



TOMEI CONSOLIDATED BERHAD 200501015912 (692959-W)
(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2020

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2020

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30/6/2020	30/6/2019	30/6/2020	30/6/2019
	RM'000	RM'000	RM'000	RM'000
Revenue	76,129	135,511	203,929	278,843
Cost of sales	(53,158)	(104,529)	(148,026)	(212,970)
Gross profit	22,971	30,982	55,903	65,873
Other income	1,001	1,226	1,749	2,478
Selling and distribution expenses	(14,586)	(21,185)	(33,610)	(43,678)
Administrative expenses	(4,188)	(6,453)	(10,059)	(12,726)
Other expenses	71	97	(513)	(431)
Profit from operations	5,269	4,667	13,470	11,516
Finance costs	(2,729)	(2,951)	(5,515)	(5,684)
Profit before tax	2,540	1,716	7,955	5,832
Tax expense	(727)	(432)	(2,146)	(1,572)
Profit for the financial period	1,813	1,284	5,809	4,260
Profit attributable to:-				
Owners of the parent	1,891	1,115	5,897	3,981
Non-controlling interests	(78)	169	(88)	279
	1,813	1,284	5,809	4,260
Earnings per ordinary share attributable to equity holders of the parent (sen):-				
Basic earnings per share	1.36	0.80	4.25	2.87
Diluted earnings per share *	N/A	N/A	N/A	N/A

* Not applicable

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2020**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2020 (Cont'd)**

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30/6/2020	30/6/2019	30/6/2020	30/6/2019
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	1,813	1,284	5,809	4,260
Foreign currency translations	1	(465)	27	(459)
Total comprehensive income	<u>1,814</u>	<u>819</u>	<u>5,836</u>	<u>3,801</u>
Profit attributable to:-				
Owners of the parent	1,892	650	5,924	3,522
Non-controlling interests	(78)	169	(88)	279
	<u>1,814</u>	<u>819</u>	<u>5,836</u>	<u>3,801</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 2019. The accompanying notes form an integral part of this statement.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2020**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	As At 30/06/2020 RM'000	As At 31/12/2019 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	12,570	14,968
Right-of-use asset	21,303	30,633
Deferred tax assets	1,087	1,087
	<u>34,960</u>	<u>46,688</u>
Current assets		
Inventories	347,181	356,262
Trade and other receivables	29,626	23,562
Cash and bank balances	13,686	19,099
	<u>390,493</u>	<u>398,923</u>
TOTAL ASSETS	<u>425,453</u>	<u>445,611</u>
EQUITY AND LIABILITIES		
Share capital	73,336	73,336
Reserves	142,163	136,239
Equity attributable to owners of the parent	<u>215,499</u>	<u>209,575</u>
Non-controlling interests	4,530	4,618
TOTAL EQUITY	<u>220,029</u>	<u>214,193</u>
LIABILITIES		
Non-current liabilities		
Borrowings	676	741
Deferred tax liabilities	92	92
Lease liabilities	10,177	12,544
Other payables	560	560
	<u>11,505</u>	<u>13,937</u>
Current Liabilities		
Trade and other payables	19,940	27,327
Borrowings	160,273	171,786
Current tax liabilities	1,328	390
Lease liabilities	12,378	17,978
	<u>193,919</u>	<u>217,481</u>
TOTAL LIABILITIES	<u>205,424</u>	<u>231,418</u>
TOTAL EQUITY AND LIABILITIES	<u>425,453</u>	<u>445,611</u>
Net assets per share (RM)	1.59	1.55

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019. The accompanying notes form an integral part of this statement.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2020**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE
QUARTER ENDED 30 JUNE 2020**

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

---Non Distributable--- Distributable

	Exchange Share Translation Capital Reserve RM'000	RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
Balance as at 1 January 2020	73,336	1,257	134,982	209,575	4,618	214,193
Profit for the financial period	-	-	5,897	5,897	(88)	5,809
Transaction with owners:-						
- Foreign currency translations, net of tax	-	27	-	27	-	27
Balance as at 30 June 2020	73,336	1,284	140,879	215,499	4,530	220,029

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

---Non Distributable--- Distributable

	Exchange Share Translation Capital Reserve RM'000	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 period	-	-	3,981	3,981	279	4,260
Transaction with owners:-						
- Dividend paid			(1,386)	(1,386)		(1,386)
- Foreign currency translations, net of tax	-	(459)	-	(459)	-	(459)
Balance as at 30 June 2019	73,336	1,269	130,206	204,811	4,466	209,277

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019. The accompanying notes form an integral part of this statement.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2020**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER
ENDED 30 JUNE 2020**

