

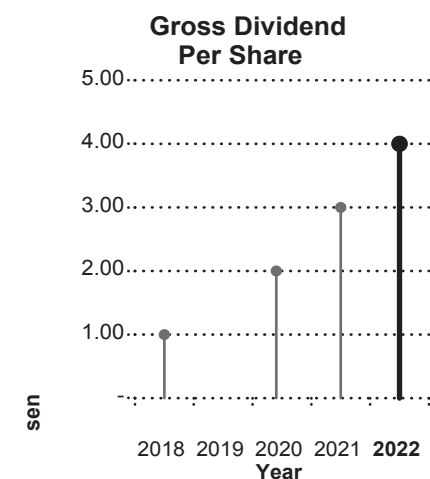
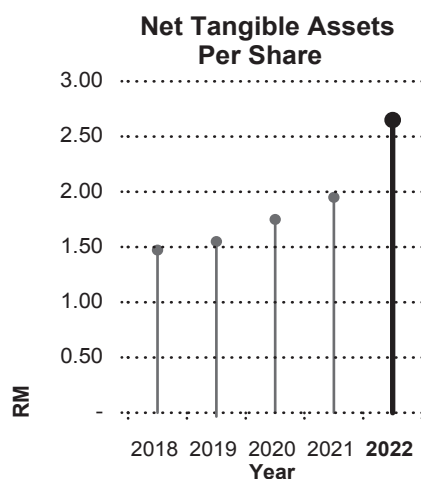
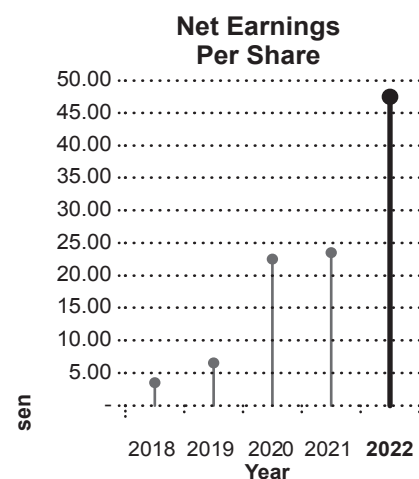
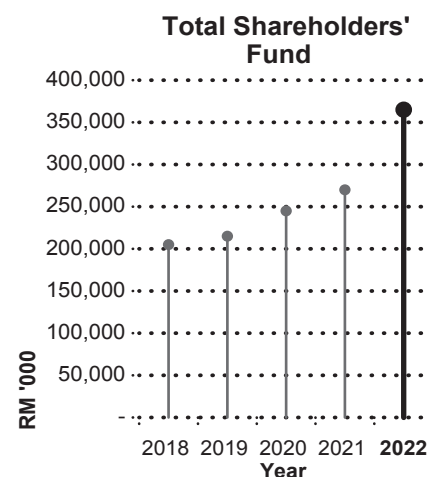
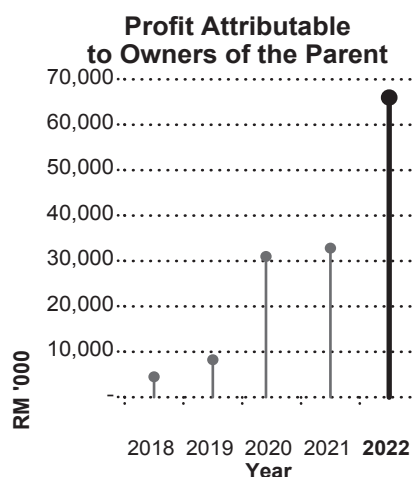
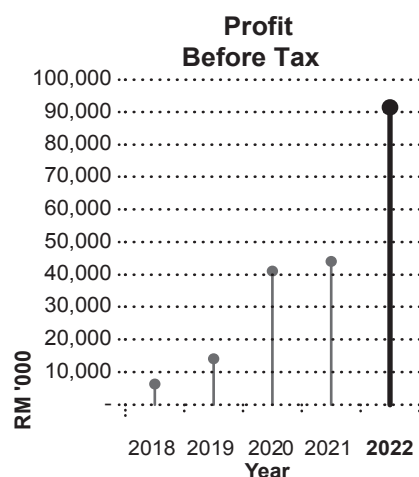
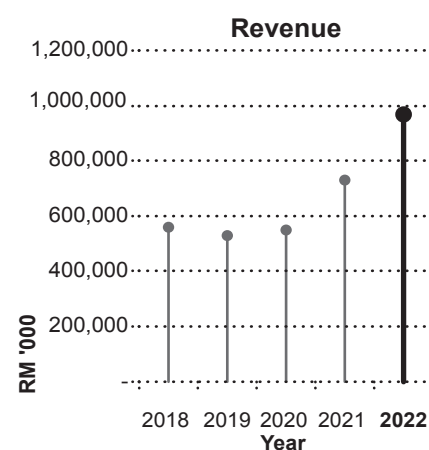
ANNUAL REPORT **2022**

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5 YEARS FINANCIAL HIGHLIGHTS

	2018	2019	2020	2021	2022
Revenue (RM '000)	564,024	534,074	552,401	736,069	974,342
Profit Before Tax (RM '000)	6,687	14,015	41,341	43,959	91,366
Profit Attributable to Owners of the Parent (RM '000)	4,745	8,739	31,173	32,772	65,907
Total Shareholders' Fund (RM '000)	206,862	214,193	245,375	270,837	365,374
Net Earnings Per Share (Sen)	3.42	6.31	22.49	23.65	47.55
Net Tangible Assets Per Share (RM)	1.49	1.55	1.77	1.95	2.64
Gross Dividend Per Share (Sen)	1.00	-	2.00	3.00	4.00



CORPORATE INFORMATION

BOARD OF DIRECTORS

Yang Mulia Raja Tan Sri Dato' Seri Aman
Bin Raja Haji Ahmad
Independent Non-Executive Chairman

Datuk Ng Yih Pyng
Group Managing Director

Tan Sri Dr Madinah Binti Mohamad
Independent Non-Executive Director
(Appointed on 27 February 2023)

Puan Sri Nonadiah Binti Abdullah
Independent Non-Executive Director
(Resigned on 27 February 2023)

Datuk M Chareon Sae Tang @ Tan Whye Aun
Independent Non-Executive Director

Mr Lau Tiang Hua
Independent Non-Executive Director

Datin Choong Chow Mooi
Group Executive Director

Mr Ng Yih Chen
Group Executive Director

Ms Ng Sheau Yuen
Group Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Mr Lau Tiang Hua
Chairman

Tan Sri Dr Madinah Binti Mohamad
(Appointed on 27 February 2023)

Puan Sri Nonadiah Binti Abdullah
(Resigned on 27 February 2023)

Datuk M Chareon Sae Tang @ Tan Whye Aun

REMUNERATION COMMITTEE

Datuk M Chareon Sae Tang @ Tan Whye Aun
Chairman

Tan Sri Dr Madinah Binti Mohamad
(Appointed on 27 February 2023)

Puan Sri Nonadiah Binti Abdullah
(Resigned on 27 February 2023)

