



TOMEI CONSOLIDATED BERHAD (200501015912) (692959-W)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2022

	Individual Quarter		Year-to-date	
	3 months ended		6 months ended	
	30-06-2022	30-06-2021	30-06-2022	30-06-2021
	RM'000	RM'000	RM'000	RM'000
Revenue	297,908	146,644	532,055	390,799
Cost of sales	(233,897)	(120,422)	(416,871)	(319,904)
Gross profit	64,011	26,222	115,184	70,895
Other income	3,741	2,043	5,771	3,960
Selling and distribution expenses	(24,153)	(17,159)	(44,738)	(36,620)
Administrative expenses	(7,997)	(5,446)	(14,413)	(11,680)
Other expenses	1,054	(1,414)	(1,314)	(1,920)
Profit from operations	36,656	4,246	60,490	24,635
Finance costs	(2,131)	(2,120)	(4,263)	(4,274)
Profit before tax	34,525	2,126	56,227	20,361
Tax expense	(8,752)	(770)	(14,672)	(5,059)
Profit for the financial period	25,773	1,356	41,555	15,302
Profit attributable to:-				
Owners of the parent	25,762	1,357	41,535	15,116
Non-controlling interests	11	(1)	20	186
	25,773	1,356	41,555	15,302
Earnings per ordinary share attributable to equity holders of the parent (sen):-				
Basic earnings per share	18.59	0.98	29.97	10.91
Diluted earnings per share *	N/A	N/A	N/A	N/A

* Not applicable

TOMEI CONSOLIDATED BERHAD (200501015912) (692959-W)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2022

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE QUARTER ENDED 30 JUNE 2022 (Cont'd)

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30-06-2022 RM'000	30-06-2021 RM'000	30-06-2022 RM'000	30-06-2021 RM'000
Profit for the financial period	25,773	1,356	41,555	15,302
Foreign currency translations	166	(259)	151	(230)
Total comprehensive income	<u>25,939</u>	<u>1,097</u>	<u>41,706</u>	<u>15,072</u>
Profit attributable to:-				
Owners of the parent	25,928	1,098	41,686	14,886
Non-controlling interests	11	(1)	20	186
	<u>25,939</u>	<u>1,097</u>	<u>41,706</u>	<u>15,072</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 2021. The accompanying notes form an integral part of this statement.

TOMEI CONSOLIDATED BERHAD (200501015912) (692959-W)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2022

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	As At 30-06-2022 RM'000	As At 31-12-2021 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	10,482	10,973
Right-of-use asset	20,993	19,982
Trade receivables	431	192
Deferred tax assets	779	779
	<u>32,685</u>	<u>31,926</u>
Current assets		
Inventories	449,168	405,027
Trade and other receivables	73,312	47,101
Cash and bank balances	40,439	30,042
	<u>562,919</u>	<u>482,170</u>
TOTAL ASSETS	<u>595,604</u>	<u>514,096</u>
EQUITY AND LIABILITIES		
Share capital	73,336	73,336
Reserves	237,516	197,507
Equity attributable to owners of the parent	<u>310,852</u>	<u>270,843</u>
Non-controlling interests	<u>28,322</u>	<u>(6)</u>
TOTAL EQUITY	<u>339,174</u>	<u>270,837</u>
LIABILITIES		
Non-current liabilities		
Other payables	720	722
Borrowings	17,333	19,598
Deferred tax liabilities	68	68
Lease liabilities	9,913	9,379
	<u>28,034</u>	<u>29,767</u>
Current liabilities		
Trade and other payables	28,633	34,973
Borrowings	174,913	163,992
Lease liabilities	11,003	10,763
Current tax liabilities	13,847	3,764
	<u>228,396</u>	<u>213,492</u>
TOTAL LIABILITIES	<u>256,430</u>	<u>243,259</u>
TOTAL EQUITY AND LIABILITIES	<u>595,604</u>	<u>514,096</u>
Net assets per share (RM)	2.45	1.95

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021. The accompanying notes form an integral part of this statement.

