of Business Development Officer. 	<ul style="list-style-type: none"> To abstain from any discussion/ voting pertaining to related party transactions, any COI or potential COI involving his interest and family's interests. The annual performance evaluation and remunerations of family members will subject to and endorse by Nominating and Remuneration Committee.

REPORT OF AUDIT AND RISK MANAGEMENT COMMITTEE

SUMMARY OF WORK DONE OF THE ARMC (CONT'D)

During the year, a summary of work undertaken by the Committee included the following: (Cont'd)

7. Conflict of Interest or Potential Conflict of Interest ("COI") (Cont'd)

- The Committee reviewed the COI or potential COI involving Directors and Key Senior Management of the Company and the measures taken to address COI or potential COI as set out below. (Cont'd)

Name	Nature and extent of interest of Director, Major Shareholder; Persons Connected to Director and Major Shareholder; and Key Senior Management	Nature of COI or Potential COI	Measures taken to resolve, eliminate or mitigate such conflicts
Darren Lim Yan Da Key Senior Management	<p>Darren Lim Yan Da is a key senior management of EHB and a director of EHB Group.</p> <p>Darren Lim Yan Da, Deryl Lim Yan Hong and Drake Lim Yan Long are siblings and children of Lim Teik Hian and Chan Lay Li.</p> <p>Lim Teck Chye, Lim Teik Hian and Lim Poh Hoon are siblings.</p> <p>Darren Lim Yan Da is the nephew of Lim Teck Chye and Lim Poh Hoon.</p> <p>Lim Teck Chye is a director of EHB and major shareholder of EHB.</p> <p>Lim Teik Hian and Lim Poh Hoon are major shareholders of EHB.</p> <p>Lim Beng Huan and Loh Lay Choo are parent of Lim Teck Chye, Lim Teik Hian and Lim Poh Hoon.</p> <p>Luo Wen Jun is the spouse of Darren Lim Yan Da.</p> <p>Lim Teik Hian is a director of EVIET and holds 10% of the total issued and paid-up capital of EVIET.</p> <p>Chan Lay Li is the sole director and sole shareholder of BCM.</p> <p>Chan Lay Li is a major shareholder of U-Can Marketing Sdn Bhd ("UCM") and she holds 90% of the total issued and paid-up capital of UCM. The principal activity of UCM is the trading of premium gifts.</p> <p>Deryl Lim Yan Hong is the sole director and sole shareholder of Simfoni Home Sdn Bhd ("SHSB"). The principal activity of SHSB is property development.</p> <p>Lim Teck Chye is a director and shareholder and Deryl Lim Yan Hong is a director of Lean Development Sdn Bhd ("LDSB"). The principal activity of LDSB is property investment.</p>	<ul style="list-style-type: none"> Related party transactions with EVIET, UCM and BCM. Potential COI with with LDSB and SHSB due to similar business activities with the Group. Lim Beng Huan and Loh Lay Choo are employees of Emico Development Sdn Bhd holding positions as advisors. Lim Teik Hian is an employee of Emico Penang Sdn Bhd holding position of Regional Director. Lim Poh Hoon is an employee of Emico Penang Sdn Bhd holding position of Chief Commercial Officer. Darren Lim Yan Da is a key senior management of EHB and also an employee of Emico Penang Sdn Bhd holding the position of Director of Operations. Luo WenJun is an employee of Emico Penang Sdn Bhd holding the position of Business Development Officer. 	<ul style="list-style-type: none"> To abstain from any discussion/ voting pertaining to related party transactions, any COI or potential COI involving his interest and family's interests. The annual performance evaluation and remunerations of Darren Lim will subject to and endorse by Nominating and Remuneration Committee.



REPORT OF AUDIT AND RISK MANAGEMENT COMMITTEE

SUMMARY OF WORK DONE OF THE ARMC (CONT'D)

During the year, a summary of work undertaken by the Committee included the following: (Cont'd)

7. Conflict of Interest or Potential Conflict of Interest ("COI") (Cont'd)

- The Committee reviewed the COI or potential COI involving Directors and Key Senior Management of the Company and the measures taken to address COI or potential COI as set out below. (Cont'd)

Name	Nature and extent of interest of Director, Major Shareholder; Persons Connected to Director and Major Shareholder; and Key Senior Management	Nature of COI or Potential COI	Measures taken to resolve, eliminate or mitigate such conflicts
Lim Lay Kim Executive Director	Lim Lay Khim is a director of EHB. Teoh Kin Siong is the spouse of Lim Lay Khim. Teoh Kin Siong is a director of Challenger Property Sdn Bhd ("CPSB"). The principal activity of CPSB is an investment holding company.	<ul style="list-style-type: none"> Potential COI with CPSB. 	<ul style="list-style-type: none"> CPSB operates in different market segments with the Emico Group. The ARMC was of the view that Lim Lay Khim does not have any COI with the Emico Group.
Dato' Jimmy Ong Chin Keng Non-Independent Non-Executive Director	Dato' Jimmy is a director of EHB. Dato' Jimmy is an Independent Director of YBS International Berhad ("YBS") whose business activities amongst others, is in plastic injection moulding which is of similar business activity as that of Emico Group.	<ul style="list-style-type: none"> Potential COI with YBS. 	<ul style="list-style-type: none"> YBS operates in different market segments with the Emico Group. The ARMC was of the view that Dato' Jimmy does not have any COI with the Emico Group.

ACTIVITIES OF INTERNAL AUDIT

The Group outsources its internal audit function. The internal auditors report directly to the ARMC. The cost incurred for the internal audit function for the financial year ended 31 March 2025 was RM19,600.

The role of the internal auditors is to examine, evaluate and ensure compliance with the Group's policies, procedures and system of internal controls so as to provide reasonable assurance that such system continue to operate effectively in the Emico Group of Companies. The internal auditors work focuses on areas of priority as identified in accordance with the annual audit plan approved each year by the Committee. For the financial year ended 31 March 2025, audit visits were conducted in all active subsidiaries of the Group.

The audit activities were as follows:

- ascertaining the extent of compliance with the established policies, procedures and statutory requirements;
- reviewing new systems and modified systems to ensure that proper controls exist in the systems or where certain necessary controls were absent, prescribe controls before implementation; and
- identifying opportunities to improve the operations and the processes in the Company and the Group.

The internal auditors report their audit findings to the ARMC and the Management of the respective subsidiaries.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Emico Holdings Berhad is committed to ensuring that the Group is moving towards the highest standards of Corporate Governance in discharging its responsibilities to protect and enhance shareholders value and the Group's financial performance.

The ensuing paragraphs in this Corporate Governance Overview Statement ("CG Overview Statement") describes the extent of how the Group has applied and complied with the three (3) key Principles and 48 Practices of the Malaysian Code on Corporate Governance ("Code" or "MCCG") for the financial year ended 31 March 2025 ("FY2025") and to-date. This CG Overview Statement is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") with guidance drawn from Practice Note 9 of MMLR and the Corporate Governance Guide (4th edition) issued by Bursa Securities.

The CG Overview Statement is complemented with a Corporate Governance Report ("CG Report"), based a prescribed format as outlined under Paragraph 15.25(2) of the MMLR which articulate the application of the Company's corporate governance practices vis-à-vis the Code. The CG Report is available on the company's website at www.emico.com.my and via an announcement on the website of Bursa Securities.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The business and affairs of the Group are managed under the direction and oversight of the Board, which also has the responsibility to periodically review and approve the overall strategies, business, organisation and significant policies of the Group. The Board also sets the Group's core values, adopts proper standards to ensure that the Group operates with integrity, and complies with the relevant rules and regulations.

The Board has a formal schedule of matters reserved for its decision which include, amongst others, the following:

- Reviewing and approving the strategies and business plans for the Group to ensure that they are aligned with the Group's Vision and Mission;
- Identifying and managing principal risks affecting the Group including establishing and approving the relevant policies;
- Reviewing the adequacy and integrity of the Group's internal control systems;
- Overseeing the conduct and the performance of the Group's businesses;
- Reviewing succession planning and talent management plans for the Group;
- Approving new policies pertaining to boardroom diversity;
- Approving changes to the corporate organisation structure; and
- Approving the appointment of Directors and Directors' emoluments and benefits in accordance with relevant statutes.

Other than as specifically reserved to the Board in the Board's Terms of Reference, the responsibility for managing Group's business activities are delegated to the Executive Director of Emico, who is accountable to the Board.

Some insight on how the Board had discharged their roles and responsibilities during the year are set out as per below:

- **Succession Planning**
The Board reviewed its size and composition based on the prevailing laws, rules regulations and the internal policies of the Group on the tenure of directorships, not only to ensure continuity in meeting its long-term goals and objectives but also to affirm that the knowledge, experience and skill sets of its members would be well suited to meet the demands of the ever changing landscape of the industry.
- **Group Structure Review**
The Board reviewed the Group's organisation structure to determine and address the challenges encountered in meeting the structure's stated objective which includes, accelerating and supporting Group performance, raising efficiency, productivity and operational excellence.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

Some insight on how the Board had discharged their roles and responsibilities during the year are set out as per below: (Cont'd)

- **Sustainability Plan**
The Board reviewed the progress of the Group's corporate sustainability plan to determine the progress, achievements and challenges faced in furthering the Group's sustainability initiatives which is supported by three key pillars, namely Economic Sustainability, Operate in Sustainable Environment and Deliver Social impact.
- **Board Charter**
In recognition that robust and well thought-out Corporate Governance practices are essential to safeguard the interests of the Group's stakeholders, the Board has established a Board Charter ("Charter") to promote the best corporate governance culture and to assist the Board in carrying out its role, powers, duties and functions. The Board Charter was last reviewed by the Audit & Risk Management Committee and presented to the Board on 30 May 2025 and the details of the Board Charter can be viewed in www.emico.com.my.
- **Company Secretary**
Company Secretary is responsible for advising the Board on issues relating to corporate compliance with the relevant laws, rules, procedures and regulations affecting the Board and the Group, as well as best practices of governance. He is also responsible for advising the Directors of their obligations and duties to disclose their interest in securities, disclosure of any conflict of interest in a transaction involving Emico, prohibition on dealing in securities and restrictions on disclosure of price-sensitive information.
- **Whistleblowing Policy**
The Group is advocates openness and transparency in its commitment to the highest standard of integrity and accountability. The Integrity Hotline has provided an avenue for all the employees to report, in good faith, belief, without malicious intent, on any suspected misconduct or actual wrongdoing including but not limited to unethical incidences such as criminal activities or contravention of laws/regulations committed by another employee or any person who has dealings with the Group via the following channels:

Protected Email Address at integrity@emico.com.my

The above email will be directly channelled to the Chairman of Audit and Risk Management Committee.

Confidentiality of all matters raised and the identity of the whistleblower, are protected under the Policy. The Group has an Anti-Corruption Policy and Procedures, which provides broad principles, strategies, and policies for the Group in relation to fraud in order to promote high standards of integrity. The policy establishes robust and comprehensive programmes and controls for the Group and highlights the roles and responsibilities at every level for preventing and responding to fraud.
- **Code of Ethics and Conduct**
In addition to the Company Directors' Code of Ethics established by the Companies Commission of Malaysia, the Group also has a Code of Ethics and Conduct that sets out sound principles and standards of good practice in the industry, which are observed by the Directors and the employees. Both Directors and employees are required to uphold the highest integrity in discharging their duties and in dealings with stakeholders, customers, fellow employees and regulators. This is in line with the Group's Core Values which emphasise behavioural ethics when dealing with third parties and fellow employees.
- **Anti-Corruption Policy and Procedures**
The Group is committed to conduct all our business in an honest and ethical manner. We take a zero-tolerance approach to corruption and are committed to acting professionally, fairly and with integrity in all our relationships and business dealings wherever we operate and implement and enforce effective system to counter corruption. We will uphold all laws relevant to countering corruption especially Section 17A of the Malaysian Anti-Corruption Commission ("MACC") (Amendment) Act 2018 which became effective on 1 June 2020.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition

There are currently five (5) Directors on the Board. Two (2) are Independent Non-Executive Directors, one (1) is Non-Independent Non-Executive Director and two (2) are Executive Directors (which consist of one (1) Executive Chairman and one (1) Executive Director). The present composition of the Board complied with the requirement as stipulated in the Listing Requirements. The Directors provide a wealth of knowledge, experience and skills in key areas such as accountancy, international business operations and development, finance and risk management. A brief profile of each member of the Board is presented on pages 5 to 7 of this Annual Report.

The Non-Executive Directors provide independent judgement, objectivity and check and balance on the Board. This is to protect the interests of shareholders, employees, various other stakeholders and the communities where the Company operates.

Directorate	Name of Director	No. of Attendance during the year			
		Board	ARMC	NC	RC
Executive Chairman	Lim Teck Chye	5/5			
Executive Director	Lim Lay Khim	5/5			
Non-Independent Non-Executive Director	Dato' Jimmy Ong Chin Keng	5/5	5/5	1/1	2/2
Independent Non-Executive Director	Ng Hong Kiat @ Ng Han Kiat	5/5	5/5	1/1	2/2
Independent Non-Executive Director	Kee Chei Hen	5/5	5/5	1/1	2/2

The Executive Chairman is primarily responsible for the orderly conduct and performance of the Board. He also ensures that the Board practises good governance in discharging its duties and responsibilities as well as responsible for implementation of the objectives, goals and operational matters of the Group. Although the Executive Chairman, Mr Lim Teck Chye is not an Independent Director, the Board believes that with two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director on the Board, there is a balance of power and authority in the Board.

Nominating Committee ("NC")

The NC is empowered by the Board to oversee the assessment of the Board as a whole, Board Committees and each individual Director, nominate to the Board the candidature of Directors and Board Committees' members as well as review the Board's succession plans and training programs. The NC comprises three (3) members, the majority of whom are Independent Non-Executive Directors ("INEDs"). Its Chairman is also an INED. The NC would meet at least once (1) annually with additional meetings convened on as and when needed basis.

During the year under review, key activities undertaken by the NC are summarised as follows:

- a) Considered and reviewed the Board's present size, structure and composition of the Board as well as the required mix of skills, experience, composition, size and competency required.
- b) Assessed and recommended to the Board for the continuation of service of the Directors who are eligible to stand for re-election based on the schedule of retirement by rotation.
- c) Reviewed the term of office and performance of the ARMC.
- d) Reviewed and assessed the contribution of each Director and the effectiveness of the Board and Board Committees. The assessment is conducted via the Assessment Sheet for each member of the Board and the Independent Directors of the Company. The assessment of independence serves as a form of attestation by the Independent Directors that they are able to exercise independent judgement, impartiality and objectivity in the best interest of the Company.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

Nominating Committee ("NC") (Cont'd)

During the year under review, key activities undertaken by the NC are summarised as follows: (Cont'd)

- e) Discussed the character, experience, integrity and competence of the Directors and to ensure they have the time to discharge their respective roles.
- f) Noted the training attended by Directors for disclosure in the CG Overview Statement for publication in the Annual Report.
- g) Recommended for Directors to attend training or seminars.
- h) Considered appointment of additional INED(s) to meet gender diversity and balance of INEDs on the Board when there is a need to appoint additional director to the Board.

III. Training

The Board encourages its Directors to attend relevant training to enhance their skills and knowledge on the relevant new laws and regulations, changing commercial and financial risks to keep abreast with the development in the economy, industry, technology and business environment within which the Group operates.

The Directors are regularly updated by the Company Secretaries on key developments in the Companies Act 2016, MMLR of Bursa Securities and the MCCG.

The Board had, through the NC, undertaken an assessment of the training needs of the Directors and concluded that the Directors are to determine their training needs as they are in the better position to assess their areas of concern. Nonetheless, the NC had recommended for training to improve financial literacy and keep with changes to financial reporting environment as well as understanding the impact of the changes arising from implementation of Companies Act 2016 and other related laws.

The training attended by Directors for FY2025 encompassed various topics as outlined below:

Lim Teck Chye

- Mandatory Accreditation Programme Part II: Leading for Impact (LIP) – 25 to 26 September 2024
- Training on e-Invoicing – 30 October 2024

Lim Lay Khim

- Training on e-Invoicing – 30 October 2024

Dato' Jimmy Ong Chin Keng

- Mandatory Accreditation Programme Part II: Leading for Impact (LIP) – 25 to 26 September 2024

Ng Hong Kiat @ Ng Han Kiat

- Understanding Real Estate Transactions for Different Land Titles – 24 September 2024
- Mandatory Accreditation Programme Part II: Leading for Impact (LIP) – 25 to 26 September 2024

Kee Chei Hen

- Mandatory Accreditation Programme Part II: Leading for Impact (LIP) – 25 to 26 September 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

IV. Remuneration

The Board believes that one area that the Board needs to focus on in order to remain effective in the discharge of its duties and responsibilities is the setting of a fair and comprehensive remuneration package commensurate with the expertise, skills, responsibilities and the risks of being a director of a listed Issuer. In line with good corporate governance, the Board has set out its intention to periodically review the Directors remuneration for Emico and its group of companies at least once every three years. The remuneration of each of the Directors, as distinguished between Executive and Non-Executive Directors, for the financial year ended 31 March 2025 is as follows:

	Fee (RM)	Salaries & Bonus (RM)	Other Emoluments (RM)	Total (RM)
<u>Executive Directors</u>				
Lim Teck Chye (<i>Executive Chairman</i>)	30,000	558,000	112,466	700,466
Lim Lay Khim (<i>Executive Director</i>)	30,000	144,000	62,529	236,529
<u>Non-Executive Directors</u>				
Ng Hong Kiat @ Ng Han Kiat (<i>Independent Non-Executive Director</i>)	30,000	-	10,750	40,750
Kee Chei Hen (<i>Independent Non-Executive Director</i>)	30,000	-	7,250	37,250
Dato' Jimmy Ong Chin Keng (<i>Non-Independent Non-Executive Director</i>)	30,000	-	8,250	38,250
Total	150,000	702,000	201,245	1,053,245

The Remuneration (including salary, bonus, allowances, benefit-in-kind and other emoluments) of top four (4) key Senior Management personnel on named basis during the financial year in bands of RM50,000 are set out below:

Range of Remuneration (RM)	Name of Key Senior Management	Position
RM150,000 to RM200,000	Julie Ong Lye Im	Director of Warehouse
RM150,000 to RM200,000	Darren Lim Yan Da	Director of Operations
RM150,000 to RM200,000	Tan Teong Yu	Director of Finance and Administration
RM100,000 to RM150,000	Liew Kong Wang	Director of Supply Chain

The disclosures on Practice 8.1 to 8.2 of MCCG are disclosed in the Corporate Governance Report.

