



**EMICO HOLDINGS BERHAD**  
Registration No. 199101020015 (230326-D)  
(Incorporated in Malaysia)

Since

1973

**INFINITE EVOLUTION**  
**ANNUAL REPORT 2024**

# OUR MISSION.

Dedicated to Deliver Innovation, High Quality, Competitive and Value Added Product & Services.

# OUR VALUES.

Our values serve as guidelines for our actions, decisions and behaviours in all our dealing.

## MOTIVATED

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

## UNDERSTANDING

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

## FLEXIBLE & FRIENDLY

We are dedicated to support each other as a team and will adapt to changing conditions.

## RESPONSIBLE & RELIABLE

We operate in a safe, environmentally responsible and compliant manner in all our operations. We take pride in fulfilling our responsibilities & performance. We commit to deliver quality products and services to meet customers' requirements.

## INTEGRITY & INNOVATIVE

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



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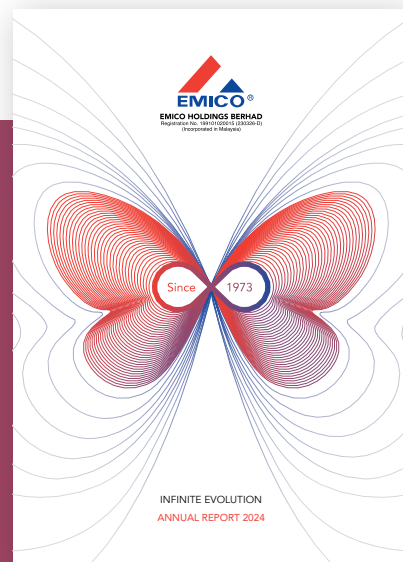
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## INFINITE EVOLUTION

Emico reflected on its persistent growth throughout the 50 years in the economic cycle, and now Emico is ready to soar higher toward triumph and beyond. Resembling a butterfly, Emico as a virtuous corporation is committed to evolving delightfully and continuously despite many challenges, a testament to its resilience and adaptability within the market sphere. Emico will now strive strenuously into superior positioning and achieve greater heights to infinity and beyond.



## 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  
Tan Teong Yu  
**Director of Finance**  
Tan Chee Yik  
**Assistant Finance Manager**

### 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: (60) 4 210 8833  
F: (60) 4 210 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: (60) 3 2783 9299  
F: (60) 3 2783 9222  
Email: is.enquiry@my.tricorglobal.com

### AUDITORS

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

Chartered Accountants  
51-21-F Menara BHL  
Jalan Sultan Ahmad Shah  
10050 Penang  
T: (60) 4 222 0288  
F: (60) 4 222 0299

### STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia Securities Berhad

Stock Name	<b>EMICO</b>
Stock Code	<b>9091</b>
Sector	<b>Consumer Products</b>

### PRINCIPAL BANKERS

RHB Bank Berhad	<b>196501000373 (6171-M)</b>
CIMB Bank Berhad	<b>197201001799 (13491-P)</b>

# CORPORATE STRUCTURE

AS AT 5 JULY 2024



## MANUFACTURING

- 100%** Emico Penang Sdn Bhd
- Emico Co. Ltd (China)
- Emico Marketing Sdn Bhd \*
- Emico Metalizing Sdn Bhd \*
- Emico Tools Sdn Bhd \*

## TRADING

- 100%** Emico Asia Sdn Bhd
- 51%** Emico Melaka Sdn Bhd \*
- 79%** Bayan Greentech Sdn Bhd
- 49%** Emico Trophy Co. Ltd (Thailand)

## PROPERTY DEVELOPMENT & INVESTMENT

- 100%** Emico Development Sdn Bhd
- 71%** Mercu Tanah Langkawi Sdn Bhd
- 60%** NEB Development Berhad \*
- 49.8%** PKB - Operasi Tembaga Sdn Bhd
- 49.7%** Operasi Tembaga Sdn Bhd

\* Dormant/Inactive

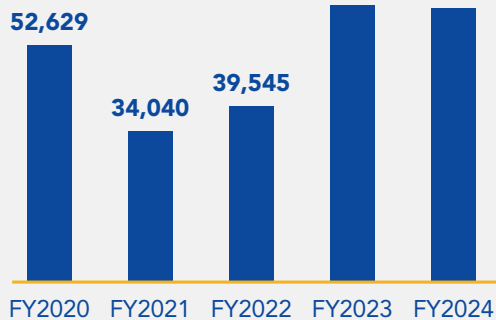
## GROUP FIVE-YEAR FINANCIAL HIGHLIGHTS

### EMICO GROUP 5 YEARS FINANCIAL HIGHLIGHTS

	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Revenue	52,629	34,040	39,545	61,202	<b>61,017</b>
Profit/(Loss) Before Tax	961	(2,979)	(1,265)	1,408	<b>5,523</b>
Share Capital	18,801	20,555	23,218	23,524	<b>24,242</b>
Net Assets	45,186	44,379	46,159	49,457	<b>52,285</b>
Net Assets Per Share (SEN)	0.43	0.39	0.38	0.40	<b>0.42</b>
Net Earnings/(Loss) Per Share (SEN)	0.57	(2.29)	(0.70)	0.30	<b>2.29</b>

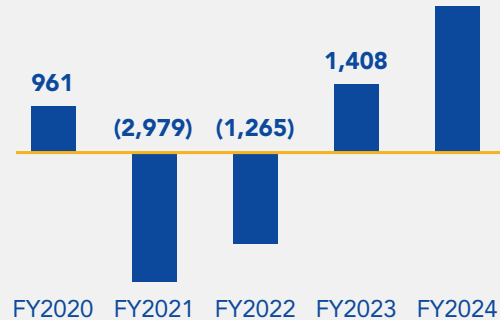
#### Revenue (RM'000)

61,017



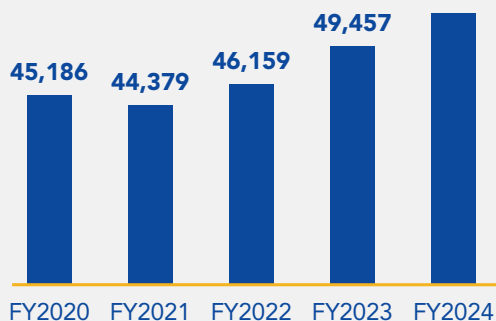
#### Profit/(Loss) Before Tax (RM'000)

5,523



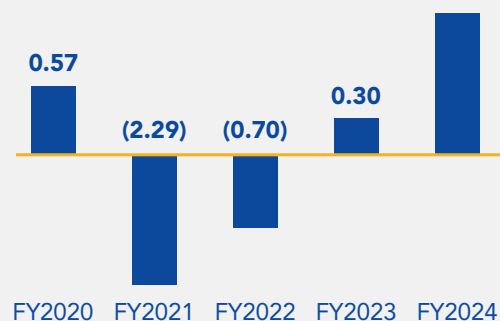
#### Net Assets (RM'000)

52,285



#### Net Earnings/(Loss) Per Share (SEN)

2.29



## BOARD OF DIRECTORS' PROFILE



### LIM TECK CHYE

Executive Chairman

**MALAYSIAN | AGED 50 | MALE**

**Lim Teck Chye** was appointed to the Board of the Company on 11 May 2004, and is currently the Executive Chairman of the Company.

Mr Lim is a professional engineer. He graduated with a Bachelor of Science in Engineering and a Master Degree in Industrial Engineering from University of Toledo, Ohio, USA. Upon graduation in 1997, he joined Northern Elevator Manufacturing Sdn Bhd as a Marketing Manager. In mid-1998, he was seconded abroad to set up an elevator manufacturing plant in Fujian, China and appointed as the Managing Director of Fuji-Sino Elevators (Fujian) Co., Ltd. In 1999, he was appointed to the Board of Northern Elevator Berhad as the Executive Director overseeing the operation of the company in the areas of cost reduction and productivity improvement. He served as the Regional Sourcing Director (South East Asia) and Service Director of KONE Elevator Sdn. Bhd. from year 2005 to 2011. Mr Lim has an extensive experience and knowledge in the field of 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.

Other than as disclosed in the related party transactions in Note 29 of the Financial Statements, he has no conflict of interest with the Company. Mr Lim has not been convicted of any offence within the past 5 years and had attended all five (5) Board meetings held during the financial year.



### LIM LAY KHIM

Executive Director

**MALAYSIAN | AGED 59 | FEMALE**

**Lim Lay Khim** was appointed to the Board on 25 September 2022, and is currently the Executive Director of the Company. She graduated with a Diploma in PSC, Pitman from Stamford College, Penang and attended Purchasing and Supply Management courses at Stategic Business School, Penang. She started her career in Emico Group as an Administrative Assistant in 1997 and rose to the rank of Business Development Manager in 2006. On 26 December 2013, Ms Lim was promoted as Director of Business Development and responsible for developing Emico Group's overseas market for trophy and contract manufacturing division.

She is not a director of any other public company. She is a member of the ESOS Committee. Other than as disclosed in the related party transactions in Note 29 of the Financial Statements, she has no conflict of interest with the company.

Ms Lim does not have any family relationship with any directors or major shareholders of the Company and has not been convicted of any offence within the past 5 years. She had attended all five (5) Board meetings held during the financial year.

## BOARD OF DIRECTORS' PROFILE



### DATO' JIMMY ONG CHIN KENG

Non-Independent and Non-Executive Director

**MALAYSIAN | AGED 61 | MALE**

**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.

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, nor does he have any conflict of interest with the Company.

Dato' Ong has not been convicted of any offence within the past 5 years and had attended all five (5) Board meetings held during the financial year.





## BOARD OF DIRECTORS' PROFILE



### NG HONG KIAT @ NG HAN KIAT

Independent and  
Non-Executive Director

**MALAYSIAN | AGED 73 | 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.

He 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, nor does he have any conflict of interest with the Company.

Mr Ng has not been convicted of any offence within the past 5 years and had attended all five (5) Board meetings held during the financial year.



### KEE CHEI HEN

Independent and  
Non-Executive Director

**MALAYSIAN | AGED 64 | 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.

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.

Mr Kee does not have any family relationship with any directors or major shareholders of the Company, nor does he have any conflict of interest with the Company.

Mr Kee has not been convicted of any offence within the past 5 years and had attended all five (5) Board meetings held during the financial year.

## PROFILE OF KEY SENIOR MANAGEMENT



**FROM LEFT  
TO RIGHT:**

**TAN TEONG YU, DARREN LIM YAN DA,  
LIM TECK CHYE, LIM LAY KHIM,  
JULIE ONG LYE IM, LIEW KONG WANG**

### **LIM TECK CHYE**

Executive Chairman

**MALAYSIAN | AGED 50 | MALE**

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

### **LIM LAY KHIM**

Executive Director

**MALAYSIAN | AGED 59 | FEMALE**

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

## PROFILE OF KEY SENIOR MANAGEMENT

### DARREN LIM YAN DA

Director of Operations

**MALAYSIAN | AGED 27 | MALE**

**Darren Lim Yan Da** started his career in the food and beverages industry, managing a team of establishments during his studies in Los Angeles in 2015. He pursued a degree in Business Administration at Pasadena City College in 2018, specializing in Entrepreneurship at California State University of Fullerton. Throughout his studies, he led two consultancy teams, focusing on marketing strategies for new products and production management consultancy for Pendarvis Manufacturing, the sole manufacturer of running boards for Toyota worldwide. He joined Emico group as Production Controller on 1 September 2019. Mr Lim was subsequently promoted to Production Manager on 26 September 2022 and promoted to Director of Operations on 26 March 2023. He is not a director of any public company.

Mr Lim is the son of Mr Lim Teik Hian, who is the major shareholder of the Company.

Other than as disclosed in the related party transactions in Note 29 of the Financial Statements, he has no conflict of interest with the Company.

Mr Lim has not been convicted of any offence within the past 5 years.

### LIEW KONG WANG

Director of Supply Chain

**MALAYSIAN | AGED 49 | MALE**

**Liew Kong Wang** graduated with Bachelor's Degree in Finance, Accountancy and Banking from University Sains Malaysia in 1999. Mr Liew joined Emico Group in 2003 as Technical Support Executive in the trading division of household products and promoted to Quality Control and Business Support Manager in 2007. He was subsequently promoted to Director of Supply Chain on 26 December 2014 responsible for overseeing procurement and logistics process of the Group.

Mr Liew does not have any family relationship with any directors or major shareholders of the Company, nor does he have any conflict of interest with the Company except for employee benefits as disclosed in the related party transactions in Note 29 of the Financial Statements. He is not a director of any public company.

Mr Liew has not been convicted of any offence within the past 5 years.

### TAN TEONG YU

Director of Finance

**MALAYSIAN | AGED 37 | MALE**

**Tan Teong Yu** graduated with a Bachelor's Degree in Accountancy from University Malaya in 2012 and commenced his first career at BDO Malaysia in 2012 as Audit Associate and rose to the rank of Audit Manager in 2017. In November 2017, he joined Melewar Industrial Group Berhad as Accountant. With the extensive auditing and exposure in various industries, he joined Emico Group as the Senior Finance Manager on 1 August 2019. Mr Tan was subsequently promoted to Director of Finance on 15 June 2022. He is a member of the Malaysian Institute of Accountants and The Malaysian Institute Of Certified Public Accountants.

Mr Tan does not have any family relationship with any directors or major shareholders of the Company, nor does he have any conflict of interest with the Company except for employee benefits as disclosed in the related party transactions in Note 29 of the Financial Statements. He is not a director of any public company.

Mr Tan has not been convicted of any offence within the past 5 years.

### JULIE ONG LYE IM

Director of Warehouse

**MALAYSIAN | AGED 57 | FEMALE**

**Julie Ong Lye Im** started her career with Emico Group in 1997 as Business Logistic Manager. She moved on to head the Operation Department as Manager in 2007. Ms Ong was appointed as Director of Operations on 26 December 2013 responsible for developing operational strategies, optimizing productivity and performance of the manufacturing for the Group. On 28 February 2018, she has been redesignated as Special Assistant to Managing Director ("MD") responsible to support the MD for handling special projects and assignments in meeting the strategic goals of the Group. On 7 October 2020, she has been redesignated as Special Assistant to Executive Chairman upon MD was redesignated as Executive Chairman. Ms. Julie subsequently promoted to Director of Procurement on 15 June 2022. On 10 October 2022, she has been redesignated as Director of Warehouse.

Ms Ong does not have any family relationship with any directors or major shareholders of the Company, nor does she have any conflict of interest with the Company except for employee benefits as disclosed in the related party transactions in Note 29 of the Financial Statements. She is not a director of any public company.

Ms Ong has not been convicted of any offence within the past 5 years.



## Letter from the Chairman.

### Dear Valued Shareholders,

As we wrap up FY2024, I am pleased to reflect on a year marked by resilience, growth, and significant achievements. Despite navigating the turbulent waters of a global pandemic and the complexities of geopolitical tensions, Emico Group has not only met these challenges head-on but has thrived, emerging stronger and more dynamic than ever.

We are proud to announce that Emico has been officially recognized by the Malaysia Book of Records as the largest trophy manufacturer in the country. This award serves as both a motivation and recognition of our position as a market leader in the trophy and awards industry. I am also pleased to report that we have achieved a sales turnover of RM 61.02 million and a profit before tax of RM 5.52 million. These figures reflect the dedication and resilience of every member of the Emico family.

Looking ahead to FY2025, we remain committed to excellence. We are poised to enhance our market presence through innovation and by delivering exceptional value to customers. Leveraging our facilities and expertise, we aim to expand our offerings, diversify our products, and fortify our leadership in the trophy and award market.

We attribute our success to our stakeholders. To our esteemed customers, suppliers, and business partners, we deeply appreciate your trust and collaboration. To our shareholders, your belief in our vision has been instrumental to our achievements. I also extend heartfelt thanks to my fellow board members for their invaluable guidance.

Above all, I want to express my deepest appreciation to the Emico team. Your dedication, hard work, and resilience have been nothing short of extraordinary. It is your unwavering commitment that propels us forward, even in the face of adversity.

As we embark on the next phase of our journey, let us remain united in our pursuit of excellence. Together, we will continue to surpass expectations, set new benchmarks, and script the next chapter of success for Emico Group.



**SALES  
TURNOVER**

**RM61.02  
million**



**PROFIT  
BEFORE TAX**

**RM5.52  
million**



## Malaysia's Largest Trophy Manufacturer



## MANAGEMENT DISCUSSION & 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, 2024 (FY2024). 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 and lighting components
- 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, 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. 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 20 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.

### HIGHLIGHTS OF GROUP FINANCIAL PERFORMANCE FOR THE PAST 5 YEARS

	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Revenue	52,629	34,040	39,545	61,202	<b>61,017</b>
Profit/(Loss) Before Interest & Tax	1,504	(2,659)	(790)	1,977	<b>6,150</b>
Finance Cost	543	320	475	569	<b>627</b>
Profit/(Loss) Before Tax	961	(2,979)	(1,265)	1,408	<b>5,523</b>
Net Profit/(Loss)	244	(2,379)	(1,166)	587	<b>2,735</b>

## MANAGEMENT DISCUSSION & ANALYSIS



### MARKET OVERVIEW

As we progress into FY2024, the positive momentum from the previous year's recovery continues to fuel our optimism and confidence. The global market's resurgence, combined with the steady growth of the trophy industry, provides a promising backdrop for our operations.

While remaining vigilant of external risks such as geopolitical tensions and fluctuating material costs, we are proactively managing these challenges through strategic planning and robust risk mitigation measures. Our agile supply chain management and adaptable procurement strategies enable us to navigate cost fluctuations effectively.

In line with our dedication to continuous improvement, we are intensifying our efforts to embrace automation and implement lean manufacturing practices. By harnessing technology and optimizing production processes, we aim to further boost productivity and cost efficiency, ensuring our competitiveness in the market.

Despite ongoing challenges, our unwavering commitment to meeting customer demands and delivering exceptional products remains steadfast. Looking ahead, we anticipate FY2025 to mark a period of sustained growth and enhanced performance. With a strategic focus on innovation, efficiency, and customer satisfaction, we are well-positioned to seize emerging opportunities and surmount any obstacles that may arise.

### GROUP REVENUE

In the current financial year, the Group recorded a revenue of RM61.02 million, representing a slight decrease of RM0.18 million compared to the preceding financial year. The decrease was due to no revenue generated by the property division; however, it was partially mitigated by an increase in demand for trophy and award products.