	6 months ended 30/6/2020	6 months ended 30/6/2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	7,955	5,832
Adjustments for:-		
Depreciation of right-of-use asset	9,465	5,660
Depreciation of property, plant and equipment	2,478	2,861
Property, plant and equipment written off	-	270
Gain on disposal of property, plant and equipment	-	(132)
Unrealised gain on gold price fluctuation and foreign exchange	(195)	(72)
Finance costs	5,515	5,684
	<hr/>	<hr/>
Operating profit before changes in working capital	25,218	20,103
Inventories	9,081	(8,628)
Trade and other receivables	(5,797)	(16,079)
Trade and other payables	(7,640)	16,172
	<hr/>	<hr/>
Cash generated from operations	20,862	11,568
Interest paid	(4,729)	(4,875)
Tax paid	(1,152)	(972)
Tax refunded	-	250
Net cash from operating activities	<hr/> 14,981 <hr/>	<hr/> 5,971 <hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(320)	(716)
Proceeds from disposal of property, plant and equipment	-	134
Net cash used in investing activities	<hr/> (320) <hr/>	<hr/> (582) <hr/>

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2020**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER
ENDED 30 JUNE 2020 (Cont'd)**

	6 months ended	6 months ended
	30/6/2020	30/6/2019
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(49)	(138)
Dividend paid	-	(1,386)
Net repayments of term loans	(332)	(370)
Net drawdown of short term borrowings	11,623	(2,780)
Payments of lease liabilities	(8,421)	(479)
Net cash from/(used in) financing activities	<u>2,821</u>	<u>(5,153)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,482	236
CASH & CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	(9,451)	(16,627)
EFFECT OF EXCHANGE RATES CHANGES	(26)	3
CASH & CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>8,005</u>	<u>(16,388)</u>
Represented by:-		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	13,686	11,419
Bank overdrafts	(5,681)	(27,807)
	<u>8,005</u>	<u>(16,388)</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019. The accompanying notes form an integral part of this statement.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2020**

(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 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

At the date of authorisation of these interim financial statements, the following Standards of the MFRS Framework has been issued by the Malaysia Accounting Standards Board:

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 101 Classification of Liabilities as Current or Non-Current</i>	1 January 2022
<i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group is in the process of assessing the impact of implementing these Standards.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report for the preceding financial year ended 31 December 2019 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

The Government has implemented the Movement Control Order ('MCO') for the period from 18 March 2020 to 9 June 2020 in a bid to contain the spread of the Covid-19 pandemic. This restriction prohibits all government and private premises from operating except those providing essential service. As a result, all shopping malls across Malaysia were temporary closed. However, the MCO was conditionally relaxed from 4 May 2020 which approved of almost all businesses to reopen on condition that such businesses must put in place and observe strictly the relevant standard operating procedures. The opening of economy is further relaxed in the Recovery MCO phase which started on 10 June 2020 and expected to end by 31 August 2020.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2020**

(The figures have not been audited)

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

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.

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 equity is the sum of total equity attributable to shareholders and non-controlling interests. The net gearing ratios as at 30 June 2020 and 30 June 2019, which are within the Group’s objectives for capital management, are as follows:-

	30/6/2020	30/6/2019
	RM’000	RM’000
Total debt net of cash and cash equivalents	147,263	173,695
Total equity	220,029	209,277
Net gearing ratio	0.67	0.83

The Group reported net gearing ratio of 0.67 as at 30 June 2020, decreased by 0.16 compared to 30 June 2019.

8. DIVIDEND PAID

No dividend was paid during the current quarter.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2020**

(The figures have not been audited)

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

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

Results for financial period ended 30 June 2020	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Revenue			
Total sales	73,883	169,644	243,527
Inter-segment sales	(15,738)	(23,860)	(39,598)
External sales	58,145	145,784	203,929
Results			
Profit before tax	5,328	2,627	7,955
Tax expense	(1,399)	(747)	(2,146)
Profit for the period	3,929	1,880	5,809
Non-controlling interest			88
Profit attributable to owners of the parent			5,897
Assets and liabilities as at 30 June 2020			
Assets			
Segment assets	77,272	347,094	424,366
Unallocated assets	-	-	1,087
Total assets	-	-	425,453
Liabilities			
Segment liabilities	21,718	182,286	204,004
Unallocated liabilities	-	-	1,420
Total liabilities	-	-	205,424

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2020**

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont’d)
9. OPERATING SEGMENTAL INFORMATION – MFRS 8 (Cont’d)