TOMEI CONSOLIDATED BERHAD (200501015912) (692959-W)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2022

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED
30 JUNE 2022

	-----Attributable To Owners Of The Parent-----					
	---Non Distributable---		Distributable		Non-Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000		
Balance as at 1 January 2022	73,336	1,203	196,304	270,843	(6)	270,837
Profit for the financial year	-	-	41,535	41,535	20	41,555
Foreign currency translations, net of tax	-	151	-	151	-	151
Transactions with owners						
Dividend paid	-	-	(4,158)	(4,158)	-	(4,158)
Share acquired by non-controlling interest of a subsidiary	-	-	2,481	2,481	28,308	30,789
Balance as at 30 June 2022	73,336	1,354	236,162	310,852	28,322	339,174

	-----Attributable To Owners Of The Parent-----					
	---Non Distributable---		Distributable		Non-Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000		
Balance as at 1 January 2021	73,336	1,715	166,155	241,206	4,169	245,375
Profit for the financial year	-	-	15,302	15,302	186	15,488
Foreign currency translations, net of tax	-	(230)	-	(230)	-	(230)
Transactions with owners						
Dividend paid	-	-	(2,772)	(2,772)	-	(2,772)
Acquisition of additional interest from non-controlling interest	-	-	-	-	(4,360)	(4,360)
Balance as at 30 June 2021	73,336	1,485	178,685	253,506	(5)	253,501

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021. The accompanying notes form an integral part of this statement.

TOMEI CONSOLIDATED BERHAD (200501015912) (692959-W)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2022

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER
ENDED 30 JUNE 2022

	6 months ended 30-06-2022	6 months ended 30-06-2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	56,227	20,361
Adjustments for:-		
Depreciation of right-of-use asset	6,921	7,285
Depreciation of property, plant and equipment	2,371	2,287
Fair value gain on derivative liabilities	(466)	-
Finance costs	4,263	4,275
Impairment loss on trade and other receivables	169	36
Gain on disposal of property, plant and equipment	(258)	-
Property, plant and equipments written off	177	202
Right-of-use asset written off	646	-
Reversal of provision of restoration cost	(79)	-
Reversal of lease liabilities	(635)	(96)
Reversal of impairment loss on property, plant and equipment	(203)	-
Reversal of impairment loss on trade and other receivables	(105)	(30)
Net unrealised loss on gold price fluctuation and foreign exchange	131	25
	<hr/>	<hr/>
Operating profit before changes in working capital	69,159	34,345
Inventories	(44,141)	(18,853)
Trade and other receivables	(26,346)	(3,039)
Trade and other payables	(6,368)	(1,655)
	<hr/>	<hr/>
Cash generated (used in)/from operations	(7,696)	10,798
Interest paid	(3,160)	(3,709)
Tax paid	(4,602)	(4,160)
Tax refund	13	-
	<hr/>	<hr/>
Net cash (used in)/ from operating activities	(15,445)	2,929

TOMEI CONSOLIDATED BERHAD (200501015912) (692959-W)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2022

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER
ENDED 30 JUNE 2022 (Cont'd)

	6 months ended 30-06-2022 RM'000	6 months ended 30-06-2021 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of right-of-use assets	(213)	-
Purchase of property, plant and equipment	(1,657)	(652)
Proceeds from disposal of property, plant and equipments	446	197
Net cash used in investing activities	<u>(1,424)</u>	<u>(455)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(415)	(26)
Lease interest paid	(40)	(25)
Dividend paid	(4,158)	(2,772)
Proceeds from issuance of shares of a subsidiary company to non-controlling interest	31,261	-
Payment of share issuance expenses by a subsidiary company	(472)	-
Net repayment of term loans	(2,589)	(639)
Net repayment of short term borrowings	(1,045)	(15,162)
Payments of lease liabilities	(7,567)	(8,769)
Net cash from/(used in) financing activities	<u>14,975</u>	<u>(27,393)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,894)	(24,920)
CASH & CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	29,027	5,948
EFFECT OF EXCHANGE RATES CHANGES	1	4
CASH & CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>27,134</u>	<u>(18,968)</u>
Represented by:-		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	40,439	8,747
Bank overdrafts	(13,305)	(27,715)
	<u>27,134</u>	<u>(18,968)</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021. The accompanying notes form an integral part of this statement.