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

Segmental Revenue by Division	2020		2021		2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Consumer Products Division										
- Trophy	26,512	50	5,415	16	10,147	26	23,997	40	<b>33,592</b>	<b>55</b>
- Contract Manufacturing	16,262	31	18,992	56	21,937	55	29,678	48	<b>18,956</b>	<b>31</b>
- Trading	3,982	8	4,656	14	6,314	16	5,409	9	<b>8,469</b>	<b>14</b>
Property Division	5,873	11	4,977	14	1,147	3	2,118	3	-	-
<b>Total Group Revenue</b>	<b>52,629</b>	<b>100</b>	<b>34,040</b>	<b>100</b>	<b>39,545</b>	<b>100</b>	<b>61,202</b>	<b>100</b>	<b>61,017</b>	<b>100</b>

Revenue Distribution by Key Market	2020		2021		2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Europe	26,603	51	25,011	73	31,648	80	43,543	71	<b>39,342</b>	<b>64</b>
Other countries	10,948	21	2,040	6	3,501	9	8,041	13	<b>11,565</b>	<b>19</b>
<b>Total Exports</b>	<b>37,551</b>	<b>72</b>	<b>27,051</b>	<b>79</b>	<b>35,149</b>	<b>89</b>	<b>51,584</b>	<b>84</b>	<b>50,907</b>	<b>83</b>
Malaysia	15,078	28	6,989	21	4,396	11	9,618	16	<b>10,110</b>	<b>17</b>
<b>Total Group Revenue</b>	<b>52,629</b>	<b>100</b>	<b>34,040</b>	<b>100</b>	<b>39,545</b>	<b>100</b>	<b>61,202</b>	<b>100</b>	<b>61,017</b>	<b>100</b>

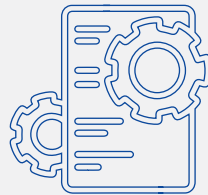
## MANAGEMENT DISCUSSION & ANALYSIS

### CONSUMABLE PRODUCTS DIVISION



#### i. Trophy

For the financial year ended 31 March 2024, the trophy division achieved a sales revenue of RM33.59 million, representing a substantial growth compared to RM24.00 million in FY2023. The sales have steadily returned as the trophy market situation has stabilized. Our sales of gift and premium products have significantly increased following improvements in the European tourism market. Our newly launched products continue to receive positive responses from our customers, with sales from the USA, UK, and Germany contributing to the growth. Additionally, the strengthening of the USD against the MYR has significantly boosted our sales revenue.



#### ii. Contract Manufacturing

In FY2024, revenue from our contract manufacturing division decreased to RM18.96 million, compared to RM29.68 million in the preceding financial year. This decline was primarily attributed to our customer's relocation of partial production back to Europe, prompted by previous disruptions in delivery and extended sailing lead times aggregated by the Ukraine War. The recent Red Sea crisis has further aggregated the situation, causing increased instability and higher sea freight rates.



#### iii. Trading

The trading division achieved higher revenue of RM8.47 million, compared to RM5.41 million in the preceding year. The increase in revenue was primarily driven by the successful completion of new furniture development projects with our customers in the United Kingdom. Additionally, the rebound in trading of trophy and award products with our European and Asian customers has also contributed to the increment.

### PROPERTY DEVELOPMENT

The property division did not generate revenue during the current financial year, compared to RM2.12 million in the preceding year. This is mainly attributable to the market sentiment in the region.

### GROUP PROFIT BEFORE TAX

The Group posted a profit before tax ("PBT") of RM5.52 million for FY2024 as compared to a PBT of RM1.41 million in the preceding year. The increase in PBT was primarily attributed to higher selling price and strengthening of USD against RM.



## MANAGEMENT DISCUSSION & ANALYSIS



### FINANCIAL POSITION

	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Shareholders' Equity	45,186	44,379	46,159	49,457	<b>52,285</b>
Total Assets	81,104	74,588	79,129	86,602	<b>88,759</b>
Borrowings	7,894*	8,680*	9,729*	12,071*	<b>11,292*</b>
Share Capital	18,801	20,555	23,218	23,524	<b>24,242</b>
Net Assets	45,186	44,379	46,159	49,457	<b>52,285</b>
Debts/Equity (%)	17.47	19.56	21.08	24.41	<b>21.60</b>
Net Assets Per Share (Sen)	0.43	0.39	0.38	0.40	<b>0.42</b>
Earnings/(Loss) Per Share (Sen)	0.57	(2.29)	(0.70)	0.30	<b>2.29</b>

\* Including hire purchase creditors of approximately RM1.78 million and RM2.06 million for FY2024 and FY2023 respectively which were classified as lease liabilities due to adoption of MFRS 16

### EQUITY AND LIABILITY

#### CAPITAL STRUCTURE

With a total of 2,069,170 shares being issued under the Employees' Share Option Scheme ("ESOS"), the total share capital of the Company increased to 125,661,891 shares, which amounted to RM24,241,585.

#### BORROWINGS

The borrowings (including hire purchase creditors which were classified as lease liabilities in accordance of MFRS 16) of the Group in FY2024 were RM11.29 million as compared to RM12.07 million in FY2023. The decrease is due to the repayment during the financial year.

In FY2024, the debt/equity ratio improved to 21.60% from 24.41% in FY2023. The ratio indicates a healthy cashflow management with a relatively low gearing ratio. The Group remains committed to maintaining a sound financial position that will facilitate the execution of strategic objectives and the creation of long-term value in the years ahead.

#### DIVIDEND

The Board of Directors does not recommend any payment of dividend for the financial year ended 31 March 2024.



## MANAGEMENT DISCUSSION & ANALYSIS

### REVIEW OF OPERATING ACTIVITIES

#### MANUFACTURING OF CONSUMABLE PRODUCTS

##### a. Trophy and OEM Products

The demand for trophy has improved worldwide and we are experiencing strong growth in both export and domestic market. We will continue to build strong relationships with our customers and collaborate on developing unique trophy designs. This has further strengthened our position as a leading global trophy supplier. In addition, our partnership with the wholesaler in Thailand has achieved favorable results.

Despite a drop in OEM sales, our team has proactively explored various avenues to reach new potential customers through direct outreach and strategic engagement in medical healthcare consumable products, electronic components, automotive parts and household products.

##### b. Trading of Trophy, Home Furnishing and Household Products

The division's success in completing and delivering product development projects has bolstered customers' confidence. Additionally, customers have added new projects for their furniture ranges in the upcoming season to our ongoing project list. This is expected to contribute to additional revenue growth during the coming financial year.

Furthermore, through strategic sourcing, the Division has expanded its offerings of trading products to trophy export customers, introducing new product ranges such as crystal trophies and a wide selection of lanyards. This sales realization has widened the revenue streams of the division.

##### c. Property Development Division

As of June 2024, our ongoing Platinum Commercial Centre project has achieved 60% completion. The project is expected to be completed in FY2025. To date, we have received favourable responses for the project.

### ANTICIPATED AND KNOWN RISKS

#### BUSINESS RISK

The Group is exposed to external risks, such as adverse economic and market conditions, as well as internal risks related to the Group's operations and financial management. It is important to recognize 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 constantly reviewed to manage operational costs through improved efficiency and innovation. Additionally, continuous training and development strengthen the capabilities of the Group's human resources. Financial and cash flow risks are mitigated by maintaining sufficient cash reserves and ensuring the availability of credit facilities from financial institutions.

### FORWARD LOOKING STATEMENT

Looking ahead to FY2025, 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 prioritizes 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.

As we adapt and evolve in response to the dynamic business landscape, we remain steadfast in our commitment to driving long-term value for our stakeholders and solidifying our leadership position in the trophy and award market.

## MANAGEMENT DISCUSSION & ANALYSIS



### CONSUMABLE PRODUCTS SEGMENT

#### a. Manufacturing of Consumable Products

The outlook for the trophy market remains positive. We are optimistic that both export and domestic sales will continue to reach greater heights.

The partnership with our trophy wholesaler in Thailand has shown positive growth. Leveraging on our comprehensive range of trophy products and competitive pricing strategy, we are confident that this collaboration will further improve our sales performance in the Thailand market.

The group is in discussions with several potential partners in Indonesia for new joint ventures to further expand our regional presence in the Asian market.

Our yearly participation as an exhibitor in the Malaysia Gift Fair and the Hong Kong Gift & Premium Fair has delivered positive results. These events provide an excellent platform for showcasing our products and have given our sales team the opportunity to meet with customers, engage in open discussions, and ultimately establish new business opportunities.

We will continue to build strong relationships with our customers by offering regional exclusivity for Emico's trophy products in their respective markets. Our strategy of collaborating and sharing ideas to develop unique trophies with our overseas customers has made Emico's trophies stand out in the market. These strategies have further enhanced Emico's position as a leading trophy supplier worldwide.

Despite ongoing trade tensions between the USA and China, our sales have remained unaffected. In fact, customers from the USA, Canada, and Europe have expanded their range of Emico products in their upcoming catalogs.

Our team will be actively pursuing new potential customers for OEM both locally and internationally through direct outreach and strategic engagement. We have taken the initiative to improve and upgrade our facilities, thereby opening up more possibilities for new business opportunities and sustainable success.

#### b. Trading of Trophy, Home Furnishing and Household Products

The division's primary target is the furniture and home furnishing market in the United Kingdom. Ongoing efforts are being made to develop new living and dining room ranges, which will be displayed in our UK showroom. In addition to presenting these products for customer evaluation and selection, the division works with chosen clients to supply furniture ranges for their exclusive furniture shows aimed at retailers. These efforts are expected to have a positive impact on the Group in the next financial year.

For trading trophy export segment, the division is continuously exploring and developing new product lines, particularly those featuring emerging trends of innovative designs and materials. This allows the division to expand its current offerings and better serve its customers.

#### c. Property Development Segment

The Group is currently embarking in the development of the Platinum Commercial Centre located in Sungai Petani, Kedah. The project comprises 21 modern shop-offices strategically located to cater to the changing market needs. Scheduled for completion in FY2025, the Platinum Commercial Centre aims to capitalize on its proximity to established townships which will provide a conducive environment for commercial activities.

The Group is leveraging on promotional strategies to sell the balance of unsold units. Currently, we are planning new development projects in Bandar Mutiara and Taman Batik, whilst closely monitoring the market dynamics and consumer sentiment.



## SUSTAINABILITY REPORT

# Preface.

### KEY FRAMEWORKS APPLIED AND SCOPE OF THE REPORT

This Sustainability Report 2024 ("**SR**") 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, mainly operations in Malaysia from 1 April 2023 to 31 March 2024, unless otherwise stated. The subsidiaries included are based on the Malaysia Financial Reporting Standards ("**MFRS**") and the Companies Act 2016 of Malaysia. This report provides information on all the Group's operations.

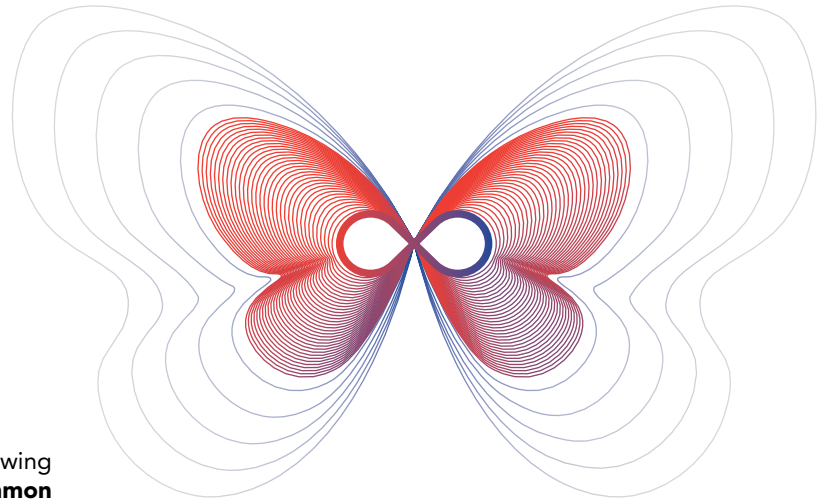
### ASSURANCE

Management has implemented internal controls and verification mechanisms to guarantee the precision and dependability of both narratives and data quality. In addition, we have considered the advice provided by an external Environmental, Social, and Governance ("**ESG**") consultant in selecting material topics and ensuring compliance with Main Market Listing Requirements.

### FEEDBACK

This supplementary report complements the Group's Annual Report for 2024, accessible online through Bursa Malaysia and [www.emico.com.my](http://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](mailto:info@emico.com.my).



### MATERIALITY

This report centres 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 might include forward-looking statements incorporating assumptions, risks, and uncertainties. Due to various risks, uncertainties, and assumptions, future performance, outcomes, and results may vary significantly from those expressed in these forward-looking statements. These statements are founded on the current perspective of management regarding future events, which is subject to change. Numerous factors may lead to outcomes that substantially differ from the implications or suggestions of these forward-looking statements.

# SUSTAINABILITY REPORT



## BOARD RESPONSIBILITY STATEMENT

The Group's Board of Directors (referred to as the **"Board"** or **"Directors"**) is committed to upholding the integrity and credibility of this report, understanding its significance for stakeholders and its impact on the Group's reputation. The Board recognises that accurate and transparent reporting is essential to maintaining trust with investors, regulators, and other interested parties. Consequently, it has taken all necessary steps to ensure this report provides a comprehensive overview of the factors affecting the Group's ability to create value while also offering a clear and accurate representation of the Group's overall performance throughout the reporting period. By adhering to established standards and best practices, including Common Sustainability Matters, the Board has ensured this report's accuracy and transparency and demonstrated the Group's unwavering commitment to environmental, social, and governance principles. These principles are of increasing importance to stakeholders. The Board has prioritised including relevant and material information to stakeholders, providing a detailed account of how the Group approaches sustainability, governance, and ethical business practices.

The Board's commitment to the report's thoroughness and accuracy is further demonstrated by its engagement with internal and external experts. This collaborative process involved reviewing the Group's operational performance, financial results, and sustainability initiatives. The Board meticulously examined vital factors, such as environmental impact, corporate governance, workforce diversity, community engagement, and other areas relevant to the Group's sustainability efforts. Moreover, the Board has set up internal controls and review processes to validate the report's content, ensuring it is consistent with applicable regulations and industry standards. This level of scrutiny aims to instil confidence in stakeholders that the report presents an accurate and fair view of the Group's activities and accomplishments, as well as its challenges and areas for improvement. The Board's commitment to responsible reporting is evident in the preparation of this document and the rigorous processes employed to maintain its credibility. By providing a detailed and transparent account of the Group's performance, the Board seeks to foster trust and strengthen relationships with all stakeholders, demonstrating the Group's ongoing dedication to sustainable and responsible business practices.

**Mr Lim Teck Chye**  
Executive Chairman

## 50 YEARS & BEYOND

Emico's journey began in 1973 with a vision to excel in a competitive landscape. Over the past 50 years, the Group has evolved from a modest operation into a global powerhouse in trophy manufacturing, contract manufacturing, and property development. This transformation results from Emico's unwavering dedication, continuous innovation, and steadfast commitment to quality in all aspects of its business.

As the Group grew, it demonstrated its adaptability by diversifying its offerings to meet the changing needs of its clients and industries. From manufacturing and distributing trophies, Emico expanded into contract manufacturing for medical consumables, marine engineering products, and lighting components. Alongside these ventures, the Group also began trading home furnishing and household products, showcasing its versatility and capacity to adapt.

A significant milestone in Emico's journey came in 2024, when it was listed in The Malaysia Book of Records as the "Largest Trophy Manufacturer," solidifying its status as a leader in the industry. By 2023, Emico's products were not just being exported but were significantly impacting over 50 countries, showcasing the Group's global reach and influence. Emico's half-century journey is a story of resilience and excellence, with each chapter defined by a commitment to innovation and delivering high-quality products. As the Group grows, it remains dedicated to its founding principles, guiding it toward further success and global recognition.



SUSTAINABILITY  
REPORT

# Sustainability.

## SUSTAINABILITY STRATEGY

Our business management and operations are centred on a core commitment to sustainability to create value for people and the planet. Our foremost focus is on supporting the shift to a low-carbon economy, following the Net Zero Carbon Emissions (“NZCE”) 2050 Roadmap established by the United Nations (“UN”).

Sustainability is the cornerstone of our business strategy, and we implement it across our entire organisation through a comprehensive framework based on three key sustainability pillars: Environmental, Social, and Governance. This approach includes a range of critical focus areas and aligns with seven (7) selected UN Sustainable Development Goals (“UN SDGs”), covering all three ESG pillars.



### Environment

To strengthen our Sustainability Strategy, we have adopted green energy solutions and implemented waste management programs as part of our commitment to Environmental Stewardship. This holistic approach allows us to address these critical areas within our sustainability framework. In response to growing stakeholder expectations, we’ve also set our sights on reducing scope 1 and 2 emissions, underscoring our commitment to achieving Net Zero Carbon Emissions by 2050. This emphasis on emission reduction is crucial to mitigating climate change and shaping a sustainable future. Our Environmental pillar covers various key focus areas and aligns with two (2) of the United Nations Sustainable Development Goals listed as follows.



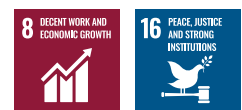
### Social

The Group is devoted to creating an inclusive work environment defined by mutual respect, fairness, and equality for all employees and workers. We acknowledge our workforce’s critical role in our success and prioritise providing training and development opportunities. Our goal is to enable our staff to enhance their skills and achieve their full potential. This commitment forms the core of the second pillar, which addresses several key focus areas and aligns with three (3) chosen United Nations Sustainable Development Goals listed as follows.



### Governance

The Group rigorously complies with various laws and regulations, including the Malaysia Code of Corporate Governance (“MCCG”), and Main Market Listing Requirements. Our management team reviews new legislation and regulatory updates to ensure ongoing compliance. These updates are communicated to our staff, and we have systems to consistently monitor our activities and performance. Additionally, our Board receives regular updates on legal, accounting, and regulatory developments, facilitated by the Group Secretary, who shares pertinent articles, reports, and press releases via Bursa Malaysia.

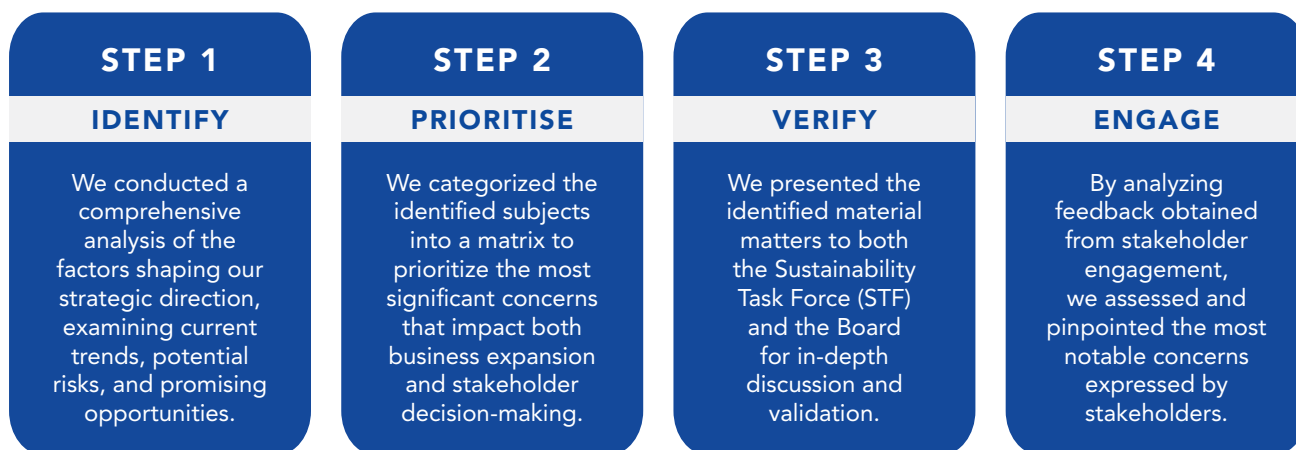


Adhering to these regulations demonstrates our commitment to best practices and sustainability, allowing us to identify areas for improvement and implement effective strategies. This approach helps us continuously enhance our sustainability efforts, ensuring we remain at the forefront of industry standards. The third pillar of our sustainability framework covers diverse key focus areas and aligns with two (2) selected United Nations Sustainable Development Goals detailed as follows.