Results for financial period ended 30 June 2019	Manufacturing & Wholesales RM’000	Retail RM’000	Total RM’000
Revenue			
Total sales	85,237	215,481	300,718
Inter-segment sales	(10,702)	(11,173)	(21,875)
External sales	74,535	204,308	278,843
Results			
Profit before tax	2,573	3,259	5,832
Tax expense	(652)	(920)	(1,572)
Profit for the period	1,921	2,339	4,260
Non-controlling interest			(279)
Profit attributable to owners of the parent			3,981
Assets and liabilities as at 30 June 2019			
	Manufacturing & Wholesales RM’000	Retail RM’000	Total RM’000
Assets			
Segment assets	72,689	344,412	417,101
Unallocated assets	-	-	3,530
Total assets	-	-	420,631
Liabilities			
Segment liabilities	24,272	186,905	211,177
Unallocated liabilities	-	-	177
Total liabilities	-	-	211,354

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. SIGNIFICANTS EVENTS DURING THE CURRENT QUARTER

The World Health Organisation declared the 2019 Novel Coronavirus outbreak (‘COVID-19’) a pandemic on 11 March 2020. This was followed by our Government issuing a Gazetted Order known as the Movement Control Order (‘MCO’) effective from 18 March 2020 to 31 March 2020. The MCO was subsequently extended until 12 May 2020, followed by a Conditional MCO until 9 June 2020 and a Recovery MCO until 31 August 2020.

The disruption of the COVID-19 pandemic has resulted in many business operations in particular the non-essential sector to come to a halt. The operation of the Group was totally shut down during the tenure of MCO resulting in a significant decrease in its sales volume. The Group has taken the necessary steps upon its re-commencement of business including various customer promotions to recoup the loss of sales suffered during this period.

(The figures have not been audited)

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

12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes to the composition of the Group for the financial period.

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 2019.

14. COMMITMENTS

Except as disclosed below, there were no other material commitments as at 30 June 2020:-

Capital commitments

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

Approved but not contracted for

RM'000
5,268

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2020**

(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			
	3 months ended		Variance	
	30/6/2020 RM'000	30/6/2019 RM'000	RM'000	Percentage
Sales				
Retail	51,654	99,000	-47,346	-48%
Manufacturing & wholesales	24,475	36,511	-12,036	-33%
Total	76,129	135,511	-59,382	-44%
Profit/(loss) before tax				
Retail	(848)	533	-1,381	-259%
Manufacturing & wholesales	3,388	1,183	2,205	186%
Total	2,540	1,716	824	48%
	Year-to-date			
	6 months ended		Variance	
	30/6/2020 RM'000	30/6/2019 RM'000	RM'000	Percentage
Sales				
Retail	145,784	204,308	-58,524	-29%
Manufacturing & wholesales	58,145	74,535	-16,390	-22%
Total	203,929	278,843	-74,914	-27%
Profit before tax				
Retail	2,627	3,259	-632	-19%
Manufacturing & wholesales	5,328	2,573	2,755	107%
Total	7,955	5,832	2,123	36%

The Group reported a drop of 44% in revenue to RM76.129 million for the current quarter ended 30 June 2020 in comparison to RM135.511 million recorded in the previous year's corresponding quarter, contributed by the drop in sales volume in both the operating segments. Due to the implementation of the MCO by the Government, our business operation with the exception of online e-commerce was totally shut down from 18 March 2020 to 3 May 2020. Despite the decrease in revenue, the Group reported higher profit before tax ("PBT") of RM2.540 million compared to RM1.716 million reported in previous year's corresponding quarter, mainly driven by better gross profit margin as a result of higher gold price.

For the financial year to-date, the Group reported total revenue and profit before tax of RM203.929 million and RM7.955 million respectively.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2020**

(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 RM51.654 million for the current quarter compared to RM99.000 million in the previous year's corresponding quarter, a decrease of 48% due to more than 6 weeks lockdown during the MCO. The retail business was only able to re-commence its operations gradually starting from 4 May 2020. As a result of the lower sales volume, the retail segment reported a loss before tax of RM0.848 million compared to PBT of RM0.533 million last year.

For the financial year to-date, the retail segment reported total revenue and profit before tax of RM145.784 million and RM2.627 million respectively.

Manufacturing & Wholesales segment ("M&W")

During the current quarter, the M&W reported revenue of RM24.475 million compared to RM36.511 million in the previous year's corresponding quarter, a decrease of 33% due to 6 months lockdown during the MCO. The M&W however, reported a better PBT of RM3.388 million compared to RM1.183 million last year due to higher gold price.