V. Gender Diversity

The Board is aware of the gender diversity promoted under the MCCG. The Company currently has one (1) female Director which complies with Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Notwithstanding that, the Board will remain mindful of the gender diversity practice advocated by the MCCG.

The Board is of the view that the appointment of Board member or management should be determined based on objective criteria, merit and with due regard for diversity in skills, experience and other qualities regardless of gender.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee (ARMC)

The Board authorises the ARMC to investigate any activities within its Terms of Reference and has unrestricted access to both the internal and external auditors and members of the senior management of the Group. The activities carried out by the ARMC, which met 5 times during the year under review, are summarised in the Audit and Risk Management Committee Report and its Terms of Reference as stated on page 50 of this Annual Report. Members of the ARMC are as indicated on page 51 of this Annual Report.

The disclosures in relation to Practice 9.1 to 9.5 of the MCGG are disclosed in the Corporate Governance Report.

II. Risk Management and Internal Control Framework

The Board has overall responsibility for establishing and maintaining a sound risk management and internal control system to ensure that shareholders' investments, customers' interests and the Group's assets are safeguarded. The effectiveness of risk management and internal controls is continuously reviewed to ensure that they are working adequately and effectively. The ARMC regularly evaluates the adequacy and effectiveness of the Group's internal control systems by reviewing the actions taken on lapses/deficiencies identified in reports prepared by Internal Auditor during its scheduled meetings. The ARMC also reviews Audit's recommendations and management responses to these recommendations to ensure the lapses/deficiencies identified are being dealt with adequately and promptly.

The Statement on Risk Management and Internal Control is furnished on pages 64 to 65 of this Annual Report and this provides an overview of the state of internal controls within the Group.

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

Emico's corporate governance framework ensures that shareholders, stakeholders, investors and the domestic and international investment community receive relevant, timely and comprehensive information about the Group in line Bursa Malaysia's Corporate Disclosure Guide that encourages prompt and timely dissemination of information to shareholders and investors, and recommends the adoption of a policy on corporate disclosures.

Quarterly Results

The Group's quarterly financial results are released immediately after the quarterly Board of Directors' meeting. Financial statements are made public on the corporate website to provide the investment community with a better understanding of the Group's performance.

Group Corporate Website

The Group Corporate Website (www.emico.com.my) provides comprehensive and easy access to the latest information about the Group. Information available on the corporate website includes the Group's corporate profile, individual profiles of directors, financial results, annual reports, corporate news and the Group's global operations and subsidiaries. Additionally, information on the Group Governance Structure and framework is also published in the Group Corporate Website. In addition, stakeholders can obtain regulatory announcements made by the Group to Bursa Malaysia on the latter's website (www.bursamalaysia.com).

Annual Report

The Annual Report provides a comprehensive report on the Group's operations and financial performance for the year under review. It provides full disclosure and is in compliance with the relevant regulations to ensure greater transparency. An online version of the Annual Report is also available on the Group's corporate website.

II. Conduct of General Meetings

The Annual General Meeting is used as a principal forum for dialogue with all shareholders. Extraordinary Meetings are held as and when required. Before commencement of any general meetings, the Chairman of the meeting will inform shareholders of their rights to demand a poll vote. At the general meetings, the Board provides opportunities for shareholders to raise questions on the business activities of the Group, agenda of the meetings and its proposed resolutions. The Chairman then facilitates the discussions with shareholders and provides further information in response to shareholders' queries. The Board encourages all shareholders to attend the forthcoming Company's Annual General Meeting and to participate in the proceedings.

This statement is made in accordance with a resolution of the Board dated 17 July 2025.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act 2016 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and the profit or loss of the Group and of the Company for the financial year. As required by the Act and the Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements have been prepared in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Act.

The Directors consider that in preparing the financial statements for the financial year ended 31 March 2025 set out on pages 80 to 143, the Group has used the appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates. The Directors have responsibility for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company which enable them to ensure that the financial statements comply with the Act. The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board of Directors (“Board”) of Emico Holdings Berhad is pleased to provide the following Statement on Risk Management and Internal Control (“Statement”) of Emico Holdings Berhad and its subsidiaries (“the Group”).

The Statement also takes into consideration the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“Internal Control Guidance”), a publication issued by Bursa Securities on the issuance of a statement about the state of risk management and internal control and the Malaysian Code on Corporate Governance.

BOARD RESPONSIBILITY

The Board recognises that proper risk management and internal control are important aspects of a company’s governance, management and operations. The Board is responsible for the adequacy and effectiveness of the Group’s risk management and internal control system. This system is designed to ensure the Group’s key areas of risks are managed within an acceptable level in order to increase the likelihood that the Group’s policies and business objectives will be achieved. Accordingly, it can only provide reasonable and not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

There is regular review of this process by the Board to ensure the effectiveness, adequacy and integrity of risk management and internal control system to safeguard the Group’s assets as guided by the Internal Control Guidance.

RISK MANAGEMENT FRAMEWORK

The Group has in place an ongoing process for identifying, evaluating and managing significant risks faced by the Group.

The Audit & Risk Management Committee (“ARMC”) is responsible to review the adequacy and effectiveness of the internal control systems of the Group. Its main role in risk management is to review, on behalf of the Board, the system of internal control necessary to manage the significant risks faced by the Group and to present its findings to the Board.

The ARMC is assisted by the internal auditors, whose role is to review the internal control systems.

The Risk Management Working Group has been established with the responsibility to manage identified risks within defined parameters. Meetings are held at least once quarterly to discuss key operational issues, business performance matters including risks and related mitigating responses, when necessary. The risks discussed involved operational risks, financial risks, environmental risks, information technology risks, regulatory risks, strategic risks, integrity risks and human resource risks. Any significant risks will be communicated to the ARMC members and escalated to the Board for their attention.

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function and is committed to articulating, implementing and reviewing the Group’s internal control system. The Group has engaged the services of an independent professional consulting firm as internal auditors to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group’s internal control system.

The internal audit function provides assurance on the effectiveness of the risk management and internal control system through regular monitoring and reviewing of the internal control processes across the Group.

The annual internal audit plan is reviewed and approved by the ARMC. The scope of the audit plan encompasses the frequency and extent on the review of operational procedures of the Business units throughout the Group.

Internal audit visits are undertaken to evaluate the adequacy and effectiveness of the risk management and internal control system, make recommendations for improvements to the system of internal control and ensure that the said recommendations are implemented expeditiously. Significant audit findings are tabled at the ARMC meeting for deliberation. The Management is responsible for ensuring that appropriate actions were implemented accordingly.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY ELEMENTS ON INTERNAL CONTROL SYSTEM

Apart from risk management and internal audit, the Group has put in place the following key elements of internal control:

- Organisation structure with defined scopes of responsibility, clear lines of accountability, and appropriate levels of delegated authority;
- Documented internal policies and procedures for operational, financial and human resource management, which is subject to regular review and improvement;
- Comprehensive business planning and budgeting process where operating units prepare budgets for the coming year which are approved both at operating unit level and by the Board;
- Monthly monitoring of results against budget, with major variances being followed up and management action taken, where necessary;
- Anti-Corruption Policy & Procedures, Code of Ethics & Conduct and Whistleblowing Policy have been established and disclosed on Emico Holding Berhad's website to guide staff members, employees and business associates in taking appropriate measures and steps to prevent association with bribery and corruption activities;
- Regular Board and ARMC meetings; and
- Visit to operating units by members of the Board and Senior Management.

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

The external auditors had reviewed this Statement in accordance to Paragraph 15.23 of the MMLR of Bursa Securities. The review of this Statement by external auditors was performed in accordance with Malaysian Approved Standard on Assurance Engagement, ISAE 3000 (Revised), *Assurance Engagements Other than Auditors or Reviews of Historical Financial Information* and Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by Malaysian Institute of Accountants ("MIA"). Based on their review, the external auditors had reported to the Board that nothing had come to their attention that caused them to believe that this Statement on Risk Management and Internal Control is not, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

CONCLUSION

The Board is of the view that the risk management and internal control systems are in place and satisfactory for the financial year under review and up to the date of this Statement for inclusion in the Annual Report. It has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's Annual Report.

The Board has received assurance from the Executive Chairman and the Executive Director that to the best of their knowledge that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, throughout the financial year under review and up to the date of this Statement.

The Board recognises that the development of risk management and internal control system is an ongoing process. Therefore, the Board will continue to improve and enhance the systems of internal control and risk management.

This Statement is made in accordance with the resolution of the Board dated 17 July 2025.



ADDITIONAL COMPLIANCE INFORMATION

This information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

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) ("Placement Shares") to third party investor(s) to be identified at a later date and at an issue price to be determined later ("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.

On 6 November 2024, Bursa Securities has approved the application for an extension of time until 22 May 2025 to complete the implementation of the Proposed Private Placement.

As at 31 March 2025, the status of the utilisation of the gross proceeds from the first tranche of the private placement is as follows:

Details of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Utilisation %
Working capital	1,389	1,389	0%
Estimated expenses in relation to the Proposed private placement	120	120	0%
	1,509	1,509	

On 21 April 2025, the Board had fixed the issue price for the second and final tranche of the Proposed Private Placement comprising 5,500,000 Placement Shares at RM0.193 per Placement Share. The second and final tranche of the Placement Shares was listed on Bursa Securities on 28 April 2025.

On 28 April 2025, the Company had completed the Private Placement.

As at 17 July 2025, the status of the utilization of the gross proceeds from the second and final tranche of the private placement is as follows:

Details of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Utilisation %
Working capital	1,062	1,062	0%
	1,062	1,062	

ADDITIONAL COMPLIANCE INFORMATION

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fee paid and payable for services rendered to the Company and the Group for the financial year ended 31 March 2025 by the Company's external auditors, or a firm or corporation affiliated to the external auditors are as follows:

- a) Audit fees incurred on a group basis is RM145,415.
- b) The amount of non-audit fees incurred on a group basis is RM37,800.

3. MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS' INTEREST

Other than those related party transactions disclosed in Note 29 to the Financial Statements, there are no material contracts entered into by the Company and its subsidiaries involving directors and major shareholders' interest, either subsisting at the end of the financial year or entered into since the previous financial year.

4. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The shareholders of the Company had via its Extraordinary General Meeting held on 28 November 2019 approved up to 15% of the total issued and paid-up share capital of the Company at any point of time during the duration of the ESOS. The ESOS is for a duration of five years commencing from the date of implementation on 10 January 2020. On 6 January 2025, the Board has approved the extension of the existing ESOS which will be expiring on 9 January 2025 for a further term of five years until 9 January 2030 on the same terms and conditions as mentioned in the By-Laws.

During FY2025, the total number of ESOS granted, exercised, forfeited and outstanding are set out below:

Description	Number of options
Outstanding options as at 1 April 2024	8,786,138
Granted during the financial year	-
Exercised during the financial year	(1,436,215)
Forfeited during the financial year	(1,138,500)
Outstanding options as at 31 March 2025	6,211,423

The total number of options granted to the Directors, Senior Management and other eligible employees, and outstanding options as at 31 March 2025 was set out in the table below:

For the financial year ended 31 March 2025	Directors	Senior Management	Other eligible employees	Total
Number of options granted	2,541,215	5,373,000	11,533,793	19,448,008
Number of options exercised	(2,541,215)	(3,863,000)	(4,574,770)	(10,978,985)
Number of options forfeited	-	-	(2,257,600)	(2,257,600)
Number of options outstanding	-	1,510,000	4,701,423	6,211,423

The total percentage of options granted to the Directors and Senior Management is 40.69%.

The number of options granted to Independent Non-Executive and Non-Independent Non-Executive Directors in respect of the financial year ended 31 March 2025 was as follows:

Director	Number of options granted
Ng Hong Kiat @ Ng Han Kiat	-
Kee Chei Hen	-
Dato' Jimmy Ong Chin Keng	-



DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding. The principal activities of the subsidiaries are mainly manufacturing and trading of consumer products, property development and investment holding.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

RESULTS

	Group RM	Company RM
Loss for the financial year	<u>(1,139,507)</u>	<u>(1,263,967)</u>
Loss attributable to:		
Owners of the parent	(1,105,514)	(1,263,967)
Non-controlling interests	<u>(33,993)</u>	<u>0</u>
	<u>(1,139,507)</u>	<u>(1,263,967)</u>

DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend any payment of dividend for the current financial year.

RESERVES AND PROVISIONS

Material transfers to or from reserves or provisions during the financial year include the following:

	Group and Company RM
Issuance of ordinary shares pursuant to options exercised under Employees' Share Option Scheme ("ESOS")	(173,248)
Transfer of share option reserve to retained earnings upon lapse of ESOS options	<u>(62,082)</u>

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up ordinary shares of the Company was increased from 125,661,891 to 131,998,106 by ways of issuance of 6,336,215 new ordinary shares pursuant to the following:

- (i) private placement of 4,900,000 new ordinary shares at RM0.308 per ordinary share for cash; and
- (ii) 1,436,215 options exercised under Employees' Share Option Scheme ("ESOS") at an average exercise price of RM0.2340 per ordinary share for cash.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

The Company did not issue any debentures during the financial year.

DIRECTORS' REPORT

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Employees' Share Option Scheme ("ESOS") of the Company came into effect on 10 January 2020. The ESOS shall be in force for a period of five (5) years until 9 January 2025 ("the option period"). On 6 January 2025, the Directors have extended the ESOS of the Company for another five (5) years until 9 January 2030 on the same terms and conditions as mentioned in the By-Laws. The main features of the ESOS are as follows:

- (a) Executive Directors and confirmed employees of the Group who have served at least one (1) year of continuous services are eligible under the ESOS;
- (b) The maximum number of new shares which may be issued and allotted pursuant to the exercise of the Options shall not at any point in time in aggregate exceed 15% of the issued and paid-up capital of the Company (excluding treasury shares) at any point in time during the duration of the ESOS;
- (c) Not more than fifty percent (50%) of the total number of shares to be issued under the ESOS could be allocated, in aggregate to the Executive Directors and Senior Management of the Group;
- (d) Not more than ten percent (10%) of the total number of shares to be issued under the ESOS shall be allocated to any eligible person who, either singly or collectively through persons connected with the eligible person, holds twenty percent (20%) or more of the total number of issued shares of the Company (excluding treasury shares, if any);
- (e) The options granted may be exercised any time within the option period from the date of offer;
- (f) The option price of a new ordinary share under the ESOS shall be the five (5)-day volume weighted average price of the shares as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad ('Bursa Securities') immediately preceding the date of offer with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the ESOS;
- (g) The options granted are not entitled for any dividend, voting rights, allotment and/or other distribution declared, made or paid to shareholders unless the new shares so allotted have been credited to the relevant securities accounts of the shareholders maintained by the Bursa Depository before the entitlement date and will be subjected to all provisions of the Constitution relating to the transfer, transmission and otherwise; and
- (h) The ESOS Committee may at any time and from time to time recommend to the Board of Directors any modification, variation and/or amendment of the By-Laws as it shall at its discretion think fit and the Board of Directors shall have the power at any time and from time to time by resolution to make any modification, variation and/or amendment of the By-Laws upon such recommendation and subject to the Company submitting the amended By-Laws and a letter of compliance to Bursa Securities (within five (5) market days after the effective date of the modification, variation and/or amendment of the By-Laws) each time any modification, variation and/or amendment is made, stating that the said modification, variation and/or amendment is in compliance with the provisions of the Listing Requirements pertaining to the ESOS and the Rules of Bursa Depository.

The number of unissued ordinary shares under options was as follows:

Grant date	Option price	Number of options over ordinary shares				
		Balance as at 1.4.2024	Exercised	Forfeited*	Balance as at 31.3.2025 [^]	Exercisable as at 31.3.2025
25 March 2020	RM0.0765	645,600	0	(141,000)	504,600	504,600
23 March 2022	RM0.2298	7,242,688	(1,136,215)	(982,500)	5,123,973	5,123,973
18 July 2023	RM0.2501	897,850	(300,000)	(15,000)	582,850	582,850
		<u>8,786,138</u>	<u>(1,436,215)</u>	<u>(1,138,500)</u>	<u>6,211,423</u>	<u>6,211,423</u>

* Due to resignation

[^] Exercisable by the grantee upon achieving the vesting conditions set by ESOS Committee



DIRECTORS' REPORT

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Emico Holdings Berhad

Lim Teck Chye *
Ng Hong Kiat @ Ng Han Kiat
Dato' Jimmy Ong Chin Keng *
Kee Chei Hen
Lim Lay Khim *

* These Directors of the Company are also Directors of subsidiaries of the Company.

Subsidiaries of Emico Holdings Berhad (Excluding those Directors listed above)

Darren Lim Yan Da
Mohd Azab Bin Jasmi

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year ended 31 March 2025 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	← Number of ordinary shares →			Balance as at 31-3-2025
	Balance as at 1-4-2024	Bought/ Exercised	Sold	
Shares in the Company				
<u>Direct interests:</u>				
Lim Teck Chye	26,828,247	521,215	0	27,349,462
Lim Lay Khim	737,000	0	0	737,000
Dato' Jimmy Ong Chin Keng	960,000	0	0	960,000
Kee Chei Hen	2,000	0	0	2,000
<u>Indirect interest:</u>				
Lim Teck Chye *	2,962,312	375,000	0	3,337,312

* Deemed interest held through family members.