## METHODOLOGY

The materiality assessment in FY2024 consisted of four key steps:



### 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 FY2024; 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.

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

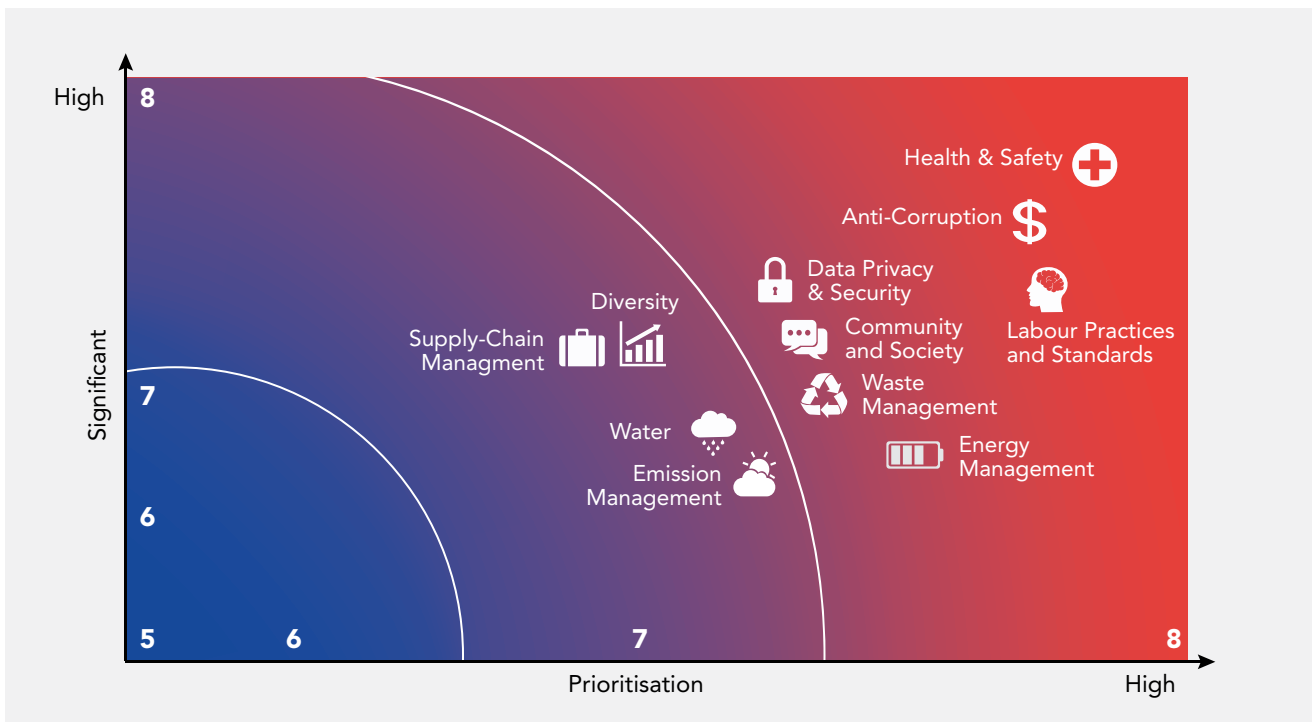
# SUSTAINABILITY REPORT

## METHODOLOGY (Cont'd)

### Prioritisation: Mapping of Material Matters

Our business and stakeholders must identify and address key sustainability issues within the Environmental, Social, and Governance (ESG) pillars. These material issues significantly shape our comprehension of industry trends, allowing us to evaluate associated risks and opportunities.

In FY2024, we conducted an in-depth review of all eleven (11) Common Sustainability Matters to ensure they align with contemporary industry standards and guiding principles. This review provided the basis for our three sustainability pillars. We aligned our material issues with the United Nations Sustainable Development Goals. The following matrix demonstrates the mapping of these eleven material issues:



### 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.

#### Environmental

1. GRI 302: Energy Management
2. GRI 306: Waste Management



#### Social

3. GRI 413: Community and Society
4. GRI 403: Health and Safety
5. GRI 401: Labour Practices and Standards



#### Governance

6. GRI 205: Anti-corruption
7. GRI 418: Data Privacy and Security











METHODOLOGY (Cont'd)






Verification: Material Matters (Cont'd)

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><b>Opportunity:</b> 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><b>Response/Strategy:</b> 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><b>Opportunity:</b> 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><b>Response/Strategy:</b> 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		

# SUSTAINABILITY REPORT

## METHODOLOGY (Cont'd)








### Verification: Material Matters (Cont'd)

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.	<p><b>Opportunity:</b> 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.</p> <p><b>Response/Strategy:</b> The Group engages in charity fundraising, food fairs, and school donations to build strong community ties, bolster its reputation, and support societal well-being.</p>	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.	<p><b>Opportunity:</b> 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.</p> <p><b>Response/Strategy:</b> The Group has established an Occupational Safety and Health ("OSH") unit, provides PPE 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.</p>	OHS Policy		
						



METHODOLOGY (Cont'd)

Verification: Material Matters (Cont'd)

Pillars	Prioritised Material Matters	Risks	Opportunities & Responses	Policy	Stakeholders	UN SDGs
Social	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.	<p><b>Opportunity:</b> 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.</p> <p><b>Response/Strategy:</b> The Group offers reasonable remuneration packages, ESOS, a safe workplace, training opportunities, 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.</p>	Human Resource Policy	Employees Vendors Customers Regulators Shareholders & Investors	  
	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.	<p><b>Opportunity:</b> Implementing anti-corruption measures can enhance corporate reputation, attract ethical business partnerships, and ensure compliance with legal frameworks, fostering a transparent and trustworthy environment.</p> <p><b>Response/Strategy:</b> 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.</p>	Anti-corruption Policy	Employees Vendors Customers Regulators Shareholders & Investors	 

# SUSTAINABILITY REPORT

## METHODOLOGY (Cont'd)

### Verification: Material Matters (Cont'd)

Pillars	Prioritised Material Matters	Risks	Opportunities & Responses	Policy	Stakeholders	UN SDGs
Governance	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.	<b>Opportunity:</b> 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.  <b>Response/Strategy:</b> 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	Employees Vendors Customers Regulators Shareholders & Investors	 

### Engagement: Stakeholders




The Group understands that achieving sustainable growth involves meeting or exceeding the reasonable expectations of our key stakeholders. To keep up-to-date with their significant issues, we actively engage in constructive dialogues with stakeholders and participate in various industry and government forums. Stakeholders are groups that either affect or could be affected by the Group's business. The table below outlines our primary stakeholders, our engagement platforms, and their concerns.

Who	Why	When	How	What issues
<b>Employees</b> 	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.	Yearly	Meetings, Discussions, Annual Assessments, Notices, Ad-hoc Surveys, off-hour sports, monthly 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.



## METHODOLOGY (Cont'd)

### Engagement: Stakeholders (Cont'd)

Who	Why	When	How	What issues
<b>Vendors</b> 	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.	Ad-hoc	Meetings, Vendor Audit, Visitation, and Vendor Assessments	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.
<b>Communities</b> 	We ensure our operations do not impact the local community.	Ad-hoc	Engagement in community services, participating in sports sponsorship events, and conducting awareness workshops on tree planting.	Environmental impact, Social development
<b>Customers</b> 	We engage the direct users to identify and understand their needs and wants.	Yearly	Dialogues, feedback, plant visitation, complaints, and annual customer satisfaction survey.	High product quality expectations ensure customer satisfaction and loyalty, while timely delivery demonstrates reliability.
<b>Regulators</b> 	We engage in articulating the industry challenges to the formal institution of governing rules and regulations.	Yearly	Annual reports, Sustainability reports, formal meetings, and site surveillance.	Transparency fosters trust and accountability while supporting government policies and initiatives in manufacturing, strengthening industry compliance, and promoting sustainability goals.
<b>Shareholders and investors</b> 	We engage the investors and shareholders to create corporate values.	Mix	Annual reports, Quarterly reports, Investor relations management, Annual general meetings	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.

# Sustainability Framework.

## GOVERNANCE STRUCTURE

At EMICO, we are deeply committed to maintaining integrity and accountability, with a strong focus on sustainability. We've established a dedicated Sustainability Steering Committee ("**SSC**") to lead our Sustainability and Climate Change Agenda. The Executive Director ("**ED**") approves this agenda before presenting it to the Board for further approval. By clearly defining roles and responsibilities, we aim to achieve the highest integrity and effectiveness in executing our Sustainability and Climate Change Agenda. The structure outlined below details the roles and responsibilities of each stakeholder in managing sustainability and climate change issues, ensuring EMICO's ongoing commitment to sustainability.

**The Board** has actively integrated sustainability into the issuer's business and strategy, identifying key ESG factors and overseeing their management and monitoring. They are vital in driving EMICO's sustainability agenda, assessing its progress, and ensuring alignment with the set goals and targets. The Board regularly discusses sustainability and climate change at meetings, and members also participate in external training sessions to ensure compliance and update with the sustainability landscape. These discussions address various topics, including climate-related performance metrics like GHG emissions reductions and progress in our low-carbon portfolio.



The Board's emphasis on sustainability extends to evaluating the Group's strategy, annual budgets, action plans, and performance objectives and supervising significant capital expenditures, acquisitions, and divestitures. Effective communication of the Group's sustainability strategies and targets to stakeholders is also prioritised.



## GOVERNANCE STRUCTURE (Cont'd)

Recognising the importance of ESG factors, the Board actively supervises their integration into the Group's strategic planning. Sustainability is central to creating long-term value, as reflected in the board meetings, which covered the sustainability roadmap, key performance indicators, material issues, and governance-related matters.

**The SSC**, led by the ED and supported by key executives from the administrative, human resource, and technical divisions, guides the Group's sustainable policies and procedures. The SSC integrates sustainability principles into operations, strategies, and decision-making, setting goals for environmental, social, and governance improvements. It monitors the Group's impact, implements action plans to reduce its ecological footprint, and identifies and manages sustainability risks and opportunities.

Transparent reporting and compliance with reporting standards are vital in encouraging collaboration with stakeholders. However, the Group has not linked executive compensation to sustainability performance. The Group is exploring ways to connect executive remuneration with sustainability through mechanisms like performance-based incentives. Recognising that addressing sustainability issues requires a collective effort, EMICO plans to include ESG key performance indicators (KPIs) in incentive plans for department heads and other employees, whose bonuses and incentives will be tied to these KPIs.

**The Members of SSC** are responsible for measuring, verifying, and validating ESG data and synthesising it into reports for assurance. This Group includes administrative, human resource, and technical officers, all highly trained to continuously enhance sustainable practices across the Group. They are dedicated to fostering an ESG-oriented culture, ensuring compliance with sustainability standards, and periodically integrating advanced data measurement technology. By doing so, they work to achieve the Group's sustainability goals while driving continuous environmental, social, and governance improvement.

## 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

As a business, we acknowledge 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.

Embracing sustainability as a cornerstone of its operations, EMICO has demonstrated a proactive stance towards ethical and eco-conscious practices within the contemporary business sphere. 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 FY2024.

RM	FY2024
Revenue	61,017,184

### 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 FY2024, 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.







## PRIORITISED MATERIAL MATTERS 1: ENERGY MANAGEMENT (Cont'd)

### Emission of Energy Management (Cont'd)

#### 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, which rely on diesel, consumed 77,520 litres of energy in FY2024, producing a total emission of 198.28375tCO<sub>2</sub>e. 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 <sub>2</sub> e)	FY2024
Diesel (Stationary Combustion)	193.37270
Diesel (Mobile Combustion)	4.91105
<b>Total Scope 1 Emissions</b>	<b>198.28375</b>
<b>Scope 1 Emission intensity/revenue (kgCO<sub>2</sub>e/RM)</b>	<b>0.00325</b>

Diesel Consumption	FY2024
Diesel (litres)	77,520

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

#### 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 1,408.114 tCO<sub>2</sub>e in FY2024, setting the baseline for continuous removal.

Scope 2 emissions (tCO <sub>2</sub> e)	FY2024
Electricity	1,408.114
Solar energy	-
<b>Total Scope 2 emissions</b>	<b>1,408.114</b>
<b>Scope 2 Emission intensity/revenue (kgCO<sub>2</sub>e/RM)</b>	<b>0.0231</b>

Electric Usage and Sources (MW)	FY2024
Government electricity (MW)	1,857.67
Solar energy	-
Net total	1,857.67
<b>Intensity: Electricity consumption/revenue (MW/RM)</b>	<b>0.0000304</b>

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

## SUSTAINABILITY REPORT

### PRIORITISED MATERIAL MATTERS 1: ENERGY MANAGEMENT (Cont'd)

#### Emission of Energy Management (Cont'd)

##### 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. To reduce the carbon footprint associated with employee commuting, manufacturing facilities can implement various strategies, such as offering flexible work arrangements to decrease daily commutes, providing incentives for carpooling, or encouraging the use of public transportation through subsidised passes. These efforts can reduce Scope 3 emissions from 42.54530 tCO<sub>2</sub>e in FY2024 and support broader sustainability goals by lowering the facility's overall environmental impact.

Scope 3 emissions (tCO <sub>2</sub> e)		FY2024
Employee commuting		
- by car		42.54530
- by bus		0.94919
- by train		0.03215
Business travelling		
- by land		6.18469
- by air		15.96594
<b>Total Scope 3 emissions</b>		<b>65.67726</b>
<b>Scope 3 Emission intensity/revenue (kgCO<sub>2</sub>e/RM)</b>		<b>0.00108</b>

Diesel Consumption		FY2024
Mileage (km)		773,404

##### 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 FY2024 is 0.02743 kg CO<sub>2</sub>e/RM.

Total emissions (tCO <sub>2</sub> e)		FY2024
Scope 1		
Direct emissions		198.28375
Scope 2		
Indirect emissions		1,408.114
Scope 3		
Indirect emissions (Transportation)		65.67726
<b>Total emissions</b>		<b>1,672.07501</b>
<b>Total emission intensity/revenue (kgCO<sub>2</sub>e/RM)</b>		<b>0.02743</b>



## 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 20,455 kg of waste in FY2024.

Waste Generation (kg)	FY2024
SW311 Waste oil or oily sludge	3,050
SW409 Disposed of contaminated containers	2,630
SW410 Usage Rags	120
SW416 Sludges of inks and paints	12,550
SW417 Waste of inks and paints	2,105
<b>Total waste</b>	<b>20,455</b>
<b>Total waste diverted from disposal</b>	<b>0</b>
<b>Total waste directed to disposal</b>	<b>20,455</b>

## 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 FY2024, our total water usage was 19,476 megalitres, with a water use intensity of 0.00000032 megalitres/RM.

Water Usage and Sources (megalitres)	FY2024
Water	19.476
Rain harvesting water	-
Recycle water	-
Total	19.476
<b>Intensity: Water consumption/revenue (megalitres/RM)</b>	<b>0.00000032</b>

# Social Scoreboard.

## SOCIAL DATA AND ANALYSIS

The Group unwaveringly 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 FY2024, our workforce comprises 230 employees, 172 of whom are male and 58 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.

DIVERSITY	Social Data		FY2024 (%)	FY2024
	Number of employees		100.0%	230
	Number of employees with disabilities		0.0%	0
	Percentage of employees with tertiary education		29.6%	68
	Number of foreign employees		45.2%	104
	Number of female managers		6.5%	15
	Gender Group by Employee Category			
	Management Male (Manager)		5.2%	12
	Management Female (Manager)		6.5%	15
	Executive Male		6.1%	14
Executive Female		5.2%	12	
Non-executive/Technical Staff Male		15.2%	35	
Non-executive/Technical Staff Female		7.8%	18	
General Workers Male		48.3%	111	
General Workers Female		5.7%	13	



## EMPLOYMENT, DIVERSITY AND EQUAL OPPORTUNITY (Cont'd)

DIVERSITY	Social Data		FY2024 (%)	FY2024
	Age Group by Employee Category			
	Management Under 30 (Manager)		0.9%	2
	Management Between 30-50 (Manager)		7.0%	16
	Management Above 50 (Manager)		3.9%	9
	Executive Under 30		6.1%	14
	Executive Between 30-50		3.0%	7
	Executive Above 50		2.2%	5
	Non-executive/Technical Staff Under 30		11.7%	27
	Non-executive/Technical Staff Between 30-50		7.4%	17
Non-executive/Technical Staff Above 50		3.9%	9	
General Workers Under 30		30.4%	70	
General Workers Between 30-50		19.6%	45	
General Workers Above 50		3.9%	9	
Percentage of directors by gender and age group				
Male		80.0%	4	
Female		20.0%	1	
Under 30		0.0%	0	
Between 30-50		20.0%	1	
Above 50		80.0%	4	
Percentage of female managers (%)		55.6%	15	
Percentage of female Key Management Members (%)		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 FY2024, the Group donated RM25,086.68, encompassing 13 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. Furthermore, the Group consistently demonstrates its commitment to community support by regularly donating to events like community backyard planting. 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

### PRIORITISED MATERIAL MATTER 3: COMMUNITY AND SOCIETY (Cont'd)

CSR Events	Amount (RM)	Impact
Sponsorship to Community Farm (KEBUN KITAR @ Penang Digital Library)	10,000.00	Environment
Green Education Program - Organic remedies for garden pests [Training]	-	Environment
Green Education Program - Organic remedies for garden pests [Workshop]	-	Environment
Fundraising Food Fair for Persatuan Syukur Penyayang Pulau Pinang	1,150.00	Social
Green Education Program - The Wisdom of the Jungle (biodiversity) [Training]	-	Environment
Green Education Program - The Wisdom of the Jungle (biodiversity) [Workshop]	-	Environment
Sponsorship of trophy to Penang STEM	1,464.00	Social
Fundraising for St Nicholas Home Penang	500.00	Social
Green Education Program - Herbs for health and beauty [Training]	-	Social
Green Education Program - Herbs for health and beauty [Workshop]	-	Social
Visitation & Donation to Rumah Kebajikan Seri Cahaya Pulau Pinang	2,800.00	Social
Blood Donation Campaign	-	Social
Ocean Bound Plastic Coastal Cleanup	9,172.68	Environment
<b>Total</b>	<b>25,086.68</b>	<b>13 projects benefited 751 participants</b>

### PRIORITISED MATERIAL MATTER 4: SAFETY AND HEALTH RISK

The Group's unwavering 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. The Group is in the midst of obtaining ISO 45001 certification for its Occupational Health and Safety (OHS) management system, the Group demonstrates adherence to global standards. 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	Number
Fatalities as a result of work-related injury	0
High-consequence work-related injuries (Excluding fatalities)	0
Recordable work-related injuries	2
Fatalities as a result of work-related ill health	0
Recordable work-related health	0
Number of employees trained on health and safety standards	55
Lost time incident rate ("LTIR")	0.91



## 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 FY2024, the group turnover rate was 16%, whereas female employees account for 26% of turnover, compared to male employees, which is 12%. The Group has zero employment dispute cases in the Labour Office or Industrial Relation Court in FY2024.

