



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2021

	Individual Quarter		Year-to-date	
	3 months ended		6 months ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
Revenue	146,644	76,129	390,799	203,929
Cost of sales	(120,422)	(53,158)	(319,904)	(148,026)
Gross profit	26,222	22,971	70,895	55,903
Other income	2,043	1,001	3,960	1,749
Selling and distribution expenses	(17,159)	(14,586)	(36,620)	(33,610)
Administrative expenses	(5,446)	(4,188)	(11,680)	(10,059)
Other expenses	(1,414)	71	(1,920)	(513)
Profit from operations	4,246	5,269	24,635	13,470
Finance costs	(2,120)	(2,729)	(4,274)	(5,515)
Profit before tax	2,126	2,540	20,361	7,955
Tax expense	(770)	(727)	(5,059)	(2,146)
Profit for the financial period	1,356	1,813	15,302	5,809
Profit attributable to:-				
Owners of the parent	1,357	1,891	15,116	5,897
Non-controlling interests	(1)	(78)	186	(88)
	1,356	1,813	15,302	5,809
Earnings per ordinary share attributable to equity holders of the parent (sen):-				
Basic earnings per share	0.98	1.36	10.91	4.25
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 2021**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2021 (Cont'd)**

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	1,356	1,813	15,302	5,809
Foreign currency translations	(259)	1	(230)	27
Total comprehensive income	<u>1,097</u>	<u>1,814</u>	<u>15,072</u>	<u>5,836</u>
Profit attributable to:-				
Owners of the parent	1,098	1,892	14,886	5,924
Non-controlling interests	(1)	(78)	186	(88)
	<u>1,097</u>	<u>1,814</u>	<u>15,072</u>	<u>5,836</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 2020. The accompanying notes form an integral part of this statement.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2021**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	As At 30/06/2021 RM'000	As At 31/12/2020 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	11,060	12,739
Right-of-use asset	13,478	19,824
Deferred tax assets	1,158	1,158
	<u>25,696</u>	<u>33,721</u>
Current assets		
Inventories	400,773	381,920
Trade and other receivables	35,899	32,978
Cash and bank balances	8,747	23,211
	<u>445,419</u>	<u>438,109</u>
TOTAL ASSETS	<u>471,115</u>	<u>471,830</u>
EQUITY AND LIABILITIES		
Share capital		
	73,336	73,336
Reserves		
	180,170	167,870
Equity attributable to owners of the parent	<u>253,506</u>	<u>241,206</u>
Non-controlling interests	(5)	4,169
TOTAL EQUITY	<u>253,501</u>	<u>245,375</u>
LIABILITIES		
Non-current liabilities		
Other payables	651	651
Borrowings	263	502
Deferred tax liabilities	83	83
Lease liabilities	5,127	7,333
	<u>6,124</u>	<u>8,569</u>
Current liabilities		
Trade and other payables	30,337	28,123
Borrowings	169,339	174,450
Lease liabilities	8,511	12,734
Current tax liabilities	3,303	2,579
	<u>211,490</u>	<u>217,886</u>
TOTAL LIABILITIES	<u>217,614</u>	<u>226,455</u>
TOTAL EQUITY AND LIABILITIES	<u>471,115</u>	<u>471,830</u>
Net assets per share (RM)	1.83	1.77

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020. The accompanying notes form an integral part of this statement.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2021**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE
QUARTER ENDED 30 JUNE 2021**

	-----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 2021	73,336	1,715	166,155	241,206	4,169	245,375
Profit for the financial period	-	-	15,302	15,302	186	15,488
Foreign currency translations, net of tax	-	(230)	-	(230)	-	(230)
Transaction with owners						
Acquisition of additional interest from non-controlling interest				-	(4,360)	(4,360)
Dividend paid			(2,772)	(2,772)	-	(2,772)
Balance as at 30 June 2021	73,336	1,485	178,685	253,506	(5)	253,501

	-----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 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
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

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020. The accompanying notes form an integral part of this statement.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021**(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 JUNE 2021**

	6 months ended 30/06/2021	6 months ended 30/06/2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	20,361	7,955
Adjustments for:-		
Depreciation of right-of-use asset	7,285	9,465
Depreciation of property, plant and equipment	2,287	2,478
Finance costs	4,275	5,515
Impairment loss on trade and other receivables	36	-
Property, plant and equipments written off	202	-
Reversal of lease liabilities	(96)	-
Reversal of impairment loss on trade and other receivables	(30)	-
Net unrealised loss/(gain) on gold price fluctuation and foreign exchange	25	(195)
	<hr/>	<hr/>
Operating profit before changes in working capital	34,345	25,218
Inventories	(18,853)	9,081
Trade and other receivables	(3,040)	(5,797)
Trade and other payables	(1,655)	(7,640)
	<hr/>	<hr/>
Cash generated from operations	10,797	20,862
Interest paid	(3,709)	(4,729)
Tax paid	(4,160)	(1,152)
Net cash from operating activities	<hr/> 2,928 <hr/>	<hr/> 14,981 <hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(652)	(320)
Proceeds from disposal of property, plant and equipments	197	-
Net cash used in investing activities	<hr/> (455) <hr/>	<hr/> (320) <hr/>