TOMEI CONSOLIDATED BERHAD (200501015912) (692959-W)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2022

(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 2021.

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
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 17 <i>Initial Application of MFRS 17 and MFRS 9 – Comparative Information</i>	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</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 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 2021 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.

6. CHANGES IN ESTIMATES

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

(THE FIGURES HAVE NOT BEEN AUDITED)

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

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.

On 23 June 2022, the Company's wholly-owned subsidiary, YX Precious Metals Bhd ("YXPM") has undertaken a public issue of 111,648,000 new shares which raised total proceeds of RM31.261 million in conjunction with its Initial Public Offering on the Ace Market of Bursa Malaysia Securities Berhad. Following the exercise, the effective interest of the Company in YXPM has reduced to 70%. This issuance of shares has resulted in a net increase of RM30.789 million to the equity of the Group.

Subsequent to the quarter end, the Group has issued of RM40.0 million Islamic Medium Term Notes on 8 August 2022. The proceed from the issuance will be used to repay short term borrowing of the Group.

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 2022 and 30 June 2021, which are within the Group's objectives for capital management, are as follows:

	30/06/2022	30/06/2021
	RM'000	RM'000
Total debt net of cash and cash equivalents	151,806	160,855
Total equity	339,174	253,501
Net gearing ratio	0.45	0.63

The Group reported net gearing ratio of 0.45 as at 30 June 2022, decreased by 0.18 compared to 30 June 2021.

8. DIVIDEND PAID

On 9 June 2022, the Company paid a first and final single tier dividend of 3.0 sen per ordinary share amounted to RM4.158 million in respect of the financial year ended 31 December 2021.

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30 JUNE 2022

(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:

- Retail
- Manufacturing & Wholesales (“M&W”)

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

Results for financial period ended 30 June 2022	Retail RM'000	M&W RM'000	Total RM'000
Revenue			
Total revenue	399,162	151,097	550,259
Inter-segment revenue	(7,573)	(10,631)	(18,204)
External revenue	391,589	140,466	532,055
Results			
Segment profit before tax	49,842	6,385	56,227
Elimination of inter-segmental profits			-
Profit before tax			56,227
Tax expenses			(14,672)
Profit for the financial period			41,555
Non-controlling interest			(20)
Profit attributable to owners of the parent			41,535
Assets and liabilities as at 30 June 2022	Retail RM'000	M&W RM'000	Total RM'000
Assets			
Segment assets	648,387	114,833	763,220
Elimination of inter-segment balances			(168,395)
			594,825
Unallocated assets			779
Total assets			595,604
Liabilities			
Segment liabilities	225,012	18,418	243,430
Elimination of inter-segment balances			(915)
			242,515
Unallocated liabilities			13,915
Total liabilities			256,430

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30 JUNE 2022

(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 2021**

	Retail RM'000	M&W RM'000	Total RM'000
Revenue			
Total revenue	257,852	144,637	402,489
Inter-segment revenue	(5,790)	(5,900)	(11,690)
External revenue	252,062	138,737	390,799

Results

Segment profit before tax	17,632	2,769	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**

	Retail RM'000	M&W RM'000	Total RM'000
Assets			
Segment assets	502,466	74,913	577,379
Elimination of inter-segment balances			(107,422)
			469,957
Unallocated assets			1,158
Total assets			471,115
Liabilities			
Segment liabilities	195,366	21,563	216,929
Elimination of inter-segment balances			(2,701)
			214,228
Unallocated liabilities			3,386
Total liabilities			217,614

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.

(THE FIGURES HAVE NOT BEEN AUDITED)

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

11. SIGNIFICANT EVENT DURING THE CURRENT QUARTER

There were no significant events during the current quarter.