Diversity Data		FY2024	
Gender	Unit	Female	Male
Current employee	%	25%	75%
New hires	%	33%	67%
New hires	no.	15	30
Separation	no.	15	21
Employee at the start of the period	no.	57	164
Employee at the end of the period	no.	58	172
Turnover	%	26%	12%

Age-based Diversity	Unit	< 30	30 - 50	>= 50
Current employee	%	49%	37%	14%
Separation	no.	12	13	11
Employee at the start of the period	no.	107	78	36
Employee at the end of the period	no.	113	85	32
Turnover	%	11%	15%	34%

Employment	Unit	FY2024
Separation	no.	36
Turnover	%	16%
Total employee	no.	230

Development & Training	Unit	Female	Male
Training hours	Hrs	897	913
Average training hours/employee	Hrs/no.	9.06	8.30
Average training hours/employee	Hrs/no.	7.87	

## SUSTAINABILITY REPORT

### PRIORITISED MATERIAL MATTER 5: EMPLOYMENT ON LABOUR PRACTICES AND STANDARDS (Cont'd)

Labour Practices and Standards		
Total of training by employee category	Unit	
Management	no.	82
Executive	no.	57
Non-executive/Technical staff	no.	56
General workers	no.	14
Percentage of employees that are Contractors/Temporary staffs		
	%	6.52
Total number of employee turnovers by employee category		
		Unit
Management	no.	0
Executive	no.	3
Non-executive/Technical staff	no.	13
General workers	no.	20
Number of substantial complaints concerning human rights		
	no.	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 FY2024, the Group recorded 1,810 training hours, reflecting its commitment to employee development and safety.

Development & Training	Unit	Female	Male
Training hours	Hrs	897	913
Average training hours/employee	Hrs/no.	9.06	8.30
Average training hours/employee	Hrs/no.	7.87	





## PRIORITISED MATERIAL MATTER 5: EMPLOYMENT ON LABOUR PRACTICES AND STANDARDS (Cont'd)

### Employee Training and Development (Cont'd)

Below are various training programs conducted in FY2024.

Department	Course Name
OPERATION	CHEMICAL HANDLING
MANAGEMENT	RISK MANAGEMENT
OPERATION	FORKLIFT HANDLING AND DRIVING SKILL
BUSINESS DEVELOPMENT & FINANCE	SPECIAL TALK ON DOING BUSINESS IN THAILAND
MANAGEMENT	OPERATIONAL EXCELLENCE
MANAGEMENT	FINANCE FOR NON-FINANCE MANAGER
MARKETING	PORTRAIT SHOOTING SHARING SESSION
ALL DEPARTMENTS (STAFF)	CYBER SECURITY AWARENESS TRAINING
MANAGEMENT	INFO-TECH HRMS TRAINING (1 SECTION)
MANAGEMENT	INFO-TECH HRMS TRAINING (2ND SECTION)
MANAGEMENT	INFO-TECH HRMS TRAINING (3RD SECTION)
FINANCE	TAX BUDGET
ALL DEPARTMENTS	SUPERVISOR MINDSET
PLANNING AND PRODUCTION	EFFECTIVE PRODUCTION PLANNING, SCHEDULING & CONTROL
PURCHASING AND PROCUREMENT & FINANCE	COMPLIANCE ON SST SALES TAX EXEMPTION AND SCRAP/WASTE DISPOSAL

### 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 56.9% from local vendors compared to 43.1% from overseas.

FY2024	(RM)	%
Local	31,326,500	56.9
Overseas	23,717,410	43.1
Total	55,043,910	100.0

	Number
Vendor Audit/Assessment	453

# 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 FY2024, the board composition underscores our dedication to independent corporate leadership, as outlined in the corporate governance section of the annual report (refer to pages 57 & 60 of Annual Report 2024). 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	Number	%
Independent Non-Executive Directors	2	40
Executive Directors	2	40
Non-Independent Non-Executive Directors	1	20
Foreign Independent Non-Executive Directors	0	0
Foreign Executive Directors	0	0
Foreign Non-Independent Non-Executive Directors	0	0
<30 years old	0	0
30-50 years old	1	20
>50 years old	4	80
Male	4	80
Female	1	20
PhD	0	0
Master	1	20
Degree	0	0
Other	4	80

## SUSTAINABILITY REPORT



### PRIORITISED MATERIAL MATTERS 6: ANTI-CORRUPTION POLICY

The Group maintains a strict stance against corruption in the property development industry, 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. The Group conducted substantial anti-corruption training in FY2024, which encompassed 23.92% of the overall employees..

#### Anti-bribery Related Training

Percentage of employees who have received training on anti-corruption	23.92%
Management	8.70%
Executive	7.83%
Non-executive/Technical Staff	7.39%
General Workers	0%
Percentage of risk assessment related to corruption by department*	31.00%
Confirmed incidents of corruption and action taken	0

\* As of FY2024, 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 sign 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

Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0
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## 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	31	
	Water	Total volume of water used	m <sup>3</sup>	GRI 303-5, SASB 140, TCFD, WEF core metrics	33	
	Waste management	Total waste generated and a breakdown of the following:			GRI 306-3, SASB 150, TCFD, WEF expanded metrics	33
		(i) total waste diverted from disposal	kg			
		(ii) total waste directed to disposal	kg			
	Emissions management	Scope 1 emissions in tonnes of CO <sub>2</sub> e	tCO <sub>2</sub> e	GRI 305-1, GRI 305-2,	31	
Scope 2 emissions in tonnes of CO <sub>2</sub> e		tCO <sub>2</sub> e	GRI 305-3, TCFD, SASB 110,	31		
Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)		tCO <sub>2</sub> e	WEF core metrics	32		
Social	Community/ Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	GRI 413-1	35 - 36	
		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	34 - 35	
		Percentage of directors by gender and age group	%			



## COMMON SUSTAINABILITY INDICATORS (Cont'd)

PILLAR	TOPIC	METRIC	UNIT	FRAMEWORK ALIGNMENT	LOCATION
Social	Health and Safety	Number of work-related fatalities	no	GRI 403-9, WEF core metrics	36
		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	36 - 39
		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	%	GRI 414-2	39	
Governance	Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category	%	GRI 205-2, WEF core metrics	41
		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	41

## SUSTAINABILITY REPORT

### SUPPORT AND CONTRIBUTION TO COMMUNITIES

Ocean Bound  
Plastic Coastal  
Cleanup



Sponsorship to  
Community Farm  
(KEBUN KITAR) &  
Green Education  
Program





## SUPPORT AND CONTRIBUTION TO COMMUNITIES (Cont'd)



Forklift Handling & Driving Skill Trainings



Fire Drill Training

Trainings & Development Programs



Cybersecurity Awareness Seminar



Sustainability Training



Fire Prevention Training



Anti Corruption Training



Safety Training



Chemical Spillage Training

## SUSTAINABILITY REPORT

### SUPPORT AND CONTRIBUTION TO COMMUNITIES (Cont'd)



Fundraising  
Charity Food Fair



Visitation &  
Donation to  
Charity Home





# SUSTAINABILITY REPORT



## SUPPORT AND CONTRIBUTION TO COMMUNITIES (Cont'd)

Blood Donation Campaign



Festive Celebrations



## SUSTAINABILITY REPORT

### SUPPORT AND CONTRIBUTION TO COMMUNITIES (Cont'd)

Malaysia  
Gifts Fair



Hong Kong  
Gifts &  
Premium Fair



# SUSTAINABILITY REPORT



## SUPPORT AND CONTRIBUTION TO COMMUNITIES (Cont'd)



Official Medal Sponsor for Penang Bridge International Marathon



Official Medal Sponsor for Penang International Dragon Boat Festival



## 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 of 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 2024, the Committee held meetings on 23 May 2023, 28 June 2023, 22 August 2023, 24 November 2023 and 22 February 2024 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 2024, the Committee held meetings on 23 May 2023, 28 June 2023, 22 August 2023, 24 November 2023 and 22 February 2024 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

## 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)

#### 1. Financial reporting (Cont'd)

- 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 International Financial Reporting Standards. The impact of any changes to accounting policies and the adoption of new financial reporting standards and amendments were discussed and reviewed.

#### 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.

## 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)

#### 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.

#### 7. Conflict of Interest ("COI")

- During the financial review, the Committee conducted a disclosure statement regarding conflicts of interest. The Committee reviewed situations of conflicts of interest or potential conflicts of interest and took measures to resolve, eliminate, or mitigate them.

### 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 2024 was RM16,000.

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 2024, audit visits were conducted in all active subsidiaries of the Group.

The audit activities were as follows:

- a) ascertaining the extent of compliance with the established policies, procedures and statutory requirements;
- b) 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
- c) 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 ensuring 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 2024 ("FY2024") 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](http://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 2024 and the details of the Board Charter can be viewed in [www.emico.com.my](http://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](mailto: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.

# 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)

- **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.

### 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 of 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.

## 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:

- 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.
- 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 FY2024 encompassed various topics as outlined below:

Lim Teck Chye

- Risk Management Workshop – 30 May 2023
- Cyber Security Awareness Seminar – 10 August 2023
- Supervisor Mindset Training – 1 & 8 December 2023

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### III. Training (Cont'd)

Lim Lay Khim

- Risk Management Workshop – 30 May 2023
- Cyber Security Awareness Seminar – 10 August 2023
- Training on Sustainability Matters – 11 August 2023
- Mandatory Accreditation Programme (MAP) – 22 & 23 November 2023
- Supervisor Mindset Training – 1 & 8 December 2023
- Mandatory Accreditation Programme PART II: Leading For Impact (LIP) – 23 & 24 January 2024

Dato' Jimmy Ong Chin Keng

- Risk Management Workshop – 30 May 2023
- Cyber Security Awareness Seminar – 10 August 2023
- World Conference Information Technology (WCIT 2023) Kuching – 3 to 6 October 2023
- Malaysia Budget 2024 & updates by Areca Capital – 6 November 2023
- Global Chinese Economic & Technology Summit 2023 – 7 November 2023

Ng Hong Kiat @ Ng Han Kiat

- Risk Management Workshop – 30 May 2023
- Cyber Security Awareness Seminar – 10 August 2023
- Webinar on Centralised Sustainability Intelligence & FTSE4Good – 16 October 2023
- Webinar on Audit Oversight Board Conversation with Audit Committee – 27 November 2023

Kee Chei Hen

- Risk Management Workshop – 30 May 2023
- Cyber Security Awareness Seminar – 10 August 2023

### 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 2024 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	573,750	113,394	717,144
Lim Lay Khim ( <i>Executive Director</i> )	30,000	162,000	76,619	268,619
<u>Non-Executive Directors</u>				
Ng Hong Kiat @ Ng Han Kiat ( <i>Independent Non-Executive Director</i> )	30,000	-	13,250	43,250
Kee Chei Hen ( <i>Independent Non-Executive Director</i> )	30,000	-	9,250	39,250
Dato' Jimmy Ong Chin Keng ( <i>Non-Independent Non-Executive Director</i> )	30,000	-	26,250	56,250
<b>Total</b>	<b>150,000</b>	<b>735,750</b>	<b>238,763</b>	<b>1,124,513</b>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

#### IV. Remuneration (Cont'd)

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.

### 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 MCCG 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 63 to 64 of this Annual Report and this provides an overview of the state of internal controls within the Group.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### 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 with 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](http://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](http://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 5 July 2024.

## **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 2024 set out on pages 78 to 150, 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 internal audit function and is committed to articulating, implementing and reviewing the Group's system of internal control. The Group has engaged the services of an independent professional consulting firm as internal auditor to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's system of internal control.

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 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 the scope set out in 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 5 July 2024.

## 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

The Company did not undertake any corporate proposal to raise proceeds during the financial year ended 31 March 2024.

### 2. AUDIT AND NON-AUDIT FEES

The fee paid/payable to external auditors for services rendered to the Company and/or its subsidiaries (the "Group") for the financial year ended 31 March 2024 are as follows:

- a) Audit fees incurred on a group basis is RM140,000.
- b) The amount of non-audit fees incurred on a group basis is RM7,700.

### 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, unless extended further.

During FY2024, the total number of ESOS granted, exercised, forfeited and outstanding are set out below:

Description	Number of options
Outstanding options as at 1 April 2023	9,917,458
Granted during the financial year	1,297,850
Exercised during the financial year	(2,069,170)
Forfeited during the financial year	(360,000)
Outstanding options as at 31 March 2024	8,786,138

The total number of options granted to the Directors, Senior Management and other eligible employees, and outstanding options as at 31 March 2024 was set out in the table below:

For the financial year ended 31 March 2024	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	(2,020,000)	(3,188,000)	(4,334,770)	(9,542,770)
Number of options forfeited	-	-	(1,119,100)	(1,119,100)
Number of options outstanding	521,215	2,185,000	6,079,923	8,786,138

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 2024 was as follows:

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

## DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2024.

### PRINCIPAL ACTIVITIES

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

### RESULTS

	Group RM	Company RM
Profit for the financial year	2,734,660	1,078,663
Profit attributable to:		
Owners of the parent	2,858,094	1,078,663
Non-controlling interests	(123,434)	0
	<u>2,734,660</u>	<u>1,078,663</u>

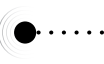
### DIVIDEND

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 issued pursuant to Employees' Share Option Scheme ('ESOS') exercised	(245,774)
Share option vested under ESOS	<u>347,990</u>



## ISSUE OF SHARES AND DEBENTURES

During the 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 Employees' Share Option Scheme ('ESOS') at an average 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. There were no other issues of shares during the financial year.

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

## 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'). 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.

## DIRECTORS' REPORT

### EMPLOYEES' SHARE OPTION SCHEME ('ESOS') (Cont'd)

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

Grant date	Option price	Number of options over ordinary shares					Balance as at 31.3.2024 <sup>^</sup>	Exercisable as at 31.3.2024
		Balance as at 1.4.2023	Granted	Exercised	Forfeited*			
25 March 2020	RM0.0765	720,300	0	(74,700)	0	645,600	645,600	
23 March 2022	RM0.2298	9,197,158	0	(1,594,470)	(360,000)	7,242,688	4,764,649	
18 July 2023	RM0.2501	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>	

\* Due to resignation

<sup>^</sup> Exercisable by the grantee upon achieving the vesting conditions set by ESOS Committee

### 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 \*

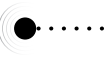
\* These Directors of the Company are also Directors of subsidiaries of the Company.

#### Subsidiaries of Emico Holdings Berhad (Excluding those who are listed above)

Darren Lim Yan Da  
 Mohd Azab Bin Jasmi  
 Abdul Rahman Bin Haji Din

(Appointed on 21 February 2024)  
 (Resigned on 21 February 2024)

# DIRECTORS' REPORT



## DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 March 2024 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 1-4-2023	Bought	Sold	Balance as at 31-3-2024
<b>Shares in the Company</b>				
<u>Direct interests:</u>				
Lim Teck Chye	26,358,247	470,000	0	26,828,247
Lim Lay Khim	412,000	325,000	0	737,000
Dato' Jimmy Ong Chin Keng	1,000,000	0	(40,000)	960,000
Kee Chei Hen	2,000	0	0	2,000
<u>Indirect interest:</u>				
Lim Teck Chye*	2,962,312	0	0	2,962,312

\* 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.

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 1-4-2023	Bought	Sold	Balance as at 31-3-2024
<b>Subsidiary, NEB Development Berhad</b>				
<u>Direct interest:</u>				
Lim Teck Chye	1,000,000	0	0	1,000,000
<b>Subsidiary, Mercu Tanah Langkawi Sdn. Bhd.</b>				
<u>Direct interest:</u>				
Dato' Jimmy Ong Chin Keng	40,000	0	0	40,000
<b>Share options in the Company</b>				
Lim Teck Chye	781,215	0	(260,000)	521,215
Lim Lay Khim	650,000	0	(325,000)	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' REPORT

### 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' REMUNERATION

The fees and other benefits of the Directors who held office during the financial year ended 31 March 2024 are as follows:

	Group RM	Company RM
Director's fee	150,000	150,000
Salaries, bonuses and allowances	735,750	573,750
Contribution to defined contribution plans	96,390	68,850
Social security contribution	3,148	1,574
Share options vested under ESOS	53,821	0
Other emoluments	85,404	53,850
	1,124,513	848,024

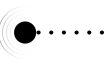
### INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

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 RM16,078 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 there are no known bad debts to be 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 necessitate the writing off of bad debts or render 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
  - (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.

## 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 2024 were as follows:

	<b>Group RM</b>	<b>Company RM</b>
Statutory Audit	141,178	55,000
Other services	3,000	3,000
	<u>144,178</u>	<u>58,000</u>

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

**Lim Teck Chye**  
Director

Penang  
5 July 2024

**Lim Lay Khim**  
Director

## STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 78 to 150 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 2024 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

Penang  
5 July 2024

**Lim Lay Khim**  
Director

## STATUTORY DECLARATION

I, Tan Teong Yu (CA 41361), being the Officer primarily responsible for the financial management of Emico Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 78 to 150 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 5 July 2024

**Tan Teong Yu**  
Director of Finance and Administration

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 2024 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 78 to 150.

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 2024, 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 carrying amount of trade receivables of RM7,535,584 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.

**INDEPENDENT AUDITORS' REPORT**

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

**Key Audit Matters (Cont'd)****Impairment of trade receivables (Cont'd)*****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.

**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.

## 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

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.
- (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) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance 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.