By virtue of Section 8(4) of the Companies Act 2016 in Malaysia, Lim Teck Chye is deemed to be interested in the ordinary shares of all the subsidiaries to the extent the Company has an interest.

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONT'D)

The interest and deemed interests in the ordinary shares of its non-wholly owned subsidiaries, held by Lim Teck Chye and Dato' Jimmy Ong Chin Keng at the end of the financial year were as follows:

	Number of ordinary shares			
	Balance as at 1-4-2024	Bought/ Exercised	Sold	Balance as at 31-3-2025
Subsidiary, NEB Development Berhad				
<u>Direct interest:</u>				
Lim Teck Chye	1,000,000	0	0	1,000,000
Subsidiary, Mercu Tanah Langkawi Sdn. Bhd.				
<u>Direct interest:</u>				
Dato' Jimmy Ong Chin Keng	40,000	0	0	40,000

	Number of options over ordinary shares			Balance as at 31-3-2025
	Balance as at 1-4-2024	Granted	Exercised	
Share options in the Company				
Lim Teck Chye	521,215	0	(521,215)	0
Lim Lay Khim	325,000	0	0	325,000

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors has received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the following:

- (a) certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which certain Directors have substantial financial interests; and
- (b) certain Directors who received remuneration from the subsidiaries as Directors of the subsidiaries.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the share options granted pursuant to the ESOS as disclosed above.



DIRECTORS' REPORT

DIRECTORS' REMUNERATION

The fees and other benefits of the Directors who held office during the financial year ended 31 March 2025 are as follows:

	Group RM	Company RM
Director's fee	150,000	150,000
Salaries, bonuses and allowances	754,830	584,250
Contribution to defined contribution plans	86,026	61,200
Social security contribution	3,218	1,609
Other emoluments	59,171	43,824
	1,053,245	840,883

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors.

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and the officers of the Group and of the Company are RM7,500,000 and RM16,625 respectively.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
- (i) there has not arisen any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (CONT'D)

- (d) In the opinion of the Directors: (Cont'd)
- (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 21 April 2025, the Board fixed the issue price for the second and final tranche of the Proposed Private Placement comprising 5,500,000 Placement Shares at RM0.193 per Placement Share. The second and final tranche of the Placement Shares was listed on Bursa Securities on 28 April 2025, and the private placement was accordingly completed.

SUBSIDIARIES

Details of the subsidiaries are as follows:

Name of Company	Country of incorporation/ Principal place of business	Interest in equity held by				Principal activities
		Company		Subsidiaries		
		2025 %	2024 %	2025 %	2024 %	
Emico Penang Sdn. Bhd.	Malaysia	100	100	0	0	Manufacturing of original equipment manufacturer products, awards, trophy components, medallions, souvenir, gift items, furniture products and general trading
Emico Development Sdn. Bhd.	Malaysia	100	100	0	0	Investment holding and property development
NEB Development Berhad	Malaysia	60	60	0	0	Dormant
Mercu Tanah Langkawi Sdn. Bhd.	Malaysia	71	71	0	0	Investment holding
Emico Marketing Sdn. Bhd.	Malaysia	100	100	0	0	Dormant
Emico Tools Sdn. Bhd.	Malaysia	0	100	0	0	Dormant
Emico Capital Sdn. Bhd.	Malaysia	0	100	0	0	Dormant
Emico Newk Sdn. Bhd.	Malaysia	0	100	0	0	Dormant



DIRECTORS' REPORT

SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

Name of Company	Country of incorporation/ Principal place of business	Interest in equity held by				Principal activities
		Company 2025 %	2024 %	Subsidiaries 2025 %	2024 %	
<u>Subsidiaries of Emico Penang Sdn. Bhd.</u>						
Emico Asia Sdn. Bhd.	Malaysia	0	0	100	100	Trading of houseware and furniture
Bayan Greentech Sdn. Bhd.	Malaysia	0	0	0	79	Agriculture activities for urban farming and waste management system
<u>Subsidiaries of Emico Marketing Sdn. Bhd.</u>						
Emico Metalizing Sdn. Bhd.	Malaysia	0	0	100	100	Dormant
Emico Melaka Sdn. Bhd.	Malaysia	0	0	0	51	Dormant
<u>Subsidiaries of NEB Development Sdn. Bhd.</u>						
NEB Pacific Sdn. Bhd.	Malaysia	0	0	0	100	Dormant
Unic Builders Sdn. Bhd.	Malaysia	0	0	0	100	Dormant
<u>Subsidiary of Mercu Tanah Langkawi Sdn. Bhd.</u>						
Operasi Tembaga Sdn. Bhd.	Malaysia	0	0	70	70	Investment holding
<u>Subsidiary of Operasi Tembaga Sdn. Bhd.</u>						
PKB-Operasi Tembaga Sdn. Bhd.	Malaysia	0	0	80	80	Property development
<u>Subsidiary of Emico Asia Sdn. Bhd.</u>						
Emico Co. Ltd.	People's Republic of China	0	0	100	100	Marketing of awards, trophy components, souvenir items and general trading

DIRECTORS' REPORT

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and of the Company for the financial year ended 31 March 2025 were as follows:

	Group RM	Company RM
Statutory Audit	145,415	60,000
Other services	4,500	3,100
	<u>149,915</u>	<u>63,100</u>

Signed on behalf of the Board in accordance with a resolution of the Directors.

Lim Teck Chye

Director

Lim Lay Khim

Director

Penang
17 July 2025



STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 80 to 143 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Lim Teck Chye

Director

Lim Lay Khim

Director

Penang
17 July 2025

STATUTORY DECLARATION

I, Lim Teck Chye, being the Director primarily responsible for the financial management of Emico Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 80 to 143 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed at Georgetown in the State
of Penang this 17 July 2025

Lim Teck Chye

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EMICO HOLDINGS BERHAD
(Registration No. 199101020015 (230326-D))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Emico Holdings Berhad, which comprise the statements of financial position as at 31 March 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 80 to 143.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ('MFRSs'), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of trade receivables

The net carrying amount of trade receivables of RM7,525,541 has been disclosed in Note 13 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables, appropriate forward-looking information, significant increase in credit risk, and estimated cash flows recoverable in worst-case scenarios.

Audit response

Our audit procedures included the following:

- (a) Recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group;
- (b) Recomputed the correlation coefficient between the macroeconomic indicators set by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group;
- (c) Inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses; and
- (d) Evaluated the basis by management for determining cash flows recoverable in worst-case scenarios.

We have determined that there are no key audit matters to communicate in our report of the audit of the financial statements of the Company.



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EMICO HOLDINGS BERHAD
(Registration No. 199101020015 (230326-D))
(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EMICO HOLDINGS BERHAD
(Registration No. 199101020015 (230326-D))
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Tan Chee Hean
03661/04/2026 J
Chartered Accountant

Penang
17 July 2025



STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	19,880,091	16,844,283	0	0
Right-of-use assets	6	12,979,184	10,780,249	0	0
Investment property	7	125,667	132,167	0	0
Intangible assets	8	551,552	551,552	0	0
Investments in subsidiaries	9	0	0	31,454,556	31,516,638
Investment in an associate	10	394,525	295,139	0	0
Deferred tax assets	11	395,800	406,800	0	0
Other receivables	13	0	0	4,600,899	4,874,104
		34,326,819	29,010,190	36,055,455	36,390,742
Current assets					
Inventories	12	48,915,159	40,042,871	0	0
Trade and other receivables	13	13,023,275	11,899,006	1,945,320	994,668
Current tax assets		1,053,192	401,436	0	0
Cash and bank balances	14	2,139,559	7,405,438	18,293	41,240
		65,131,185	59,748,751	1,963,613	1,035,908
TOTAL ASSETS		99,458,004	88,758,941	38,019,068	37,426,650
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	15	26,260,165	24,241,585	26,260,165	24,241,585
Reserves	16	15,920,409	16,089,595	747,141	982,471
Retained earnings		10,824,654	11,953,985	2,674,242	3,938,209
		53,005,228	52,285,165	29,681,548	29,162,265
Non-controlling interests	9(d)	8,380,926	8,329,020	0	0
TOTAL EQUITY		61,386,154	60,614,185	29,681,548	29,162,265

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
LIABILITIES					
Non-current liabilities					
Borrowings	17	5,442,130	3,619,140	0	0
Lease liabilities	6	3,706,171	1,551,166	0	0
Deferred tax liabilities	11	5,532,142	5,400,076	0	0
Other payables	18	0	0	6,892,555	6,878,558
		14,680,443	10,570,382	6,892,555	6,878,558
Current liabilities					
Trade and other payables	18	12,621,272	10,065,371	1,318,865	1,259,727
Contract liability	19	693,783	0	0	0
Borrowings	17	8,513,963	5,896,741	0	0
Lease liabilities	6	1,434,780	1,048,711	0	0
Current tax liabilities		127,609	563,551	126,100	126,100
		23,391,407	17,574,374	1,444,965	1,385,827
TOTAL LIABILITIES		38,071,850	28,144,756	8,337,520	8,264,385
TOTAL EQUITY AND LIABILITIES		99,458,004	88,758,941	38,019,068	37,426,650

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	21	57,563,853	61,017,184	492,000	492,000
Other income	22	1,167,230	2,393,225	50,340	2,221,452
Property development expenditure recognised		(117,122)	(333,462)	0	0
Changes in inventories of finished goods and work-in-progress		2,626,236	2,367,173	0	0
Purchase of finished goods		(15,105,334)	(17,307,808)	0	0
Raw materials and consumables used		(22,009,884)	(20,157,517)	0	0
Employee benefits expense	23	(12,092,503)	(11,782,377)	(840,883)	(848,024)
Depreciation of property, plant and equipment	5	(1,621,545)	(1,269,138)	0	0
Depreciation of right-of-use assets	6	(1,879,254)	(1,815,921)	0	0
Amortisation of investment property	7	(6,500)	(6,500)	0	0
Amortisation of intangible assets	8	0	(9,000)	0	0
Finance costs	25	(717,259)	(627,106)	0	(447,032)
Net losses on impairment of trade and other receivables	13	(373,486)	(184,764)	(566,893)	(109,665)
Share of result of an associate, net of tax	10(d)	99,386	122,135	0	0
Other expenses		(7,840,280)	(6,883,293)	(398,531)	(230,068)
(Loss)/Profit before tax		(306,462)	5,522,831	(1,263,967)	1,078,663
Tax expense	26	(833,045)	(2,788,171)	0	0
(Loss)/Profit for the financial year		(1,139,507)	2,734,660	(1,263,967)	1,078,663

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Other comprehensive (loss)/income, net of tax					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translations		66,144	(16,387)	0	0
Total comprehensive (loss)/income		(1,073,363)	2,718,273	(1,263,967)	1,078,663
(Loss)/Profit attributable to:					
Owners of the parent		(1,105,514)	2,858,094	(1,263,967)	1,078,663
Non-controlling interests	9(d)	(33,993)	(123,434)	0	0
		(1,139,507)	2,734,660	(1,263,967)	1,078,663
Total comprehensive (loss)/income attributable to:					
Owners of the parent		(1,039,370)	2,841,707	(1,263,967)	1,078,663
Non-controlling interests	9(d)	(33,993)	(123,434)	0	0
		(1,073,363)	2,718,273	(1,263,967)	1,078,663
(Loss)/Earnings per ordinary share attributable to equity holders of the Company (Sen):					
Basic	28(a)	(0.840)	2.290		
Diluted	28(b)	*	2.250		

* Diluted loss per ordinary share equal basic loss per ordinary share as the effect on the basic loss per ordinary share is anti-dilutive.



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

Group	Note	Share capital RM	Revaluation reserve RM	Share option reserve RM	Exchange translation reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non- controlling interests RM	Total equity RM
Balance as at 1 April 2023		23,523,647	15,080,038	880,255	43,473	9,929,260	49,456,673	8,619,085	58,075,758
Profit for the financial year		0	0	0	0	2,858,094	2,858,094	(123,434)	2,734,660
Foreign currency translations		0	0	0	(16,387)	0	(16,387)	0	(16,387)
Total comprehensive income		0	0	0	(16,387)	2,858,094	2,841,707	(123,434)	2,718,273
Transactions with owners									
Issuance of ordinary shares pursuant to options exercised under ESOS	15	717,938	0	(245,774)	0	0	472,164	0	472,164
Share options vested under ESOS		0	0	347,990	0	0	347,990	0	347,990
Acquisition of equity interest from non-controlling interest		0	0	0	0	(833,369)	(833,369)	(166,631)	(1,000,000)
Total transactions with owners		717,938	0	102,216	0	(833,369)	(13,215)	(166,631)	(179,846)
Balance as at 31 March 2024		24,241,585	15,080,038	982,471	27,086	11,953,985	52,285,165	8,329,020	60,614,185



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

Group	Note	Share capital RM	Revaluation reserve RM	Share option reserve RM	Exchange translation reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non- controlling interests RM	Total equity RM
Balance as at 1 April 2024		24,241,585	15,080,038	982,471	27,086	11,953,985	52,285,165	8,329,020	60,614,185
Loss for the financial year		0	0	0	0	(1,105,514)	(1,105,514)	(33,993)	(1,139,507)
Foreign currency translations		0	0	0	66,144	0	66,144	0	66,144
Total comprehensive loss		0	0	0	66,144	(1,105,514)	(1,039,370)	(33,993)	(1,073,363)
Transactions with owners									
Issuance of ordinary shares pursuant to private placement	15	1,509,200	0	0	0	0	1,509,200	0	1,509,200
Issuance of ordinary shares pursuant to options exercised under ESOS	15	509,380	0	(173,248)	0	0	336,132	0	336,132
Transfer of share option reserve to retained earnings upon lapse of ESOS options		0	0	(62,082)	0	62,082	0	0	0
Reduction of interest upon winding up of subsidiaries		0	0	0	0	(85,899)	(85,899)	85,899	0
Total transactions with owners		2,018,580	0	(235,330)	0	(23,817)	1,759,433	85,899	1,845,332
Balance as at 31 March 2025		26,260,165	15,080,038	747,141	93,230	10,824,654	53,005,228	8,380,926	61,386,154



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

Company	Note	Share capital RM	Share option reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 April 2023		23,523,647	880,255	2,859,546	27,263,448
Profit for the financial year		0	0	1,078,663	1,078,663
Other comprehensive income, net of tax		0	0	0	0
Total comprehensive income		0	0	1,078,663	1,078,663
Transactions with owners					
Issuance of ordinary shares pursuant to options exercised under ESOS	15	717,938	(245,774)	0	472,164
Share options vested under ESOS		0	347,990	0	347,990
Total transactions with owners		717,938	102,216	0	820,154
Balance as at 31 March 2024		24,241,585	982,471	3,938,209	29,162,265



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

Company	Note	Share capital RM	Share option reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 April 2024		24,241,585	982,471	3,938,209	29,162,265
Loss for the financial year		0	0	(1,263,967)	(1,263,967)
Other comprehensive loss, net of tax		0	0	0	0
Total comprehensive loss		0	0	(1,263,967)	(1,263,967)
Transactions with owners					
Issuance of ordinary shares pursuant to private placement	15	1,509,200	0	0	1,509,200
Issuance of ordinary shares pursuant to options exercised under ESOS	15	509,380	(173,248)	0	336,132
Transfer of share option reserve upon lapse of ESOS options		0	(62,082)	0	(62,082)
Total transactions with owners		2,018,580	(235,330)	0	1,783,250
Balance as at 31 March 2025		26,260,165	747,141	2,674,242	29,681,548

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/Profit before tax		(306,462)	5,522,831	(1,263,967)	1,078,663
Adjustments for:					
Amortisation of:					
- Intangible assets	8	0	9,000	0	0
Depreciation of:					
- Property, plant and equipment	5	1,621,545	1,269,138	0	0
- Right-of-use assets	6	1,879,254	1,815,921	0	0
- Investment property	7	6,500	6,500	0	0
Fair value loss/(gain) on non-current amounts owing to subsidiaries		0	0	13,997	(211,645)
Gain on disposal of:					
- property, plant and equipment	22	(25,565)	0	0	0
- right-of-use assets	22	0	(124,999)	0	0
Gain on lease termination	6(g)	(269)	0	0	0
Impairment losses on:					
- Trade receivables	13(l)	461,507	232,247	0	0
- Other receivables	13(m)	0	79,489	566,893	109,665
Interest expense	25	717,259	627,106	0	0
Interest income	22	(40,940)	(137,628)	0	0
Deposit written off		8,446	0	0	0
Property, plant and equipment written off	5	11,537	52,972	0	0
Intangible asset written off	8	0	15,000	0	0
Inventories written down	12(f)	0	336,282	0	0
Inventories written off	12(f)	0	26,410	0	0
Balance carried forward		4,332,812	9,730,269	(683,077)	976,683

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)					
Balance brought forward		4,332,812	9,730,269	(683,077)	976,683
Reversal of impairment losses on:					
- Trade receivables	13(l)	(85,267)	(124,101)	0	0
- Other receivables	13(m)	(2,754)	(2,871)	0	0
Share of result of an associate	10(d)	(99,386)	(122,135)	0	0
Share options vested under ESOS	23	0	347,990	0	0
Unrealised loss/(gain) on foreign exchange		178,495	(12,396)	0	0
Waiver of debts		0	0	0	(2,009,807)
Operating profit/(loss) before changes in working capital		4,323,900	9,816,756	(683,077)	(1,033,124)
Changes in working capital:					
- Inventories		(8,872,288)	(3,331,884)	0	0
- Trade and other receivables		(1,644,731)	427,504	0	375,676
- Trade and other payables		2,579,580	(275,920)	59,138	197,129
- Contract liability		693,783	0	0	0
Cash (used in)/from operations		(2,919,756)	6,636,456	(623,939)	(460,319)
Interest received		40,940	137,628	0	0
Tax paid		(1,812,405)	(1,747,366)	0	0
Tax refunded		35,970	157,145	0	0
Net cash (used in)/from operating activities		(4,655,251)	5,183,863	(623,939)	(460,319)



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of					
- Property, plant and equipment		32,129	1	0	0
- Right-of-use assets		0	125,000	0	0
Purchase of:					
- Property, plant and equipment	5	(4,675,454)	(3,677,202)	0	0
- Right-of-use assets	6(h)	0	(58,000)	0	0
Advances to subsidiaries		0	0	(1,244,340)	0
Acquisition of share from non-controlling interest	9(c)	0	(1,000,000)	0	0
Net cash used in investing activities		(4,643,325)	(4,610,201)	(1,244,340)	0
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of borrowings		17,947,303	14,284,542	0	0
Interest paid		(473,294)	(440,637)	0	0
Proceeds from issuance of ordinary shares pursuant to:					
- Private placement	15	1,509,200	0	1,509,200	0
- ESOS		336,132	472,164	336,132	472,164
Repayments of:					
- Borrowings		(15,254,001)	(14,784,054)	0	0
- Lease liabilities	6	(1,780,811)	(1,895,969)	0	0
Net cash from/(used in) financing activities		2,284,529	(2,363,954)	1,845,332	472,164
Net (decrease)/increase in cash and cash equivalents		(7,014,047)	(1,790,292)	(22,947)	11,845
Effects of exchange rate changes		1,258	(23,993)	0	0
Cash and cash equivalents at beginning of financial year		7,310,635	9,124,920	41,240	29,395
Cash and cash equivalents at end of financial year	14(d)	297,846	7,310,635	18,293	41,240

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities (Note 6) RM	Banker's acceptance (Note 17) RM	Term loans (Note 17) RM
Group			
Balance as at 1 April 2024	2,599,877	4,634,000	4,881,881
Cash flows			
- Repayments during the financial year	(1,780,811)	(14,307,389)	(946,612)
- Drawdown of borrowings	0	14,263,955	3,683,348
Non-cash flows:			
- Addition of right-of-use assets	4,094,907	0	0
- Lease terminations	(16,987)	0	0
- Unwinding of interest	243,965	0	0
Balance as at 31 March 2025	5,140,951	4,590,566	7,618,617
Balance as at 1 April 2023	3,185,751	5,037,000	4,978,393
Cash flows			
- Repayments during the financial year	(1,895,969)	(14,039,369)	(744,685)
- Drawdown of borrowings	0	13,636,369	648,173
Non-cash flows:			
- Addition of right-of-use assets	1,123,626	0	0
- Unwinding of interest	186,469	0	0
Balance as at 31 March 2024	2,599,877	4,634,000	4,881,881

The accompanying notes form an integral part of the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 51-21-A, Menara BHL, Jalan Sultan Ahmad Shah, 10050 Penang.