12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes to the composition of the Group during the current quarter, except for below:

The Company's effective interest in its subsidiary company, YXPM has been reduced to 70% following YXPM's issuance of new shares to the public in conjunction with its IPO exercise on the ACE Market of Bursa Malaysia Securities Berhad on 23 June 2022.

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 2021.

14. COMMITMENTS

The Group has the following capital commitment as at 30 June 2022:

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

Approved but not contracted for

RM'000
6,354

TOMEI CONSOLIDATED BERHAD (200501015912) (692959-W)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2022

(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			
	30-06-2022	30-06-2021	Changes	
	RM'000	RM'000	RM'000	%
Revenue				
Retail	224,682	93,280	131,402	141%
M&W	90,372	55,024	35,348	64%
	315,054	148,304	166,750	112%
Elimination of inter-segmental revenue	(17,146)	(1,660)		
Total	297,908	146,644	151,264	103%
Profit before tax				
Retail	32,138	1,451	30,687	2115%
M&W	2,387	675	1,712	254%
	34,525	2,126	32,399	1524%
Elimination of inter-segmental profit	-	-		
Total	34,525	2,126	32,399	1524%

	YEAR-TO-DATE			
	6 MONTHS ENDED			
	30-06-2022	30-06-2021	Changes	
	RM'000	RM'000	RM'000	%
Revenue				
Retail	399,162	257,852	141,310	55%
M&W	151,097	144,637	6,460	4%
	550,259	402,489	147,770	37%
Elimination of inter-segmental revenue	(18,204)	(11,690)		
Total	532,055	390,799	141,256	36%
Profit before tax				
Retail	49,842	17,632	32,210	183%
M&W	6,385	2,769	3,616	131%
	56,227	20,401	35,826	176%
Elimination of inter-segmental profit	-	(40)		
Total	56,227	20,361	35,866	176%

(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 revenue for the current quarter has doubled to RM297.908 million compared to RM146.644 million in the corresponding quarter last year, contributed positively by both our operating segments. As a result, the Group reported higher profit before tax ("PBT") of RM34.525 million compared to RM2.126 million last year.

Retail Segment

The retail segment reported revenue of RM224.682 million for the current quarter compared to RM93.280 million in the previous year's corresponding quarter, an increase of 141%. Following the re-opening of the economy, our retail sales has improved as customers started patronizing our retail outlets. Higher customer's demand during the Hari Raya celebration which fell in May further increased our sales volume during the current quarter. As a result of the higher revenue, the retail segment reported higher PBT of RM32.138 million compared to RM1.451 million last year.

Manufacturing & Wholesales Segment ("M&W")

During the current quarter, the M&W reported revenue of RM90.372 million compared to RM55.024 million reported in the previous year's corresponding quarter, an increase of 64%. Many retailers replenished their stocks in anticipation of good demand for the Hari Raya festival. As a result, the M&W reported higher PBT of RM2.387 million compared to RM0.675 million last year.

Comparison with previous year's financial year to-date

The Group reported revenue of RM532.055 million for the current financial year-to-date compared to RM390.799 million last year, an increase of 36%, contributed positively by both our operating segments. As a result, the Group reported higher PBT of RM56.227 million compared to RM20.361 million last year.

Retail Segment

The retail segment reported revenue of RM399.162 million for the current financial year-to-date compared to RM257.852 million last year, an increase of 55%. Last year's revenue was affected by the lockdown which started since May 2021. Due to increase in revenue, the retail segment reported a PBT of RM49.842 million compared to RM17.632 million last year.

Manufacturing & Wholesales Segment ("M&W")

The M&W reported revenue of RM151.097 million for the current financial year-to-date compared to RM144.637 million last year mainly due to increase in sales volume. As a result, the M&W reported higher PBT of RM6.385 million compared to RM2.769 million last year.