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2021**
(The figures have not been audited)
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER
ENDED 30 JUNE 2021 (Cont'd)**

	6 months ended 30/06/2021 RM'000	6 months ended 30/06/2020 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(26)	(49)
Lease interest paid	(25)	(30)
Dividend paid	(2,772)	-
Net repayments of term loans	(639)	(332)
Net (repayment)/drawdown of short term borrowings	(15,162)	11,623
Payments of lease liabilities	(8,769)	(8,391)
Net cash (used in)/from financing activities	<u>(27,393)</u>	<u>2,821</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(24,920)	17,482
CASH & CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	5,948	(9,451)
EFFECT OF EXCHANGE RATES CHANGES	<u>4</u>	<u>(26)</u>
CASH & CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u><u>(18,968)</u></u>	<u><u>8,005</u></u>
Represented by:-		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	8,747	13,686
Bank overdrafts	(27,715)	(5,681)
	<u>(18,968)</u>	<u>8,005</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020. The accompanying notes form an integral part of this statement.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2021**

(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 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>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 2020 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 unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2021**

(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.

7. 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 2021 and 30 June 2020, which are within the Group’s objectives for capital management, are as follows:

	30/06/2021	30/06/2020
	RM’000	RM’000
Total debt net of cash and cash equivalents	160,855	147,263
Total equity	253,501	220,029
Net gearing ratio	0.63	0.67

The Group reported net gearing ratio of 0.63 as at 30 June 2021, decreased by 0.04 compared to 30 June 2020.

8. DIVIDEND PAID

During the current quarter, the Company paid a first and final single tier dividend of 2.0 sen per ordinary share amounted to RM2.772 million in respect of the financial year ended 31 December 2020 on 24 May 2021.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2021**

(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 2021	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Revenue			
Total sales	144,637	257,852	402,489
Inter-segment sales	(5,900)	(5,790)	(11,690)
External sales	138,737	252,062	390,799
Results			
Segment profit before tax	2,769	17,632	20,401
Elimination of inter-segmental profits			(40)
Profit before tax			20,361
Tax expenses			(5,059)
Profit for the financial period			15,302
Non-controlling interest			(186)
Profit attributable to owners of the parent			15,116
Assets and liabilities as at 30 June 2021			
Assets			
Segment assets	68,314	401,643	469,957
Unallocated assets	-	-	1,158
Total assets	-	-	471,115
Liabilities			
Segment liabilities	14,428	199,800	214,228
Unallocated liabilities	-	-	3,386
Total liabilities	-	-	217,614

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2021**

(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 2020	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Revenue			
Total sales	70,765	158,604	229,369
Inter-segment sales	(12,619)	(12,821)	(25,440)
External sales	<u>58,146</u>	<u>145,783</u>	<u>203,929</u>
Results			
Segment profit before tax	5,328	2,627	7,955
Elimination of inter-segmental profits			-
Profit before tax			<u>7,955</u>
Tax expenses			(2,146)
Profit for the financial period			<u>5,809</u>
Non-controlling interest			88
Profit attributable to owners of the parent			<u>5,897</u>
Assets and liabilities as at 30 June 2020			
	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Assets			
Segment assets	77,085	347,281	424,366
Unallocated assets	-	-	1,087
Total assets	<u>-</u>	<u>-</u>	<u>425,453</u>
Liabilities			
Segment liabilities	20,242	183,762	204,004
Unallocated liabilities	-	-	1,420
Total liabilities	<u>-</u>	<u>-</u>	<u>205,424</u>

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.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2021**

(The figures have not been audited)

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

11. SIGNIFICANT EVENT DURING THE CURRENT QUARTER

Due to the spike of new Covid-19 infectious cases, the Government announced on 28 May 2021 the implementation of a Full Movement Control Order (“FMCO”) from 1 to 14 June 2021 which entailed the closure of all non-essential business. The FMCO was further extended to end on 28 June 2021. At the same time, the Government announced a National Recovery Plan (“NRP”) to facilitate the re-opening of the economy subject to the fulfilment of certain indicators. On 27 June 2021, the Government announced a further extension of the FMCO or MCO 3.0 to July 2021.