# INDEPENDENT AUDITORS' REPORT

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

## 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

**Goh Chee Beng**  
03535/11/2024 J  
Chartered Accountant

Penang  
5 July 2024

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	<b>16,844,283</b>	14,489,190	<b>0</b>	0
Right-of-use assets	6	<b>10,780,249</b>	11,414,545	<b>0</b>	0
Investment property	7	<b>132,167</b>	138,667	<b>0</b>	0
Intangible assets	8	<b>551,552</b>	575,552	<b>0</b>	0
Investments in subsidiaries	9	<b>0</b>	0	<b>31,516,638</b>	31,168,648
Investment in an associate	10	<b>295,139</b>	173,004	<b>0</b>	0
Deferred tax assets	11	<b>406,800</b>	335,500	<b>0</b>	0
Other receivables	13	<b>0</b>	25,478	<b>4,874,104</b>	4,839,769
		<b>29,010,190</b>	27,151,936	<b>36,390,742</b>	36,008,417
<b>Current assets</b>					
Inventories	12	<b>40,042,871</b>	37,073,679	<b>0</b>	0
Trade and other receivables	13	<b>11,899,006</b>	12,472,979	<b>994,668</b>	1,514,344
Current tax assets		<b>401,436</b>	683,879	<b>0</b>	0
Cash and bank balances	14	<b>7,405,438</b>	9,219,723	<b>41,240</b>	29,395
		<b>59,748,751</b>	59,450,260	<b>1,035,908</b>	1,543,739
<b>TOTAL ASSETS</b>		<b>88,758,941</b>	86,602,196	<b>37,426,650</b>	37,552,156
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	15	<b>24,241,585</b>	23,523,647	<b>24,241,585</b>	23,523,647
Reserves	16	<b>16,089,595</b>	16,003,766	<b>982,471</b>	880,255
Retained earnings		<b>11,953,985</b>	9,929,260	<b>3,938,209</b>	2,859,546
		<b>52,285,165</b>	49,456,673	<b>29,162,265</b>	27,263,448
Non-controlling interests	9(e)	<b>8,329,020</b>	8,619,085	<b>0</b>	0
<b>TOTAL EQUITY</b>		<b>60,614,185</b>	58,075,758	<b>29,162,265</b>	27,263,448



# STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	17	3,619,140	4,100,674	0	0
Lease liabilities	6	1,551,166	2,041,268	0	0
Deferred tax liabilities	11	5,400,076	4,850,399	0	0
Other payables	18	0	0	6,878,558	8,662,013
		<b>10,570,382</b>	10,992,341	<b>6,878,558</b>	8,662,013
<b>Current liabilities</b>					
Trade and other payables	18	10,065,371	10,348,474	1,259,727	1,500,595
Borrowings	17	5,896,741	5,914,719	0	0
Lease liabilities	6	1,048,711	1,144,483	0	0
Current tax liabilities		563,551	126,421	126,100	126,100
		<b>17,574,374</b>	17,534,097	<b>1,385,827</b>	1,626,695
<b>TOTAL LIABILITIES</b>		<b>28,144,756</b>	28,526,438	<b>8,264,385</b>	10,288,708
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>88,758,941</b>	86,602,196	<b>37,426,650</b>	37,552,156

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 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	21	<b>61,017,184</b>	61,201,870	<b>492,000</b>	492,000
Other income	22	<b>2,393,225</b>	735,368	<b>2,221,452</b>	153,984
Property development expenditure recognised		<b>(333,462)</b>	(856,543)	<b>0</b>	0
Changes in inventories of finished goods and work-in-progress		<b>2,367,173</b>	(473,409)	<b>0</b>	0
Purchase of finished goods		<b>(17,307,808)</b>	(12,950,110)	<b>0</b>	0
Raw materials and consumables used		<b>(20,157,517)</b>	(25,717,662)	<b>0</b>	0
Employee benefits expense	23	<b>(11,782,377)</b>	(11,352,810)	<b>(848,024)</b>	(814,491)
Depreciation of property, plant and equipment	5	<b>(1,269,138)</b>	(991,964)	<b>0</b>	0
Depreciation of right-of-use assets	6	<b>(1,815,921)</b>	(1,685,471)	<b>0</b>	0
Amortisation of investment property	7	<b>(6,500)</b>	(6,500)	<b>0</b>	0
Amortisation of intangible assets	8	<b>(9,000)</b>	(24,000)	<b>0</b>	0
Finance costs	25	<b>(627,106)</b>	(569,091)	<b>(447,032)</b>	0
Net losses on impairment of trade and other receivables	13	<b>(184,764)</b>	(171,828)	<b>(109,665)</b>	(76,415)
Share of result of an associate, net of tax	10(e)	<b>122,135</b>	70,768	<b>0</b>	0
Other expenses		<b>(6,883,293)</b>	(5,800,539)	<b>(230,068)</b>	(217,692)
Profit/(Loss) before tax carried forward		<b>5,522,831</b>	1,408,079	<b>1,078,663</b>	(462,614)
Tax expense	26	<b>(2,788,171)</b>	(821,427)	<b>0</b>	0
Profit/(Loss) for the financial year		<b>2,734,660</b>	586,652	<b>1,078,663</b>	(462,614)

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>Other comprehensive (loss)/income, net of tax</b>					
<b>Item that may be reclassified subsequently to profit or loss</b>					
Foreign currency translations		(16,387)	17,891	0	0
<b>Item that will not be reclassified subsequently to profit or loss</b>					
Revaluation surplus on property, plant and equipment and right-of-use assets		0	1,766,951	0	0
Total comprehensive income/(loss)		<u>2,718,273</u>	<u>2,371,494</u>	<u>1,078,663</u>	<u>(462,614)</u>
Profit/(Loss) attributable to:					
Owners of the parent		<u>2,858,094</u>	367,665	<u>1,078,663</u>	(462,614)
Non-controlling interests	9(e)	<u>(123,434)</u>	218,987	<u>0</u>	0
		<u>2,734,660</u>	<u>586,652</u>	<u>1,078,663</u>	<u>(462,614)</u>
Total comprehensive income/(loss) attributable to:					
Owners of the parent		<u>2,841,707</u>	2,152,507	<u>1,078,663</u>	(462,614)
Non-controlling interests	9(e)	<u>(123,434)</u>	218,987	<u>0</u>	0
		<u>2,718,273</u>	<u>2,371,494</u>	<u>1,078,663</u>	<u>(462,614)</u>
<b>Earnings per ordinary share attributable to equity holders of the Company (Sen):</b>					
Basic	28(a)	<u>2.2896</u>	0.2985		
Diluted	28(b)	<u>2.2501</u>	0.2930		

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

## STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Group	Note	Share capital RM	Revaluation reserve RM	Share options 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 2022		23,217,757	13,313,087	49,523	25,582	9,553,201	46,159,150	8,400,098	54,559,248
Profit for the financial year		0	0	0	0	367,665	367,665	218,987	586,652
Foreign currency translations		0	0	0	17,891	0	17,891	0	17,891
Revaluation surplus on property, plant and equipment and right-of-use assets		0	1,766,951	0	0	0	1,766,951	0	1,766,951
Total comprehensive income		0	1,766,951	0	17,891	367,665	2,152,507	218,987	2,371,494
<b>Transactions with owners</b>									
Issuance of ordinary shares pursuant to ESOS exercised	15	305,890	0	(111,709)	0	0	194,181	0	194,181
Share options vested under ESOS		0	0	950,835	0	0	950,835	0	950,835
Transfer of share options reserve to retained earnings upon lapse of ESOS		0	0	(8,394)	0	8,394	0	0	0
Total transactions with owners		305,890	0	830,732	0	8,394	1,145,016	0	1,145,016
Balance as at 31 March 2023		23,523,647	15,080,038	880,255	43,473	9,929,260	49,456,673	8,619,085	58,075,758

STATEMENTS OF  
CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Note	Share capital RM	Revaluation reserve RM	Share options reserve RM	Exchange translation reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non- controlling interests RM	Total equity RM
<b>Group</b>								
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
<b>Transactions with owners</b>								
Issuance of ordinary shares pursuant to ESOS exercised	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					(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 2024

	Note	Share capital RM	Share options reserve RM	Retained earnings RM	Total equity RM
<b>Company</b>					
Balance as at 1 April 2022		23,217,757	49,523	3,313,766	26,581,046
Loss for the financial year		0	0	(462,614)	(462,614)
Other comprehensive income, net of tax		0	0	0	0
Total comprehensive loss		0	0	(462,614)	(462,614)
<b>Transactions with owners</b>					
Issuance of ordinary shares pursuant to ESOS exercised	15	305,890	(111,709)	0	194,181
Share options vested under ESOS		0	950,835	0	950,835
Transfer of share options reserve to retained earnings upon lapse of ESOS		0	(8,394)	8,394	0
Total transactions with owners		305,890	830,732	8,394	1,145,016
Balance as at 31 March 2023		23,523,647	880,255	2,859,546	27,263,448

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	Share capital RM	Share options reserve RM	Retained earnings RM	Total equity RM
<b>Company</b>					
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 loss, net of tax		0	0	0	0
Total comprehensive income		0	0	1,078,663	1,078,663
<b>Transactions with owners</b>					
Issuance of ordinary shares pursuant to ESOS exercised	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

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

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit/(Loss) before tax		<b>5,522,831</b>	1,408,079	<b>1,078,663</b>	(462,614)
Adjustments for:					
Amortisation of:					
- Investment property	7	<b>6,500</b>	6,500	<b>0</b>	0
- Intangible assets	8	<b>9,000</b>	24,000	<b>0</b>	0
Depreciation of:					
- Property, plant and equipment	5	<b>1,269,138</b>	991,964	<b>0</b>	0
- Right-of-use assets	6	<b>1,815,921</b>	1,685,471	<b>0</b>	0
Fair value adjustment on non-current amounts owing to subsidiaries	22	<b>0</b>	0	<b>(211,645)</b>	(153,984)
Gain on disposal of right-of-use assets	22	<b>(124,999)</b>	0	<b>0</b>	0
Impairment losses on:					
- Trade receivables	13(l)	<b>232,247</b>	366,013	<b>0</b>	0
- Other receivables	13(m)	<b>79,489</b>	3,353	<b>109,665</b>	76,415
Interest expense	25	<b>627,106</b>	569,091	<b>0</b>	0
Interest income	22	<b>(137,628)</b>	(97,295)	<b>0</b>	0
Property, plant and equipment written off	5	<b>52,972</b>	63,103	<b>0</b>	0
Intangible asset written off	8	<b>15,000</b>	0	<b>0</b>	0
Inventories written down	12(f)	<b>336,282</b>	0	<b>0</b>	0
Inventories written off	12(f)	<b>26,410</b>	1,134,779	<b>0</b>	0
Balance carried forward		<b>9,730,269</b>	6,155,058	<b>976,683</b>	(540,183)



# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES (Cont'd)</b>					
Balance brought forward		<b>9,730,269</b>	6,155,058	<b>976,683</b>	(540,183)
Reversal of impairment losses on:					
- Trade receivables	13(l)	<b>(124,101)</b>	(197,538)	<b>0</b>	0
- Other receivables	13(m)	<b>(2,871)</b>	0	<b>0</b>	0
Share of result of an associate	10(e)	<b>(122,135)</b>	(70,768)	<b>0</b>	0
Share options vested under ESOS	23	<b>347,990</b>	950,835	<b>0</b>	0
Net of unrealised gain on foreign exchange		<b>(12,396)</b>	(97,146)	<b>0</b>	0
Waiver of debts		<b>0</b>	0	<b>(2,009,807)</b>	0
Operating profit/(loss) before changes in working capital		<b>9,816,756</b>	6,740,441	<b>(1,033,124)</b>	(540,183)
Changes in working capital:					
- Inventories		<b>(3,331,884)</b>	1,111,497	<b>0</b>	0
- Trade and other receivables		<b>427,504</b>	(884,092)	<b>375,676</b>	411,993
- Trade and other payables		<b>(275,920)</b>	1,233,208	<b>197,129</b>	(44,536)
- Contract liability		<b>0</b>	(390,000)	<b>0</b>	0
Cash from/(used in) operations		<b>6,636,456</b>	7,811,054	<b>(460,319)</b>	(172,726)
Interest received		<b>137,628</b>	97,295	<b>0</b>	0
Tax paid		<b>(1,747,366)</b>	(988,174)	<b>0</b>	0
Tax refunded		<b>157,145</b>	16,196	<b>0</b>	0
Net cash from/(used in) operating activities		<b>5,183,863</b>	6,936,371	<b>(460,319)</b>	(172,726)

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from disposal of:					
- Property, plant and equipment		1	0	0	0
- Right-of-use assets		125,000	0	0	0
Purchase of:					
- Property, plant and equipment	5	(3,677,202)	(634,615)	0	0
- Right-of-use assets	6(i)	(58,000)	(246,192)	0	0
Additional interest acquired in an associate	10(c)	0	(69,279)	0	0
Acquisition of share from non-controlling interest	9(c)	(1,000,000)	0	0	0
Net cash used in investing activities		<u>(4,610,201)</u>	<u>(950,086)</u>	<u>0</u>	<u>0</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Drawdown of borrowings		14,284,542	16,811,220	0	0
Interest paid		(440,637)	(422,707)	0	0
Proceeds from issuance of ordinary shares pursuant to ESOS		472,164	194,181	472,164	194,181
Repayments of:					
- Borrowings		(14,784,054)	(15,328,693)	0	0
- Lease liabilities	6	(1,895,969)	(1,720,160)	0	0
Net cash (used in)/from financing activities		<u>(2,363,954)</u>	<u>(466,159)</u>	<u>472,164</u>	<u>194,181</u>
Net (decrease)/increase in cash and cash equivalents		<u>(1,790,292)</u>	5,520,126	<u>11,845</u>	21,455
Effects of exchange rate changes		(23,993)	32,119	0	0
Cash and cash equivalents at beginning of financial year		<u>9,124,920</u>	<u>3,572,675</u>	<u>29,395</u>	<u>7,940</u>
Cash and cash equivalents at end of financial year	14(d)	<u>7,310,635</u>	<u>9,124,920</u>	<u>41,240</u>	<u>29,395</u>

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

## RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities (Note 6) RM	Banker's acceptance (Note 17) RM	Term loans (Note 17) RM
<b>Group</b>			
Balance as at 1 April 2023	3,185,751	5,037,000	4,978,393
Cash flows	(1,895,969)	(403,000)	(96,512)
Non-cash flows:			
- Addition of right-of-use assets (Note 6)	1,123,626	0	0
- Unwinding of interest (Note 6)	186,469	0	0
Balance as at 31 March 2024	<u>2,599,877</u>	<u>4,634,000</u>	<u>4,881,881</u>
Balance as at 1 April 2022	2,122,316	3,762,000	4,770,866
Cash flows	(1,720,160)	1,275,000	207,527
Non-cash flows:			
- Addition of right-of-use assets (Note 6)	2,637,211	0	0
- Unwinding of interest (Note 6)	146,384	0	0
Balance as at 31 March 2023	<u>3,185,751</u>	<u>5,037,000</u>	<u>4,978,393</u>

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

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 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 2024 comprise the financial statements of the Company and its subsidiaries. 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 5 July 2024.

### 2. PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding. The principal activities of the subsidiaries are mainly manufacturing and trading of consumable products, property development and investment holding. Further 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 31.1 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 consumable 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) Consumable products   | - Manufacturing and trading of consumable 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 2024

## 4. OPERATING SEGMENTS (Cont'd)

### (a) Business segments

	Consumable products RM	Property development RM	Investment holding RM	Group RM
<b>2024</b>				
<b>Revenue</b>				
Total revenue	61,035,690	0	492,000	61,527,690
Inter/Intra-segment revenue	(18,506)	0	(492,000)	(510,506)
<b>Revenue from external customers</b>	<b>61,017,184</b>	<b>0</b>	<b>0</b>	<b>61,017,184</b>
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)
<b>Segment profit/(loss) before tax</b>	<b>5,228,596</b>	<b>(792,902)</b>	<b>1,087,137</b>	<b>5,522,831</b>
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 2024

### 4. OPERATING SEGMENTS (Cont'd)

#### (a) Business segments (Cont'd)

	Consumable products RM	Property development RM	Investment holding RM	Group RM
<b>2023</b>				
<b>Revenue</b>				
Total revenue	59,167,401	2,118,100	492,000	61,777,501
Inter/Intra-segment revenue	(83,631)	0	(492,000)	(575,631)
<b>Revenue from external customers</b>	<b>59,083,770</b>	<b>2,118,100</b>	<b>0</b>	<b>61,201,870</b>
Interest income	89,492	7,803	0	97,295
Finance costs	(531,599)	(37,492)	0	(569,091)
Net finance expense	(442,107)	(29,689)	0	(471,796)
Depreciation and amortisation	(2,594,123)	(113,812)	0	(2,707,935)
<b>Segment profit/(loss) before tax</b>	<b>1,400,510</b>	<b>487,236</b>	<b>(479,667)</b>	<b>1,408,079</b>
Tax expense	(690,032)	(131,395)	0	(821,427)
Other non-cash items:				
- impairment losses on trade and other receivables	(368,589)	(777)	0	(369,366)
- inventories written off	(1,134,779)	0	0	(1,134,779)
- property, plant and equipment written off	(63,103)	0	0	(63,103)
- reversal of impairment losses on trade and other receivables	197,538	0	0	197,538
- net of unrealised gain on foreign exchange	97,146	0	0	97,146
Additions to non-current assets other than financial instruments and deferred tax assets	3,518,018	0	0	3,518,018
Segment assets	54,637,100	30,344,054	601,663	85,582,817
Segment liabilities	20,391,433	2,610,421	547,764	23,549,618

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

## 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:

	2024 RM	2023 RM
<b>Revenue</b>		
Total revenue for reportable segments	61,527,690	61,777,501
Elimination of inter/intra-segment revenue	(510,506)	(575,631)
Revenue of the Group per statements of profit or loss and other comprehensive income	<u>61,017,184</u>	<u>61,201,870</u>
<b>Profit for the financial year</b>		
Total profit before tax for reportable segments	5,522,831	1,408,079
Tax expenses	(2,788,171)	(821,427)
Profit for the financial year	<u>2,734,660</u>	<u>586,652</u>
<b>Assets</b>		
Total assets for reportable segments	87,950,705	85,582,817
Tax assets	808,236	1,019,379
Assets of the Group per statements of financial position	<u>88,758,941</u>	<u>86,602,196</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	22,181,129	23,549,618
Tax liabilities	5,963,627	4,976,820
Liabilities of the Group per statements of financial position	<u>28,144,756</u>	<u>28,526,438</u>

### (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.

	2024 RM	2023 RM
<b>Revenue from external customers</b>		
Malaysia	10,110,023	9,617,971
Europe	39,342,410	43,543,303
Other countries	11,564,751	8,040,596
	<u>61,017,184</u>	<u>61,201,870</u>
<b>Non-current assets</b>		
Malaysia	<u>28,603,390</u>	<u>26,816,436</u>