Mr Lau Tiang Hua

NOMINATION COMMITTEE

Datuk M Chareon Sae Tang @ Tan Whye Aun
Chairman

Tan Sri Dr Madinah Binti Mohamad
(Appointed on 27 February 2023)

Puan Sri Nonadiah Binti Abdullah
(Resigned on 27 February 2023)

Mr Lau Tiang Hua

COMPANY SECRETARY

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

REGISTERED OFFICE

SO-26-02, Menara 1,
No 3, Jalan Bangsar,
KL Eco City,
59200 Kuala Lumpur.
Tel: 03-2381 2188
Fax: 03-2201 5608

PRINCIPAL PLACE OF BUSINESS

8-1, Jalan 2/131A,
Project Jaya Industrial Estate,
Batu 6, Jalan Kelang Lama,
58200 Kuala Lumpur.
Tel: 03-7784 8136
Fax: 03-7784 8140
Website: www.tomei.com.my

AUDITOR

BDO PLT (201906000013 (LLP0018825 - LCA) & AF 0206)
Level 8, BDO @ Menara CenTARa,
360, Jalan Tuanku Abdul Rahman,
50100 Kuala Lumpur.

PRINCIPAL BANKERS

AmBank (M) Berhad
(196901000166)(8515-D)

Bank of China (Malaysia) Berhad
(200001008645)(511251-V)

Hong Leong Bank Berhad
(193401000023)(97141-X)

Malayan Banking Berhad
(196001000142)(3813-K)

RHB Bank Berhad
(196501000373)(6171-M)

United Overseas Bank (M) Berhad
(199301017069)(271809-K)

SHARE REGISTRAR

Bina Management (M) Sdn. Bhd.
(197901005880)(50164-V)
Lot 10, The Highway Centre,
Jalan 51/205,
46050 Petaling Jaya,
Selangor.

STOCK EXCHANGE LISTING

Main Market,
Bursa Malaysia Securities Berhad
(197601004668)(30632-P)
Stock Code: 7230
Stock Name: TOMEI

Calendar of Events



Tomei CNY Product Launch & Feng Shui Talk - January 2022



"Our Love Story" Jewellery Fair - June 2022



Tomei WWF Gold Coin Launch - July 2022



Opening of Signature by Tomei at IOI City
- August 2022



Merdeka Gold Deals Exhibition
- August 2022



Tomei Wedding Extravaganza
- September 2022



Reopening of Tomei Mid Valley
Megamall - October 2022



Tomei Grand Year End Sale
- December 2022



GoldHeart 28th Anniversary Tea Party
- October 2022



Le Lumiere Christmas Celebration - December 2022

CORPORATE STRUCTURE

TOMEI CONSOLIDATED BERHAD (200501015912)(692959-W)

100% Tomei Gold & Jewellery Manufacturing Sdn. Bhd. (198901007045)(184348-V)
 100% Tomei Gold & Jewellery Holdings (M) Sdn. Bhd. (197701002534)(33551-H)
 100% Tomei Retail Sdn. Bhd. (200501018925)(701040-P)
 100% Tomei Marketing Sdn. Bhd. (197301003320)(16772-K)
 100% Tomei Services Sdn. Bhd. (201901038321)(1347651-X)
 100% TXG Financial Solutions Sdn. Bhd. (200201019252)(586915-X)
 100% TXG Bullion Sdn. Bhd. (20221009890)(1455587-T)
 100% Flawless Skin Care Sdn. Bhd. (201401029410)(1105496-D)
 100% O M Design Sdn. Bhd. (201001041276)(925204-T)
 100% Gemological Int Malaysia Sdn. Bhd. (202201042840)(1488537-M)
 70% YX Precious Metals Bhd (202101001245)(1401543-M)

YX PRECIOUS METALS BHD (20210100245)(1401543-M)

100% Yi Xing Goldsmith Sdn. Bhd. (198701006292)(164963-M)
 100% Gemas Precious Metals Industries Sdn. Bhd. (199701010600)(426096-W)
 100% GPM Refinery Sdn. Bhd. (202001025072)(1381392-H)
 100% Emas Assayer Sdn. Bhd. (200001010661)(513267-X)

TOMEI RETAIL SDN. BHD. (200501018925)(701040-P)

100% Tomei Signature Sdn. Bhd. (199901005895)(480795-A)
 100% Tomei Diamond Sdn. Bhd. (200101020124)(555881-V)
 100% Tomei Collections Sdn. Bhd. (200201023286)(590949-K)
 100% Le Lumiere Sdn. Bhd. (200701000736)(758734-W)
 100% De Beers Diamond Jewellers Sdn. Bhd. (201201042085)(1026561-M)
 100% MyTomei Sdn. Bhd. (200201029683)(597346-T)
 100% Go Gold Shop Sdn. Bhd. (202001026230)(1382550-K)
 75% Tomei Digital Sdn. Bhd. (202201036341)(1482038-A)
 70% Gemological Laboratory Malaysia Sdn. Bhd. (200401010780)(649283-T)

TOMEI GOLD & JEWELLERY HOLDINGS (M) SDN. BHD. (197701002534)(33551-H)

100% Tomei (Vietnam) Company Limited (473042000013) – Incorporated in Vietnam

LET IT

TOMEI®
GOLD & JEWELLERY



GLOW



E- Brochure

CORPORATE PROFILE

Tomei was founded in 1968 as a jewellery designer and manufacturer. Its own first retail outlet under the brand name "TOMEI" was established in the early 1970s in Campbell Shopping Complex, Kuala Lumpur. Subsequently it transformed into an integrated jewellery manufacturer and retailer of gold and jewellery.

Listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), Tomei dominates a sizable portion of the Malaysian jewellery market with 60 retail outlets under four different brands. These are Tomei, Goldheart, Le Lumiere and De Beers. In addition, Tomei also wholesales its products to other jewellery stores. Besides, Tomei also exports its products to other regional countries as well as European markets.

In 2013, it became an exclusive distributor of De Beers, reinforcing its stature as among the top jeweller in the market. In addition, it also holds the rights to franchise the De Beers brand for retailing in Singapore, Indonesia, Thailand and Vietnam.

The Group constantly introduces new design of jewellery to the market. It has been prolific in launching new products, unveiling ample of new designs every year which include its signature products such as the Anastasia and Chomel for gold jewellery and Eternal Binding for diamond jewellery. The Group also secured the exclusive distributorship of "Xifu Jewellery" and "Batar Jewellery", both from China and Thailand's "Prima Gold" for the 24k gold segment. For the children's market, the Group holds license from Sanrio to manufacture and sell gold jewellery in Malaysia based on characters from Hello Kitty. The Group sells investment precious metals from renowned marque such as the Suisse Pamp, the Maple Leaf and the Australian Kangaroo.

The Group retails its products using various channels, mostly through its retail outlets. It also holds various exhibitions and special tailored events to promote and sell its products to customers. In order to tap the online segment, the Group introduces its own e-commerce website <http://etomei.com> and also selling its products through popular market platforms such as Lazada, Shopee and Zalora. On the alternative channels, Tomei products are available on social media such as Facebook and TikTok.

