



TOMEI CONSOLIDATED BERHAD (692959-W)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2019

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM'000	RM'000	RM'000	RM'000
Revenue	136,507	138,415	534,074	564,024
Cost of sales	(100,595)	(105,419)	(399,242)	(435,904)
Gross profit	35,912	32,996	134,832	128,120
Other income	996	8,240	4,265	12,230
Selling and distribution expenses	(23,153)	(23,725)	(87,136)	(93,672)
Administrative expenses	(5,646)	(6,961)	(24,911)	(26,018)
Other expenses	(406)	(1,896)	(1,299)	(2,516)
Profit from operations	7,703	8,654	25,751	18,144
Finance costs	(3,014)	(2,891)	(11,736)	(11,457)
Profit before tax	4,689	5,763	14,015	6,687
Tax expense	(1,945)	(1,425)	(4,842)	(1,765)
Profit for the financial year	<u>2,744</u>	<u>4,338</u>	<u>9,173</u>	<u>4,922</u>
Profit attributable to:-				
Owners of the parent	2,675	4,260	8,739	4,745
Non-controlling interests	69	78	434	177
	<u>2,744</u>	<u>4,338</u>	<u>9,173</u>	<u>4,922</u>
Earnings per ordinary share attributable to equity holders of the parent (sen):-				
Basic earnings per share	1.93	3.07	6.31	3.42
Diluted earnings per share *	N/A	N/A	N/A	N/A

* Not applicable

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2019
(Cont'd)**

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM'000	RM'000	RM'000	RM'000
Profit for the financial year	2,744	4,338	9,173	4,922
Foreign currency translations	108	47	471	(134)
Total comprehensive income	<u>2,852</u>	<u>4,385</u>	<u>9,644</u>	<u>4,788</u>
Total comprehensive income attributable to:-				
Owners of the parent	2,783	4,307	9,210	4,611
Non-controlling interests	69	78	434	177
	<u>2,852</u>	<u>4,385</u>	<u>9,644</u>	<u>4,788</u>

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018. The accompanying notes form an integral part of this statement.

TOMEI CONSOLIDATED BERHAD (692959–W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019**

	As At 31/12/2019 RM'000	As At 31/12/2018 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	14,968	17,544
Prepaid lease payments for land	-	467
Right-of-use asset	30,633	-
Deferred tax assets	1,087	1,655
	<u>46,688</u>	<u>19,666</u>
Current assets		
Inventories	356,262	333,552
Trade and other receivables	23,562	37,698
Current tax assets	-	2,726
Cash and bank balances	19,099	11,645
	<u>398,923</u>	<u>385,621</u>
TOTAL ASSETS	<u>445,611</u>	<u>405,287</u>
EQUITY AND LIABILITIES		
Share capital	73,336	73,336
Reserves	<u>136,239</u>	<u>129,339</u>
Equity attributable to owners of the parent	209,575	202,675
Non-controlling interests	4,618	4,187
TOTAL EQUITY	<u>214,193</u>	<u>206,862</u>
LIABILITIES		
Non-current liabilities		
Borrowings	741	2,356
Deferred tax liabilities	91	177
Lease liabilities	12,647	-
Other liabilities	561	569
	<u>14,040</u>	<u>3,102</u>
Current Liabilities		
Trade and other payables	27,327	27,998
Borrowings	171,786	167,325
Lease liabilities	17,875	-
Current tax liabilities	390	-
	<u>217,378</u>	<u>195,323</u>
TOTAL LIABILITIES	<u>231,418</u>	<u>198,425</u>
TOTAL EQUITY AND LIABILITIES	<u>445,611</u>	<u>405,287</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018. The accompanying notes form an integral part of this statement.

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 2019

-----Attributable To Owners Of The Parent-----

---Non Distributable--- Distributable

	Share Capital RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
Balance as at 1 January 2019	73,336	1,728	127,611	202,675	4,187	206,862
Profit for the financial year	-	-	8,739	8,739	434	9,173
- Foreign currency translations, net of tax	-	(471)	-	(471)	-	(471)
Transactions with owners:-						
- Dividend paid	-	-	(1,386)	(1,386)	-	(1,386)
- Disposal of shares to non-controlling interest	-	-	18	18	(3)	15
Balance as at 31 December 2019	73,336	1,257	134,982	209,575	4,618	214,193

-----Attributable To Owners Of The Parent-----

---Non Distributable--- Distributable

	Share Capital RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
Balance as at 1 January 2018	73,336	1,862	124,339	199,537	4,029	203,566
Impact of new MFRS 9 and 15	-	-	(87)	(87)	(19)	(106)
Restated	73,336	1,862	124,252	199,450	4,010	203,460
Profit for the financial year	-	-	4,745	4,745	177	4,922
- Foreign currency translations, net of tax	-	(119)	-	(119)	-	(119)
Transactions with owners:-						
- Dividend paid	-	-	(1,386)	(1,386)	-	(1,386)
- Dissolution of a subsidiary company	-	(15)	-	(15)	-	(15)
Balance as at 31 December 2018	73,336	1,728	127,611	202,675	4,187	206,862

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018. The accompanying notes form an integral part of this statement.