### (d) Major customers

Revenue from two (2) (2023: one (1)) major customers in the consumable products segment amounted to RM22,808,978 (2023: RM28,519,808) with revenue more than 10% of the Group's revenue.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 5. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.4.2023 RM	Additions RM	Written off RM	Depreciation charge for the financial year RM	Disposal RM	Translation adjustments RM	Balance as at 31.3.2024 RM
<b>Carrying amount</b>							
Buildings at 2023 valuation	11,450,000	0	0	(435,103)	0	0	11,014,897
Plant and machinery	688,932	2,105,008	(49)	(219,539)	0	(5)	2,574,347
Moulds	1,513,480	397,490	(18,385)	(341,088)	0	0	1,551,497
Motor vehicles	17,271	0	0	(4,507)	(1)	0	12,763
Office equipment, furniture and fittings	750,211	76,252	(3,166)	(233,635)	0	7	589,669
Tools, implements and equipment	1,403	0	(1,247)	(156)	0	0	0
Electrical installation and renovation	67,893	1,098,452	(30,125)	(35,110)	0	0	1,101,110
	<b>14,489,190</b>	<b>3,677,202</b>	<b>(52,972)</b>	<b>(1,269,138)</b>	<b>(1)</b>	<b>2</b>	<b>16,844,283</b>
	[----- At 31.3.2024 -----]						
		At cost RM	At valuation RM	Accumulated depreciation RM	Carrying amount RM		
Buildings at 2023 valuation	0	11,450,000	(435,103)	11,014,897			
Plant and machinery	4,270,326	0	(1,695,979)	2,574,347			
Moulds	5,894,053	0	(4,342,556)	1,551,497			
Motor vehicles	952,973	0	(940,210)	12,763			
Office equipment, furniture and fittings	2,689,757	0	(2,100,088)	589,669			
Tools, implements and equipment	0	0	0	0			
Electrical installation and renovation	1,673,556	0	(572,446)	1,101,110			
	<b>15,480,665</b>	<b>11,450,000</b>	<b>(10,086,382)</b>	<b>16,844,283</b>			



NOTES TO THE  
 FINANCIAL STATEMENTS

31 MARCH 2024

## 5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group	Balance as at 1.4.2022 RM	Revaluation RM	Additions RM	Written off RM	Depreciation charge for the financial year RM	Transfer from right-of-use assets (Note 6) RM	Translation adjustments RM	Balance as at 31.3.2023 RM
<b>Carrying amount</b>								
Buildings at 2023 valuation	10,615,006	1,150,432	0	0	(315,438)	0	0	11,450,000
Plant and machinery	409,407	0	446,064	(56,100)	(110,432)	0	(7)	688,932
Moulds	1,818,655	0	58,149	0	(363,324)	0	0	1,513,480
Motor vehicles	17,270	0	0	0	0	1	0	17,271
Office equipment, furniture and fittings	830,294	0	101,428	(7,001)	(174,498)	0	(12)	750,211
Tools, implements and equipment	1,591	0	0	0	(188)	0	0	1,403
Electrical installation and renovation	67,004	0	28,974	(2)	(28,084)	0	1	67,893
	<u>13,759,227</u>	<u>1,150,432</u>	<u>634,615</u>	<u>(63,103)</u>	<u>(991,964)</u>	<u>1</u>	<u>(18)</u>	<u>14,489,190</u>
	[----- At 31.3.2023 -----]							
Buildings at 2023 valuation	0	11,450,000	0	0	0	0	0	11,450,000
Plant and machinery	2,297,540	0	0	(1,608,608)	0	0	(1,608,608)	688,932
Moulds	5,559,203	0	0	(4,045,723)	0	0	(4,045,723)	1,513,480
Motor vehicles	1,444,880	0	0	(1,427,609)	0	0	(1,427,609)	17,271
Office equipment, furniture and fittings	2,970,007	0	0	(2,219,796)	0	0	(2,219,796)	750,211
Tools, implements and equipment	1,871	0	0	0	(468)	0	(468)	1,403
Electrical installation and renovation	633,391	0	0	(565,498)	0	0	(565,498)	67,893
	<u>12,906,892</u>	<u>11,450,000</u>	<u>0</u>	<u>(9,867,702)</u>	<u>0</u>	<u>0</u>	<u>(9,867,702)</u>	<u>14,489,190</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company	[-----At 31.3.2024-----]		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Office equipment, furniture and fittings	<u>10,450</u>	<u>(10,450)</u>	<u>0</u>

Company	[-----At 31.3.2023-----]		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
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%
Tools, implements and equipment	10%
Electrical installation and renovation	10% - 20%

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

## 5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

- (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	
	2024 RM	2023 RM
Buildings	<u>6,772,757</u>	<u>7,061,890</u>

- (d) As at the end of the reporting period, the buildings with carrying amounts of RM11,014,897 (2023: RM11,450,000) 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 2024

### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

#### The Group as lessee

##### Right-of-use assets

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
<b>Carrying amount</b>					
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
	<b>11,414,545</b>	<b>1,181,626</b>	<b>(1,815,921)</b>	<b>(1)</b>	<b>10,780,249</b>

Group	Balance as at 1.4.2022 RM	Revaluation RM	Additions RM	Depreciation charge for the financial year RM	Transfer to property, plant and equipment (Note 5) RM	Balance as at 31.3.2023 RM
<b>Carrying amount</b>						
Leasehold land at 2023 valuation	7,127,034	1,174,503	0	(301,537)	0	8,000,000
Plant and machinery	505,141	0	1,125,526	(209,663)	0	1,421,004
Office equipment	317,296	0	194,049	(132,100)	0	379,245
Motor vehicles	86,460	0	557,666	(116,420)	(1)	527,705
Rented premises	1,006,180	0	1,006,162	(925,751)	0	1,086,591
	<b>9,042,111</b>	<b>1,174,503</b>	<b>2,883,403</b>	<b>(1,685,471)</b>	<b>(1)</b>	<b>11,414,545</b>

NOTES TO THE  
FINANCIAL STATEMENTS

31 MARCH 2024

## 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

## The Group as lessee (Cont'd)

## Lease liabilities

Group	Balance as at 1.4.2023 RM	Additions RM	Lease payments RM	Interest expense RM	Balance as at 31.3.2024 RM
<b>Carrying amount</b>					
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
	<b>3,185,751</b>	<b>1,123,626</b>	<b>(1,895,969)</b>	<b>186,469</b>	<b>2,599,877</b>

Group	Balance as at 1.4.2022 RM	Additions RM	Lease payments RM	Interest expense RM	Balance as at 31.3.2023 RM
<b>Carrying amount</b>					
Plant and machinery	325,092	921,000	(383,319)	38,228	901,001
Office equipment	327,531	194,049	(177,977)	19,645	363,248
Motor vehicles	438,993	516,000	(195,115)	31,670	791,548
Rented premises	1,030,700	1,006,162	(963,749)	56,841	1,129,954
	<b>2,122,316</b>	<b>2,637,211</b>	<b>(1,720,160)</b>	<b>146,384</b>	<b>3,185,751</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

#### The Group as lessee (Cont'd)

#### Lease liabilities (Cont'd)

	Group	
	2024 RM	2023 RM
Represented by:		
Current liabilities	<b>1,048,711</b>	1,144,483
Non-current liabilities	<b>1,551,166</b>	2,041,268
	<b>2,599,877</b>	3,185,751
Lease liabilities owing to financial institutions	<b>1,776,134</b>	2,055,797
Lease liabilities owing to non-financial institutions	<b>823,743</b>	1,129,954
	<b>2,599,877</b>	3,185,751

- (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	23 - 24 years
Plant and machinery	5 years
Motor vehicles	5 - 9 years
Rented premises	1 - 3 years
Office equipment	3 - 5 years

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

## 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

- (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	
	2024 RM	2023 RM
Leasehold land	<u>2,973,426</u>	<u>3,107,217</u>

- (d) The leasehold land with carrying amount of RM7,655,877 (2023: RM8,000,000) 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) In previous financial year, certain motor vehicles of the Group with carrying amount of RM17,276 are registered in the names of certain Directors of the Group and third parties who hold them in trust for the subsidiaries.
- (g) 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

(h) The following are the amounts recognised in profit or loss:

	Group	
	2024 RM	2023 RM
Depreciation charge of right-of-use assets	1,815,921	1,685,471
Interest expense on lease liabilities (included in finance costs)	186,469	146,384
Expense relating to short-term leases and leases of low-value assets (included in other expenses)	80,691	35,896
	<b>2,083,081</b>	<b>1,867,751</b>

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

	Group	
	2024 RM	2023 RM
Included in net cash from operating activities:		
Payment relating to short-term leases and leases of low-value assets	80,691	35,896
Included in net cash used in investing activities:		
Purchase of right-of-use assets	58,000	246,192
Included in net cash used in financing activities:		
Payment of lease liabilities	1,895,969	1,720,160
Total cash outflows for leases	<b>2,034,660</b>	<b>2,002,248</b>

(j) 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
<b>Group</b>	
<b>2023</b>	
Extension options expected not to be exercised	30,000

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



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

## 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

### The Group as lessor

- (a) The Group has entered into operating lease agreements on certain properties for term of ten (10) 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	
	2024 RM	2023 RM
Less than one (1) year	65,000	156,000
One (1) to two (2) years	0	65,000
	<u>65,000</u>	<u>221,000</u>

## 7. INVESTMENT PROPERTY

	Group	
	2024 RM	2023 RM
<b>Building</b>		
<b>Carrying amount</b>		
Balance as at 1 April 2023/2022	138,667	145,167
Amortisation charge for the financial year	(6,500)	(6,500)
Balance as at 31 March	<u>132,167</u>	<u>138,667</u>
<b>As at 31 March</b>		
Cost	325,000	325,000
Accumulated amortisation	(192,833)	(186,333)
Carrying amount	<u>132,167</u>	<u>138,667</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 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:

	<b>Group</b>	
	<b>2024 RM</b>	<b>2023 RM</b>
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 2024 and 31 March 2023.

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

	<b>Group</b>	
	<b>2024 RM</b>	<b>2023 RM</b>
Maintenance fee	<b>8,982</b>	5,822
Quit rent and assessment	<u>3,055</u>	<u>2,196</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

## 8. INTANGIBLE ASSETS

	Balance as at 1.4.2023 RM	Amortisation charge for the financial year RM	Written off RM	Balance as at 31.3.2024 RM
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### 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 amortisation RM	Carrying amount RM

Goodwill on consolidation	551,552	0	551,552
Development of hydroponic system	60,000	(60,000)	0
	<u>611,552</u>	<u>(60,000)</u>	<u>551,552</u>

	Balance as at 1.4.2022 RM	Amortisation charge for the financial year RM	Balance as at 31.3.2023 RM
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### Group

#### Carrying amount

Goodwill on consolidation	551,552	0	551,552
Development of hydroponic system	48,000	(24,000)	24,000
	<u>599,552</u>	<u>(24,000)</u>	<u>575,552</u>

	<----- As at 31.3.2023 ----->		
	Cost RM	Accumulated amortisation RM	Carrying amount RM

Goodwill on consolidation	551,552	0	551,552
Development of hydroponic system	60,000	(36,000)	24,000
	<u>611,552</u>	<u>(36,000)</u>	<u>575,552</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 8. INTANGIBLE ASSETS (Cont'd)

- (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	
	2024 RM	2023 RM
Property development	<u>551,552</u>	<u>551,552</u>

- (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 2024 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	
	2024 RM	2023 RM
<b>Unquoted shares</b>		
At cost	<b>44,441,162</b>	44,441,162
Share options granted to employees of a subsidiary	<b>1,726,841</b>	1,378,851
	<b>46,168,003</b>	45,820,013
Less: Impairment losses	<b>(14,651,365)</b>	(14,651,365)
	<b>31,516,638</b>	31,168,648

- (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.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

## 9. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(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		
		2024	2023	2024	2023	
		%	%	%	%	
Emico Penang Sdn. Bhd.	Malaysia	<b>100</b>	100	<b>0</b>	0	Manufacturing of original equipment manufacturer products, awards, trophy components, medallions, souvenir, gift items, furniture products and general trading
Emico Development Sdn. Bhd.	Malaysia	<b>100</b>	100	<b>0</b>	0	Investment holding and property development
NEB Development Berhad	Malaysia	<b>60</b>	60	<b>0</b>	0	Dormant
Mercu Tanah Langkawi Sdn. Bhd.	Malaysia	<b>71</b>	71	<b>0</b>	0	Investment holding
Emico Marketing Sdn. Bhd.	Malaysia	<b>100</b>	100	<b>0</b>	0	Dormant
Emico Tools Sdn. Bhd.	Malaysia	<b>100</b>	100	<b>0</b>	0	Dormant
Emico Capital Sdn. Bhd.	Malaysia	<b>100</b>	100	<b>0</b>	0	Dormant
Emico Newk Sdn. Bhd.*	Malaysia	<b>100</b>	100	<b>0</b>	0	Dormant
<u>Subsidiaries of Emico Penang Sdn. Bhd.</u>						
Emico Asia Sdn. Bhd.	Malaysia	<b>0</b>	0	<b>100</b>	100	Trading of houseware and furniture
Bayan Greentech Sdn. Bhd.	Malaysia	<b>0</b>	0	<b>79</b>	79	Agriculture activities for urban farming and waste management system
<u>Subsidiaries of Emico Marketing Sdn. Bhd.</u>						
Emico Metalizing Sdn. Bhd.	Malaysia	<b>0</b>	0	<b>100</b>	100	Dormant
Emico Melaka Sdn. Bhd.	Malaysia	<b>0</b>	0	<b>51</b>	51	Dormant

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 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		
		2024	2023	2024	2023	
<u>Subsidiaries of NEB Development Berhad</u>						
NEB Pacific Sdn. Bhd.	Malaysia	0	0	100	100	Dormant
Unic Builders Sdn. Bhd.	Malaysia	0	0	100	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

\* 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%.

(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. The transfer of shares to EDV will occur upon the signing of the Share Sale Agreement and the payment of RM1,000,000, representing 10% of the equity interest. An additional 5% equity interest will be transferred upon the payment of RM1,000,000 by 31 December 2024, and the final 5% equity interest will be transferred upon the payment of the remaining RM1,605,829 by 30 June 2026.

As of the reporting period, EDV has successfully completed the acquisition of a 10% equity interest in PKB for a consideration of RM1,000,000.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

## 9. INVESTMENTS IN SUBSIDIARIES (Cont'd)

- (d) In the previous financial year, Emico Penang Sdn. Bhd. ('EPG') has increased its equity stake to 79% following its acquisition of additional 325,000 ordinary shares at an issue price of RM1.00 per share in the capital of Bayan Greentech Sdn. Bhd. ('BGSB') for a total consideration of RM325,000 by the way of conversion of debt.
- (e) 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
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### 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)

	PKB-Operasi Tembaga Sdn. Bhd.	NEB Development Berhad	Other individual immaterial subsidiaries	Total
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### 2023

NCI percentage of ownership interest and voting interest	60.24%	40.00%		
Carrying amount of NCI (RM)	1,007,038	7,505,622	106,425	8,619,085
Profit/(Loss) allocated to NCI (RM)	420,987	(3,006)	(198,994)	218,987
Total comprehensive income/(loss) allocated to NCI (RM)	420,987	(3,006)	(198,994)	218,987

The NCI of all other subsidiaries that are not wholly owned by the Group are deemed to be immaterial.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 9. INVESTMENTS IN SUBSIDIARIES (Cont'd)

- (f) 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:

	2024 RM	2023 RM
<b>PKB-Operasi Tembaga Sdn. Bhd.</b>		
<b>Assets and liabilities</b>		
Non-current assets	4	90
Current assets	4,673,182	4,549,764
Non-current liabilities	(13,547)	(31,054)
Current liabilities	(3,029,179)	(2,847,091)
Net assets	<u>1,630,460</u>	<u>1,671,709</u>
<b>Results</b>		
Revenue	0	1,350,000
(Loss)/Profit for the financial year	(41,249)	698,849
Total comprehensive (loss)/income	<u>(41,249)</u>	<u>698,849</u>
Cash flows (used in)/from operating activities	(41,214)	71,326
Cash flows used in financing activities	(18,396)	(18,397)
Net (decrease)/increase in cash and cash equivalents	<u>(59,610)</u>	<u>52,929</u>
<b>NEB Development Berhad</b>		
<b>Assets and liabilities</b>		
Non-current assets	268,838	326,027
Current assets	18,484,160	18,560,206
Current liabilities	(119,463)	(122,179)
Net assets	<u>18,633,535</u>	<u>18,764,054</u>
<b>Results</b>		
Revenue	0	0
Loss for the financial year	(78,403)	(7,514)
Total comprehensive loss	<u>(78,403)</u>	<u>(7,514)</u>
Cash flows from operating activities	14	1,749
Net increase in cash and cash equivalents	<u>14</u>	<u>1,749</u>



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

## 10. INVESTMENT IN AN ASSOCIATE

	Group	
	2024 RM	2023 RM
<b>At cost</b>		
Unquoted equity shares outside Malaysia	102,462	102,462
Share of post acquisition reserves	192,677	70,542
	<b>295,139</b>	<b>173,004</b>

- (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 activities
		2024 %	2023 %	
<u>Associate of Emico Penang Sdn. Bhd.</u>				
Emico Trophy Co. Ltd. ('ETC')*	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) In the previous financial year, Emico Penang Sdn. Bhd., a wholly owned subsidiary, completed additional capital injection into ETC for a total consideration of RM69,279.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 10. INVESTMENT IN AN ASSOCIATE (Cont'd)

(d) Summarised financial information of the associate are as follow:

	2024 RM	2023 RM
<b>Assets and liabilities</b>		
Non-current assets	<b>38,102</b>	2,711
Current assets	<b>713,105</b>	609,715
Current liabilities	<b>(148,883)</b>	(259,357)
Net assets	<b>602,324</b>	353,069
<b>Results</b>		
Revenue	<b>792,643</b>	703,939
Profit for the financial year	<b>249,256</b>	144,425
Total comprehensive income	<b>249,256</b>	144,425
Cash flow from operating activities	<b>27,321</b>	40,447
Cash flow from financing activities	<b>0</b>	141,004
Cash flow used in investing activities	<b>(37,180)</b>	0
Net (decrease)/increase in cash and cash equivalents	<b>(9,859)</b>	181,451

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

	2024 RM	2023 RM
Carrying amount in the statement of financial position	<b>295,139</b>	173,004
<b>Share of result of the Group</b>		
Share of income of the Group	<b>122,135</b>	70,768
Share of total comprehensive income of the Group	<b>122,135</b>	70,768

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

## 11. DEFERRED TAX

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

	Group	
	2024 RM	2023 RM
Balance as at 1 April 2023/2022	(4,514,899)	(3,889,500)
Recognised in profit or loss (Note 26)	(478,377)	(67,415)
Recognised in other comprehensive income	0	(557,984)
Balance as at 31 March	<u>(4,993,276)</u>	<u>(4,514,899)</u>
Presented after appropriate offsetting:		
Deferred tax assets	406,800	335,500
Deferred tax liabilities	<u>(5,400,076)</u>	<u>(4,850,399)</u>
	<u>(4,993,276)</u>	<u>(4,514,899)</u>

- (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 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	<u>1,565,399</u>	<u>3,834,677</u>	<u>5,400,076</u>
Balance as at 1 April 2022	613,201	3,556,699	4,169,900
Recognised in profit or loss	250,300	(127,785)	122,515
Recognised in other comprehensive income	0	557,984	557,984
Balance as at 31 March 2023	<u>863,501</u>	<u>3,986,898</u>	<u>4,850,399</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 11. DEFERRED TAX (Cont'd)