The principal place of business of the Company is located at 18, Lebuhraya Kampung Jawa, 11900 Bayan Lepas, Penang.

The consolidated financial statements for the financial year ended 31 March 2025 comprise the financial statements of the Company and its subsidiaries and the interest of the Group in an associate. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 17 July 2025.

2. PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding. The principal activities and the details of the subsidiaries are disclosed in Note 9 to the financial year.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 33.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

4. OPERATING SEGMENTS

Emico Holdings Berhad is principally involved in investment holding and its subsidiaries are principally engaged in manufacturing, trading of consumer products and property development.

Emico Holdings Berhad has arrived at three (3) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

- | | |
|---------------------------|---|
| (i) Consumer products | - Manufacturing and trading of consumer products |
| (ii) Property development | - Development of land into residential and commercial buildings |
| (iii) Investment holding | |

The Group evaluates performance on the basis of profit or loss from operations before tax.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial year.

Segment assets exclude tax assets and segment liabilities exclude tax liabilities.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

4. OPERATING SEGMENTS (CONT'D)

(a) Business segment

	Consumer products RM	Property development RM	Investment holding RM	Group RM
2025				
Revenue				
Total revenue	57,397,853	166,000	492,000	58,055,853
Inter/Intra-segment revenue	0	0	(492,000)	(492,000)
Revenue from external customers	57,397,853	166,000	0	57,563,853
Interest income	31,160	9,780	0	40,940
Finance costs	(687,745)	(29,514)	0	(717,259)
Net finance expense	(656,585)	(19,734)	0	(676,319)
Depreciation and amortisation	(3,466,447)	(40,852)	0	(3,507,299)
Segment profit/(loss) before tax	682,862	(393,482)	(595,842)	(306,462)
Tax expense	(815,779)	(17,266)	0	(833,045)
Other non-cash items:				
- gain on disposal of property, plant and equipment	25,565	0	0	25,565
- impairment losses on trade receivables	(461,507)	0	0	(461,507)
- property, plant and equipment written off	(11,537)	0	0	(11,537)
- reversal of impairment losses on trade and other receivables	88,021	0	0	88,021
- unrealised loss on foreign exchange	(178,495)	0	0	(178,495)
Additions to non-current assets other than financial instruments and deferred tax assets	8,756,862	13,499	0	8,770,361
Segment assets	61,701,988	35,716,643	590,381	98,009,012
Segment liabilities	27,315,039	4,730,962	366,098	32,412,099



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

4. OPERATING SEGMENTS (CONT'D)

(a) Business segment (Cont'd)

	Consumer products RM	Property development RM	Investment holding RM	Group RM
2024				
Revenue				
Total revenue	61,035,690	0	492,000	61,527,690
Inter/Intra-segment revenue	(18,506)	0	(492,000)	(510,506)
Revenue from external customers	61,017,184	0	0	61,017,184
Interest income	126,466	11,162	0	137,628
Finance costs	(146,066)	(34,008)	(447,032)	(627,106)
Net finance expense	(19,600)	(22,846)	(447,032)	(489,478)
Depreciation and amortisation	(3,041,808)	(58,751)	0	(3,100,559)
Segment profit/(loss) before tax	5,228,596	(792,902)	1,087,137	5,522,831
Tax expense	(2,863,234)	75,063	0	(2,788,171)
Other non-cash items:				
- gain on disposal of right-of-use assets	0	124,999	0	124,999
- impairment losses on trade and other receivables	(262,720)	(49,016)	0	(311,736)
- intangible asset written off	(15,000)	0	0	(15,000)
- inventories written down	0	(336,282)	0	(336,282)
- inventories written off	(26,410)	0	0	(26,410)
- property, plant and equipment written off	52,972	0	0	52,972
- reversal of impairment losses on trade and other receivables	126,972	0	0	126,972
- net of unrealised gain on foreign exchange	12,396	0	0	12,396
Additions to non-current assets other than financial instruments and deferred tax assets	4,853,629	5,199	0	4,858,828
Segment assets	57,346,114	29,991,173	613,418	87,950,705
Segment liabilities	19,468,559	2,406,402	306,168	22,181,129

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

4. OPERATING SEGMENTS (CONT'D)

(b) Reconciliations

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

	2025 RM	2024 RM
Revenue		
Total revenue for reportable segments	58,055,853	61,527,690
Elimination of inter/intra-segment revenue	(492,000)	(510,506)
Revenue of the Group per statements of profit or loss and other comprehensive income	57,563,853	61,017,184
(Loss)/Profit for the financial year		
Total (loss)/profit before tax for reportable segments	(306,462)	5,522,831
Tax expense	(833,045)	(2,788,171)
(Loss)/Profit for the financial year	(1,139,507)	2,734,660
Assets		
Total assets for reportable segments	98,009,012	87,950,705
Tax assets	1,448,992	808,236
Assets of the Group per statements of financial position	99,458,004	88,758,941
Liabilities		
Total liabilities for reportable segments	32,412,099	22,181,129
Tax liabilities	5,659,751	5,963,627
Liabilities of the Group per statements of financial position	38,071,850	28,144,756

(c) Geographical information

The manufacturing facilities and sales offices of the Group are mainly based in Malaysia.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location from where the customers are originated. Segment assets are based on the geographical location of the assets of the Group. The non-current assets do not include deferred tax assets.

	2025 RM	2024 RM
Revenue from external customers		
Malaysia	10,301,892	10,110,023
Europe	34,210,410	39,342,410
Other countries	13,051,551	11,564,751
	57,563,853	61,017,184
Non-current assets		
Malaysia	33,931,019	28,603,390

(d) Major customers

Revenue from two (2) (2024: two (2)) major customers in the consumer products segment amounted to RM23,492,074 (2024: RM22,808,978) with revenue more than 10% of the Group's revenue.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	← At 31.3.2025 →		
	Cost RM	Accumulated depreciation RM	Carrying amount RM

Company

Office equipment, furniture and fittings	<u>10,450</u>	<u>(10,450)</u>	<u>0</u>
--	---------------	-----------------	----------

	← At 31.3.2024 →		
	Cost RM	Accumulated depreciation RM	Carrying amount RM

Company

Office equipment, furniture and fittings	<u>10,450</u>	<u>(10,450)</u>	<u>0</u>
--	---------------	-----------------	----------

- (a) All items of property, plant and equipment are initially measured at cost.

After initial recognition, property, plant and equipment except for buildings are stated at cost less any accumulated depreciation and any accumulated impairment losses. Buildings are stated at valuation, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The surplus arising from such revaluations is credited to shareholders' equity as a revaluation reserve, net of deferred tax, if any, and any subsequent deficit is offset against such surplus to the extent of a previous increase for the same property. In all other cases, the deficit would be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

- (b) Depreciation is calculated to write down the cost or valuation of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation annual periods and rates are as follows:

Buildings	22 - 50 years
Plant and machinery	10% - 20%
Moulds	10% - 20%
Motor vehicles	20% - 33%
Office equipment, furniture and fittings	8% - 20%
Electrical installation and renovation	10% - 20%

- (c) The buildings of the Group were revalued on 31 March 2023 by the Directors based on valuation exercises carried out in March 2023 by independent professional valuers using the open market value basis.

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amounts would have been:

	Group	
	2025 RM	2024 RM
Buildings	<u>6,483,624</u>	<u>6,772,757</u>



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (d) As at the end of the reporting period, the buildings with carrying amounts of RM10,548,153 (2024: RM11,014,897) of the Group are charged to local banks as securities for banking facilities as disclosed in Note 17 to the financial statements.
- (e) The fair value of buildings (at valuation) of the Group are categorised as Level 3 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
 - (i) Level 3 fair value of buildings (at valuation) was determined by an external and independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The fair value of buildings was derived using comparison method.

The comparison method of valuation entails separate valuations of the buildings to arrive at the market value of the subject property. Completed buildings are valued by reference to the current estimates on construction costs to erect equivalent buildings, taking into consideration of similar accommodation in term of building differences, improvements and amenities, time element and other relevant characteristics. Appropriate adjustments are then made for the factors of obsolescences, optimisation and existing physical condition of the buildings. The estimated fair value would be higher if the estimated replacement cost is lower and vice versa.

- (ii) The fair value measurements of the buildings (at valuation) are based on the highest and best use which does not differ from their actual use.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

Group	Balance as at 1.4.2024 RM	Additions RM	Depreciation charge for the financial year RM	Lease Terminations RM	Balance as at 31.3.2025 RM
Carrying amount					
Leasehold land at 2023 valuation	7,655,877	0	(347,994)	0	7,307,883
Plant and machinery	1,771,397	0	(259,263)	0	1,512,134
Office equipment	226,111	0	(124,054)	0	102,057
Motor vehicles	351,152	0	(111,533)	0	239,619
Rented premises	775,712	4,094,907	(1,036,410)	(16,718)	3,817,491
	10,780,249	4,094,907	(1,879,254)	(16,718)	12,979,184

Group	Balance as at 1.4.2023 RM	Additions RM	Depreciation charge for the financial year RM	Disposal RM	Balance as at 31.3.2024 RM
Carrying amount					
Leasehold land at 2023 valuation	8,000,000	0	(344,123)	0	7,655,877
Plant and machinery	1,421,004	570,000	(219,607)	0	1,771,397
Office equipment	379,245	0	(153,134)	0	226,111
Motor vehicles	527,705	0	(176,552)	(1)	351,152
Rented premises	1,086,591	611,626	(922,505)	0	775,712
	11,414,545	1,181,626	(1,815,921)	(1)	10,780,249



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Lease liabilities

Group	Balance as at 1.4.2024 RM	Additions RM	Lease terminations RM	Lease payments RM	Interest expense RM	Balance as at 31.3.2025 RM
Carrying amount						
Plant and machinery	1,081,780	0	0	(328,723)	61,518	814,575
Office equipment	191,935	0	0	(155,729)	6,503	42,709
Motor vehicles	502,418	0	0	(155,844)	20,846	367,420
Rented premises	823,744	4,094,907	(16,987)	(1,140,515)	155,098	3,916,247
	2,599,877	4,094,907	(16,987)	(1,780,811)	243,965	5,140,951

Group	Balance as at 1.4.2023 RM	Additions RM	Lease payments RM	Interest expense RM	Balance as at 31.3.2024 RM
Carrying amount					
Plant and machinery	901,001	512,000	(409,841)	78,620	1,081,780
Office equipment	363,248	0	(186,053)	14,740	191,935
Motor vehicles	791,548	0	(323,525)	34,395	502,418
Rented premises	1,129,954	611,626	(976,550)	58,714	823,744
	3,185,751	1,123,626	(1,895,969)	186,469	2,599,877



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Lease liabilities (Cont'd)

	Group	
	2025 RM	2024 RM
Represented by:		
Current liabilities	1,434,780	1,048,711
Non-current liabilities	3,706,171	1,551,166
	5,140,951	2,599,877
Lease liabilities owing to financial institutions	1,224,704	1,776,134
Lease liabilities owing to non-financial institutions	3,916,247	823,743
	5,140,951	2,599,877

- (a) The Group leases a number of properties, plant and machinery, office equipment and motor vehicles in the location which it operates. The leases of properties, plant and machinery, office equipment and motor vehicles comprise only fixed payments over the lease terms.
- (b) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets except for leasehold land are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities. Leasehold land are stated at valuation, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The surplus arising from such revaluations is credited to shareholders' equity as a revaluation reserve, net of deferred tax, if any, and any subsequent deficit is offset against such surplus to the extent of a previous increase for the same property. In all other cases, the deficit would be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

The right-of-use assets are depreciated on the straight line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease terms. The lease terms of right-of-use assets are as follows:

Leasehold land	22 - 23 years
Plant and machinery	5 years
Office equipment	3 - 5 years
Motor vehicles	5 - 9 years
Rented premises	1 - 5 years

- (c) The leasehold land of the Group was revalued on 31 March 2023 by the Directors based on valuation exercises carried out in March 2023 by independent professional valuers using the open market value basis.

Had the revalued asset been carried at cost less accumulated depreciation, the carrying amount would have been:

	Group	
	2025 RM	2024 RM
Leasehold land	2,839,635	2,973,426

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Lease liabilities (Cont'd)

- (d) The leasehold land with carrying amount of RM7,307,883 (2024: RM7,655,877) of the Group is charged to a local bank as securities for banking facilities as disclosed in Note 17 to the financial statements.
- (e) The fair value of leasehold land (at valuation) of the Group is categorised as Level 3 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (i) Level 3 fair value of leasehold land (at valuation) was determined by an external and independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The fair value of leasehold land was derived using comparison method.
- Under the comparison method of valuation, the land is valued by reference to transactions of similar lands in close proximity with adjustments made for differences in location, size and other relevant characteristics. The estimated fair value would be higher if the differential rate is lower and vice versa.
- (ii) The fair value measurements of the leasehold land (at valuation) is based on the highest and best use which does not differ from their actual use.
- (f) The Group has certain leases of assets with lease term of 12 months or less and low-value of leases of RM5,000 and below. The Group applies the 'short-term lease' and 'lease of low-value assets' exemptions for these leases.
- (g) The following are the amounts recognised in profit or loss:

	Group	
	2025 RM	2024 RM
Depreciation charge of right-of-use assets	1,879,254	1,815,921
Interest expense on lease liabilities (included in finance costs)	243,965	186,469
Expense relating to short-term leases and leases of low-value assets (included in other expenses)	33,224	80,691
Gain on lease termination (included in other expenses)	(269)	0
	<u>2,156,174</u>	<u>2,083,081</u>

- (h) The following are total cash outflows for leases as a lessee:

	Group	
	2025 RM	2024 RM
Included in net cash (used in)/from operating activities:		
Payment relating to short-term leases and leases of low-value assets	33,224	80,691
Included in net cash (used in)/from investing activities:		
Purchase of right-of-use assets	0	58,000
Included in net cash from/(used in) financing activities:		
Payment of lease liabilities	1,780,811	1,895,969
Total cash outflows for leases	<u>1,814,035</u>	<u>2,034,660</u>



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Lease liabilities (Cont'd)

- (i) The Group leases several lease contracts that include extension option. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

The followings are the undiscounted potential future rental payments that are not included in the lease term:

	Within five (5) years RM
Group	
2025	
Extension options expected not to be exercised	2,042,400

- (j) Information on financial risks of lease liabilities is disclosed in Note 30 to the financial statements.

The Group as lessor

- (a) The Group has entered into operating lease agreements on certain properties for term of two (2) years and renewable at the end of the lease period subject to an increase clause. The monthly rental consists of a fixed base rent.
- (b) The Group has aggregate future minimum lease receivable as at the end of each reporting period as follows:

	Group	
	2025 RM	2024 RM
Less than one (1) year	156,000	65,000

7. INVESTMENT PROPERTY

	Group	
	2025 RM	2024 RM
Building		
Carrying amount		
Balance as at 1 April 2024/2023	132,167	138,667
Depreciation charge for the financial year	(6,500)	(6,500)
Balance as at 31 March	125,667	132,167
As at 31 March		
Cost	325,000	325,000
Accumulated depreciation	(199,333)	(192,833)
Carrying amount	125,667	132,167

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

7. INVESTMENT PROPERTY (CONT'D)

- (a) Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group.

Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Investment properties are amortised on a straight line basis to write down the cost of the assets to their residual value over the estimated useful life at an annual rate of 2%.