TOMEI CONSOLIDATED BERHAD (692959–W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 DECEMBER 2019**

	12 months ended 31/12/2019	12 months ended 31/12/2018
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	14,015	6,687
Adjustments for:-		
Amortisation of prepaid lease payments for land	-	18
Amortisation of right of use asset	15,528	-
Depreciation of property, plant and equipment	6,206	6,489
Inventories written off	351	157
Property, plant and equipment written off	433	1,375
Provision for impairment of receivables	231	94
Gain on disposal of property, plant and equipment	(132)	(184)
Gain on dissolution of a subsidiary company	-	(20)
Gain on disposal of business	-	(7,119)
Impairment loss on other investment	-	471
Reversal of impairment loss on receivables	(106)	(99)
Net unrealised gain on gold price fluctuation and foreign exchange	(98)	(112)
Finance costs	11,736	11,457
Interest income	-	(1)
	<hr/>	<hr/>
Operating profit before changes in working capital	48,164	19,213
Inventories	(23,061)	14,706
Trade and other receivables	(29,874)	4,599
Trade and other payables	26,587	(4,790)
	<hr/>	<hr/>
Cash generated from operations	21,816	33,728
Interest paid	(9,662)	(11,021)
Tax paid	(3,297)	(3,598)
Tax refunded	2,053	7
Net cash from operating activities	<hr/> <hr/>	<hr/> <hr/>

TOMEI CONSOLIDATED BERHAD (692959–W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2019**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER
ENDED 31 DECEMBER 2019 (Cont'd)**

	12 months ended 31/12/2019 RM'000	12 months ended 31/12/2018 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	-	1
Purchase of property, plant and equipment	(6,123)	(6,941)
Proceeds from disposal of property, plant and equipment	135	518
Net cash used in investing activities	<u>(5,988)</u>	<u>(6,422)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(255)	(400)
Dividend paid	(1,386)	(1,386)
Net repayments of term loans	(1,019)	(1,481)
Net drawdown of short term borrowings	5,743	1,593
Net repayments of hire-purchase liabilities	(800)	(2,679)
Net cash from/(used in) financing activities	<u>2,283</u>	<u>(4,353)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	7,205	8,341
CASH & CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		
	(16,627)	(25,210)
EFFECT OF EXCHANGE RATES CHANGES		
	(29)	242
CASH & CASH EQUIVALENTS AT END OF FINANCIAL YEAR		
	<u><u>(9,451)</u></u>	<u><u>(16,627)</u></u>
Represented by:-		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	19,099	11,645
Bank overdrafts	(28,550)	(28,272)
	<u><u>(9,451)</u></u>	<u><u>(16,627)</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018. The accompanying notes form an integral part of this statement.

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

The interim financial report is unaudited and is prepared in accordance with the MFRS134: *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements and should be read together with the Group's Audited Financial Statement for the year ended 31 December 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

At the date of authorisation of these interim financial statements, the Group adopted the following Standards of the MFRS Framework that were issued by the Malaysia Accounting Standards Board:

Title	Effective Date
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019

The Group adopted MFRS 16 Leases for the first time during the current financial year, using the cumulative effect method as at 1 January 2019. Consequently, the comparative information was not restated and are not comparable to the financial information of the current financial year.

On adoption of MFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of MFRS 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate of the Group as at 1 January 2019.

The right-of-use assets for property leases were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the financial statements as at 31 December 2018, if any.

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES(Cont'd)

The following MFRSs, Amendment to MFRSs and IC Interpretation have been issued but has not been early adopted by the Group.

Title	Effective Date
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 101 and MFRS 108 Definition of Material</i>	1 January 2020
<i>Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform</i>	1 January 2020
<i>MFRS 17 Insurance Contracts</i>	1 January 2021
<i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report for the preceding financial year ended 31 December 2018 was issued without any qualification.

4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's business traditionally picks up during the major festive seasons in Malaysia.

5. UNSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no extraordinary or exceptional items for the current quarter ended 31 December 2019.

6. CHANGES IN ESTIMATES

There were no material changes in the estimates used for the preparation of this interim financial report.

CAPITAL MANAGEMENT, ISSUANCES, REPURCHASES AND REPAYMENTS OF DEBTS AND EQUITY INSTRUMENTS

The Group's objectives of managing capital are to safeguard the Group's ability to continue in operations as a going concern in order to provide fair returns for shareholders and benefits for other stakeholders 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 the dividend payout to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

CAPITAL MANAGEMENT, ISSUANCES, REPURCHASES AND REPAYMENTS OF DEBTS AND EQUITY INSTRUMENTS (Cont'd)

The Group's objectives of managing capital are to safeguard the Group's ability to continue in operations as a going concern in order to provide fair returns for shareholders and benefits for other stakeholders 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 the dividend payout to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

For capital management purposes, the Group considers shareholders' equity, non-controlling interests and net debt to be the key components in the Group's capital structure. The Group monitors capital on the basis of net gearing ratio. The ratio is calculated as the total debt net of cash and cash equivalents to total equity. Total debt refers to borrowings from financial institution but excluding lease liabilities. Total equity is the sum of total equity attributable to shareholders and non-controlling interests. The net gearing ratios as at 31 December 2019 and 31 December 2018, which are within the Group's objectives for capital management, are as follows:-

	31/12/2019	31/12/2018
	<u>RM'000</u>	<u>RM'000</u>
Total debt net of cash and cash equivalents	153,428	158,036
Total equity	214,193	206,862
Net gearing ratio	0.72	0.76

The Group reported net gearing ratio of 0.72 as at 31 December 2019, decreased by 0.04 compared to 31 December 2018.

8. DIVIDEND PAID

No dividend was paid during the current quarter.

9. OPERATING SEGMENTAL INFORMATION – MFRS 8

The Group has two reportable segments that are based on information reported internally to the Group Managing Director. The reportable segments are summarised as follows:-

- Manufacturing & Wholesales
- Retail

TOMEI CONSOLIDATED BERHAD (692959–W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2019****(The figures have not been audited)****PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)****9. OPERATING SEGMENTAL INFORMATION – MFRS 8 (Cont'd)**

The segment information for the current financial year is as follows:-

Results for financial year ended 31 December 2019	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Revenue			
Total sales	172,491	414,622	587,113
Inter-segment sales	(23,712)	(29,327)	(53,039)
External sales	148,779	385,295	534,074
Results			
Profit before tax	7,037	6,978	14,015
Tax expense	(1,765)	(3,077)	(4,842)
Profit for the year	5,272	3,901	9,173
Non-controlling interest			(434)
Profit attributable to owners of the parent			8,739
Assets and liabilities as at 31 December 2019			
Assets			
Segment assets	75,354	369,170	444,524
Unallocated assets	-	-	1,087
Total assets	-	-	445,611
Liabilities			
Segment liabilities	23,005	207,932	230,937
Unallocated liabilities	-	-	481
Total liabilities	-	-	231,418
Results for financial year ended 31 December 2018	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Revenue			
Total sales	178,343	799,804	978,147
Inter-segment sales	(33,979)	(380,144)	(414,123)
External sales	144,364	419,660	564,024
Results			
(Loss)/Profit before tax	(709)	7,396	6,687
Tax expense	30	(1,795)	(1,765)
(Loss)/Profit for the year	(679)	5,601	4,922
Non-controlling interest			(177)
Profit attributable to owners of the parent			4,745

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

9. OPERATING SEGMENTAL INFORMATION – MFRS 8 (Cont'd)

Assets and liabilities as at
31 December 2018

	RM'000	RM'000	RM'000
Assets			
Segment assets	68,500	332,406	400,906
Unallocated assets	-	-	4,381
Total assets	-	-	405,287
Liabilities			
Segment liabilities	25,115	173,133	198,248
Unallocated liabilities	-	-	177
Total liabilities	-	-	198,425

10. CARRYING AMOUNT OF REVALUED ASSETS

The valuation of property, plant and equipment has been brought forward without any amendments from the previous Audited Financial Statements of the Group.

11. SIGNIFICANT EVENTS DURING THE CURRENT QUARTER

There were no significant events during the current quarter.

12. CHANGES IN COMPOSITION OF THE GROUP

On 2 July 2019, the Company's subsidiary company, Tomei Retail Sdn Bhd has disposed of 30% of its interest in its wholly owned subsidiary company, Tomei Worldwide Franchise Sdn Bhd for a total consideration of RM15,000.00.