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

#### Deferred tax assets of the Group

	Unused tax losses and unabsorbed capital allowances RM
Balance as at 1 April 2023	335,500
Recognised in profit or loss	71,300
Balance as at 31 March 2024	<u>406,800</u>
Balance as at 1 April 2022	280,400
Recognised in profit or loss	55,100
Balance as at 31 March 2023	<u>335,500</u>

- (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	
	2024 RM	2023 RM	2024 RM	2023 RM
Unabsorbed capital allowances	<b>275,741</b>	229,659	<b>1,080</b>	1,215
Unused tax losses expiring on:				
- 31 March 2028	<b>11,715,049</b>	11,715,049	<b>6,501,700</b>	6,501,700
- 31 March 2029	<b>751,211</b>	751,211	<b>751,211</b>	751,211
- 31 March 2030	<b>747,445</b>	747,445	<b>747,445</b>	747,445
- 31 March 2031	<b>182,816</b>	182,816	<b>168,522</b>	168,522
- 31 March 2032	<b>563,699</b>	563,699	<b>435,869</b>	435,869
- 31 March 2033	<b>475,136</b>	475,136	<b>400,773</b>	400,773
- 31 March 2034	<b>941,066</b>	0	<b>855,796</b>	0
	<b>15,652,163</b>	14,665,015	<b>9,862,396</b>	9,006,735

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

## 12. INVENTORIES

	Group	
	2024 RM	2023 RM
<b>At cost</b>		
Raw materials	1,860,500	1,826,509
Work-in-progress	2,231,779	2,652,562
Finished goods	9,523,413	6,739,013
Developed properties	512,679	618,961
Properties under development	18,203,698	17,344,509
Land held for property development	7,550,802	7,502,125
	<b>39,882,871</b>	<b>36,683,679</b>
<b>At net realisable value</b>		
Developed properties	160,000	390,000
	<b>40,042,871</b>	<b>37,073,679</b>

Included in properties under development are:

- Freehold land	385,996	385,996
- Leasehold land	1,754,480	1,754,480
- Development expenditure	16,063,222	15,204,033
	<b>18,203,698</b>	<b>17,344,509</b>

Included in land held for property development are:

- Freehold land	2,645,182	2,645,182
- Development expenditure	4,905,620	4,856,943
	<b>7,550,802</b>	<b>7,502,125</b>

- (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.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 12. INVENTORIES (Cont'd)

- (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	
	2024 RM	2023 RM
Cost of inventories	<b>35,145,127</b>	32,694,853
Inventories written down	<b>336,282</b>	0
Inventories written off	<b>26,410</b>	1,134,779

- (g) Included in inventories written off in previous financial year was an amount of RM1,134,779 in relation to a fire incident which happened at manufacturing plants of Emico Penang Sdn. Bhd., a wholly-owned subsidiary of the Company on 8 January 2023. These inventories were fully insured and the Group had a full recovery from the insurance compensation amounted to RM1,271,883 during the financial year as disclosed in Note 22 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

## 13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b><u>Non-current</u></b>				
<b>Other receivables</b>				
Amount owing by:				
- a subsidiary	0	0	5,650,511	5,506,511
- a related party	36,800	30,000	0	0
	<b>36,800</b>	30,000	<b>5,650,511</b>	5,506,511
Less: Impairment losses on amount owing by:				
- a subsidiary	0	0	(776,407)	(666,742)
- a related party	(36,800)	(4,522)	0	0
	<b>(36,800)</b>	(4,522)	<b>(776,407)</b>	(666,742)
<b>Total non-current receivables</b>	<b>0</b>	25,478	<b>4,874,104</b>	4,839,769
<b><u>Current</u></b>				
<b>Trade receivables</b>				
Third parties	8,584,984	5,044,940	0	0
Amounts owing by:				
- related parties	2,571	3,288,929	0	0
- an associate	51,754	100,575	0	0
	<b>8,639,309</b>	8,434,444	<b>0</b>	0
Less: Impairment losses on:				
- third parties	(1,103,725)	(733,529)	0	0
- related parties	0	(262,050)	0	0
	<b>(1,103,725)</b>	(995,579)	<b>0</b>	0
<b>Total current trade receivables</b>	<b>7,535,584</b>	7,438,865	<b>0</b>	0

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 13. TRADE AND OTHER RECEIVABLES (Cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Current (Cont'd)</b>				
<b>Other receivables</b>				
Other receivables	996,895	1,103,319	0	0
Amounts owing by:				
- subsidiaries	0	0	978,668	1,498,344
- related parties	1,744,253	1,010,372	0	0
Deposits	686,134	1,381,798	1,000	1,000
	<b>3,427,282</b>	<b>3,495,489</b>	<b>979,668</b>	<b>1,499,344</b>
Less: Impairment losses on:				
- other receivables	(510,351)	(463,142)	0	0
- amounts owing by related parties	(2,754)	(5,623)	0	0
	<b>(513,105)</b>	<b>(468,765)</b>	<b>0</b>	<b>0</b>
Total other receivables	<b>2,914,177</b>	<b>3,026,724</b>	<b>979,668</b>	<b>1,499,344</b>
<b>Total current receivables</b>	<b>10,449,761</b>	<b>10,465,589</b>	<b>979,668</b>	<b>1,499,344</b>
Prepayments	1,449,245	2,007,390	15,000	15,000
<b>Total current trade and other receivables</b>	<b>11,899,006</b>	<b>12,472,979</b>	<b>994,668</b>	<b>1,514,344</b>

- (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 (2023: 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 (2023: 120 days).



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

## 13. TRADE AND OTHER RECEIVABLES (Cont'd)

- (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 (2023: 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.
- (h) The currency exposure profile of total non-current and current receivables (excluding prepayments) is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	<b>8,128,589</b>	6,691,829	<b>5,853,772</b>	6,339,113
United States Dollar	<b>1,990,891</b>	3,415,644	<b>0</b>	0
Chinese Yuan	<b>330,281</b>	383,594	<b>0</b>	0
	<b>10,449,761</b>	10,491,067	<b>5,853,772</b>	6,339,113

- (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.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 13. TRADE AND OTHER RECEIVABLES (Cont'd)

(j) Lifetime expected loss provision for trade receivables as at 31 March 2024 and 31 March 2023 are as follows:

	Gross carrying amount RM	Impairment RM	Net carrying amount RM
<b>Group</b>			
<b>31 March 2024</b>			
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
	<u>8,639,309</u>	<u>1,103,725</u>	<u>7,535,584</u>
<b>31 March 2023</b>			
Current	4,011,903	107,227	3,904,676
Past due			
- 1 to 30 days	1,726,986	89,725	1,637,261
- 31 to 60 days	299,761	23,646	276,115
- 61 to 90 days	386,375	46,562	339,813
- 91 to 120 days	313,777	54,578	259,199
- More than 120 days	1,246,944	225,143	1,021,801
Credit impaired	448,698	448,698	0
	<u>8,434,444</u>	<u>995,579</u>	<u>7,438,865</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

## 13. TRADE AND OTHER RECEIVABLES (Cont'd)

- (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 annual gross domestic product as the key macroeconomic factor.

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

	Lifetime ECL		Total allowance RM
	- not credit impaired RM	- credit impaired RM	
<b>Group</b>			
Balance as at 1 April 2023	<b>546,881</b>	<b>448,698</b>	<b>995,579</b>
Charge for the financial year	<b>180,800</b>	<b>51,447</b>	<b>232,247</b>
Reversal of impairment losses	<b>(111,348)</b>	<b>(12,753)</b>	<b>(124,101)</b>
Balance as at 31 March 2024	<b>616,333</b>	<b>487,392</b>	<b>1,103,725</b>
Balance as at 1 April 2022	488,952	338,152	827,104
Charge for the financial year	254,467	111,546	366,013
Reversal of impairment losses	(196,538)	(1,000)	(197,538)
Balance as at 31 March 2023	546,881	448,698	995,579

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 13. TRADE AND OTHER RECEIVABLES (Cont'd)

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

	Lifetime ECL - not credit impaired	
	2024 RM	2023 RM
<b>Group</b>		
Balance as at 1 April 2023/2022	<b>473,287</b>	469,934
Charge for the financial year	<b>79,489</b>	3,353
Reversal of impairment losses	<b>(2,871)</b>	0
Balance as at 31 March	<b>549,905</b>	473,287
<b>Company</b>		
Balance as at 1 April 2023/2022	<b>666,742</b>	590,327
Charge for the financial year	<b>109,665</b>	76,415
Balance as at 31 March	<b>776,407</b>	666,742

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) In previous financial year, included in deposit is an amount of RM1,000,000, which related to the consideration received on acquisition of additional 20% equity interest in PKB-Operasi Tembaga Sdn. Bhd..
- (o) Information on financial risks of trade and other receivables is disclosed in Note 30 to the financial statements.

### 14. CASH AND BANK BALANCES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	<b>7,310,635</b>	9,124,920	<b>41,240</b>	29,395
Deposits with licensed banks	<b>94,803</b>	94,803	<b>0</b>	0
	<b>7,405,438</b>	9,219,723	<b>41,240</b>	29,395

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

## 14. CASH AND BANK BALANCES (Cont'd)

- (a) Included in the Group's cash and bank balances is an amount of RM719,843 (2023: RM708,444) 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 (2023: 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	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	<b>2,844,251</b>	5,145,341	<b>41,240</b>	29,395
United States Dollar	<b>4,480,211</b>	3,925,809	<b>0</b>	0
Chinese Yuan	<b>71,223</b>	81,668	<b>0</b>	0
Thai Baht	<b>1,152</b>	1,147	<b>0</b>	0
Euro	<b>8,212</b>	65,401	<b>0</b>	0
Sterling Pound	<b>389</b>	357	<b>0</b>	0
	<b>7,405,438</b>	9,219,723	<b>41,240</b>	29,395

- (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	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	<b>7,310,635</b>	9,124,920	<b>41,240</b>	29,395
Deposits with licensed banks	<b>94,803</b>	94,803	<b>0</b>	0
	<b>7,405,438</b>	9,219,723	<b>41,240</b>	29,395
Less: Deposits pledged to licensed banks	<b>(94,803)</b>	(94,803)	<b>0</b>	0
As per statements of cash flows	<b>7,310,635</b>	9,124,920	<b>41,240</b>	29,395

- (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 2024

### 15. SHARE CAPITAL

	Group and Company			
	2024		2023	
	Number of ordinary shares	Amount RM	Number of ordinary shares	Amount RM
<b>Issued and fully paid with no par value:</b>				
Balance as at 1 April 2023/2022	<b>123,592,721</b>	<b>23,523,647</b>	122,747,721	23,217,757
Issuance of ordinary shares pursuant to ESOS exercised	<b>2,069,170</b>	<b>717,938</b>	845,000	305,890
Balance as at 31 March	<b>125,661,891</b>	<b>24,241,585</b>	123,592,721	23,523,647

- (a) During the 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 Employees' Share Option Scheme ('ESOS') at an average exercise price of RM0.2282 per ordinary share for cash.

In the previous financial year, the issued and fully paid-up ordinary shares of the Company was increased from 122,747,721 to 123,592,721 by way of 845,000 options exercised under ESOS at an exercise price of RM0.2298 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

## 16. RESERVES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Non-distributable:</b>				
Revaluation reserve	<b>15,080,038</b>	15,080,038	<b>0</b>	0
Share options reserve	<b>982,471</b>	880,255	<b>982,471</b>	880,255
Exchange translation reserve	<b>27,086</b>	43,473	<b>0</b>	0
	<b>16,089,595</b>	16,003,766	<b>982,471</b>	880,255

(a) Revaluation reserve

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

(b) Share options reserve

The share options 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 options 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 17. BORROWINGS

	Group	
	2024 RM	2023 RM
<b><u>Current liabilities</u></b>		
<b>Secured:</b>		
Banker's acceptance	4,634,000	5,037,000
Term loans	1,262,741	877,719
	<b>5,896,741</b>	5,914,719
<b><u>Non-current liabilities</u></b>		
<b>Secured:</b>		
Term loans	3,619,140	4,100,674
<b><u>Total borrowings</u></b>		
Banker's acceptance	4,634,000	5,037,000
Term loans	4,881,881	4,978,393
	<b>9,515,881</b>	10,015,393

- (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 2024

## 18. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b><u>Non-current</u></b>				
<b>Other payables</b>				
Amounts owing to subsidiaries	<u>0</u>	<u>0</u>	<u>6,878,558</u>	<u>8,662,013</u>
<b><u>Current</u></b>				
<b>Trade payables</b>				
Third parties	5,373,493	5,153,426	0	0
Amount owing to a related party	14,947	13,985	0	0
	<b>5,388,440</b>	<b>5,167,411</b>	<b>0</b>	<b>0</b>
<b>Other payables</b>				
Amounts owing to:				
- a subsidiary	0	0	1,000,000	1,000,000
- related parties	15,000	15,000	0	0
Other payables	1,343,356	1,554,736	18,728	19,596
Deposit received	335,200	1,016,655	0	0
Accruals	2,983,375	2,594,672	240,999	480,999
	<b>4,676,931</b>	<b>5,181,063</b>	<b>1,259,727</b>	<b>1,500,595</b>
<b>Total current trade and other payables</b>	<b>10,065,371</b>	<b>10,348,474</b>	<b>1,259,727</b>	<b>1,500,595</b>

- (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 (2023: 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 18. TRADE AND OTHER PAYABLES (Cont'd)

- (f) Included in accruals of the Group is retention sum on contracts amounting to RM296,328 (2023: RM315,602).
- (g) The currency exposure profile of total non-current and current payables are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	<b>7,677,346</b>	8,734,258	<b>8,138,285</b>	10,162,608
United States Dollar	<b>1,002,913</b>	582,855	<b>0</b>	0
Chinese Yuan	<b>1,341,845</b>	1,029,121	<b>0</b>	0
Euro	<b>43,267</b>	2,240	<b>0</b>	0
	<b>10,065,371</b>	10,348,474	<b>8,138,285</b>	10,162,608

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

### 19. FINANCIAL GUARANTEE CONTRACTS

	Company	
	2024 RM	2023 RM

#### Unsecured

Financial guarantee given to financial institutions for credit facilities

- Limit of guarantee	<b>20,501,051</b>	18,474,051
- Amount utilised	<b>10,517,996</b>	10,686,104

- (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.
- (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.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

## 20. CAPITAL COMMITMENT

	Group	
	2024 RM	2023 RM
Capital expenditure for property, plant and equipment		
- Contracted but not provided for	<b>884,875</b>	251,132

## 21. REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Revenue from contracts with customers:</b>				
Transferred at a point in time:				
- Sale of goods	<b>61,017,184</b>	59,083,770	<b>0</b>	0
- Sale of completed properties	<b>0</b>	2,118,100	<b>0</b>	0
<b>Other revenue:</b>				
- Management services rendered	<b>0</b>	0	<b>492,000</b>	492,000
	<b>61,017,184</b>	61,201,870	<b>492,000</b>	492,000

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 21. REVENUE (Cont'd)

(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.

### 22. OTHER INCOME

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fair value adjustment on non-current amount owing to subsidiaries	0	0	211,645	153,984
Gain on disposal of right-of-use assets	124,999	0	0	0
Insurance compensation	1,271,883	0	0	0
Interest income	137,628	97,295	0	0
Realised gain on foreign exchange	395,908	89,705	0	0
Rental received from:				
- machinery	234,000	228,000	0	0
- premises	210,800	185,650	0	0
Unrealised gain on foreign exchange, net	12,396	97,146	0	0
Waiver of debts	0	1,074	2,009,807	0
Sundry income	5,611	36,498	0	0
	<b>2,393,225</b>	<b>735,368</b>	<b>2,221,452</b>	<b>153,984</b>

(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.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

## 23. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors' fee	150,000	156,000	150,000	156,000
Wages, salaries, overtime and bonuses	9,354,986	7,918,444	622,500	589,000
Contributions to defined contribution plan	751,278	749,537	68,850	63,175
Social security contributions	155,745	128,266	1,574	1,441
Share options vested under ESOS	347,990	950,835	0	0
Other benefits	1,022,378	1,449,728	5,100	4,875
	<b>11,782,377</b>	<b>11,352,810</b>	<b>848,024</b>	<b>814,491</b>

## 24. DIRECTORS' REMUNERATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Directors of the Company</b>				
<b>Executive Directors</b>				
Directors' fee	60,000	48,000	60,000	48,000
Salaries and other emoluments	693,802	726,047	516,674	501,316
Bonus	81,750	55,000	63,750	42,500
Share options vested under ESOS	53,821	163,035	0	0
Contributions to defined contribution plan	96,390	91,345	68,850	63,175
Total Executive Directors' remuneration	<b>985,763</b>	<b>1,083,427</b>	<b>709,274</b>	<b>654,991</b>
<b>Non-executive Directors</b>				
Directors' fee	90,000	108,000	90,000	108,000
Other emoluments	48,750	51,500	48,750	51,500
Total Non-executive Directors' remuneration	<b>138,750</b>	<b>159,500</b>	<b>138,750</b>	<b>159,500</b>
<b>Total Directors' remuneration</b>				
- fee	150,000	156,000	150,000	156,000
- other emoluments	974,513	1,086,927	698,024	658,491
	<b>1,124,513</b>	<b>1,242,927</b>	<b>848,024</b>	<b>814,491</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 25. FINANCE COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expense on:				
- bank overdrafts	45	1,757	0	0
- banker's acceptance	194,121	196,817	0	0
- lease liabilities	186,469	146,384	0	0
- term loans	246,420	224,063	0	0
- others	51	70	447,032	0
	<b>627,106</b>	<b>569,091</b>	<b>447,032</b>	<b>0</b>

### 26. TAX EXPENSES

	Group	
	2024 RM	2023 RM
Current tax expense based on profit for the financial year	1,680,144	753,139
Underprovision of tax expense in prior years	629,650	873
	<b>2,309,794</b>	<b>754,012</b>
Deferred tax (Note 11):		
- relating to origination and reversal of temporary differences	384,698	90,400
- crystallisation of deferred tax liability on revaluation surplus	(152,221)	(127,785)
- underprovision in prior years	245,900	104,800
	<b>478,377</b>	<b>67,415</b>
	<b>2,788,171</b>	<b>821,427</b>

# NOTES TO THE FINANCIAL STATEMENTS

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## 26. TAX EXPENSES (Cont'd)

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 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 profit/(loss) multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) before tax	<b>5,522,831</b>	1,408,079	<b>1,078,663</b>	(462,614)
Tax at the applicable tax rate of 24% (2023: 24%)	<b>1,325,500</b>	337,900	<b>258,900</b>	(111,000)
Tax effects in respect of:				
- expenses not deductible for tax purpose	<b>896,246</b>	470,336	<b>68,900</b>	60,900
- income not subject to tax	<b>(393,904)</b>	(46,297)	<b>(533,200)</b>	(37,000)
Annual crystallisation of deferred tax on revaluation surplus	<b>(152,221)</b>	(127,785)	<b>0</b>	0
Deferred tax assets not recognised during the financial year	<b>237,000</b>	110,100	<b>205,400</b>	87,100
Utilisation of deferred tax assets not recognised in prior year	<b>0</b>	(28,500)	<b>0</b>	0
Underprovision in prior years				
- income tax expense	<b>629,650</b>	873	<b>0</b>	0
- deferred tax expense	<b>245,900</b>	104,800	<b>0</b>	0
Total tax expense for the financial year	<b>2,788,171</b>	821,427	<b>0</b>	0