As part of the Group's continuous effort and commitment to quality, the Group is accredited with ISO in the Quality Management System for its retailing as well as design and manufacturing from LQRA Malaysia Sdn Bhd.

Due to the Group's outstanding achievement, Tomei has received various accolades of awards. The Group is proud to be given the accreditation of the National Mark for "Malaysian Brand" certification by SME Corp since 2010.

The Group's subsidiary, YX Precious Metals Bhd is a company listed on the ACE Market of Bursa Securities.

PROFILE OF THE BOARD OF DIRECTORS

Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad (Malaysian/Male, 77 years)

Yang Mulia Raja Tan Sri Dato' Seri Aman was appointed as Independent Non-Executive Director of the Company on 21 April 2006 and was redesignated as Independent Non-Executive Chairman on 1 April 2021. He is a member of the Malaysian Institute of Accountants ("MIA"), a Certified Public Accountant and Fellow of the Institute of Chartered Accountants in England and Wales. He is also a Fellow of the Institute of Bankers Malaysia. He held various positions in Maybank Group from 1974 to 1985 prior to joining Affin Bank Berhad in 1985 as an Executive Director/Chief Executive Officer ("CEO"). He left Affin Bank Berhad in 1992 and joined Perbadanan Usahawan Nasional Berhad as the CEO for one year. In 1995, he was reappointed as CEO of Affin Bank Berhad and served until 2003.

Yang Mulia Raja Tan Sri Dato' Seri Aman sits on the board of Ahmad Zaki Resources Berhad as Chairman. He is also the Chairman of a Private Equity Company called Bintang Capital Partners Berhad, a subsidiary of AHAM Asset Management Berhad. He does not have any family relationship with the other directors nor major shareholders of the Company.

Datuk Ng Yih Pyng (Malaysian/Male, 51 years)

Datuk Ng was appointed as Managing Director of the Company on 21 April 2006. He obtained a Bachelor of Business Administration degree in Finance and a Master in Business Administration in Corporate Finance both from Iowa State University in the United States of America ("USA") in 1990 and 1991 respectively. Upon graduation, he joined the Group as a Director and is responsible for the overall management and business development of the Group. Datuk Ng is currently the Advisor for the Federation of Goldsmiths and Jewellers Association of Malaysia. He is the President of the Chinese Chamber of Commerce & Industry of Kuala Lumpur & Selangor and the Deputy President of The Associated Chinese Chamber of Commerce & Industry Malaysia.

Datuk Ng sits on the Board of YX Precious Metals Bhd as Non-Independent Non-Executive Director. His siblings, Mr Ng Yih Chen and Ms Ng Sheau Yuen and spouse Datin Choong Chow Mooi are also members of the Board.

Tan Sri Dr Madinah Binti Mohamad (Malaysian/Female, 67 years)

Tan Sri Dr Madinah was appointed as Independent Non-Executive Director of the Company on 27 February 2023. She graduated with a Bachelors degree in Social Sciences (Political Science) from Universiti Sains Malaysia in 1979. She also obtained her Masters degree in Human Resource Development in 2003 and then a Doctorate in Human Resource Management in 2012, both from Universiti Putra Malaysia.

Tan Sri Dr Madinah was the Auditor General of Malaysia from 2017 to 2019. Prior to that, she has served as the Secretary General of the Ministry of Science, Technology and Innovation, Malaysia since 2009 before being appointed as the Secretary General of the Ministry of Education, Malaysia in the year 2013. During her tenure with the Public Service, she also sat on various GLS's boards including the boards of the Securities Commission, MDEC and MCMC.

Currently, Tan Sri Dr Madinah sits on the boards of Ahmad Zaki Resources Berhad and Puncak Niaga Holdings Berhad, both as Independent Non-Executive Director. She does not have any family relationship with the other directors nor major shareholders of the Company.

Datuk M Chareon Sae Tang @ Tan Whye Aun (Malaysian/Male, 84 years)

Datuk Tang was appointed as Independent Non-Executive Director of the Company on 21 April 2006. He obtained his Bachelor of Law degree from King's College, University of London and is a Barrister-at-law of the Inner Temple London. He has been in the legal practice since 1968, first as a Legal Assistant in Messrs Shearn & Delamore and later as a Partner at Messrs Chye, Chow, Chung & Tang until 1976. At present, he manages his own legal practice, Messrs C.S. Tang & Co.

Datuk Tang sits on the board of ACB Resources Berhad and Lion Corporation Berhad. He does not have any family relationship with the other directors nor major shareholders of the Company.

Mr Lau Tiang Hua (Malaysian/Male, 70 years)

Mr Lau was appointed as Independent Non-Executive Director of the Company on 21 April 2006. He is a member of the Malaysian Institute of Certified Public Accountants, MIA and Chartered Tax Institute of Malaysia. He articulated with Peat Marwick, Mitchell & Co and later served as an Audit Manager with Arthur Young & Co. Thereafter, Mr Lau joined a major newspaper company as its Accountant and was subsequently promoted to the position of General Manager for Finance and Administration. Presently, he is the Advisor of the Penang Office of Grant Thornton Malaysia PLT.

Mr Lau does not have directorship in other public companies nor listed issuers. He also does not have any family relationship with the other directors nor major shareholders of the Company.

Datin Choong Chow Mooi (Malaysian/Female, 54 years)

Datin Choong was appointed as Executive Director of the Company on 21 April 2006. She graduated with a Bachelor of Business Administration degree from Iowa State University in the USA in 1989 and received a degree in Gemology from the Gemological Institute of America, Santa Monica California in 1991. She first joined the Group in 1995 as its General Manager. She is a trained gemologist and currently responsible for the jewellery division of the Group. In addition, Datin Choong is also overseeing the general administrative issues of the Group and assists in the management of the Group's retail operation.

Datin Choong does not have any directorship in other public companies nor listed issuers. She is the spouse to Datuk Ng Yih Pyng. Her brother-in-law, Mr Ng Yih Chen, and sister-in-law Ms Ng Sheau Yuen are also members of the Board.

Ms Ng Sheau Yuen (Malaysian/Female, 49 years)

Ms Ng was appointed as Executive Director of the Company on 21 April 2006. She obtained her Bachelor of Business Administration degree from Iowa State University in the USA in 1991 and subsequently obtained her Master of Business Administration from the same university in 1993. In 2005, she obtained a Diploma in Diamond Grading from the Gemological Institute of America. She is also a Fellow Member of the Cambridge Institute of Sustainability Leadership. She started her career as a lecturer in Sunway College in 1993. In 1996, she joined textile dyeing and finishing company, PT Safilindo Permata in Bandung, Indonesia as Assistant Manager. In 2003, she joined the Group as Director in the gold division. Since 2011 her portfolio in licensed Brands has extended from Batar Gold (China) and Prima Gold (Thailand), to include De Beers Diamond (London).

Ms Ng does not have any directorship in other public companies nor listed issuers. Her siblings, Datuk Ng Yih Pyng and Mr Ng Yih Chen and sister-in-law Datin Choong Chow Mooi are also members of the Board.