On 2 October 2019, the Company has incorporated a new subsidiary company, Tomei Services Sdn Bhd with a paid up capital of RM2.00.

Except for the above, there were no changes to the composition of the Group for the financial year.

13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets which have arisen since the last annual reporting date as at 31 December 2018.

14. COMMITMENTS

Except as disclosed below, there were no other material commitments as at 31 December 2019:-

Capital commitments

Capital expenditure in respect of purchase of property, plant and equipment.

Approved but not contracted for

RM'000
5,588

TOMEI CONSOLIDATED BERHAD (692959-W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019****(The figures have not been audited)****PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****15. PERFORMANCE REVIEW***Comparison with previous year's corresponding quarter and financial year to-date*

	Individual Quarter		Variance	
	3 months ended		RM'000	Percentage
	31/12/2019	31/12/2018		
	RM'000	RM'000		
Sales				
Retail	97,817	102,803	(4,986)	-5%
Manufacturing & wholesales	38,690	35,612	3,078	9%
Total	136,507	138,415	(1,908)	-1%
Profit before tax				
Retail	3,332	5,493	(2,161)	-39%
Manufacturing & wholesales	1,357	270	1,087	403%
Total	4,689	5,763	(1,074)	-19%

	Year-to-date		Variance	
	12 months ended		RM'000	Percentage
	31/12/2019	31/12/2018		
	RM'000	RM'000		
Sales				
Retail	385,295	419,660	-34,365	-8%
Manufacturing & wholesales	148,779	144,364	4,415	3%
Total	534,074	564,024	-29,950	-5%
Profit before tax				
Retail	6,978	7,396	-418	-6%
Manufacturing & wholesales	7,037	(709)	7,746	N/A
Total	14,015	6,687	7,328	110%

The Group's revenue for the current quarter of RM136.507 million approximates its revenue reported last year. Its Profit Before Tax ("PBT) for the current quarter of RM4.689 million is lower compared to RM5.763 million reported last year in the absence of a one-off gain reported last year. During the corresponding quarter last year, the Group has disposed of its business in retailing of skincare products and reported a net gain on disposal of RM5.702 million after deducting some write off of assets.

For the financial year to-date, the Group reported revenue of RM534.074 million and PBT of RM14.015 million.

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

(The figures have not been audited)

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

15. PERFORMANCE REVIEW (Cont'd)

Comparison with previous year's corresponding quarter and financial year to-date (cont'd)

Retail Segment

The retail segment reported revenue of RM97.817 million for the current quarter compared to RM102.803 million in the previous year's corresponding quarter, a decrease of 5% in the absence of sales contributed by its skincare division which was disposed of on 31 December 2018. Its PBT for the current quarter of RM3.332 million is lower compared to RM5.493 million reported last year in the absence of a one-off gain reported last year. During the corresponding quarter last year, the Group has disposed of its business in retailing of skincare products and reported a net gain on disposal of RM5.702 million after deducting some write off of assets.

For the financial year to-date the retail segment reported PBT of RM6.978 million on the back of revenue of RM385.295 million.

Manufacturing & Wholesales segment ("M&W")

During the current quarter, the M&W reported revenue of RM38.690 million compared to RM35.612 million last year mainly due to higher customer demand. As a result of better margin, the M&W reported PBT of RM1.357 million compared to RM0.270 million last year.

For the financial year to-date the M&W reported PBT of RM7.037 million on the back of revenue of RM148.779 million.

Comparison with preceding quarter

	3 months ended		Variance	
	31/12/2019	30/9/2019	RM'000	Percentage
Revenue	RM'000	RM'000	RM'000	Percentage
Retail	97,817	83,170	14,647	18%
Manufacturing & wholesales	38,690	35,554	3,136	9%
Total	136,507	118,724	17,783	15%

	3 months ended		Variance	
	31/12/2019	31/9/2019	RM'000	Percentage
Profit before tax	RM'000	RM'000	RM'000	Percentage
Retail	3,332	387	2,945	761%
Manufacturing & wholesales	1,357	3,107	(1,750)	-56%
Total	4,689	3,494	1,195	34%

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

(The figures have not been audited)

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

15. PERFORMANCE REVIEW (Cont'd)

Comparison with preceding quarter

The Group reported revenue of RM136.507 million for the current quarter compared to RM118.724 million in the preceding quarter mainly due to better customer demand during the year end festivities. As a result, the Group's PBT has increased by 34% to RM4.689 million compared to its preceding quarter.