During the period of the FMCO, the operations of the Group with the exception of e-commerce division were shut down in compliance with the order.

Subsequent to the financial reporting period, the Government has on 15 August 2021 granted some relaxation to the economy sector whereby 11 additional selected retail sectors including the jewellery business are allowed to reopen starting from 16 August 2021. The manufacturing sectors are also allowed to operate but at selected guided capacity subject to employee’s vaccination rate.

12. CHANGES IN COMPOSITION OF THE GROUP

On 18 May 2021, the Company has acquired the remaining interest of 45% in its subsidiary, O M Design Sdn Bhd for a total consideration of RM4,173,450 by way of cash.

On 25 June 2021, the Company’s subsidiary in Hong Kong, Lumiere 2006 Limited was officially dissolved.

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 2020.

14. COMMITMENTS

The Group has the following capital commitment as at 30 June 2021:

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

Approved but not contracted for

RM’000
3,299

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2021**

(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	
	30/06/2021 RM'000	30/06/2020 RM'000	RM'000	Percentage
Sales				
Retail	92,354	51,654	40,700	79%
Manufacturing & wholesales	54,290	24,475	29,815	122%
Total	146,644	76,129	70,515	93%
Profit before tax				
Retail	1,451	(847)	2,298	-271%
Manufacturing & wholesales	675	3,387	(2,712)	-80%
	2,126	2,540	(414)	-16%
Elimination of inter-segmental profits	-	-		
Total	2,126	2,540		

	Year-to-date			
	6 months ended		Variance	
	30/06/2021 RM'000	30/06/2020 RM'000	RM'000	Percentage
Sales				
Retail	252,062	145,783	106,279	73%
Manufacturing & wholesales	138,737	58,146	80,591	139%
Total	390,799	203,929	186,870	92%
Profit before tax				
Retail	17,632	2,627	15,005	571%
Manufacturing & wholesales	2,769	5,328	(2,559)	-48%
	20,401	7,955	12,446	156%
Elimination of inter-segmental profits	(40)	-		
Total	20,361	7,955		

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2021**

(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

The Group reported increase in revenue to RM146.644 million from RM76.129 million last year, an increase of 93%, contributed positively by both our operating segments. However, due to lower gross profit margin, the Group reported lower profit before tax ("PBT") of RM2.126 million compared to RM2.540 million last year.

Retail Segment

The retail segment reported revenue of RM92.354 million for the current quarter compared to RM51.654 million in the previous year's corresponding quarter, an increase of 79%. Revenue for the previous year was lower due to the lockdown during the month of April 2020 and weak retail sentiments following the re-opening of business. Due to the increase in revenue, the retail segment reported a PBT of RM1.451 million compared to loss before tax ("LBT") of RM0.847 million last year.

Manufacturing & Wholesales segment ("M&W")

During the current quarter, the M&W reported revenue of RM54.290 million compared to RM24.475 million reported in the previous year's corresponding quarter mainly due to increase in sales volume. However, due to lower gross profit margin, the M&W reported lower PBT of RM0.675 million compared to RM3.387 million last year. The gross profit margin was affected by higher carrying cost of gold due to higher gold price last year.

Comparison with previous year's financial year to-date

The Group reported increase in revenue to RM390.799 million from RM203.929 million last year, an increase of 92%, contributed positively by both our operating segments. As a result, the Group reported higher PBT of RM20.361 million compared to RM7.955 million last year.

Retail Segment

The retail segment reported revenue of RM252.062 million for the financial year to-date compared to RM145.783 million last year, an increase of 73%. Revenue for the previous year was lower due to the lockdown from the month of March 2020 to April 2020 and weak retail sentiments following the re-opening of business. Due to the increase in revenue, the retail segment reported a PBT of RM17.632 million compared to PBT of RM2.627 million last year.

Manufacturing & Wholesales segment ("M&W")

The M&W reported revenue of RM138.737 million for the financial year to-date compared to RM58.146 million last year mainly due to increase in sales volume. However, due to lower gross profit margin, the M&W reported lower PBT of RM2.769 million compared to RM5.328 million last year. The gross profit margin was affected by higher carrying cost of gold due to higher gold price last year.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2021**

(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	
	30/06/2021 RM'000	31/03/2021 RM'000	RM'000	Percentage
Revenue				
Retail	92,354	159,708	-67,354	-42%
Manufacturing & wholesales	54,290	84,447	-30,157	-36%
Total	146,644	244,155	-97,511	-40%

	3 months ended		Variance	
	30/06/2021 RM'000	31/03/2021 RM'000	RM'000	Percentage
Profit before tax				
Retail	1,451	16,181	-14,730	-91%
Manufacturing & wholesales	675	2,094	-1,419	-68%
	2,126	18,275	-16,149	-88%
Elimination of inter-segmental profits	-	(40)		
Total	2,126	18,235		

The Group's revenue for the current quarter of RM146.644 million is 42% lower than the preceding quarter due to the lockdown for the whole month of June 2021. As a result, the Group reported a lower PBT of RM2.126 million.