Mr Ng Yih Chen (Malaysian/Male, 56 years)

Mr Ng was appointed as Executive Director of the Company on 21 April 2006. He obtained a Bachelor of Business Administration degree in Marketing from Iowa State University in the USA in 1988 and further pursued with Gemology at the Gemological Institute of America in 1990 before receiving a Master of Business Administration (Finance) from the University of Hull, United Kingdom in 1996. He joined the Group in 1986 as Director and is currently responsible for specialized sales of the Group.

Mr Ng was the organizing chairman for the AEC+6 Gems & Jewellery Association 4th President Summit. He was the Vice President for the Federation of Goldsmiths and Jewellers Association of Malaysia and the President for the Goldsmiths & Jewellers Association of Wilayah Persekutuan, Selangor, Negeri Sembilan and Pahang. Mr Ng is also the Founding President for both the GIA Alumni Association Malaysia and the Gemologist Society of Malaysia. In addition, he also serves several other associations, both local and international in various capacities.

Mr Ng does not have any directorship in other public companies nor listed issuers. His siblings, Datuk Ng Yih Pyng and Ms Ng Sheau Yuen and sister-in-law Datin Choong Chow Mooi are also members of the Board.

Notes:

- Save as disclosed above and in the Additional Compliance Information section of the Annual Report, none of the Directors have:-
 - any conflict of interest with the Company;
 - any conviction of offences (other than traffic offences) within the past five (5) years;
 - any sanctions and penalty imposed on them by relevant regulatory bodies during the financial year.
- The respective Director's interests in the Company are detailed in the Shareholdings Analysis section of the Annual Report.

**YANG MULIA RAJA TAN SRI DATO' SERI AMAN
BIN RAJA HAJI AHMAD**
INDEPENDENT NON-EXECUTIVE CHAIRMAN



CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Tomei Consolidated Berhad, it is my pleasure to present to you our Annual Report and Audited Financial Statements for the financial year ended 31 December 2022.

ACKNOWLEDGEMENT

I am greatly saddened by the unexpected passing of Tan Sri Azlan Bin Mohd Zainol, the Independent Non-Executive Chairman of YX Precious Metals Bhd, a subsidiary of Tomei on 12 January 2023. On behalf of the Board, I would like to express my condolence to the family of the late Tan Sri Azlan.

I would like to record my heartiest appreciation to Puan Sri Nonadiah Binti Abdullah, who had stepped down from the Board on 27 February 2023 and was appointed as a Non Independent Non-Executive Chairman of YX Precious Metals Bhd. Congratulation to Puan Sri Nonadiah. Puan Sri Nonadiah has served the Board for 16 long-years and has contributed significantly to the success of the Group. I must say that the Board members and myself have learned a lot from Puan Sri's wisdom, experience and expertise during her tenure with Tomei. I believe YX Precious Metals Bhd will benefit immensely from her chairmanship.

On behalf of the Board, I would also like to welcome Tan Sri Dr Madinah Binti Mohamad onto the Board. Tan Sri Dr Madinah had served in various role in the public service and private sector including being the Auditor General of the country. With her illustrious career, I am sure our Group will benefit greatly from her vast experience.

REVIEW OF 2022 FINANCIAL YEAR PERFORMANCE

The year 2022 marked the transition period towards normalcy after the Covid-19 pandemic triggered an unprecedented disruption to the economy and people's livelihood. The re-opening of the nation's economy serves as the much needed impetus to kickstart and accelerate our economic growth.

However, the geopolitical tension brought about by the Russian-Ukraine war has put a strain to the global supply chain and pushing up inflation. As a counter measure, many countries around the world have embarked on an aggressive tightening of their monetary policy by increasing interest rates. Our Bank Negara Malaysia too has increased interest rate several times during the year to counter the weakening of the Ringgit. This is a double whammy impact as it pushes up the cost of doing business. On the other end, the higher cost of living further dampened consumers spending pattern.

Despite all these adversities, I am happy to report that the Group has chalked up another record year in reporting revenue and profit after tax of RM974.342 million and RM67.457 million respectively. This represents an increase of 32% and 105% for both the revenue and profit over the previous financial year.

SUSTAINABILITY

The Group views the issue of Environmental, Social and Governance or ESG seriously. We acknowledge that every decision made within the Group must be looked at holistically from all aspects to ensure that no one is left behind in running our business. With that in mind, the Group has set up a Sustainability Steering Committee led by the Board in championing the sustainability agenda of the Group. Details on our sustainability initiatives are deliberated more in the Sustainability Statement section of this Annual Report.

CORPORATE DEVELOPMENT

I am happy to announce that our subsidiary, YX Precious Metals Bhd, was successfully listed on the ACE Market of Bursa Securities on 23 June 2022. This marked a major milestone for our manufacturing and wholesale division. The listing is a testament of the success of this division in the jewellery industry which has continuously delivered positive contribution to the Group. It also cements our position as an integrated player in the gold and jewellery industry in Malaysia. YX Precious Metals Bhd successfully raised RM31.261 million from its listing which will be used to further expand and strengthen its operation. The listing is also positive on our financial position as it further enhanced our net assets value while reducing gearing ratio.

DIVIDEND

Your Board is pleased to recommend a first and final single tier dividend of 4.0 sen per ordinary share for the financial year ended 31 December 2022 for shareholders' approval at the forthcoming Annual General Meeting.

OUTLOOK

The Group has performed well for the financial year 2022. But we should not rest on our laurels as many challenges is laying in front of us.

The current economic and geopolitical conflicts have resulted in much disruption to the global supply chain. Many countries are facing the pressure of inflation and experiencing a weak economic growth. While the Malaysian economy is expected to stay resilient, the tightening of monetary policy in major economies could have a spill-over effect on our economic recovery.

In the light of the above, the Group will continue to adopt a cautious and prudent approach in the management of its operations with a view to sustain its profitability for the financial year 2023.

APPRECIATION

On behalf of the Board of Directors, I would like to express my sincere appreciation and thanks to all our invaluable customers, bankers, suppliers, government authorities, business associates and shareholders for your continuous support.

My thanks also go to our management and staff for their utmost commitment, dedication and hard work.

Last but not least, to my fellow Directors, I thank you for your invaluable advice and support.

YANG MULIA RAJA TAN SRI DATO' SERI AMAN BIN RAJA HAJI AHMAD
INDEPENDENT NON-EXECUTIVE CHAIRMAN

PENYATA PENGGERUSI

Bagi pihak Lembaga Pengarah Tomei Consolidated Berhad, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan yang telah diaudit untuk tahun kewangan yang berakhir pada 31 Disember 2022.

PENGIKTIRAFAN

Pertama sekali, izinkan saya menzahirkan rasa dukacita di atas pemergian Tan Sri Azlan Bin Mohd Zainol yang tidak dijangka pada 12 Januari 2023. Allahyarham Tan Sri adalah Pengerusi Bebas Bukan Eksekutif YX Precious Metals Bhd, sebuah anak syarikat Tomei. Bagi pihak Lembaga Pengarah, saya ingin mengucapkan takziah kepada keluarga Allahyarham Tan Sri Azlan.