At the end of each reporting period, the carrying amount of investment properties are assessed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

- (b) The fair value of the investment property for disclosure purposes, which is at Level 3 fair value, is based on Directors' estimation by reference to market evidence of transaction prices for similar properties and recent experience in the location and category of the properties being valued.

The fair value of investment property at the end of the reporting period is as follows:

	Group	
	2025 RM	2024 RM
Building	<u>380,000</u>	<u>380,000</u>

- (c) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 31 March 2025 and 31 March 2024.

- (d) Direct operating expenses arising from investment property during the financial year are as follows:

	Group	
	2025 RM	2024 RM
Maintenance fee	4,554	8,982
Quit rent and assessment	<u>0</u>	<u>3,055</u>

8. INTANGIBLE ASSETS

	Group	
	2025 RM	2024 RM
Carrying amount		
Goodwill on consolidation	<u>551,552</u>	<u>551,552</u>



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

8. INTANGIBLE ASSETS (CONT'D)

	As at 31.3.2025		
	Cost RM	Accumulated impairment RM	Carrying amount RM
Goodwill on consolidation	551,552	0	551,552

	Balance as at 1.4.2023 RM	Amortisation charge for the financial year RM	Written off RM	Balance as at 31.3.2024 RM
--	---------------------------------	---	-------------------	----------------------------------

Group

Carrying amount

Goodwill on consolidation	551,552	0	0	551,552
Development of hydroponic system	24,000	(9,000)	(15,000)	0
	<u>575,552</u>	<u>(9,000)</u>	<u>(15,000)</u>	<u>551,552</u>

	As at 31.3.2024			
	Cost RM	Accumulated impairment RM	Accumulated amortisation RM	Carrying amount RM
Goodwill on consolidation	551,552	0	0	551,552
Development of hydroponic system	60,000	0	(60,000)	0
	<u>611,552</u>	<u>0</u>	<u>(60,000)</u>	<u>551,552</u>

- (a) Intangible assets are initially measured at cost. After initial recognition, intangible assets, excluding goodwill are carried at cost less accumulated amortisation and any accumulated impairment losses.
- (b) Development of hydroponic system has finite useful life and is amortised over its estimated useful life of 5 years.
- (c) Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.
- (d) For the purpose of impairment testing, goodwill is allocated to the Group's cash generating units ('CGUs') identified according to the operating segments as follows:

	Group	
	2025 RM	2024 RM
Property development	551,552	551,552

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

8. INTANGIBLE ASSETS (CONT'D)

- (e) Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGUs.

The recoverable amount of the goodwill are based on fair value less cost of disposal of the underlying assets, which are categorised as Level 3 in the fair value hierarchy.

Based on the annual impairment testing undertaken by the Group, no impairment losses were required for the carrying amount of the goodwill assessed as at 31 March 2025 as its recoverable amount was in excess of its carrying amount. Management believes that there is no reasonably possible change in the key assumptions on which management has based its determination of the CGUs' recoverable amount, which would cause the CGUs' carrying amount to materially exceed its recoverable amount.

9. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Unquoted shares		
At cost	39,985,162	44,441,162
Share options granted to employees of a subsidiary	1,664,759	1,726,841
	41,649,921	46,168,003
Less: Impairment losses	(10,195,365)	(14,651,365)
	31,454,556	31,516,638

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

- (b) Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Interest in equity held by				Principal activities
		Company		Subsidiaries		
		2025 %	2024 %	2025 %	2024 %	
Emico Penang Sdn. Bhd.	Malaysia	100	100	0	0	Manufacturing of original equipment manufacturer products, awards, trophy components, medallions, souvenir, gift items, furniture products and general trading
Emico Development Sdn. Bhd.	Malaysia	100	100	0	0	Investment holding and property development



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Details of the subsidiaries are as follows: (Cont'd)

Name of company	Country of incorporation/ Principal place of business	Interest in equity held by				Principal activities
		Company		Subsidiaries		
		2025 %	2024 %	2025 %	2024 %	
NEB Development Berhad	Malaysia	60	60	0	0	Dormant
Mercu Tanah Langkawi Sdn. Bhd.	Malaysia	71	71	0	0	Investment holding
Emico Marketing Sdn. Bhd.	Malaysia	100	100	0	0	Dormant
Emico Tools Sdn. Bhd. #	Malaysia	0	100	0	0	Dormant
Emico Capital Sdn. Bhd. #	Malaysia	0	100	0	0	Dormant
Emico Newk Sdn. Bhd. * #	Malaysia	0	100	0	0	Dormant
<u>Subsidiaries of Emico Penang Sdn. Bhd.</u>						
Emico Asia Sdn. Bhd.	Malaysia	0	0	100	100	Trading of houseware and furniture
Bayan Greentech Sdn. Bhd. #	Malaysia	0	0	0	79	Agriculture activities for urban farming and waste management system
<u>Subsidiaries of Emico Marketing Sdn. Bhd.</u>						
Emico Metalizing Sdn. Bhd.	Malaysia	0	0	100	100	Dormant
Emico Melaka Sdn. Bhd. #	Malaysia	0	0	0	51	Dormant
<u>Subsidiaries of NEB Development Sdn. Bhd.</u>						
NEB Pacific Sdn. Bhd. #	Malaysia	0	0	0	100	Dormant
Unic Builders Sdn. Bhd. #	Malaysia	0	0	0	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Details of the subsidiaries are as follows: (Cont'd)

Name of company	Country of incorporation/ Principal place of business	Interest in equity held by				Principal activities
		Company		Subsidiaries		
		2025 %	2024 %	2025 %	2024 %	
<u>Subsidiary of Mercu Tanah Langkawi Sdn. Bhd.</u>						
Operasi Tembaga Sdn. Bhd.	Malaysia	0	0	70	70	Investment holding
<u>Subsidiary of Operasi Tembaga Sdn. Bhd.</u>						
PKB-Operasi Tembaga Sdn. Bhd. ^	Malaysia	0	0	80	80	Property development
<u>Subsidiary of Emico Asia Sdn. Bhd.</u>						
Emico Co. Ltd. *	People's Republic of China	0	0	100	100	Marketing of awards, trophy components, souvenir items and general trading

* The financial statements of these subsidiaries are not audited by BDO PLT, Malaysia.

^ Operasi Tembaga Sdn. Bhd., an indirect subsidiary of the Company has 80% equity interest in the subsidiary, and 10% equity interest is held by another wholly-owned subsidiary, Emico Development Sdn. Bhd.. The total effective interest would be 49.76%.

As at the date of this report, the subsidiaries has been struck off.

(c) On 3 May 2023, Emico Development Sdn. Bhd. (EDV), a wholly-owned subsidiary of the Company, entered into a Share Sale Agreement with Permodalan Kedah Berhad to acquire a 20% equity interest in PKB-Operasi Tembaga Sdn. Bhd. (PKB) for a total consideration of RM3,605,829 progressively.

As at 31 March 2024, EDV has successfully completed the acquisition of a 10% equity interest in PKB for a consideration of RM1,000,000. The remaining 10% equity interest will be transferred upon settlement of the remaining consideration.

As of the date of this report, the acquisition of the remaining 10% equity interest is still pending the fulfillment of the salient terms stipulated in the Share Sale Agreement.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) The subsidiaries of the Group that have material non-controlling interests ("NCI") are as follows:

	PKB-Operasi Tembaga Sdn. Bhd.	NEB Development Berhad	Other individual immaterial subsidiaries	Total
2025				
NCI percentage of ownership interest and voting interest	50.24%	40.00%		
Carrying amount of NCI (RM)	806,935	7,495,631	78,360	8,380,926
Loss allocated to NCI (RM)	(12,208)	(1,453)	(20,332)	(33,993)
Total comprehensive loss allocated to NCI (RM)	(12,208)	(1,453)	(20,332)	(33,993)

	PKB-Operasi Tembaga Sdn. Bhd.	NEB Development Berhad	Other individual immaterial subsidiaries	Total
2024				
NCI percentage of ownership interest and voting interest	50.24%	40.00%		
Carrying amount of NCI (RM)	819,143	7,453,414	56,463	8,329,020
Loss allocated to NCI (RM)	(21,264)	(31,361)	(70,809)	(123,434)
Total comprehensive loss allocated to NCI (RM)	(21,264)	(31,361)	(70,809)	(123,434)

(e) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows:

	2025 RM	2024 RM
PKB-Operasi Tembaga Sdn. Bhd.		
Assets and liabilities		
Non-current assets	4	4
Current assets	5,036,673	4,673,182
Non-current liabilities	0	(13,547)
Current liabilities	(3,430,516)	(3,029,179)
Net assets	1,606,161	1,630,460

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (e) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows: (Cont'd)

	2025 RM	2024 RM
PKB-Operasi Tembaga Sdn. Bhd. (Cont'd)		
Results		
Revenue	0	0
Loss for the financial year	(24,299)	(41,249)
Total comprehensive loss	(24,299)	(41,249)
Cash flows from/(used in) operating activities	194,220	(41,214)
Cash flows used in financing activities	(18,396)	(18,396)
Net increase/(decrease) in cash and cash equivalents	175,824	(59,610)
NEB Development Berhad		
Assets and liabilities		
Non-current assets	253,102	259,927
Current assets	373,963	368,445
Current liabilities	(121,788)	(119,463)
Net assets	505,277	508,909
Results		
Revenue	0	0
Loss for the financial year	(3,632)	(78,403)
Total comprehensive loss	(3,632)	(78,403)
Cash flows from operating activities	2,833	14
Cash flows from investing activities	3,169	3,727
Net increase in cash and cash equivalents	6,002	3,741

10. INVESTMENT IN AN ASSOCIATE

	2025 RM	Group 2024 RM
At cost		
Unquoted equity shares outside Malaysia	102,462	102,462
Share of post acquisition reserves	292,063	192,677
	394,525	295,139



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

10. INVESTMENT IN AN ASSOCIATE (CONT'D)

(a) Investment in an associate is measured at cost less impairment losses in the separate financial statements of the Company and accounted for using equity method in the consolidated financial statements.

(b) Details of the associate are as follows:

Name of company	Country of incorporation/ Principal place of business	Interest in equity held by a subsidiary		Principal activity
		2025 %	2024 %	

Associate of Emico Penang Sdn. Bhd.

Emico Trophy Co. Ltd. *	Thailand	49%	49%	Marketing of awards, trophy components, souvenir items and general trading
-------------------------	----------	------------	-----	--

* The financial statements of this associate are not audited by BDO PLT, Malaysia.

(c) Summarised financial information of the associate are as follows:

	2025 RM	2024 RM
Assets and liabilities		
Non-current assets	75,270	38,102
Current assets	963,593	713,105
Current liabilities	(233,710)	(148,883)
Net assets	805,153	602,324
Results		
Revenue	1,152,097	792,643
Profit for the financial year	202,829	249,256
Total comprehensive income	202,829	249,256
Cash flow from operating activities	75,066	27,321
Cash flow used in investing activities	(37,913)	(37,180)
Net increase/(decrease) in cash and cash equivalents	37,153	(9,859)

(d) Reconciliation of net assets of the associate to the carrying amount of the investment in an associate are as follows:

	2025 RM	2024 RM
Carrying amount in the statement of financial position	394,525	295,139
Share of result of the Group		
Share of income of the Group	99,386	122,135
Share of total comprehensive income of the Group	99,386	122,135

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

11. DEFERRED TAX

(a) The deferred tax assets and (liabilities) are made up of the following:

	Group	
	2025 RM	2024 RM
Balance as at 1 April 2024/2023	(4,993,276)	(4,514,899)
Recognised in profit or loss (Note 26)	(143,066)	(478,377)
Balance as at 31 March	(5,136,342)	(4,993,276)
Presented after appropriate offsetting:		
Deferred tax assets	395,800	406,800
Deferred tax liabilities	(5,532,142)	(5,400,076)
	(5,136,342)	(4,993,276)

(b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group

	Property, plant and equipment RM	Revaluation surplus of revalued properties RM	Total RM
Balance as at 1 April 2024	1,565,399	3,834,677	5,400,076
Recognised in profit or loss	282,000	(149,934)	132,066
Balance as at 31 March 2025	1,847,399	3,684,743	5,532,142
Balance as at 1 April 2023	863,501	3,986,898	4,850,399
Recognised in profit or loss	701,898	(152,221)	549,677
Balance as at 31 March 2024	1,565,399	3,834,677	5,400,076

Deferred tax assets of the Group

	Unused tax losses and unabsorbed capital allowances RM
Balance as at 1 April 2024	406,800
Recognised in profit or loss	(11,000)
Balance as at 31 March 2025	395,800
Balance as at 1 April 2023	335,500
Recognised in profit or loss	71,300
Balance as at 31 March 2024	406,800



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

11. DEFERRED TAX (CONT'D)

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Unabsorbed capital allowances	456,932	445,688	137	137
Unused tax losses expiring on:				
- 31 March 2028	8,519,296	8,519,296	4,930,273	4,930,273
- 31 March 2029	1,018,318	1,018,218	752,728	752,728
- 31 March 2030	755,117	755,117	747,445	747,445
- 31 March 2031	168,522	168,522	168,522	168,522
- 31 March 2032	435,869	435,869	435,869	435,869
- 31 March 2033	400,773	400,773	400,773	400,773
- 31 March 2034	33,313	33,313	0	0
- 31 March 2035	460,570	0	438,809	0
	12,248,710	11,776,796	7,874,556	7,435,747

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries would be available against which the deductible temporary differences can be utilised.

The amount and availability of these items to be carried forward up to the period as disclosed above are subject to the agreement of the local tax authority.

In Malaysia, with effect from 1 January 2022, any unused tax losses shall be deductible for a maximum period of ten (10) consecutive years of assessment immediately following that year of assessment. Any amount which is not deducted at the end of period of ten (10) years of assessment shall be disregarded.

12. INVENTORIES

	Group	
	2025 RM	2024 RM
At cost		
Raw materials	2,912,551	1,860,500
Work-in-progress	3,059,985	2,231,779
Finished goods	11,318,156	9,523,413
Developed properties	512,679	512,679
Properties under development	23,475,818	18,203,698
Land held for property development	7,555,970	7,550,802
	48,835,159	39,882,871
At net realisable value		
Developed properties	80,000	160,000
	48,915,159	40,042,871

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

12. INVENTORIES (CONT'D)

	Group	
	2025 RM	2024 RM

Included in properties under development are:

- Freehold land	385,996	385,996
- Leasehold land	1,754,480	1,754,480
- Development expenditure	21,335,342	16,063,222
	23,475,818	18,203,698

Included in land held for property development are:

- Freehold land	2,645,182	2,645,182
- Development expenditure	4,910,788	4,905,620
	7,555,970	7,550,802

- (a) Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out formula. Cost of raw materials comprises all costs of purchase plus the cost of bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities.
- (b) Developed properties held for sale are stated at the lower of cost and net realisable value. Cost consists of costs associated with the acquisition of land, direct costs, appropriate proportions of common costs attributable to developing the properties to completion.
- (c) Properties under development comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Cost of properties under development not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.
- (d) Leasehold land of the Group represents costs incurred as a consequence of having used the right-of-use asset to produce inventories during the financial year in accordance with MFRS 102 *Inventories*.
- (e) Land held for property development is stated at cost less impairment losses, if any.
- (f) As at the end of each reporting period, the following are the amounts recognised as cost of sales:

	Group	
	2025 RM	2024 RM
Cost of inventories	34,475,002	35,145,127
Inventories written down	0	336,282
Inventories written off	0	26,410



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<i>Non-current</i>				
Other receivables				
Amounts owing by:				
- subsidiaries	0	0	5,794,511	5,650,511
- a related party	0	36,800	0	0
	0	36,800	5,794,511	5,650,511
Less: Impairment losses on amounts owing by:				
- subsidiaries	0	0	(1,193,612)	(776,407)
- a related party	0	(36,800)	0	0
	0	(36,800)	(1,193,612)	(776,407)
Total non-current receivables	0	0	4,600,899	4,874,104
<i>Current</i>				
Trade receivables				
Third parties	8,786,931	8,584,984	0	0
Amounts owing by:				
- related parties	52,914	2,571	0	0
- an associate	155,661	51,754	0	0
	8,995,506	8,639,309	0	0
Less: Impairment losses on:				
- third parties	(1,455,355)	(1,103,725)	0	0
- an associate	(14,610)	0	0	0
	(1,469,965)	(1,103,725)	0	0
Total current trade receivables	7,525,541	7,535,584	0	0

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

13. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Current (Cont'd)</u>				
Other receivables				
Third parties	892,623	996,895	0	0
Amounts owing by:				
- subsidiaries	0	0	2,079,008	978,668
- related parties	36,762	1,744,253	0	0
Deposits	1,259,861	686,134	1,000	1,000
	2,189,246	3,427,282	2,080,008	979,668
Less: Impairment losses on:				
- other receivables	(510,351)	(510,351)	0	0
- amounts owing by subsidiaries	0	0	(149,688)	0
- amounts owing by related parties	0	(2,754)	0	0
	(510,351)	(513,105)	(149,688)	0
Total other receivables	1,678,895	2,914,177	1,930,320	979,668
Total current receivables	9,204,436	10,449,761	1,930,320	979,668
Prepayments	3,818,839	1,449,245	15,000	15,000
Total current trade and other receivables	13,023,275	11,899,006	1,945,320	994,668

- (a) Total non-current and current receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables of the Group are non-interest bearing and the normal trade terms granted by the Group on sale of goods and properties and services rendered comprise cash term and credit terms of up to 120 days (2024: cash term and credit term of up to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (c) The trade portion of amounts owing by related parties and an associate are unsecured, interest-free and the credit term granted by the Group on sale of goods is 120 days (2024: 120 days).
- (d) The related parties are companies in which certain Directors and shareholders are connected to certain Directors of the Company.
- (e) The non-current portion of amount owing by a subsidiary and a related party arose mainly from unsecured advances which are interest-free and not repayable within the next twelve (12) months.
- (f) The current portion of non-trade amounts owing by subsidiaries and related parties arose mainly from unsecured advances which are interest-free and repayable within next twelve (12) months in cash and cash equivalents.
- (g) Included in trade receivables is stakeholders' retention sum amounting to RM5,000 (2024: RM5,000). It represents monies paid by purchasers which are held by solicitors and will be released to the Group upon expiry of defective period.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

13. TRADE AND OTHER RECEIVABLES (CONT'D)

(h) The currency exposure profile of total non-current and current receivables (excluding prepayments) is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	6,850,816	8,128,589	6,531,219	5,853,772
United States Dollar	1,919,621	1,990,891	0	0
Chinese Yuan	433,999	330,281	0	0
	9,204,436	10,449,761	6,531,219	5,853,772

(i) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses. Impairment for certain trade receivables are assessed based on the general approach using the lifetime expected credit losses which has been disclosed in Note 13(k) to the financial statements.