For the financial year to-date, the M&W reported total revenue and profit before tax of RM58.145 million and RM5.328 million respectively.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2020**

(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

	3 months ended		Variance	
	30/6/2020	31/3/2020	RM'000	Percentage
Revenue	RM'000	RM'000	RM'000	Percentage
Retail	51,654	94,130	-42,476	-45%
Manufacturing & wholesales	24,475	33,670	-9,195	-27%
Total	76,129	127,800	-51,671	-40%

	3 months ended		Variance	
	30/6/2020	31/3/2020	RM'000	Percentage
Profit/(loss) before tax	RM'000	RM'000	RM'000	Percentage
Retail	(848)	3,475	-4,323	-124%
Manufacturing & wholesales	3,388	1,940	1,448	75%
Total	2,540	5,415	-2,875	-53%

The Group reported a drop of 40% in revenue to RM76.129 million for the current quarter ended 30 June 2020 in comparison to RM127.800 million recorded in the preceding quarter, contributed by the drop in sales volume in both the operating segments due to non-operation during the period of MCO lockdown. As a result, the Group reported lower PBT of RM2.540 million compared to RM5.415 million reported in the preceding quarter.

Retail Segment

The retail segment reported revenue of RM51.654 million for the current quarter compared to RM94.130 million in the preceding quarter, a decrease of 45%. As a result, the retail segment reported a loss before tax of RM0.848 million compared to PBT of RM3.475 million in the preceding quarter.

Manufacturing & Wholesales segment (“M&W”)

During the current quarter, the M&W reported revenue of RM24.475 million compared to RM33.670 million in the preceding quarter, a decrease of 27%. The Group however, reported a better PBT of RM3.388 million compared to RM1.940 million in the preceding quarter due to higher gold price.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2020**(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)****16. COMMENTARY ON PROSPECTS**

The Covid-19 pandemic has caused major disruption to the global economy. Generally, Malaysia seems to be managing the situation well as the number of new infections have been brought under control. Since the opening up of the economy in Malaysia, our business has gradually improved as customers become more confident and starting to adapt to the new normal.

Despite this positive development, the Board is still cautious on the recovery. The prospect of another lockdown could have a very far disparaging impact to the retail industry. The Group will continue to monitor the situation and manage its operation.

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 period.

18. TAX EXPENSE

	Individual Quarter		Year-to-date	
	30/6/2020 RM'000	30/6/2019 RM'000	30/6/2020 RM'000	30/6/2019 RM'000
Current taxation	727	432	2,146	1,572

The effective tax rate of the Group for the current financial period is higher than statutory tax rate as some of its subsidiary companies are in loss making position.

19. CORPORATE PROPOSALS

There were no corporate proposals undertaken by the Group during the financial period.

20. BORROWINGS AND DEBT SECURITIES

As at 30 June 2020, the Group has total borrowings of RM160.949 million, all of which are unsecured and denominated in Ringgit Malaysia.

	RM'000
Current	160,273
Non-current	676
	<u>160,949</u>

21. DERIVATIVE ASSETS

As at 30 June 2020, the Group does not have any outstanding derivative assets or liabilities.

22. CHANGES IN MATERIAL LITIGATIONS

No material litigation has arisen since 31 December 2019.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2020**

(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)**
23. DIVIDEND PAYABLE

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

24. EARNINGS PER ORDINARY SHARE

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

	Individual Quarter 3 months ended		Year-to-date 6 months ended	
	30/6/2020 RM'000	30/6/2019 RM'000	30/6/2020 RM'000	30/6/2019 RM'000
Consolidated profit for the financial period attributable to equity holders of the parent	1,891	1,115	5,897	3,981
Weighted average number of ordinary shares in issue ('000)	138,600	138,600	138,600	138,600
Basic earnings per share (sen)	1.36	0.80	4.25	2.87
Diluted earnings per share	N/A	N/A	N/A	N/A

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

25. PROFIT BEFORE TAX

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

	Individual Quarter 3 months ended		Year-to-date 6 months ended	
	30/6/2020 RM'000	30/6/2019 RM'000	30/6/2020 RM'000	30/6/2019 RM'000
Depreciation of property, plant and equipment	1,192	1,385	2,478	2,860
Depreciation right-of-use asset	4,670	3,762	9,465	5,661
Finance costs	2,729	2,951	5,515	5,684
Property, plant and equipment written off	-	9	-	270
Gain on gold price fluctuation and foreign exchange	(338)	(1,269)	(519)	(1,228)
Gain on disposal of property, plant and equipment	(14)	(74)	(14)	(132)

By Order of the Board

Secretary

Teoh Kok Jong (LS 04719)

Dated : 24 August 2020