Saya juga ingin merakamkan penghargaan kepada Puan Sri Nonadiah Binti Abdullah, yang telah mengundur diri dari jawatan ahli Lembaga Pengarah pada 27 Februari 2023 dan dilantik sebagai Pengerusi Bukan Bebas Bukan Eksekutif bagi YX Precious Metals Bhd. Tahniah diucapkan kepada Puan Sri Nonadiah. Puan Sri Nonadiah telah berkhidmat sebagai Ahli Lembaga Pengarah selama 16 tahun dan memberi sumbangan yang signifikan kepada kejayaan Kumpulan. Saya dan semua ahli Lembaga Pengarah telah banyak belajar dari kebijaksanaan, pengalaman dan kepakaran Puan Sri ketika beliau berkhidmat dengan Tomei. Saya percaya YX Precious Metals Bhd akan mendapat banyak manfaat daripada pengalaman beliau.

Bagi pihak Lembaga Pengarah, saya berbesar hati dan mengalu-alukan Tan Sri Dr Madinah Binti Mohamad sebagai Ahli Lembaga Pengarah baru. Tan Sri Dr Madinah telah berkhidmat dan berpengalaman dalam pelbagai peranan penting di sektor perkhidmatan awam dan swasta termasuk menjadi Ketua Audit Negara. Saya yakin, dengan kerjayanya yang meluas, Kumpulan bakal mendapat manfaat daripada pengalaman beliau.

ULASAN PRESTASI KEWANGAN TAHUN 2022

Tahun 2022 menanda tempoh peralihan ke arah normal, setelah pandemik Covid-19 menyebabkan gangguan terhadap ekonomi dan kehidupan masyarakat. Pembukaan semula ekonomi negara merupakan rangsangan yang sangat diperlukan untuk menghidupkan kembali dan mempercepatkan pertumbuhan ekonomi negara.

Namun, ketegangan geopolitik yang disebabkan oleh perang Rusia-Ukraine telah memberi tekanan kepada rantai bekalan global dan mendorong kenaikan kadar inflasi. Sebagai langkah berjaga-jaga dan demi mengatasi kekangan ini, banyak negara di seluruh dunia telah melaksanakan dasar kewangan yang agresif dan ketat dengan menaikkan kadar faedah. Bank Negara Malaysia juga telah menaikkan kadar faedah beberapa kali sepanjang tahun sebagai langkah mengatasi kelemahan nilai matawang Ringgit. Ini sekali gus memberi kesan dan beban yang berganda kerana ia menyebabkan kenaikan kos operasi perniagaan. Di sisi lain, peningkatan kos sara hidup turut melemahkan lagi corak perbelanjaan pengguna.

Di sebalik kekangan dan kesulitan yang dihadapi, saya berbesar hati melaporkan bahawa Kumpulan telah mencapai satu lagi rekod dengan mencatatkan jumlah jualan dan keuntungan selepas cukai masing-masing sebanyak RM974.342 juta dan RM67.457 juta. Ini menunjukkan peningkatan sebanyak 32% dan 105% untuk kedua-dua jumlah jualan dan keuntungan berbanding tahun kewangan sebelumnya.

KELESTARIAN

Kumpulan memandang serius isu Alam Sekitar, Sosial dan Tadbir Urus (ESG). Kami sentiasa menekankan bahawa setiap keputusan yang dibuat dalam Kumpulan mesti dilihat secara menyeluruh dari segala aspek bagi memastikan tiada yang ketinggalan di dalam urusan perniagaan. Selaras dengan ini, Kumpulan telah menubuhkan Jawatankuasa Pemandu Kelestarian (Sustainability Steering Committee) yang diketuai oleh Lembaga Pengarah dalam mendukung agenda kelestarian Kumpulan. Perincian inisiatif kelestarian Kumpulan dibincangkan dengan lebih lanjut di bahagian Kenyataan Kelestarian di dalam Laporan Tahunan ini.

PEMBANGUNAN KORPORAT

Saya dengan rasa bangga mengumumkan bahawa anak syarikat kami, YX Precious Metals Bhd, telah berjaya disenaraikan pada 23 Jun 2022 di Pasaran ACE, Bursa Malaysia. Ini merupakan kejayaan yang besar bagi segmen pembuatan dan borong Kumpulan. Penyenaraian ini sekaligus membuktikan pencapaian dan kejayaan segmen ini di dalam industri barangan kemas dan memberikan sumbangan positif kepada Kumpulan. Ia juga mengukuhkan kedudukan Kumpulan sebagai organisasi bersepadu dan

menyeluruh di dalam industri emas dan barangan kemas di Malaysia. YX Precious Metals Bhd berjaya mengumpulkan RM31.261 juta dari penyenaraian ini dimana dana ini akan digunakan untuk memperluas dan memperkukuhkan operasinya. Penyenaraian ini turut memberikan kesan positif kepada kedudukan kewangan Kumpulan kerana ia meningkatkan nilai aset bersih Kumpulan dan mengurangkan nisbah penggearan.

DIVIDEN

Lembaga Pengarah dengan sukacita mencadangkan dividen pertama dan akhir "single tier" sebanyak 4.0 sen sesaham biasa bagi tahun kewangan berakhir 31 Disember 2022 bagi kelulusan pemegang saham pada Mesyuarat Agung Tahunan akan datang.

PROSPEK

Kumpulan telah menunjukkan prestasi yang baik untuk tahun kewangan 2022. Namun begitu, Kumpulan tidak boleh leka kerana masih banyak lagi cabaran bakal menanti.

Konflik ekonomi dan geopolitik semasa telah memberi kesan negatif terhadap rantai bekalan global. Banyak negara turut menghadapi tekanan inflasi dan

mengalami pertumbuhan ekonomi yang lemah. Walaupun ekonomi Malaysia dijangka akan bertahan, pendekatan dasar kewangan yang ketat oleh ekonomi utama dunia mungkin akan memberi kesan limpahan ke atas pemulihan ekonomi negara.

Berdasarkan penelitian di atas, Kumpulan akan terus menggunakan pendekatan berwaspada dan berhemah dalam pengurusan operasinya dengan tujuan untuk mengekalkan keuntungannya untuk tahun kewangan 2023.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin menzahirkan seikhlas penghargaan dan terima kasih kepada semua pelanggan, jurubank, pembekal, badan berkuasa kerajaan, rakan perniagaan dan pemegang saham atas sokongan berterusan anda.

Kepada pihak pengurusan dan semua pekerja, terima kasih juga saya ucapkan atas komitmen yang tinggi, dedikasi dan kegigihan yang diberikan.

Akhir kata, saya juga ingin mengucapkan terima kasih kepada rakan-rakan Pengarah atas nasihat dan sokongan yang tidak ternilai.

YANG MULIA RAJA TAN SRI DATO' SERI AMAN BIN RAJA HAJI AHMAD
Pengerusi Bebas Bukan Eksekutif

PROFILE OF SENIOR MANAGEMENT

Datuk Ng Yih Pyng - Group Managing Director

Datin Choong Chow Mooi - Group Executive Director

Mr Ng Yih Chen - Group Executive Director

Ms Ng Sheau Yuen - Group Executive Director

The Profile of the above Directors are set out in the Profile of the Board of Directors section of this Annual Report.