TOMEI CONSOLIDATED BERHAD (200501015912) (692959-W)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2022

(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		Changes	
	30-06-2022 RM'000	31-03-2022 RM'000	RM'000	%
Revenue				
Retail	224,682	174,480	50,202	29%
M&W	90,372	60,725	29,647	49%
	315,054	235,205	79,849	34%
Elimination of inter-segmental revenue	(17,146)	(1,058)		
Total	297,908	234,147	63,761	27%
Profit before tax				
Retail	32,138	17,704	14,434	82%
M&W	2,387	3,998	(1,611)	-40%
	34,525	21,702	12,823	59%
Elimination of inter-segmental profit	-	-		
	34,525	21,702	12,823	59%

The Group reported higher revenue of RM297.908 million for the current quarter compared to RM234.147 million in the preceding quarter due to higher sales volume in both the operating segments. As a result, the Group reported a higher PBT of RM34.525 million compared to RM21.702 million reported in the preceding quarter.

Retail Segment

The retail segment revenue for the current quarter increased by 29% to RM224.682 million compared to the preceding quarter due to better customer demand during Hari Raya festival. As a result of the higher revenue, the retail segment reported a higher PBT of RM32.138 million during the current quarter.

Manufacturing & Wholesales Segment (“M&W”)

During the current quarter, the M&W reported a revenue of RM90.372 million compared to RM60.725 million in the preceding quarter as many retailers replenished their stocks for the Hari Raya festival. During the current quarter, the M&W has fully expensed off its listing expenses of RM2.309 million which was incurred for the listing of YXPM. As a result of this one-off expenses, the M&W reported lower PBT of RM2.387 million compared to RM3.998 million in the preceding quarter.

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

16. COMMENTARY ON PROSPECTS

According to Bank Negara Malaysia's report, the Malaysia retail spending indicators affirm its positive growth momentum, supported by the transition to endemicity. The reopening of our international borders since 1 April 2022 would facilitate the recovery in tourism-related sectors. However, downside risks to growth continue to stem from a weaker-than-expected global growth, further escalation of geopolitical conflicts, and worsening supply chain disruptions.

Notwithstanding, the Group will continue to take prudent measures to maintain its operational efficiency, and stay vigilant and continuously monitor the current situation and will take the necessary measures to sustain the Group's operation for the remaining quarters of the financial year.

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	
	30-06-2022	30-06-2021	30-06-2022	30-06-2021
	RM'000	RM'000	RM'000	RM'000
Current taxation	8,755	770	14,671	5,449
Under/(Over) provision	1	-	1	(390)
Deferred taxation	(4)	-	-	-
Total	8,752	770	14,672	5,059

The effective tax rate of the Group for the current quarter was higher compared to the statutory tax rate of 24% as some of the expenses are not tax deductible.

(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

Following the application for the proposed admission of YXPM to the Official List of Bursa Securities and the listing of and quotation for the entire issued share capital of YXPM on the ACE Market of Bursa Securities (“Proposed Listing Exercise” or “Proposal”) on 27 August 2021, both the Bursa Securities and the Securities Commission had granted their approval on 13 January 2022 and 15 February 2022 respectively. The Proposal also has been approved by the shareholders of the Company on 29 March 2022.

On 12 April 2022, the conditional Sale and Purchase Agreement which was entered on 18 August 2021 for the Company to dispose of its subsidiaries namely Yi Xing Goldsmith Sdn Bhd, Gemas Precious Metals Industries Sdn Bhd, Emas Assayer Sdn Bhd and GPM Refinery Sdn Bhd to YXPM for a consideration of RM52.100 million and to be satisfied via the issuance of 260,501,990 ordinary shares of RM0.20 each in YXPM to the Company has been stamped and deemed completed.

On 21 April 2022, YXPM has entered into an underwriting agreement with Public Investment Bank Berhad, being YXPM’s Sole Underwriter, to underwrite 48,378,000 Shares being part of the Proposed Public Issue of 111,648,000 new ordinary shares in YXPM.

On 23 June 2022, YXPM was admitted to the Official List of Bursa Securities and the company’s entire enlarged issued share capital of RM83,361,840 comprising 372,150,000 shares has been listed and quoted on the ACE Market of Bursa Securities.