Retail Segment

The retail segment's reported higher revenue of RM97.817 million compared to RM83.170 million in the preceding quarter mainly due to better sales demand during the year end festivities. As a result and due to better profit margin, its PBT increased to RM3.332 million compared to RM0.387 million recorded in its preceding quarter.

Manufacturing & Wholesales segment ("M&W")

The M&W's revenue for the current quarter of RM38.690 million is 9% higher than its revenue in the preceding quarter. However, its PBT of RM1.357 million is lower compared to its preceding quarter of RM3.107 million. The profit margin for its preceding quarter was higher mainly due to the then increasing trend of gold price.

16. COMMENTARY ON PROSPECTS

At the date of this report, the epidemic situation of Covid-19 has not improved and this has contributed to the slowdown of the global economy. Inevitably, the Malaysian economy is not spared as the retail industry is experiencing a slowdown.

Premised on the above, the Board expects a challenging year ahead and will cautiously study the retail environment and take the necessary mitigation measures to minimize the impact on our business.

17. PROFIT FORECAST OR PROFIT GUARANTEE

The Group has not provided any profit forecast or profit guarantee in any public document during the current financial year.

18. TAX EXPENSE

	Individual Quarter		Year-to-date	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM'000	RM'000	RM'000	RM'000
Current taxation	1,462	945	3,918	965
Under provision	-	-	441	320
Deferred taxation	483	480	483	480
	<u>1,945</u>	<u>1,425</u>	<u>4,842</u>	<u>1,765</u>

The effective tax rate of the Group for the current financial period is higher than statutory tax rate as some of its expenses are not deductible for tax.

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

(The figures have not been audited)

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

19. CORPORATE PROPOSALS

There were no corporate proposals undertaken by the Group during the current quarter.

20. BORROWINGS AND DEBT SECURITIES

As at 31 December 2019, the Group has total unsecured borrowings of RM172.527million, all of which are denominated in Ringgit Malaysia.

	Total RM'000
Current	171,786
Non-current	741
	<u>172,527</u>

In accordance with MFRS16, the Group's hire-purchase liabilities of RM1.577 million is classified as lease liabilities in the accounts.

21. DERIVATIVE ASSETS

As at 31 December 2019, the Group does not have any outstanding derivative assets or liabilities.

22. CHANGES IN MATERIAL LITIGATIONS

No material litigation has arisen since 31 December 2018.

23. DIVIDEND PAYABLE

The Directors do not recommend any interim dividend payment for the current quarter.

24. EARNINGS PER ORDINARY SHARE

The basic earnings per share is calculated by dividing the net profit for the financial year by the weighted average number of ordinary shares in issue during the year.

	Individual Quarter 3 months ended		Year-to date 12 months ended	
	31/12/2019 RM'000	31/12/2018 RM'000	31/12/2019 RM'000	31/12/2018 RM'000
Consolidated profit for the financial year attributable to equity holders of the parent	2,675	4,260	8,739	4,745
Weighted average number of ordinary shares in issue ('000)	138,600	138,600	138,600	138,600
Basic earnings per share (sen)	1.93	3.07	6.31	3.42
Diluted earnings per share	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

There is no diluted earnings per share as the Company does not have any convertible financial instruments in issue.

TOMEI CONSOLIDATED BERHAD (692959-W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2019****(The figures have not been audited)****PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)****25. PROFIT BEFORE TAX**

Profit before tax is arrived at after charging/(crediting):-

	Individual Quarter 3 months ended		Individual Quarter 12 months ended	
	31/12/2019 RM'000	31/12/2018 RM'000	31/12/2019 RM'000	31/12/2018 RM'000
Amortisation and depreciation	1,742	1,712	6,224	6,507
Amortisation right-of-use asset	5,054	-	15,510	-
Finance costs	3,014	2,891	11,736	11,457
Impairment loss on other investment	-	471	-	471
Inventories written off	351	157	351	157
Property, plant and equipment written off	56	1,298	433	1,375
Gain on dissolution of a subsidiary company	-	-	-	(20)
Gain on disposal of business	-	(7,119)	-	(7,119)
Gain/(Loss) on disposal of property, plant and equipment	-	27	(132)	(184)
Provision for impairment of receivables	118	94	231	94
Reversal of impairment loss on receivables	(38)	(99)	(106)	(99)
Interest income	-	(1)	-	(1)
Net loss/(gain) on gold price fluctuation and foreign exchange	(516)	(137)	(1,838)	(112)

By Order of the Board

Secretary

Teoh Kok Jong (LS 04719)

Dated :26 February 2020