Mr Tan Syn Wooi (Malaysian/Male, 50 years) - Group Financial Controller

Mr Tan joined the Group in the year 2005 and was appointed as the Group Financial Controller for the Group on 21 April 2006. He graduated with a Bachelor of Accounting (Hons) from Universiti Malaya in 1996. He is also a member of Malaysian Institute of Certified Public Accountant and Malaysia Institute of Accountant. Mr Tan is responsible for the overall financial management and reporting of the Group.

Mr Tan has more than twenty (20) years of working experience in the accounting profession. Prior to joining the Group, Mr Tan was the Group Accountant for the Lion Group of Companies and was subsequently attached to a telecommunication company as Finance Manager.

Ms Lu Bee Lee (Malaysian/Female, 62 years) - General Manager, Retail Operation

Ms Lu joined the Group in the year 1991 and has been tasked to facilitate the daily retail operation of Tomei before being subsequently promoted to the position of Retail Operation and Personnel Manager and then as the Assistant General Manager, Retail Operation. In the year 2014, she was again promoted as the General Manager, Retail Operation and has been responsible in formulating strategy for the total retail operation of the Group in Malaysia. Prior to joining the Group, Ms Lu was the Marketing Manager for Wayrex Sdn. Bhd., fashion boutique in Malaysia.

Ms Leau Lee Meng (Malaysian/Female, 53 years) - Assistant General Manager, Group Risk and Internal Audit

Ms Leau obtained her Diploma in Management (majoring in internal auditing) with Merit from Malaysian Institute of Management. She is a Professional/Chartered Member of The Institute of Internal Auditors Malaysia. She started her career with Kassim Chan as an external auditor before moving on to Branch Operations and Group Internal Audit Department of PacificMas Berhad (formerly known as The Pacific Bank Berhad). In 2004, she was managing the Group Internal Audit Department of PacificMas Berhad. She joined the Group in year 2006 as Senior Manager, Internal Audit. In 2012, she spearheaded the risk management function of the Group within the ambit of the Risk Management Framework approved by the Risk Management Committee. In 2016, she also facilitated the process enhancement on various operations within the Group to improve on its efficiency, effectiveness and productivity.

Ms Cheong Ngat Ching (Malaysian/Female, 53 years) - Assistant General Manager, Learning and Development

Ms Cheong joined the Group in 2005 as the Senior Manager - Human Resources and was responsible for setting up and overseeing the Human Resources functions. She left in 2015 to take up a role in the Human Resources functions for a multinational Pharmaceutical Company before rejoining the Group in 2017 as the Head of Learning and Development. Ms Cheong is responsible for the people's transformation in the organization specifically in the development and implementation of Learning and Development Roadmap and programmes. Her roles entail talent and leadership development, in-house E-learning and programme development. Currently, she is also involved in the development of another business channel for the Company.

Prior to joining Tomei Group, Ms Cheong has equally enriching careers with the Sunway Group and Sony Video (M) Sdn. Bhd..

Ms Cheong graduated from Tuanku Abdul Rahman College in 1992, with Diploma in Commerce and Diploma in Human Resources Management in 1998 from University Malaya CCE. She is also an ICSA(UK) graduate and is an ACIS with MAICSA. In 2017, she was certified with the Australian, Cert IV in Workplace and Business Coaching.

Notes:

1. Save as disclosed above, none of the Senior Management other than the Directors have:-
 - (a) any conflict of interest with the Company;
 - (b) any conviction of offences (other than traffic offences) within the past five (5) years;
 - (c) any sanctions and penalty imposed on them by relevant regulatory bodies during the financial year;
 - (d) any relationship with any of the directors and/or major shareholders of the Company; and
 - (e) any directorship in other public companies and/or listed issuers.



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One Utama F 302 .03-7726 5668 / 017-490 2688

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Our Group is an integrated manufacturer and retailer of gold, jewellery and diamonds and our operation is principally located in Malaysia. We have two (2) main business divisions as follows:

- i) Retail
- ii) Manufacturing & Wholesale ("M&W")

The brand "Tomei" was first introduced in Malaysia in the year 1968 and has since dominated a sizable portion of Malaysia's jewellery market. For more than fifty (50) years, our Group has contributed to the development of the jewellery industry in Malaysia.

CORPORATE DEVELOPMENT

In the financial year 2022, our subsidiary, YX Precious Metals Bhd ("YXPM") was successfully listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), raising RM31.261 million from the public for its operation expansion. Upon the completion of this exercise, Tomei's interest in YXPM was diluted to 70%.

OBJECTIVES & STRATEGIES

Tomei aspires to be the trusted jeweller of choice where our customers find our products a joy to behold. In line with this, we have set our mission in pioneering our product superiority and design creativity while making sustained efforts towards building brand significance to gain customers' trust. Our goal is to develop a progressive organisation with integrity and passionately delivering excellent products and services to all our customers.

Tomei's long established history has given our customers the confidence and trust in our products, services and reputation, and thus live up to the expectation as a Trusted & Timeless brand.

PRODUCTS

As Malaysia's leading jeweller, Tomei is instrumental in bringing new product designs to the market every year especially during the major festivals such as Hari Raya, Chinese New Year and Christmas. Our products transcend race, culture and age and serves as a leading jewellery choice for both men and women.

Our retail division carries a wide range of products from yellow gold to diamond jewellery. It also sells platinum, white gold, precious and semi-precious stones. Our designs which are inspired by both the European trend and the Asian culture and incorporated with local taste provide a wide spectrum of selections for our customers. The trendy lifestyle has led to the creation of our very own Chomel which allows customers to mix and match their jewellery and tailored to their preference while Anastasia collections bring back the aura of classical beauty and elegance much cherished by Malaysians especially the urban modern Malays. For those who yearn for the European design jewellery, we have our Lusso Italia collections that bring out the design creativity from Italy. Our Le Lumiere diamond which offers no less than the ideal proportions, perfect hearts and arrows symmetry coupled with GIA triple excellent grading delivers the most optimum display of scintillating brilliance any diamond enthusiast could ask for.

Tomei brought in the award winning Xifu wedding jewellery collections, a product endorsed by the World Gold Council which offer the customary Chinese wedding series while the Batar jewellery collections from China feature the Chinese classical icons and auspicious symbols. Prima Gold which features exotic design with handmade signature silk line technique with delicately crafted workmanship from Thailand offers customers the ultimate value of jewellery choice. We are also licensed by Sanrio Inc. for the retailing of Hello Kitty and its other related characters jewellery in Malaysia.

In line with our direction to provide more product selections, Tomei also introduces various jewellery collections that centered on various gemstones such as jade, sapphire, ruby, emerald and pearl. For the investment fraternity, we offer investment precious metals such as Suisse Pamp, Maple Leaf and Australian Kangaroo. In addition, Tomei mints its own numismatic collections especially for the lunar new year. Tomei is also the sole distributor of De Beers diamond products in Malaysia.

Our M&W division has a capable and skilled team of in-house designers, which allows us to customise product designs in order to cater to customers' requirements. We have accumulated more than 3,000 in-house jewellery designs, of which more than 400 active designs are currently being used. We also have four registered industrial designs.