Except for the above mentioned, there were no other corporate proposals as at 30 June 2022.

20. UTILISATION OF PROCEEDS FROM YXPM’S IPO

The status of utilisation of proceeds from YXPM’s IPO as at 30 June 2022 is as follows:

Purposes	Proposed utilisation	Actual utilisation	Balance unutilised	Estimated time frame for use (from the Listing Date)
	RM’000	RM’000	RM’000	
Purchase of new machinery and equipment for expansion of hollow gold jewellery range	4,400	-	4,400	Within 24 months
Expansion and upgrading of operational facilities	2,500	-	2,500	Within 24 months
Working capital				
- Purchase of raw materials	20,861	3,103	17,758	Within 12 months
Estimated listing expenses	3,500	2,781	719	Within 3 months
Total	31,261	5,884	25,377	

(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)

21. BORROWINGS AND DEBT SECURITIES

As at 30 June 2022, the Group has total borrowings of RM192.245 million, all of which are unsecured and denominated in Ringgit Malaysia.

	RM'000	
Current liabilities	174,913	
Non-current liabilities	17,333	
Total Borrowings	<u>192,246</u>	

22. DERIVATIVE FINANCIAL INSTRUMENT

	Contract Amount RM'000	Derivative assets RM'000
Gold contracts	<u>35,601</u>	<u>245</u>

These gold contracts were entered into with the objective of managing and hedging the Group's exposure to adverse price movements of gold. The fair values of the components have been determined based on counter parties' quotes as at the end of each reporting period.

The above contracts are initially recognised at fair value on the date such contracts are entered into and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss from the re-measurement is recognised as profit or loss.

During the financial period, the Group recognized a net gain of RM0.466 million arising from fair value changes of the gold contract.

23. CHANGES IN MATERIAL LITIGATIONS

No material litigation has arisen since 31 December 2021.

24. DIVIDEND PAYABLE

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

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REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

25. 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 and 3 months ended		Year-to-Date 6 months ended	
	30-06-2022	30-06-2021	30-06-2022	30-06-2021
	RM'000	RM'000	RM'000	RM'000
Consolidated profit for the financial period attributable to equity holders of the parent	25,762	1,357	41,535	15,116
Weighted average number of ordinary shares in issue ('000)	138,600	138,600	138,600	138,600
Basic earnings per share (sen)	18.59	0.98	29.97	10.91
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.

26. PROFIT BEFORE TAX

Profit before tax is arrived at after charging: -

	Individual Quarter 3 months ended		Year-to-Date 6 months ended	
	30-06-2022	30-06-2021	30-06-2022	30-06-2021
	RM'000	RM'000	RM'000	RM'000
Depreciation of right-of-use asset	3,535	3,541	6,921	7,285
Depreciation of property, plant and equipment	1,189	1,064	2,371	2,287
Finance costs	2,131	2,120	4,263	4,274
Impairment loss on trade and other receivables	169	17	169	36
Property, plant and equipment written off	172	73	177	202
Right-of-use asset written off	646	-	646	-

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

26. PROFIT BEFORE TAX (cont'd)

And crediting: -

	Individual Quarter 3 months ended		Year-to-Date 6 months ended	
	30-06-2022 RM'000	30-06-2021 RM'000	30-06-2022 RM'000	30-06-2021 RM'000
Fair value gain of derivative liabilities	(378)	-	(466)	-
Reversal of lease liabilities	(635)	-	(635)	(96)
Reversal of impairment loss on trade and other receivables	(105)	-	(105)	(30)
Reversal of provision of restoration cost	(79)	-	(79)	-
Reversal of impairment loss on property, plant and equipment	(203)	-	(203)	-
Gain on disposal of property, plant and equipment	(169)	-	(258)	-
Gain on gold price fluctuation and foreign exchange	(3,853)	(8)	(3,393)	(716)

By Order of the Board

Secretary

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

Dated: 25 August 2022