The Group uses an allowance matrix to measure the expected credit loss of trade receivables from customers based on the common credit risk characteristics - geographic region and type of products purchased. The expected loss rates are based on the historical credit losses experienced by the Group and are then adjusted for current and forward-looking information on macroeconomic factors affecting the customers of the Group. The Group has identified the consumer price index, annual gross domestic product and inflation rate as the key macroeconomic factors.

For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information and estimated cash flows recoverable in worst-case scenarios.

(j) Lifetime expected loss provision for trade receivables as at 31 March 2025 and 31 March 2024 are as follows:

	Gross carrying amount RM	Impairment RM	Net carrying amount RM
Group			
31 March 2025			
Current	3,393,921	160,271	3,233,650
Past due			
- 1 to 30 days	1,862,566	157,076	1,705,490
- 31 to 60 days	275,455	45,579	229,876
- 61 to 90 days	479,780	95,252	384,528
- 91 to 120 days	453,091	92,352	360,739
- More than 120 days	2,032,413	421,155	1,611,258
Credit impaired	498,280	498,280	0
	8,995,506	1,469,965	7,525,541

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

13. TRADE AND OTHER RECEIVABLES (CONT'D)

- (j) Lifetime expected loss provision for trade receivables as at 31 March 2025 and 31 March 2024 are as follows:
(Cont'd)

	Gross carrying amount RM	Impairment RM	Net carrying amount RM
Group			
31 March 2024			
Current	3,512,296	94,666	3,417,630
Past due			
- 1 to 30 days	1,151,647	105,402	1,046,245
- 31 to 60 days	740,767	97,364	643,403
- 61 to 90 days	387,948	44,643	343,305
- 91 to 120 days	270,613	33,101	237,512
- More than 120 days	2,088,646	241,157	1,847,489
Credit impaired	487,392	487,392	0
	8,639,309	1,103,725	7,535,584

Trade receivables are not secured by any collateral or credit enhancement.

Credit impaired refers to individually determined receivables who have defaulted on payments and are in significant financial difficulties as at the end of the reporting period.

The Group considers trade receivables to be in default when the receivables are more than one hundred and twenty (120) days past due and there is no reasonable expectation of recovery.

- (k) Impairment for certain trade receivables, other receivables, non-trade portion of amounts owing by a subsidiary and related parties (current and non-current) are recognised based on the general approach within MFRS 9 *Financial Instruments* using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. The Group defined significant increase in credit risk based on changes to contractual terms and delay in payment. The Group considered the qualitative and quantitative information that are reasonable, including historical experience and observable forward-looking information without undue cost or efforts. At the end of the reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve (12) months expected credit losses along with gross interest income are recognised. For those in which credit risk had increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The probability of non-payment of other receivables, non-trade portion of amounts owing by a subsidiary and related parties (current and non-current) are adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the 12-months or lifetime expected credit loss for other receivables. The Group has identified consumer price index as the key macroeconomic factor.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

13. TRADE AND OTHER RECEIVABLES (CONT'D)

(l) Movements in impairment allowance for trade receivables are as follows:

	Lifetime ECL		Total allowance RM
	- not credit impaired RM	- credit impaired RM	
Group			
Balance as at 1 April 2024	616,333	487,392	1,103,725
Charge for the financial year	421,713	39,794	461,507
Reversal of impairment losses	(56,361)	(28,906)	(85,267)
Written off	(10,000)	0	(10,000)
Balance as at 31 March 2025	971,685	498,280	1,469,965
Balance as at 1 April 2023	546,881	448,698	995,579
Charge for the financial year	180,800	51,447	232,247
Reversal of impairment losses	(111,348)	(12,753)	(124,101)
Balance as at 31 March 2024	616,333	487,392	1,103,725

(m) Movements in impairment allowance for other receivables are as follows:

	Lifetime ECL	
	- not credit impaired	
	2025 RM	2024 RM
Group		
Balance as at 1 April 2024/2023	549,905	473,287
Charge for the financial year	0	79,489
Reversal of impairment losses	(2,754)	(2,871)
Written off	(36,800)	0
Balance as at 31 March	510,351	549,905
Company		
Balance as at 1 April 2024/2023	776,407	666,742
Charge for the financial year	566,893	109,665
Balance as at 31 March	1,343,300	776,407

Credit impaired refers to individually determined receivables who have defaulted on payments and are in significant financial difficulties as at the end of the reporting period.

The Group considers other receivables to be in default when the receivables are more than one hundred and twenty (120) days past due and there is no reasonable expectation of recovery.

(n) Information on financial risks of trade and other receivables is disclosed in Note 30 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

14. CASH AND BANK BALANCES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	2,044,756	7,310,635	18,293	41,240
Deposits with licensed banks	94,803	94,803	0	0
	2,139,559	7,405,438	18,293	41,240

- (a) Included in the Group's cash and bank balances is an amount of RM729,554 (2024: RM719,843) held under the Housing Development Account pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulations 2015.
- (b) Included in the deposits with licensed banks is an amount of RM94,803 (2024: RM94,803) pledged as security for bank guarantees granted to subsidiaries.
- (c) The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	1,448,581	2,844,251	18,293	41,240
United States Dollar	615,670	4,480,211	0	0
Chinese Yuan	70,607	71,223	0	0
Thai Baht	1,158	1,152	0	0
Euro	3,168	8,212	0	0
Sterling Pound	375	389	0	0
	2,139,559	7,405,438	18,293	41,240

- (d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	2,044,756	7,310,635	18,293	41,240
Deposits with licensed banks	94,803	94,803	0	0
	2,139,559	7,405,438	18,293	41,240
Less:				
- Deposits pledged to license banks	(94,803)	(94,803)	0	0
- Bank overdraft (Note 17)	(1,746,910)	0	0	0
As per statements of cash flows	297,846	7,310,635	18,293	41,240

- (e) No expected credit losses were recognised arising from cash and bank balances because the probability of default by these financial institutions were negligible.
- (f) Information on financial risks of cash and bank balances is disclosed in Note 30 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

15. SHARE CAPITAL

	Group and Company			
	2025		2024	
	Number of ordinary shares	Amount RM	Number of ordinary shares	Amount RM
Issued and fully paid with no par value:				
Balance as at 1 April 2024/2023	125,661,891	24,241,585	123,592,721	23,523,647
Issuance of ordinary shares pursuant to:				
- Private placement	4,900,000	1,509,200	0	0
- ESOS exercised	1,436,215	509,380	2,069,170	717,938
Balance as at 31 March	131,998,106	26,260,165	125,661,891	24,241,585

(a) During the financial year, the issued and fully paid-up ordinary shares of the Company was increased from 125,661,891 to 131,998,106 by ways of issuance of 6,336,215 new ordinary shares pursuant to the following:

- (i) private placement of 4,900,000 new ordinary shares at RM0.308 per ordinary share for cash; and
- (ii) 1,436,215 options exercised under Employees' Share Option Scheme ('ESOS') at an average exercise price of RM0.2340 per ordinary share for cash.

In the previous financial year, the issued and fully paid-up ordinary shares of the Company was increased from 123,592,721 to 125,661,891 by way of 2,069,170 options exercised under ESOS at an exercise price of RM0.2282 per ordinary share for cash.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

(b) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

16. RESERVES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-distributable:				
Revaluation reserve	15,080,038	15,080,038	0	0
Share option reserve	747,141	982,471	747,141	982,471
Exchange translation reserve	93,230	27,086	0	0
	15,920,409	16,089,595	747,141	982,471

(a) Revaluation reserve

Revaluation reserve represents the surplus arising on the revaluation of the Group's leasehold land and buildings.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

16. RESERVES (CONT'D)

(b) Share option reserve

The share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on the grant date of share options. Share option reserve in relation to the unexercised option at the expiry of the share option scheme will be transferred to retained earnings.

(c) Exchange translation reserve

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment of the Group in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

17. BORROWINGS

	Group	
	2025 RM	2024 RM
<u>Current liabilities</u>		
Secured:		
Bank overdrafts	1,746,910	0
Banker's acceptance	4,590,566	4,634,000
Term loans	2,176,487	1,262,741
	8,513,963	5,896,741
<u>Non-current liabilities</u>		
Secured:		
Term loans	5,442,130	3,619,140
<u>Total borrowings</u>		
Bank overdrafts	1,746,910	0
Banker's acceptance	4,590,566	4,634,000
Term loans	7,618,617	4,881,881
	13,956,093	9,515,881

(a) Borrowings are classified as financial liabilities measured at amortised cost.

(b) All borrowings are denominated in RM.

(c) The borrowings of the Group are secured over by:

(i) a legal charge over leasehold land and buildings as disclosed in Notes 6 and 5 to the financial statements; and

(ii) a corporate guarantee by the Company.

(d) Fair value of the borrowings of the Group are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

(e) Information on financial risks of borrowings and its remaining maturity is disclosed in Note 30 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

18. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<i>Non-current</i>				
Other payables				
Amounts owing to subsidiaries	0	0	6,892,555	6,878,558
<i>Current</i>				
Trade payables				
Third parties	6,954,212	5,373,493	0	0
Amount owing to a related party	14,033	14,947	0	0
	6,968,245	5,388,440	0	0
Other payables				
Amounts owing to:				
- a subsidiary	0	0	1,000,000	1,000,000
- related parties	15,000	15,000	0	0
Third parties	2,199,295	1,343,356	27,333	18,728
Deposit received	448,489	335,200	0	0
Accruals	2,990,243	2,983,375	291,532	240,999
	5,653,027	4,676,931	1,318,865	1,259,727
Total current trade and other payables	12,621,272	10,065,371	1,318,865	1,259,727

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables (include amount owing to a related party) are non-interest bearing and the normal trade terms granted to the Group comprise cash term and credit limit of up to 90 days (2024: cash term and credit limit of up to 90 days).
- (c) Amounts owing to subsidiaries for non-current portion represent advances and payments on behalf which are non-trade in nature, unsecured, interest-free and not payable within the next twelve (12) months.
- (d) Amounts owing to a subsidiary and related parties for current portion represent advances and payments on behalf which are non-trade in nature, unsecured, interest-free and payable within the next twelve (12) months.
- (e) The related parties are companies in which certain Directors of the Group and their family members have significant financial and controlling interests.
- (f) Included in accruals of the Group is retention sum on contracts amounting to RM482,849 (2024: RM296,328).

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

18. TRADE AND OTHER PAYABLES (CONT'D)

(g) The currency exposure profile of total non-current and current payables are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	9,165,850	7,677,346	8,211,420	8,138,285
United States Dollar	1,809,671	1,002,913	0	0
Chinese Yuan	1,641,494	1,341,845	0	0
Euro	4,257	43,267	0	0
	12,621,672	10,065,371	8,211,420	8,138,285

(h) Information on financial risks of trade and other payables is disclosed in Note 30 to the financial statements.

19. CONTRACT LIABILITY

	Group	
	2025 RM	2024 RM
Deferred revenue	693,783	0

(a) Contract liability arises from unsatisfied performance obligations when the Group issues billing to customers. Contract liability is recognised as revenue upon satisfaction of performance obligation.

(b) Contract value yet to be recognised as revenue

As at the end of the reporting period, revenue expected to be recognised in the financial year ending 31 March 2026, relating to unsatisfied performance obligations amounts to RM693,783.

20. FINANCIAL GUARANTEE CONTRACTS

	Company	
	2025 RM	2024 RM

Unsecured

Financial guarantee given to financial institutions for credit facilities

- Limit of guarantee	26,576,120	20,501,051
- Amount utilised	14,731,929	10,517,996

(a) The Company provides financial guarantees to financial institutions for credit facilities granted to certain subsidiaries.

(b) Financial guarantee contracts are initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected loss model under MFRS 9 and the amount initially recognised less amortisation, where appropriate.

(c) The fair values of the financial guarantees have not been recognised on initial recognition as it is negligible. As at the end of each reporting period, there was no indication that the subsidiary would default in payment.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

20. FINANCIAL GUARANTEE CONTRACTS (CONT'D)

- (d) The fair value of financial guarantees is classified as Level 3 in the fair value hierarchy and is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.
- (e) Maturity profile of financial guarantee contracts of the Company at the end of each reporting period based on contractual undiscounted obligations is repayable upon any default by the subsidiaries.
- (f) Information of financial risks of financial guarantee contracts are disclosed in Note 30 to the financial statements.

21. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contracts with customers:				
- Sale of goods	57,397,853	61,017,184	0	0
- Sale of completed properties	166,000	0	0	0
	57,563,853	61,017,184	0	0
Other revenue:				
- Management services rendered	0	0	492,000	492,000
	57,563,853	61,017,184	492,000	492,000
Timing of revenue recognition:				
- Transferred at a point in time	57,563,853	61,017,184	0	0

Disaggregation of revenue from contracts with customers is disclosed in Note 4(c) to the financial statements.

(a) Sale of goods

Revenue from sale of goods is recognised at a point in time when the Group satisfies a performance obligation by transferring a promised goods to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of goods and services and acceptance by customers.

There is no right of return and warranty provided to the customers on the sale of goods.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve (12) months.

(b) Sale of completed properties

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the assets sold.

There is no significant financing component in the revenue arising from sale of completed properties as the sales are made on the normal credit terms not exceeding twelve (12) months.

(c) Management services

Management fees are recognised when the management services have been rendered to the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

22. OTHER INCOME

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fair value adjustment on non-current amount owing to subsidiaries	0	0	0	211,645
Gain on disposal of:				
- right-of-use assets	0	124,999	0	0
- property, plant and equipment	25,565	0	0	0
Insurance compensation	567,686	1,271,883	0	0
Interest income	40,940	137,628	0	0
Realised gain on foreign exchange	0	395,908	0	0
Rental received from:				
- machinery	234,000	234,000	0	0
- premises	238,800	210,800	0	0
Unrealised gain on foreign exchange	0	12,396	0	0
Waiver of debts	0	0	0	2,009,807
Sundry income	60,239	5,611	50,340	0
	1,167,230	2,393,225	50,340	2,221,452

(a) Interest income

Interest income is recognised on a time proportion basis that reflects the effective yield on asset.

(b) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease.

23. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors' fee	150,000	150,000	150,000	150,000
Wages, salaries, overtime and bonuses	10,101,438	9,354,986	598,000	622,500
Contributions to defined contribution plan	770,897	751,278	61,200	68,850
Social security contributions	182,747	155,745	1,609	1,574
Share options vested under ESOS	0	347,990	0	0
Other benefits	887,421	1,022,378	30,074	5,100
	12,092,503	11,782,377	840,883	848,024



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

24. DIRECTORS' REMUNERATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors of the Company				
Executive Directors				
Directors' fee	60,000	60,000	60,000	60,000
Salaries and other emoluments	742,969	693,802	555,433	516,674
Bonus	48,000	81,750	48,000	63,750
Share options vested under ESOS	0	53,821	0	0
Contributions to defined contribution plan	86,026	96,390	61,200	68,850
Total Executive Directors' remuneration	936,995	985,763	724,633	709,274
Non-executive Directors				
Directors' fee	90,000	90,000	90,000	90,000
Other emoluments	26,250	48,750	26,250	48,750
Total Non-executive Directors' remuneration	116,250	138,750	116,250	138,750
Total Directors' remuneration				
- fee	150,000	150,000	150,000	150,000
- other emoluments	903,245	974,513	690,883	698,024
	1,053,245	1,124,513	840,883	848,024

25. FINANCE COSTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest expense on:				
- bank overdrafts	48,363	45	0	0
- banker's acceptance	138,191	194,121	0	0
- lease liabilities	243,965	186,469	0	0
- term loans	284,268	246,420	0	0
- others	2,472	51	0	447,032
	717,259	627,106	0	447,032

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

26. TAX EXPENSE

	Group	
	2025 RM	2024 RM
Current tax expense based on (loss)/profit for the financial year	710,722	1,680,144
(Over)/Underprovision of tax expense in prior years	(21,364)	629,650
	689,358	2,309,794
Deferred tax (Note 11):		
- relating to origination and reversal of temporary differences	152,000	384,698
- crystallisation of deferred tax liability on revaluation surplus	(149,934)	(152,221)
- underprovision in prior years	141,000	245,900
	143,066	478,377
Withholding tax	621	0
	833,045	2,788,171

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated taxable profit for the fiscal year.
- (b) Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.
- (c) The numerical reconciliation between the taxation and the product of accounting (loss)/profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(Loss)/Profit before tax	(306,462)	5,522,831	(1,263,967)	1,078,663
Tax at the applicable tax rate of 24% (2024: 24%)	(73,550)	1,325,500	(303,350)	258,900
Tax effects in respect of:				
- expenses not deductible for tax purpose	1,027,981	896,246	210,150	68,900
- income not subject to tax	(205,009)	(393,904)	(12,100)	(533,200)
Annual crystallisation of deferred tax on revaluation surplus	(149,934)	(152,221)	0	0
Deferred tax assets not recognised during the financial year	113,300	237,000	105,300	205,400
(Over)/Underprovision in prior years				
- income tax expense	(21,364)	629,650	0	0
- deferred tax expense	141,000	245,900	0	0
Withholding tax	621	0	0	0
Total tax expense for the financial year	833,045	2,788,171	0	0