SALES CHANNEL AND NETWORK

Tomei is proud to be the most well-represented jeweller in town that has a presence in almost every state in Malaysia. We have 60 retail outlets under 4 different brands located mainly at major shopping malls in Malaysia. Shopping malls in Malaysia provide the point of convergence to the public for work, leisure and social meet. Despite the many challenges, the malls are still the best avenue for our retail business. Malls located in major cities also cater to foreign and local tourists thereby creating a larger pool of potential customers for our Group. We also hold many fairs and exhibitions to complement our sales at the retail outlets.

Retail brand	No of retail outlets
Tomei	56
Goldheart	2
Le Lumiere	1
De Beers	1

Outlet locations	2022
Northern	12
Central	24
Southern	10
East Coast	6
East Malaysia	8

Customers may also access our products through our webstore at <http://etomei.com> and online market platforms such as Lazada, Shopee and Zalora. Our other alternative sales channels include social media such as on Facebook Live and TikTok. We also have a specialised and dedicated team to service corporate customers in meeting their requirements.

Our M&W division has a production facility and a sales office in Kuala Lumpur. We manufacture jewellery for our retail division and for our other customers ranging from manufacturers, wholesalers and retailers. In order to better service our customers in Sabah and Sarawak, we also have a sales office in Sabah. Our products are exported to countries such as Singapore, Brunei and Germany.

QUALITY, AWARDS AND ACCREDITATIONS

Tomei lives up to our promise to provide only the best quality products and services to our customers. We subscribe to various accreditations to ensure that the consistency and quality of our offerings are further upheld.

Tomei is the only jeweller in Malaysia with the accreditation of the National Mark for "Malaysian Brand" certification from the SME Corp. This accreditation is given since 2010 in recognition of the quality of products offered by Tomei and the significant strength of its branding in the market. The SME Corp has granted Tomei a 4-Star rating for the SME Competitive Rating Enhancement (SCORE) Programme on 19 December 2022.

We are accredited with ISO 9001:2015 in the Quality Management System for both our retailing and design and manufacturing from LQRA Malaysia Sdn Bhd. These accreditations speak of the Group's commitment to quality in whatever we do which will contribute to improve our overall performance and provide a sound basis for sustainable development initiatives.

Through the implementation of the above ISO, we are able to offer our customers the following benefits:-

- a) the ability to consistently provide quality products and services that meet customers' and relevant regulatory requirements;
- b) facilitating opportunities to enhance customers' satisfaction;
- c) addressing risk and opportunities associated with the Group; and
- d) the ability to demonstrate conformity to specified quality management system requirements.

We also perform assay on our material purchased and products manufactured. During the year, we have performed assay on more than 3,800 samples to ensure that we achieve the quality intended for our products.

CUSTOMER EXPERIENCE AND ENGAGEMENT

As part of our continuing efforts to sustain customers' interest and loyalty and to attract new customers, we have constantly upgraded our showrooms to provide a new ambience for their shopping comfort. Such improvements do uplift and elevate the "feel good" factor for our customers once they step into our premises. Our unique and elegant store concept represents the current trend that lean towards sleek and contemporary cutting-edge design that makes Tomei's retail showroom stands out in the midst of competition. We use LED lightings for our display which not only increases the sparkling of our products but also saves on electricity consumption.

Visual merchandize display ("VMD") which complements our various marketing programme plays a very important role in showcasing our products to customers. The VMD continues to go through constant evolution and fit to the different themes in line with various festivals and at the same time maintain the uniformity of the Group's concept and brand positioning. This allows customers to feel the mood of prevailing festival such as the Chinese New Year, Valentine's Day, Hari Raya and Christmas.

Tomei Jewel Club was introduced to serve as a communication channel and to reward our retail customers. Through this channel, our team keeps our customers abreast with all the latest happening within the Group. Our team has conducted various Facebook Live sessions, online e-store, market place, e-brochure, TikTok, Instagram etc as an alternative channel for customers to view our collections. We are able to invite customers to many of our events such as jewellery workshops and investment seminar series as part of our initiative for customers outreach programme. We also solicit feedback from customers which serves as an important tool to improve on our customer service. Tomei Jewel Club membership has shown encouraging growth over the years to reach more than 600,000 members. This has enabled us to reach out more effectively to our customers.

Our M&W division keeps a close communication with our customers and visits are made regularly to understand their demand and requirement.

With the above strategies in place, our Group is able to grow its market share despite the challenging and difficult times.

KEY PERFORMANCE INDICATORS

Summary of key financial performance indicators are provided in the 5 Years Financial Highlights section in this Annual Report. For the past 5 years, the Group has been generating positive and consistent revenue and profitability despite the uncertainties in the business environment.

REVENUE & PROFITABILITY

The Group reported record breaking revenue and profit during the financial year 2022. Our revenue of RM974.342 million for the financial year represents a 32% increase over last year's revenue of RM736.069 million mainly due to increase in sales volume. As a result, the Group reported a higher profit before tax ("PBT") of RM91.366 million compared to RM43.959 million last year.

Retail division

Our retail division reported revenue of RM744.638 million for the financial year. This represents an increase of 54% over last year's revenue of RM483.747 million. The reopening of the economy after a prolonged period of lockdown has triggered a surge in demand for our jewellery mainly during the festive periods. As a result, the retail division reported a PBT of RM78.147 million compared to RM34.669 million last year.

Manufacturing and Wholesale division

Our M&W division reported higher revenue of RM298.042 million for the financial year arising from higher sales volume. This represents an increase of 12% over last year's revenue of RM265.384 million. As a result, the M&W division reported higher PBT of RM13.219 million compared to RM9.290 million reported last year.

GROSS PROFIT & GROSS MARGIN

The Group reported a gross profit of RM212.014 million for the financial year, representing a gross margin of 22%. The Group has taken an active measure in managing and preserving its gross margin to ensure a healthy profitability.

OPERATING EXPENSES

Operating expenses for the financial year under review of RM118.617 million was higher compared to RM94.232 million last year. The Group has expanded on the number of retail outlets during the financial year resulting in higher operating overheads. In addition, our M&W division incurred approximately RM2.500 million for its Initial Public Offering ("IPO") on the ACE Market of Bursa Securities. Major operating expenses of the Group include staff cost and rental of retail space. The Group has implemented various cost rationalisation strategies to maintain an optimal cost structure. This includes steps taken to close down and relocate certain retail outlets that are not performing up to expectation.

FINANCE COST

Finance cost for the financial year under review of RM9.817 million was higher compared to RM8.306 million last year. The increase in finance cost was due to additional borrowings used to finance our operations and higher effective interest rate during the year. The additional borrowings were required to finance the increase in business volume.

CAPITAL EXPENDITURE

During the financial year under review, we have incurred capital expenditure of RM9.472 million. These are mainly for the renovation and refurbishment of retail showrooms in order to provide a fresh and conducive shopping ambience for our customers in our retail division and purchase of machineries in the M&W division.