Retail Segment

The retail segment reported a lower revenue of RM92.354 million for the current quarter compared to RM159.708 million in the preceding quarter as all its business with the exception of sales made through e-commerce channel are not allowed to operate during the lockdown. As a result of decrease in revenue, the retail segment reported a much lower PBT of RM1.451 million compared to RM16.181 million in the preceding quarter.

Manufacturing & Wholesales segment ("M&W")

During the current quarter, the M&W reported a lower revenue of RM54.290 million compared to RM84.447 million in the preceding quarter due to lower sales volume as its production was shut-down in June 2021 following the lockdown order. As a result, the M&W reported a lower PBT of RM0.675 million compared to RM2.094 million in the preceding quarter.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021**(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 implementation of the FMCO since 1 June 2021 has severely impacted our business as all our retail business with the exception of e-commerce channel are not allowed to open. The Government has on 15 August 2021 announced some relaxation to the restriction whereby certain selected retail sectors including the jewellery business are allowed to reopen starting from 16 August 2021.

The gradual reopening of the economy is a positive sign for our business recovery. Nevertheless, we foresee it could take a while before we can expect the return of consumers' sentiment.

The Board will continue to monitor the current situation and take the necessary measures to sustain the operation of the Group.

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	
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
Current taxation	770	727	5,449	2,146
Over provision	-	-	(390)	-
	<u>770</u>	<u>727</u>	<u>5,059</u>	<u>2,146</u>

The effective tax rate of the Group for the current quarter is approximately the statutory tax rate of 24%.

19. CORPORATE PROPOSALS

On 7 January 2021, the Company has announced that it is considering to list its manufacturing and wholesales division on the Ace Market of Bursa Securities (Initial Public Offerings or IPO) via its wholly owned subsidiary company, YX Precious Metals Bhd.. The proposal is subject to the approval of relevant authorities and shareholders of the Company.

In conjunction with the proposal, the Company has on 18 August 2021 entered into a conditional Sales and Purchase Agreement to disposed of its subsidiaries namely Yi Xing Goldsmith Sdn Bhd, Gemas Precious Metals Industries Sdn Bhd, Emas Assayers Sdn Bhd and GPM Refinery Sdn Bhd to YX Precious Metals Bhd for a consideration of RM52.100 million to be satisfied via the issuance of 260,501,990 ordinary shares of RM0.20 each in YX Precious Metals Bhd to the Company.

YX Precious Metals Bhd is still in the process of preparing its application for the IPO.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2021**

(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)**
20. BORROWINGS AND DEBT SECURITIES

As at 30 June 2021, the Group has total borrowings of RM169.602 million, all of which are unsecured and denominated in Ringgit Malaysia.

	RM'000
Current	169,339
Non-current	263
	<u>169,602</u>

21. DERIVATIVE ASSETS

As at 30 June 2021, the Group does not have any outstanding derivative assets or liabilities.

22. CHANGES IN MATERIAL LITIGATIONS

No material litigation has arisen since 31 December 2020.

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.

	<u>Individual Quarter and 3 months ended</u>		<u>Year-to- Date 6 months ended</u>	
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
Consolidated profit for the financial period attributable to equity holders of the parent	1,357	1,891	15,116	5,897
Weighted average number of ordinary shares in issue ('000)	138,600	138,600	138,600	138,600
Basic earnings per share (sen)	0.98	1.36	10.91	4.25
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.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2021**

(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		Year-to-Date	
	3 months ended		6 months ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	1,064	1,192	2,287	2,478
Depreciation of right-of-use asset	3,541	4,670	7,285	9,465
Finance costs	2,120	2,729	4,274	5,515
Impairment loss on trade and other receivables	17	-	36	
Property, plant and equipment written off	130	-	202	
Reversal of lease liability	-	-	(96)	
Reversal of impairment loss on trade and other receivables	-	-	(30)	
Gain on gold price fluctuation and foreign exchange	(8)	(338)	(716)	(519)

By Order of the Board

Secretary

Teoh Kok Jong (LS 04719/ PC No. 201908001451)

Dated: 18 August 2021