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

26. TAX EXPENSE (CONT'D)

(d) Tax on each component of other comprehensive income is as follows:

	Before tax RM	Tax effect RM	After tax RM
Group			
2025			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translations	<u>66,144</u>	<u>0</u>	<u>66,144</u>
2024			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translations	<u>(16,387)</u>	<u>0</u>	<u>(16,387)</u>

27. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Employees' Share Option Scheme ("ESOS") of the Company came into effect on 10 January 2020. The ESOS shall be in force for a period of five (5) years until 9 January 2025 ("the option period"). On 6 January 2025, the Directors have extended the ESOS of the Company for another five (5) years until 9 January 2030 on the same terms and conditions as mentioned in the By-Laws. The main features of the ESOS are as follows:

- (a) Executive Directors and confirmed employees of the Group who have served at least one (1) year of continuous services are eligible under the ESOS;
- (b) The maximum number of new shares which may be issued and allotted pursuant to the exercise of the Options shall not at any point in time in aggregate exceed 15% of the issued and paid-up capital of the Company (excluding treasury shares) at any point in time during the duration of the ESOS;
- (c) Not more than fifty percent (50%) of the total number of shares to be issued under the ESOS could be allocated, in aggregate to the Executive Directors and Senior Management of the Group;
- (d) Not more than ten percent (10%) of the total number of shares to be issued under the ESOS shall be allocated to any eligible person who, either singly or collectively through persons connected with the eligible person, holds twenty percent (20%) or more of the total number of issued shares of the Company (excluding treasury shares, if any);
- (e) The options granted may be exercised any time within the option period from the date of offer;
- (f) The option price of a new ordinary share under the ESOS shall be the five (5)-day volume weighted average price of the shares as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad ("Bursa Securities") immediately preceding the date of offer with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the ESOS;
- (g) The options granted are not entitled for any dividend, voting rights, allotment and/or other distribution declared, made or paid to shareholders unless the new shares so allotted have been credited to the relevant securities accounts of the shareholders maintained by the Bursa Depository before the entitlement date and will be subjected to all provisions of the Constitution relating to the transfer, transmission and otherwise; and
- (h) The ESOS Committee may at any time and from time to time recommend to the Board of Directors any modification, variation and/or amendment of the By-Laws as it shall at its discretion think fit and the Board of Directors shall have the power at any time and from time to time by resolution to make any modification, variation and/or amendment of the By-Laws upon such recommendation and subject to the Company submitting the amended By-Laws and a letter of compliance to Bursa Securities (within five (5) market days after the effective date of the modification, variation and/or amendment of the By-Laws) each time any modification, variation and/or amendment is made, stating that the said modification, variation and/or amendment is in compliance with the provisions of the Listing Requirements pertaining to the ESOS and the Rules of Bursa Depository.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

27. EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

The details of the options over ordinary shares of the Company are as follows:

	← Number of options over ordinary shares →					Exercisable as at 31.3.2025
	Balance as at 1.4.2024	Exercised	Forfeited*	Balance as at 31.3.2025 [^]		
Grant date						
25 March 2020	645,600	0	(141,000)	504,600	504,600	
23 March 2022	7,242,688	(1,136,215)	(982,500)	5,123,973	5,123,973	
18 July 2023	897,850	(300,000)	(15,000)	582,850	582,850	
	<u>8,786,138</u>	<u>(1,436,215)</u>	<u>(1,138,500)</u>	6,211,423	6,211,423	
Weighted average exercise price (RM)	<u>0.221</u>	<u>0.234</u>	<u>0.211</u>	0.219	0.219	
Weighted average remaining contractual life (months)	<u>9</u>				57	

	← Number of options over ordinary shares →					Exercisable as at 31.3.2024
	Balance as at 1.4.2023	Granted	Exercised	Forfeited*	Balance as at 31.3.2024 [^]	
Grant date						
25 March 2020	720,300	0	(74,700)	0	645,600	645,600
23 March 2022	9,197,158	0	(1,594,470)	(360,000)	7,242,688	4,764,649
18 July 2023	0	1,297,850	(400,000)	0	897,850	508,495
	<u>9,917,458</u>	<u>1,297,850</u>	<u>(2,069,170)</u>	<u>(360,000)</u>	<u>8,786,138</u>	<u>5,918,744</u>
Weighted average exercise price (RM)	<u>0.219</u>	<u>0.250</u>	<u>0.228</u>	<u>0.230</u>	<u>0.221</u>	<u>0.219</u>
Weighted average remaining contractual life (months)	<u>21</u>					<u>9</u>

* Due to resignation

^ Exercisable by the grantee upon achieving the vesting conditions set by ESOS Committee

Share options exercised during the financial year resulted in the issuance of 1,436,215 (2024: 2,069,170) ordinary shares at RM0.2340 (2024: RM0.2282) each. The related weighted average ordinary share price at the date of exercise was RM0.3056 (2024: RM0.3146).



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

27. EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

Grant date	Exercise price RM	Exercise period
25 March 2020	0.077	25 March 2020 - 9 January 2030#
23 March 2022	0.230	1 May 2022 - 9 January 2030#
18 July 2023	0.250	1 August 2023 - 9 January 2030#

The Company resolved to extend the duration of the exercisable of unexercised ESOS shares, expired on 9 January 2025 for another 5 years to 9 January 2030 in accordance with provisions of the ESOS By-Laws.

The fair value of share options granted was estimated by using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted. The risk-free rate is based on Malaysian Government Securities ("MGSs"). The fair values of share options measured at grant date and the assumptions are as follows:

	18 July 2023	23 March 2022	25 March 2020
Fair value of share options (RM)	0.08	0.13	0.06
Weighted average share price (RM)	0.28	0.26	0.08
Weighted average exercise price (RM)	0.25	0.23	0.08
Expected volatility (%)	44.33	74.75	81.49
Expected life (years)	1.48	2.80	4.80
Risk free rate (%)	3.20	2.99	3.16
Expected dividend yield (%)	0	0	0

28. (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per ordinary share for the financial year is calculated by dividing the (loss)/profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2025	2024
(Loss)/Profit for the financial year attributable to equity holders of the parent (RM)	(1,105,514)	2,858,094
Weighted average number of ordinary shares in issue	130,561,891	123,592,721
Effect of exercise of ESOS	977,954	1,234,399
Adjusted weighted average number of ordinary shares	131,539,845	124,827,120
Basic (loss)/earnings per ordinary share (sen)	(0.840)	2.290

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

28. (LOSS)/EARNINGS PER SHARE (CONT'D)

(b) Diluted

Diluted (loss)/earnings per ordinary share for the financial year is calculated by dividing the (loss)/profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares. The adjusted weighted average number of ordinary shares in issue and issuable has been arrived at based on the assumption that ESOS are exercised at the beginning of the financial year. The ordinary shares to be issued under ESOS are based on the assumed proceeds on the difference between average share price for the financial year and exercise price.

	Group	
	2025	2024
(Loss)/Profit for the financial year attributable to equity holders of the parent (RM)	(1,105,514)	2,858,094
Weighted average number of ordinary shares in issue	131,539,845	124,827,120
Effect of exercise of ESOS	1,470,823	2,196,438
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share (unit)	133,010,668	127,023,558
Diluted (loss)/earnings per ordinary share (sen)	*	2.2501

* Diluted loss per ordinary share equal basic loss per ordinary share as the effect on the basic loss per ordinary share is anti-dilutive.

29. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 9 to the financial statements;
- (ii) An associate as disclosed in Note 10 to the financial statements;
- (iii) Key management personnel as defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include the Executive Directors and key senior management of the Group; and
- (iv) U-Can Marketing Sdn. Bhd., Beng Choo Marketing Sdn. Bhd., Emico (Vietnam) Co. Ltd. and Bayan Greentech Capital Sdn. Bhd., whereby certain Directors of the Group and their family members have significant financial and controlling interests or are connected to certain Directors of the related parties.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

29. RELATED PARTY DISCLOSURES (CONT'D)

- (b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Subsidiaries				
Management fee received:				
- Emico Development Sdn. Bhd.	0	0	84,000	84,000
- Emico Penang Sdn. Bhd.	0	0	348,000	348,000
- PKB-Operasi Tembaga Sdn. Bhd.	0	0	60,000	60,000
Associate				
Sales:				
- Emico Trophy Co. Ltd.	630,210	388,384	0	0
Related parties				
Purchases:				
- U-Can Marketing Sdn. Bhd.	0	2,380	0	0
- Emico (Vietnam) Co. Ltd.	5,682,774	5,689,398	0	0
Sales:				
- U-Can Marketing Sdn. Bhd.	0	9,159	0	0
- Emico (Vietnam) Co. Ltd.	490,356	887,319	0	0
Rental of premises paid and payable:				
- Beng Choo Marketing Sdn. Bhd.	775,000	600,000	0	0

The related party transactions described above were undertaken on mutually agreed and negotiated terms.

The related parties are companies in which certain Directors of the Group and their family members have significant financial and controlling interests.

Information regarding outstanding balances arising from related party transactions as at 31 March 2025 and 31 March 2024 are disclosed in Notes 13 and 18 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

29. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and of the Company.

The total compensation of Directors and other key management personnel was as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Short term employee benefits	1,578,417	1,576,190	779,683	779,174
Contributions to defined contribution plans	159,104	165,498	61,200	68,850
	1,737,521	1,741,688	840,883	848,024

30. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The Group's objectives and policies of managing capital are to safeguard the ability of the Group to continue in its operations as going concerns in order to provide fair returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain the optimal capital structure, the Group may, from time to time, adjust/vary the dividend payouts to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

For capital management purposes, the Group considers shareholders' equity (excluding non-controlling interests) and borrowings (including lease liabilities) to be the key components in the Group's capital structure. The Group monitors capital on the basis of gearing ratio. The Group includes within net debt, borrowings and lease liabilities less deposits with a licensed bank and cash and bank balances. There were no changes in the Group's approach to capital management during the financial year. The debts-to-equity as at 31 March 2025 and 31 March 2024 were as follows:

	Group	
	2025 RM	2024 RM
Borrowings	13,956,093	9,515,881
Lease liabilities	5,140,951	2,599,877
Less:		
Cash and bank balances	(2,044,756)	(7,310,635)
Deposits with licensed banks	(94,803)	(94,803)
Net debt	16,957,485	4,710,320
Total capital	53,005,228	52,285,165
Net debt	16,957,485	4,710,320
Equity	69,962,713	56,995,485
Gearing ratio	24%	8%



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

30. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Capital management (Cont'd)

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital (excluding treasury shares, if any) and such shareholders' equity is not less than RM40 million. The Group has complied with this requirement during the financial year.

The Group is not subject to any other externally imposed capital requirements.

As at the respective reporting dates, the Company did not have any borrowings. As such, no gearing ratio was presented.

(b) Financial risk management

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group financial risk management policies.

The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk. Information on the management of the related exposures is detailed below.

(i) Credit risk

Deposits with licensed banks and trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are major international institutions and reputable multinational organisations. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's primary exposure to credit risk arises through its trade receivables while the Company's primary exposure is through the amounts owing by subsidiaries. The Group's trading terms with its customers are mainly on credit. The credit period generally ranges from cash term and up to 120 days for major customers. Each customer has a maximum credit limit and the Group seeks to maintain control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

In respect of the cash and bank balances placed with major financial institutions, the Directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

30. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period are as follows:

	Group			
	2025		2024	
	RM	% of total	RM	% of total
By country:				
Malaysia	5,367,048	71%	5,148,435	68%
Sweden	753,531	10%	1,149,539	15%
United Kingdom	265,336	3%	325,274	4%
Vietnam	52,914	1%	0	0%
Italy	3,692	0%	641,799	9%
China	120,317	2%	129,034	2%
Thailand	141,051	2%	53,306	1%
United States of America	534,682	7%	0	0%
France	149,259	2%	0	0%
Others	137,711	2%	88,197	1%
	<u>7,525,541</u>	<u>100%</u>	<u>7,535,584</u>	<u>100%</u>

At the end of the reporting period, approximately:

44.5% (2024: 64.5%) of the Group's trade receivables were due from major customers who are multi-industry conglomerates located in Malaysia, Sweden and Italy (2024: Malaysia, Sweden and Italy).

99.9% (2024: 99.9%) of the Company's other receivables were owing from subsidiaries.

(ii) Liquidity and cash flow risk

Liquidity and cash flow risks are the risks that the Group and the Company will not be able to meet their financial obligations when they fall due. The exposure of the Group and of the Company to liquidity risk arises principally from their various payables, borrowings and lease liabilities.

The Group and the Company actively manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Group and the Company measure and forecast their cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's and the Company's activities. In addition, the Group strives to maintain available banking facilities at a reasonable level to meet its business needs.

Owing to the nature of its businesses, the Group and the Company always maintain sufficient credit lines available to meet their liquidity requirements while ensuring an effective working capital management within the Group and the Company.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

30. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity and cash flow risk (Cont'd)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of each reporting period based on contractual undiscounted repayment obligations.

	On demand or within one (1) year RM	One (1) to five (5) years RM	Over five (5) years RM	Total RM
As at 31 March 2025				
Group				
Financial liabilities:				
Trade and other payables	12,621,272	0	0	12,621,272
Borrowings	8,817,018	4,166,968	1,986,352	14,970,338
Lease liabilities	1,613,408	4,030,565	0	5,643,973
Total undiscounted financial liabilities	<u>23,051,698</u>	<u>8,197,533</u>	<u>1,986,352</u>	<u>33,235,583</u>
Company				
Financial liabilities:				
Other payables	1,318,865	8,619,192	0	9,938,057
Financial guarantee contracts	14,731,929	0	0	14,731,929
Total undiscounted financial liabilities	<u>16,050,794</u>	<u>8,619,192</u>	<u>0</u>	<u>24,669,986</u>
As at 31 March 2024				
Group				
Financial liabilities:				
Trade and other payables	10,065,371	0	0	10,065,371
Borrowings	6,107,333	3,471,107	464,256	10,042,696
Lease liabilities	1,158,735	1,634,517	28,564	2,821,816
Total undiscounted financial liabilities	<u>17,331,439</u>	<u>5,105,624</u>	<u>492,820</u>	<u>22,929,883</u>
Company				
Financial liabilities:				
Other payables	1,259,727	8,619,192	0	9,878,919
Financial guarantee contracts	10,517,996	0	0	10,517,996
Total undiscounted financial liabilities	<u>11,777,723</u>	<u>8,619,192</u>	<u>0</u>	<u>20,396,915</u>

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

30. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market interest rates.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arising from the Group's borrowings is managed through the use of fixed and floating rates debts. The Group monitors the interest rates on borrowings closely to ensure that the borrowings are maintained at favourable rates. The Group does not use derivative financial instruments to hedge this risk.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity of the Group's profit net of tax and equity to a reasonably possible change in interest rates, with all other variables held constant.

	Profit after tax	
	2025 RM	2024 RM
Increased by 50 basis points (2024: 50 basis points)	53,033	36,160
Decreased by 50 basis points (2024: 50 basis points)	(53,033)	(36,160)

The effect on the equity of the Group is not presented as it is not affected by the changes in interest rate.

The sensitivity is higher in 2025 than in 2024 because of an increase in outstanding borrowings that has occurred. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

The Group does not account for any fixed rate financial instruments at fair value through profit or loss, and the carrying amount of fixed rate financial instruments of the Group are measured at amortised cost. Therefore, no sensitivity analysis for fixed rate instruments was prepared as the change in market interest rate at the end of the reporting period would not affect profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

30. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

- (b) Financial risk management (Cont'd)
(iii) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates and weighted average incremental borrowing rate as at the end of the reporting period and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk:

Group	Note	Weighted average effective interest rates/incremental borrowing rate* %	Within 1 year RM					Total RM
			1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	
Fixed rates								
Deposits with licensed banks	14	3.35	94,803	0	0	0	0	94,803
Lease liabilities	6	4.88*	(1,434,780)	(1,299,373)	(1,061,126)	(947,549)	(398,123)	(5,140,951)
Floating rates								
Banker overdrafts	17	7.70	(1,746,910)	0	0	0	0	(1,746,910)
Banker's acceptance	17	4.54	(4,590,566)	0	0	0	0	(4,590,566)
Term loans	17	5.38	(2,176,487)	(1,874,945)	(559,893)	(567,898)	(593,586)	(7,618,617)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

30. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

- (b) Financial risk management (Cont'd)
- (iii) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates and weighted average incremental borrowing rate as at the end of the reporting period and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk: (Cont'd)

Group	Note	Weighted average effective interest rates/incremental borrowing rate* %	Within 1 year					Total RM
			1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	
Fixed rates								
Deposits with licensed banks	14	3.35	94,803	0	0	0	0	94,803
Lease liabilities	6	3.73*	(1,048,711)	(642,529)	(534,136)	(252,727)	(93,549)	(2,599,877)
Floating rates								
Banker's acceptance	17	4.45	(4,634,000)	0	0	0	0	(4,634,000)
Term loans	17	5.29	(1,262,741)	(2,097,162)	(938,526)	(141,065)	(60,702)	(4,881,881)



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

30. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes.

Transactional currency exposures arise from sales and purchases that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily USD, CNY and Euro.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group's profit net of tax and equity to reasonable possible change in the USD, CNY and Euro exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Profit after tax	
	2025 RM	2024 RM
USD/RM		
- Strengthened by 5%	27,574	207,791
- Weakened by 5%	(27,574)	(207,791)
CNY/RM		
- Strengthened by 5%	(43,202)	(35,733)
- Weakened by 5%	43,202	35,733
Euro/RM		
- Strengthened by 5%	(41)	(1,332)
- Weakened by 5%	41	1,332

Sensitivity analysis of other currencies to the Group's profit net of tax are not disclosed as the fluctuation of those foreign exchange rates against the Group's functional currency are not significant.