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 26. TAX EXPENSES (Cont'd)

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

	Before tax RM	Tax effect RM	After tax RM
<b>Group</b>			
<b>2024</b>			
<b>Item that may be reclassified subsequently to profit or loss</b>			
Foreign currency translations	<u>(16,387)</u>	<u>0</u>	<u>(16,387)</u>
<b>2023</b>			
<b>Item that will not be reclassified subsequently to profit or loss</b>			
Revaluation surplus on property, plant and equipment and right-of-use assets	<u>2,324,935</u>	<u>(557,984)</u>	<u>1,766,951</u>
<b>Item that may be reclassified subsequently to profit or loss</b>			
Foreign currency translations	<u>17,891</u>	<u>0</u>	<u>17,891</u>



# NOTES TO THE FINANCIAL STATEMENTS

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## 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'). 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 2024

### 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 ----->					
	Balance as at 1.4.2023	Granted	Exercised	Forfeited*	Balance as at 31.3.2024 <sup>^</sup>	Exercisable 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>0.2187</u>	<u>0.2501</u>	<u>0.2282</u>	<u>0.2298</u>	<u>0.2206</u>	<u>0.2192</u>
Weighted average remaining contractual life (months)	<u>21</u>					<u>9</u>

	<----- Number of options over ordinary shares ----->					
	Balance as at 1.4.2022	Granted	Exercised	Forfeited*	Balance as at 31.3.2023 <sup>^</sup>	Exercisable as at 31.3.2023
Grant date						
25 March 2022	802,300	0	(82,000)	0	720,300	720,300
23 March 2023	10,412,158	0	(845,000)	(370,000)	9,197,158	1,763,040
	<u>11,214,458</u>	<u>0</u>	<u>(845,000)</u>	<u>(452,000)</u>	<u>9,917,458</u>	<u>2,483,340</u>
Weighted average exercise price (RM)	<u>0.2180</u>		<u>0.2298</u>	<u>0.2020</u>	<u>0.2187</u>	<u>0.1853</u>
Weighted average remaining contractual life (months)	<u>33</u>					<u>21</u>

\* Due to resignation

<sup>^</sup> Exercisable by the grantee upon achieving the vesting conditions set by ESOS Committee

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

## 27. EMPLOYEES' SHARE OPTION SCHEME ('ESOS') (Cont'd)

The details of the options over ordinary shares of the Company are as follows: (Cont'd)

Share options exercised during the financial year resulted in the issuance of 2,069,170 (2023: 845,000) ordinary shares at RM0.2282 (2023: RM0.2298) each. The related weighted average ordinary share price at the date of exercise was RM0.3146 (2023: RM0.2961).

Grant date	Exercise price RM	Exercise period
25 March 2020	0.0765	25 March 2020 - 9 January 2025
23 March 2022	0.2298	1 May 2022 to 9 January 2025
18 July 2023	0.2501	1 August 2023 to 9 January 2025

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

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 28. EARNINGS PER SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the 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	
	2024 RM	2023 RM
Profit for the financial year attributable to equity holders of the parent (RM)	<b>2,858,094</b>	367,665
Weighted average number of ordinary shares in issue	<b>123,592,721</b>	122,747,721
Effect of exercise of ESOS	<b>1,234,399</b>	440,712
Adjusted weighted average number of ordinary shares	<b>124,827,120</b>	123,188,433
Basic earnings per ordinary share (sen)	<b>2.2896</b>	0.2985

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the 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	
	2024 RM	2023 RM
Profit for the financial year attributable to equity holders of the parent (RM)	<b>2,858,094</b>	367,665
Weighted average number of ordinary shares in issue	<b>124,827,120</b>	123,188,433
Effect of exercise of ESOS	<b>2,196,438</b>	2,301,958
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share (unit)	<b>127,023,558</b>	125,490,391
Diluted earnings per ordinary share (sen)	<b>2.2501</b>	0.2930

# NOTES TO THE FINANCIAL STATEMENTS

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## 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.
- (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	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Subsidiaries</b>				
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
<b>Associate</b>				
Sales:				
- Emico Trophy Co. Ltd.	388,384	410,096	0	0
<b>Related parties</b>				
Purchases:				
- Century Plas Industry Sdn. Bhd.	0	3,252,846	0	0
- U-Can Marketing Sdn. Bhd.	2,380	7,500	0	0
- Emico (Vietnam) Co. Ltd.	5,689,398	5,181,061	0	0

## NOTES TO THE FINANCIAL STATEMENTS

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### 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: (Cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Related parties (Cont'd)</b>				
Sales:				
- U-Can Marketing Sdn. Bhd.	<b>9,159</b>	5,420	<b>0</b>	0
- Emico (Vietnam) Co. Ltd.	<b>887,319</b>	485,997	<b>0</b>	0
Rental of machinery received:				
- Century Plas Industry Sdn. Bhd.	<b>0</b>	228,000	<b>0</b>	0
Rental of premises received:				
- Century Plas Industry Sdn. Bhd.	<b>0</b>	156,000	<b>0</b>	0
Rental of premises paid and payable:				
- Beng Choo Marketing Sdn. Bhd.	<b>600,000</b>	600,000	<b>0</b>	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 2024 and 31 March 2023 are disclosed in Notes 13 and 18 to the financial statements.

- (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	
	2024 RM	2023 RM	2024 RM	2023 RM
Short term employee benefits	<b>1,576,190</b>	1,613,022	<b>779,174</b>	751,316
Contributions to defined contribution plans	<b>165,498</b>	151,465	<b>68,850</b>	63,175
	<b>1,741,688</b>	1,764,487	<b>848,024</b>	814,491

# NOTES TO THE FINANCIAL STATEMENTS

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## 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 2024 and 31 March 2023 were as follows:

	Group	
	2024 RM	2023 RM
Borrowings	9,515,881	10,015,393
Lease liabilities	2,599,877	3,185,751
Less:		
Cash and bank balances	(7,310,635)	(9,124,920)
Deposits with licensed banks	(94,803)	(94,803)
Net debt	<u>4,710,320</u>	<u>3,981,421</u>
Total capital	52,285,165	49,456,673
Net debt	<u>4,710,320</u>	<u>3,981,421</u>
Equity	<u>56,995,485</u>	<u>53,438,094</u>
Gearing ratio	<u>8%</u>	<u>7%</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 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

Cash deposits 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.

#### 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 2024

## 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			
	2024		2023	
	RM	% of total	RM	% of total
<b>By country:</b>				
Malaysia	5,148,435	68%	4,415,876	59%
Sweden	1,149,539	15%	915,715	12%
United Kingdom	325,274	4%	61,054	1%
Vietnam	0	0%	109,522	1%
Italy	641,799	9%	403,416	5%
China	129,034	2%	126,746	2%
Thailand	53,306	1%	102,128	1%
Ireland	0	0%	170,955	2%
United States of America	0	0%	930,145	13%
France	0	0%	201,189	3%
Others	88,197	1%	2,119	1%
	<b>7,535,584</b>	<b>100%</b>	<b>7,438,865</b>	<b>100%</b>

At the end of the reporting period, approximately:

64.5% (2023: 24.5%) of the Group's trade receivables were due from major customers who are multi-industry conglomerates located in Malaysia, Sweden and Italy (2023: Sweden and United States of America).

0.03% (2023: 40.7%) of the Group's trade receivables were owing from related parties.

99.9% (2023: 99.9%) of the Company's other receivables were owing from subsidiaries.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 30. CAPITAL AND FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Financial risk management (Cont'd)

(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.

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
<b>As at 31 March 2024</b>				
<b>Group</b>				
<b>Financial liabilities:</b>				
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>
<b>Company</b>				
<b>Financial liabilities:</b>				
Trade and 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 2024

## 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. (Cont'd)

	On demand or within one (1) year RM	One (1) to five (5) years RM	Over five (5) years RM	Total RM
<b>As at 31 March 2023</b>				
<b>Group</b>				
<b>Financial liabilities:</b>				
Trade and other payables	10,348,474	0	0	10,348,474
Borrowings	6,102,693	3,991,001	533,904	10,627,598
Lease liabilities	1,307,913	2,152,850	85,804	3,546,567
Total undiscounted financial liabilities	<u>17,759,080</u>	<u>6,143,851</u>	<u>619,708</u>	<u>24,522,639</u>
<b>Company</b>				
<b>Financial liabilities:</b>				
Trade and other payables	1,500,595	10,638,034	0	12,138,629
Financial guarantee contracts	10,686,104	0	0	10,686,104
Total undiscounted financial liabilities	<u>12,186,699</u>	<u>10,638,034</u>	<u>0</u>	<u>22,824,733</u>

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 30. CAPITAL AND FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Financial risk management (Cont'd)

(iii) Interest rate risk(Cont'd)

#### 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		Equity	
	2024 RM	2023 RM	2024 RM	2023 RM
Increased by 50 basis points (2023: 50 basis points)	<b>36,160</b>	38,058	<b>0</b>	0
Decreased by 50 basis points (2023: 50 basis points)	<b>(36,160)</b>	(38,058)	<b>0</b>	0

The sensitivity is lower in 2024 than in 2023 because of an decrease 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.

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## 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 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM		
<b>At 31 March 2024</b>									
<b>Fixed rates</b>									
Deposits with licensed banks	14	3.35	94,803	0	0	0	0	0	94,803
Lease liabilities	6	3.73*	(1,048,711)	(642,529)	(534,136)	(252,727)	(93,549)	(28,225)	(2,599,877)
<b>Floating rates</b>									
Banker's acceptance	17	4.45	(4,634,000)	0	0	0	0	0	(4,634,000)
Term loans	17	5.29	(1,262,741)	(2,097,162)	(938,526)	(141,065)	(60,702)	(381,685)	(4,881,881)

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 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 RM					Total RM	
			1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM		
<b>At 31 March 2023</b>									
<b>Fixed rates</b>									
Deposits with licensed banks	14	3.35	94,803	0	0	0	0	94,803	
Lease liabilities	6	3.82*	(1,144,483)	(739,011)	(580,596)	(467,977)	(170,642)	(83,042)	(3,185,751)
<b>Floating rates</b>									
Banker's acceptance	17	4.49	(5,037,000)	0	0	0	0	0	(5,037,000)
Term loans	17	4.24	(877,719)	(1,298,520)	(1,342,055)	(937,807)	(71,709)	(450,583)	(4,978,393)

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

## 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	
	2024 RM	2023 RM
USD/RM		
- Strengthened by 5%	<b>207,791</b>	256,827
- Weakened by 5%	<b>(207,791)</b>	(256,827)
CNY/RM		
- Strengthened by 5%	<b>(35,733)</b>	(21,427)
- Weakened by 5%	<b>35,733</b>	21,427
Euro/RM		
- Strengthened by 5%	<b>(1,332)</b>	2,400
- Weakened by 5%	<b>1,332</b>	(2,400)

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.

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

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2024

### 31. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

#### 31.1 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
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform - PillarTwo Model Rules</i>	See MFRS 112 paragraph 98M

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

#### 31.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

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
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
MFRS 18 <i>Presentation and Disclosure in Financial Statements</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.



ANALYSIS OF  
SHAREHOLDINGS

28 JUNE 2024

## DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	27	1.020	1,009	0.000
100 - 1,000	704	26.616	574,600	0.436
1,001 - 10,000	1,291	48.809	6,121,994	4.655
10,001 - 100,000	531	20.075	16,878,900	12.835
100,001 - 6,574,843 (*)	91	3.440	82,817,241	62.980
6,574,844 And Above (**)	1	0.037	25,103,147	19.090
<b>TOTAL:</b>	<b>2,645</b>	<b>100.000</b>	<b>131,496,891</b>	<b>100.000</b>

Remark \* - Less Than 5% Of Issued Shares

\*\* - 5% And Above Of Issued Shares

## SUBSTANTIAL SHAREHOLDINGS

Substantial Shareholders	Direct (Shares)	Direct %	Indirect (Shares)	Indirect %
Lim Teck Chye	27,088,247	20.60	3,337,312 <sup>^</sup>	2.54
Lim Poh Hoon	112,000	0.09	30,313,559 <sup>^</sup>	23.05
Lim Teik Hian	375,000	0.29	30,050,559 <sup>^</sup>	22.85

<sup>^</sup> Deemed interested via shares held by Beng Choo Marketing Sdn. Bhd. and their family member namely, Lim Poh Hoon.

## DIRECTOR'S SHAREHOLDINGS

Name	No. of Shares Held			
	Direct	%	Indirect	%
Lim Teck Chye	27,088,247	20.60	3,337,312 <sup>^</sup>	2.54
Lim Lay Khim	737,000	0.56	-	-
Dato' Jimmy Ong Chin Keng	960,000	0.73	-	-
Kee Chei Hen	2,000	#	-	-

Note:

# Negligible

## LIST OF TOP 30 SHAREHOLDERS

28 JUNE 2024

NO.	NAME	HOLDINGS	%
1	LIM TECK CHYE	25,103,147	19.090
2	NEOH BOON TOE	6,145,000	4.673
3	LIEW KIT	6,114,300	4.649
4	LIEW CHOON	6,080,400	4.623
5	GAN PEI JOO	6,000,000	4.562
6	NEOH BOON LOON	4,900,000	3.726
7	LIEW KIM SIONG	3,717,300	2.826
8	BLUM NETWORK CAPITAL SDN. BHD.	3,068,800	2.333
9	TAN KEAN AIK	2,398,500	1.823
10	KENANGA NOMINEES (TEMPATAN) SDN. BHD. <i>RAKUTEN TRADE SDN. BHD. FOR LOW FEI WEI</i>	2,395,900	1.822
11	NEOH BOON YEW	2,042,100	1.552
12	LIEW HOCK YEE	2,033,500	1.546
13	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR NG GEOK WAH (B BRKLANG-CL)</i>	2,023,300	1.538
14	LIM TECK CHYE	1,985,100	1.509
15	BENG CHOO MARKETING SDN. BHD.	1,964,212	1.493
16	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR TAN KING TAI @ TAN KHOON HAI</i>	1,960,000	1.490
17	AMSEC NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TAN HUI LUN (SMART)</i>	1,800,000	1.368
18	CHUAH CHOON BIN	1,600,000	1.216
19	KENANGA NOMINEES (TEMPATAN) SDN. BHD. <i>RAKUTEN TRADE SON BHD FOR LIEW KIM SIONG</i>	1,455,400	1.106
20	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR CHAN MEI CHENG (E-BMM)</i>	1,436,500	1.092
21	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR TEH BOON CHIEW</i>	1,264,700	0.961
22	TAN CHIN PENG	1,095,000	0.832
23	JIMMY ONG CHIN KENG	960,000	0.730
24	NEOH BOON YEW	949,600	0.722
25	CHUAH GUAN LEONG	942,500	0.716
26	AMSEC NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TAN KING TAI @ TAN KHOON HAI (SMART)</i>	903,100	0.686
27	WONG SEW YUN	895,859	0.681
28	LIM LAY KHIM	737,000	0.560
29	DARREN LIM YAN DA	700,000	0.532
30	MERCSEC NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR BENG CHOO MARKETING SDN. BHD.</i>	692,600	0.526
	<b>TOTAL</b>	<b>93,363,818</b>	<b>71.000</b>

## LIST OF PROPERTIES

AS AT 31 MARCH 2024

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	32 to 39	17,250	2023*
Unit 2-5-9 Harbour Trade Centre, Lebuh Macallum, Pulau Pinang	99-years Leasehold Expiring 2089	Office unit for rental	-	2,031	29	132	1992
Geran 127391 & 127392 Bandar Sungai Petani, Daerah Kuala Muda, Kedah	Freehold	3 storey office building	2,800	7,394	16	1,421	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 32<sup>nd</sup> 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, 12 September 2024 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 2024 together with the Reports of the Directors and Auditors thereon.   | Please refer to Note 9 |
| 2. | To re-elect Mr. Lim Teck Chye, 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.   | <b>Resolution 1</b>    |
| 3. | To re-elect Dato' Jimmy Ong Chin Keng, 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.   | <b>Resolution 2</b>    |
| 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 2025.   | <b>Resolution 3</b>    |
| 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 2025.   | <b>Resolution 4</b>    |
| 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 32 <sup>nd</sup> AGM until the conclusion of the next AGM of the Company. | <b>Resolution 5</b>    |
| 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.   | <b>Resolution 6</b>    |

#### SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications the following ordinary resolutions:-

- |    |   |                     |
|----|---|---------------------|
| 8. | <b>AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016</b> | <b>Resolution 7</b> |
|----|---|---------------------|

"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 2024

## 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 23 August 2024 (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 2024 will be laid to shareholders at the forthcoming 32<sup>nd</sup> 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 32<sup>nd</sup> 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 32<sup>nd</sup> AGM are provided in the Company's Annual Report 2024.

#### (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 2025 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 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 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 4,900,000 ordinary shares were issued and allotted pursuant to the general mandate granted at the last AGM of the Company. The total proceeds of RM1,509,200.00 had been utilized by the Group for its capital expenditure, working capital requirements, repayment of bank borrowings as well as to defray the expenses relating to the placement of shares.

### (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 2024, 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 32<sup>nd</sup> 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 32<sup>nd</sup> Annual General Meeting of the Company are set out in the Board of Directors' Profile section of this Annual Report 2024.
- 3) The details of the Directors' interests in the securities of the Company as at 28 June 2024 are set out in the Analysis of Shareholdings section of this Annual Report 2024.
- 4) The Resolution 7 tabled under Special Business as per the Notice of 32<sup>nd</sup> Annual General Meeting of the Company dated 31 July 2024 is a renewal of general mandate granted by shareholders of the Company at the last Annual General Meeting held on 14 September 2023.

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 4,900,000 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 RM1,509,200.00 had been utilized by the Group for its capital expenditure, working capital requirements, repayment of bank borrowings as well as to defray the expenses relating to the placement of shares.

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**EMICO HOLDINGS BERHAD**  
 Registration No. 199101020015 (230326-D)  
 Incorporated in Malaysia

# PROXY FORM

Number of Shares Held	CDS ACCOUNT NO.									

\*I/We.....(\*I/CNo./PassportNo./CompanyNo.....)  
 (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 32<sup>nd</sup> 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, 12 September 2024 at 11.00 a.m., and at any adjournment thereof.

NO.	RESOLUTIONS	FOR	AGAINST
1.	To re-elect Mr. Lim Teck Chye as a Director of the Company.		
2.	To re-elect Dato' Jimmy Ong Chin Keng 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....., 2024.

.....  
 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 Authorized 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 23 August 2024 (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.



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**STAMP**

The Company Secretary  
**EMICO HOLDINGS BERHAD**  
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