The effect on equity of the Group and Company is not presented as it is not affected by changes in foreign currency exchange rate.

31. CAPITAL COMMITMENT

	Group	
	2025 RM	2024 RM
Capital expenditure for property, plant and equipment		
- Contracted but not provided for	680,376	884,875

32. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 21 April 2025, the Board fixed the issue price for the second and final tranche of the Proposed Private Placement comprising 5,500,000 Placement Shares at RM0.193 per Placement Share. The second and final tranche of the Placement Shares was listed on Bursa Securities on 28 April 2025, and the private placement was accordingly completed.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025

33. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

33.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

Adoption of the above Amendments to the Standards did not have any material effect on the financial performance or position of the Group and of the Company.

33.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>Annual Improvements to MFRS Accounting Standards - Volume 11</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments to the Standards, since the effects would only be observable for the future financial years.

34. STATUTORY DISCLOSURE

Pursuant to Section 249(4)(e) of Companies Act 2016, details of auditors' remuneration payable by the Group and by the Company during the financial year were as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Statutory audit	145,415	141,478	60,000	55,000
Non-audit related services	4,500	3,000	3,100	3,000
	149,915	144,478	63,100	58,000



ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2025

Distribution of Shareholdings

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	24	0.963	989	0.001
100 - 1000	672	26.977	545,500	0.396
1,001 - 10,000	1,197	48.053	5,621,514	4.088
10,001 - 100,000	510	20.474	15,950,800	11.601
100,001 - 6,874,904 (*)	87	3.493	88,029,841	64.023
6,874,905 (**)	1	0.040	27,349,462	19.891
Total	2,491	100.000	137,498,106	100.000

Remark 5% of total shares 6,874,905

* - Less than 5% of Issued shares

** - 5% and above of Issued shares

Substantial Shareholdings

Substantial Shareholdings	Direct (Shares)	Direct %	Indirect (Shares)	Indirect %
Lim Teck Chye	27,349,462	19.891	3,337,312	2.427
Lim Poh Hoon	112,000	0.081	30,574,774	22.237
Lim Teik Hian	375,000	0.273	30,311,774	22.045

Directors Shareholdings

Name	Direct	%	Indirect	%
Lim Teck Chye	27,349,462	19.89	3,337,312	2.43
Lim Lay Khim	737,000	0.54	-	-
Dato' Jimmy Ong Chin Keng	960,000	0.70	-	-
Kee Chei Hen	2,000	#	-	-
Ng Hong Kiat @ Ng Han Kiat	-	-	-	-
Total Issued Shares	137,498,106			

Note:

Negligible

LIST OF TOP 30 SHAREHOLDERS

AS AT 30 JUNE 2025

NO.	HOLDER NAME	SHARES	%
1	LIM TECK CHYE	25,364,362	18.447%
2	NEOH BOON TOE	6,845,000	4.978%
3	GAN PEI JOO	6,800,000	4.946%
4	LIEW KIT	6,114,300	4.447%
5	LIEW CHOON	6,080,400	4.422%
6	NEOH BOON LOON	4,900,000	3.564%
7	CHUAH CHOON BIN	4,100,000	2.982%
8	LIEW KIM SIONG	3,841,300	2.794%
9	BLUM NETWORK CAPITAL SDN. BHD.	3,074,100	2.236%
10	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR NG GEOK WAH (B BRKLANG-CL)</i>	2,479,500	1.803%
11	CHUAH GUAN LEONG	2,442,500	1.776%
12	TAN KEAN AIK	2,398,500	1.744%
13	KENANGA NOMINEES (TEMPATAN) SDN. BHD. <i>RAKUTEN TRADE SDN. BHD. FOR LOW FEI WEI</i>	2,395,900	1.742%
14	NEOH BOON YEW	2,042,100	1.485%
15	LIEW HOCK YEE	2,033,500	1.479%
16	LIM TECK CHYE	1,985,100	1.444%
17	BENG CHOO MARKETING SDN. BHD.	1,964,212	1.429%
18	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR TAN KING TAI @ TAN KHOON HAI</i>	1,960,000	1.425%
19	AMSEC NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TAN HUI LUN (SMART)</i>	1,800,000	1.309%
20	KENANGA NOMINEES (TEMPATAN) SDN. BHD. <i>RAKUTEN TRADE SDN. BHD. FOR LIEW KIM SIONG</i>	1,622,000	1.180%
21	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR CHAN MEI CHENG (E-BMM)</i>	1,436,500	1.045%
22	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR TEH BOON CHIEW</i>	1,264,700	0.920%
23	TAN CHIN PENG	1,095,000	0.796%
24	JIMMY ONG CHIN KENG	960,000	0.698%
25	NEOH BOON YEW	949,600	0.691%
26	AMSEC NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TAN KING TAI @ TAN KHOON HAI (SMART)</i>	903,100	0.657%
27	WONG SEW YUN	895,859	0.652%
28	LIM LAY KHIM	737,000	0.536%
29	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR WONG SIOW HU (SEGAMAT-CL)</i>	701,800	0.510%
30	DARREN LIM YAN DA	700,000	0.509%
		99,886,333	72.646%



LIST OF PROPERTIES

AS AT 31 MARCH 2025

Location	Tenure	Description/ Existing Use	Land Area (sq ft)	Built-up Area (sq ft)	Age of Building (Years)	Carrying Amount RM'000	Acquisition/ Revaluation*
Lot Nos 5727 and 7151 Kawasan Perindustrian Bayan Lepas, Mukim 12 Daerah Barat Daya, Pulau Pinang	60-years Leasehold Expiring 2046 and 2047 respectively	Land and factory buildings, warehouse and office for industrial use	79,096	147,214	33 to 40	16,464	2023*
Unit 2-5-9 Harbour Trade Centre, Lebuh Macallum, Pulau Pinang	99-years Leasehold Expiring 2089	Office unit for rental	-	2,031	30	126	1992
Geran 127391 & 127392 Bandar Sungai Petani, Daerah Kuala Muda, Kedah	Freehold	3 storey office building	2,800	7,394	17	1,392	2023*
Taman Batik Bandar Sungai Petani, Daerah Kuala Muda, Kedah	Freehold	On-going mix development project	93,876	-	-	287	1996
Bandar Mutiara Bandar Sungai Petani, Daerah Kuala Muda, Kedah	Freehold	On-going mix development project	931,294	-	-	2,744	1996
Taman Simfoni Bandar Kuah, Daerah Langkawi, Kedah	99 years Leasehold Expiring 2112	On-going mix development project	506,991	-	-	711	1996

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 33rd Annual General Meeting (“**AGM**”) of Emico Holdings Berhad (“**Emico**” or “**the Company**”) will be held at The Conference Room of Emico, 18 Lebuhraya Kampung Jawa, 11900 Bayan Lepas, Penang on Thursday, 11 September 2025 at 11.00 a.m. for the following purposes:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2025 together with the Reports of the Directors and Auditors thereon. Please refer to Note 9
2. To re-elect Mr. Kee Chei Hen, a Director who retires by rotation in accordance with Article 103 of the Company’s Constitution and who, being eligible, offers himself for re-election. **Resolution 1**
3. To re-elect Ms. Lim Lay Khim, a Director who retires by rotation in accordance with Article 103 of the Company’s Constitution and who, being eligible, offers herself for re-election. **Resolution 2**
4. To approve the payment of Directors’ fees of not exceeding RM100,000 to the Executive Directors of the Company for the financial year ending 31 March 2026. **Resolution 3**
5. To approve the payment of Directors’ fees of not exceeding RM150,000 to the Non-Executive Directors of the Company for the financial year ending 31 March 2026. **Resolution 4**
6. To approve the payment of Directors’ benefits up to an amount not exceeding RM120,000.00 payable to the Non-Executive Directors of the Company from the conclusion of the 33rd AGM until the conclusion of the next AGM of the Company. **Resolution 5**
7. To re-appoint Messrs. BDO PLT as Auditors of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications the following ordinary resolutions:-

8. **AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **Resolution 7**

“THAT, pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, the Directors be hereby authorised to allot and issue new shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company.

THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Article 64 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016.

THAT any one of the Executive Directors and/or Secretary of the Company be hereby empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and to do all such acts and things necessary to give full effect to such transactions as authorised by this resolution.

AND THAT, such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.”



NOTICE OF ANNUAL GENERAL MEETING

9. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **Resolution 8**

"THAT, subject to the Companies Act 2016 ("**CA 2016**"), the Company's Constitution, the Main LR of Bursa Securities and all other applicable laws, guidelines, rules and regulations, the authority be hereby given for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature ("**Proposed Renewal of Shareholders' Mandate**") as set out in the Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate provided that such transactions are in the ordinary course of business which are necessary for the day-to-day operations on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders and that such authority shall continue to be in force until :

- (a) the conclusion of the next AGM of the Company following the AGM at which the Proposed Renewal of Shareholders' Mandate is passed, at which time it will lapse, unless by an ordinary resolution passed at the AGM, the authority is renewed;
- (b) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(1) of CA 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of CA 2016); or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier;

And that, the Executive Directors of the Company be hereby authorised to complete and do all such acts including executing any documents as may be required to give full effect to such transactions authorised by this resolution."

10. To transact any other business of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

By Order of the Board,

LEE PENG LOON (MACS 01258)
SSM PC NO. 201908002340

P'NG CHIEW KEEM (MAICSA 7026443)
SSM PC NO. 201908002334
Company Secretaries

Penang
Date: 31 July 2025

NOTICE OF ANNUAL GENERAL MEETING

NOTES ON APPOINTMENT OF PROXY

- (1) A proxy may but need not be a member of the Company.
- (2) A member shall be entitled to appoint up to a maximum of 2 proxies to attend and vote at the same meeting.
- (3) Where a member appoints 2 proxies to attend and vote at the same meeting, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.
- (4) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”), it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of 2 proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- (5) Where a member is an Exempt Authorised Nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies it may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA.
- (6) The proxy form shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation’s common seal or under the hand of an officer or attorney duly authorised.
- (7) For a proxy to be valid, the proxy form duly completed must be deposited at the registered office of the Company at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than 48 hours before the time for holding the meeting or adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll. The completed Proxy Form transmitted by facsimile or electronic mail (e-mail) will not be accepted.
- (8) Only a Depositor whose name appears on the Record of Depositors on 22 August 2025 (General Meeting Record of Depositors) shall be eligible to attend the AGM or appoint proxies to attend and/or vote on his/her behalf.

NOTES ON ORDINARY BUSINESS

(9) **Agenda 1 – Audited Financial Statements**

The Audited Financial Statements for the financial year ended 31 March 2025 will be laid to shareholders at the forthcoming 33rd AGM of the Company pursuant to Section 340(1)(a) of the Companies Act 2016. Hence, the Agenda 1 is not put forward for voting.

(10) **Agenda 2 and Agenda 3 – Re-election of Directors**

The Nominating Committee had assessed the performance and contribution of each of the retiring Directors seeking for re-election in accordance with the Directors’ Fit and Proper Policy and was satisfied therewith. The Board had endorsed the Nominating Committee’s recommendation to seek shareholders’ approval for the re-election of the retiring Directors at the forthcoming 33rd AGM of the Company. The retiring Directors had abstained from deliberations and decisions on their respective re-election at the Nominating Committee and Board meetings. The details and profiles of the Directors who are standing for re-election at the forthcoming 33rd AGM are provided in the Company’s Annual Report 2025.

(11) **Agenda 4 and Agenda 5 – Directors’ Fees**

The Resolution 3 and 4, if passed, will enable the Company to pay Directors’ fees to the Executive Directors and Non-Executive Directors of the Company for the financial year ending 31 March 2026 in accordance with Section 230(1) of the Companies Act 2016.

(12) **Agenda 6 – Directors’ Benefits**

The Resolution 5, if passed, will enable the Company to pay benefits to the Non-Executive Directors of the Company in accordance with Section 230(1) of the Companies Act 2016. The total amount of Directors’ benefits payable is estimated based on the number of scheduled meetings of the Board and Board Committees as well as the number of Non-Executive Directors involved; and these benefits may comprise of meeting allowances, trainings, accommodations, insurance and other emoluments and benefits-in-kinds.



NOTICE OF ANNUAL GENERAL MEETING

NOTES ON ORDINARY BUSINESS (CONT'D)

(13) **Agenda 7 – Re-appointment of Auditors**

The Audit & Risk Management Committee and the Board had considered the re-appointment of Messrs. BDO PLT as Auditors of the Company. The Audit & Risk Management Committee and the Board collectively agreed and are satisfied that Messrs. BDO PLT meets the relevant criteria prescribed in Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

NOTES ON SPECIAL BUSINESS

(14) **Agenda 8 – Authority to issue shares pursuant to Companies Act 2016**

The Resolution 7, if passed, will enable the Directors to allot and issue new shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being without having to offer the new shares in the Company to be issued equally to all existing shareholders of the Company prior to its issuance and, for such purposes as the Directors consider will be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in a general meeting will expire at the conclusion of the next AGM.

The proposed renewal of general mandate for issuance of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares for the purpose of funding future investment, working capital and/or acquisition.

As at the date of this notice, a total of 5,500,000 ordinary shares were issued and allotted pursuant to the general mandate granted at the last AGM of the Company. The total proceeds of RM1,061,500.00 had been utilised by the Group for its working capital requirements.

(15) **Agenda 9 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The Resolution 8, if passed, will enable the Company and its subsidiaries to enter into recurrent transactions involving the interests of the related parties which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of minority shareholders of the Company. Further information of the Proposed Renewal of Shareholders' Mandate is set out in the Circular to Shareholders dated 31 July 2025, a copy of which can be downloaded from the Company's website <https://emico.com.my/agm-event/>

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27(2) OF MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES)

- 1) No individuals are standing for election as Directors at the forthcoming 33rd Annual General Meeting of the Company.
- 2) The profiles of the Directors who are standing for re-election as in Agenda 2 and 3 of the Notice of the 33rd Annual General Meeting of the Company are set out in the Board of Directors' Profile section of this Annual Report 2025.
- 3) The details of the Directors' interests in the securities of the Company as at 30 June 2025 are set out in the Analysis of Shareholdings section of this Annual Report 2025.
- 4) The Resolution 7 tabled under Special Business as per the Notice of 33rd Annual General Meeting of the Company dated 31 July 2025 is a renewal of general mandate granted by shareholders of the Company at the last Annual General Meeting held on 12 September 2024.

The proposed renewal of general mandate for issuance of new shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for the purpose of funding future investment, working capital and/or acquisition.

As at the date of notice of meeting, a total of 5,500,000 ordinary shares were issued and allotted pursuant to the general mandate granted at the last Annual General Meeting of the Company. The total proceeds of RM1,061,500.00 had been utilised by the Group for its working capital requirements.



EMICO HOLDINGS BERHAD
 Registration No. 199101020015 (230326-D)
 Incorporated in Malaysia

PROXY FORM

Number of Shares Held	CDS ACCOUNT NO.									

*I/We.....(*I/C No./Passport No./Company No.....)
 (Full Name in Block Letters)

of
 (Address)

being a * member / members of the abovenamed Company, hereby appoint

Full Name in Block Letters	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

* and/or (*delete if not applicable)

Full Name in Block Letters	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

or failing whom, the Chairman of the meeting as *my/our proxy to vote for *me/us on *my/our behalf at the 33rd Annual General Meeting ("AGM") of the Company to be held at The Conference Room of Emico Holdings Berhad, 18 Lebuhraya Kampung Jawa, 11900 Bayan Lepas, Penang on Thursday, 11 September 2025 at 11.00 a.m., and at any adjournment thereof.

NO.	RESOLUTIONS	FOR	AGAINST
1.	To re-elect Mr. Kee Chei Hen as a Director of the Company.		
2.	To re-elect Ms. Lim Lay Khim as a Director of the Company.		
3.	To approve the payment of Directors' Fees to Executive Directors.		
4.	To approve the payment of Directors' Fees to Non-Executive Directors.		
5.	To approve the payment of Directors' Benefits to Non-Executive Directors.		
6.	To re-appoint Messrs. BDO PLT as Auditors of the Company.		
7.	To authorise the Directors to allot and issue new shares in the Company.		
8.	To obtain a renewal of shareholders' mandate for recurrent related party transactions.		

Please indicate with an "x" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy may vote as he thinks fit.

Signed this day of....., 2025.

.....
 Signature(s)/Common Seal of member(s)

Notes:

1. A proxy may but need not be a member of the Company.
2. A member shall be entitled to appoint up to a maximum of 2 proxies to attend and vote at the same meeting.
3. Where a member appoints 2 proxies to attend and vote at the same meeting, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of 2 proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
5. Where a member is an Exempt Authorized Nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies it may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA.
6. The proxy form shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.
7. For a proxy to be valid, the proxy form duly completed must be deposited at the registered office of the Company at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than 48 hours before the time for holding the AGM or adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll. The completed Proxy Form transmitted by facsimile or electronic mail (e-mail) will not be accepted.
8. Only a Depositor whose name appears on the Record of Depositors on 22 August 2025 (General Meeting Record of Depositors) shall be eligible to attend the AGM or appoint proxies to attend and/or vote on his/her behalf.

*strike out whichever is not desired.



Fold this flag sealing

2nd fold here

STAMP

The Company Secretary
EMICO HOLDINGS BERHAD
Registration No. 199101020015 (230326-D)
51-21-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang

1st fold here



◆ 2 & 3 STOREY SHOP OFFICE ◆

PLATINUM

COMMERCIAL CENTRE

BANDAR MUTIARA, SUNGAI PETANI

21 EXCLUSIVE UNITS ONLY



For Enquiry:

04 444 5080
016 422 0987



18, Lebuhraya Kampung Jawa,
11900 Bayan Lepas, Penang, Malaysia.

Tel: (604) 688 2841
E-mail: info@emico.com.my

www.emico.com.my