LIQUIDITY AND FINANCIAL RESOURCES

For the financial year under review, we reported a deficit cashflows of RM7.594 million contributed mainly by the deficit in our operating cash flow of RM26.815 million.

The negative operating cash flow was contributed mainly by the increase in the carrying value of inventories by RM114.744 million. Our retail division has purchased additional inventories of RM99.505 million during the year to meet our business expansion requirements.

The net cash outflow of RM9.671 million from investing activities were mainly incurred to upgrade and renovate existing and new retail outlets.

The net cash inflow of RM28.892 million from financing activities were mainly derived from the drawdown of Islamic Medium Term Notes ("IMTN") of RM40.000 million and gross proceeds from the IPO of YXPM of RM31.261 million. During the financial year, the Group made payment for lease liabilities and dividend to shareholders amounting to RM16.806 million and RM4.158 million respectively. We also used RM19.572 million to repay other short-term borrowings and term loans.

As at the end of the financial year, the Group has total cash and bank balances of RM40.638 million while the utilisation of bank overdrafts stood at RM18.691 million.

BORROWINGS & GEARING

Our borrowings are mainly used for working capital purpose especially to purchase inventories. Most of our borrowings are in the form of trade lines, term loans, bank overdrafts and revolving credits. As at the end of the financial year, total borrowings stood at RM221.694 million as compared to RM183.590 million as at the end of previous financial year. During the financial year, the Group has drawdown RM40.000 million of IMTN which was then used to repay its short-term borrowings.

The Group monitors its capital management by employing the net gearing ratio method. The ratio is calculated as the total debt net of cash and bank balances to total equity. The Group reported net gearing ratio of 0.50 as at the end of the financial year, a decrease by 0.07 as compared to 0.57 last year.

DIVIDEND

The Board of Director has recommended a first and final single tier dividend of 4.0 sen per ordinary share for the financial year ended 31 December 2022 for shareholders' approval at the forthcoming Annual General Meeting.

RISKS AND CHALLENGES

Our retail division currently contributes more than 70% of the total Group's revenue. In addition, our M&W division derives its revenue mainly from retailers. As a result, the Group's revenue is very sensitive towards the general retail market sentiment. According, we view the market condition as among the major risk faced by the Group as consumers tend to be more cautious and change their spending pattern in anticipation of any changes to the economic outlook. The current bricks and mortar retail concept also faces major competition from online business which appeals especially to the millennials.

The tightening of monetary policies by major economies around the world has caused much headwinds to the gold price. During the financial year under review, international gold price has fluctuated and trended downward as low as about USD1,622 per oz. The negative movement in gold price could pose risk to our profitability as it could reduce our profit margin. We view these risks as part of the challenges in managing our business. We will continue to execute a proactive strategy to address these risks including closer monitoring of the market situation and trends and putting in place selected hedging procedures to protect our margin.

Our online webstore and presence in market platforms currently address the changing habits of our customers to shop online. We also have further diversified our sales channel to include selling on social media.

Due to the nature of our business, we have taken a strict approach to ensure that all our dealings with customers and suppliers comply with the provision of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001. The Group ensures that cash transactions with value equals or exceeds the mandated threshold is subject to a due diligence in accordance with the procedure laid down by Bank Negara.

The Group also has in place an Anti-Corruption Programme that prohibits its associated persons from undertaking corrupt practices in compliance with Section 17A of the Malaysia Anti-Corruption Commission (Amendment) Act, 2018.

PROSPECT

The Malaysian economy is expected to stay resilient despite challenges posted by external headwinds arising from economic and geopolitical conflicts. Inflationary pressures and consequent monetary tightening measures will lead to weaker consumption spending and slower economic activity. The recent failure of certain banks in the US and Europe has created much anxiety and doubt on the financial health of the global financial system. In the light of this, the Group will stay cautious in its operation and review its operational decision as necessary based on the outcome of any unfolding event.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Your Board of Directors recognises the importance of sound corporate governance and will continue to enhance its role in ensuring that the highest standard of corporate governance is practiced throughout the Group. The principles and best practices set out in the Malaysian Code on Corporate Governance 2021 (“Code”) and pursuant to para 15.25 of the Bursa Malaysia Main Market Listing Requirements have been complied by the Group wherever possible in observing the highest standard of transparency, accountability and integrity unless otherwise stated.

Your Board is pleased to provide an overview of the application of the principles set out in the application of the Code by the Group during the period under review. Details of the application of the principles of the Code are provided in the Corporate Governance Report which can be found at the Company's website at www.tomei.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD ROLES AND RESPONSIBILITIES

Board responsibilities

During the period under review, your Board took full responsibility and retained full and effective control over the affairs of the Group. Your Board's primary focus and responsibilities include the followings:-

- a) Reviewing and approving the strategic business plan of the Group;
- b) Monitoring corporate performance and the conduct of the Group's business and ensuring compliance with the 2021 updates to the MCGG;
- c) Identifying and implementing appropriate systems to manage principal risks through the Audit and Risk Management Committee (“ARMCO”);
- d) Ensuring succession planning for top management;
- e) Ensuring a transparent Board nomination and remuneration process;

- f) Reviewing the effectiveness of the Group's system of risk management as well as the adequacy and integrity of the Group's internal control system and management information system for compliance with applicable standards and laws and regulations;
- g) Developing and implementing an investor relation program or shareholders' communication policy for the Company;
- h) Developing an ethical standard for the Group through a code of conduct and ensure its compliance;
- i) Setting the Company's sustainability strategies, priorities and targets;
- j) Ensure that all directors are able to understand financial statements and form a view on the information presented; and
- k) Ensure the integrity of the Company's financial and non-financial reporting.

The Independent Non-Executive Directors further strengthen your Board in providing unbiased and independent view, advice and judgement. They also contribute to the formulation of policies and decision making through their expertise and experience.

Board Charter

Your Board's functions are laid out in a Board Charter which is made public through the Group's website at www.tomei.com.my to guide your Board in discharging its duties and responsibilities effectively. The Board Charter is reviewed periodically and amended when necessary to reflect the changes on conduct of your Board.

Code of Conduct

Your Board has developed an ethical standard for the Group through a code of conduct and ensures its compliance. This includes a strategic mission and vision statements and core values to guide the Group in its daily operation. Your Board reviews the code of conduct regularly to ensure that new requirements and suggestion of best practices are being updated and incorporated into the code.

Director's Fit and Proper Policy

Following the amendments to the Bursa Malaysia Main Market Listing Requirements, your Board has adopted a Directors' Fit and Proper Policy to ensure that Directors possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Group and its stakeholders.

Board meetings

Your Board meets regularly at least four (4) times a year at quarterly intervals with additional meetings to be convened as and when required. Prior to each meeting, every Director is given the complete agenda and a set of Board Papers for each agenda item well in advance so that your Directors have ample time to review matters to be deliberated at the meeting and to facilitate informed decision making by your Directors.

During the financial year ended 31 December 2022, there were six (6) Board Meetings held and the details of attendance are as follows:-

Executive Directors	Attendance
Datuk Ng Yih Pyng	6/6
Datin Choong Chow Mooi	6/6
Ng Yih Chen	6/6
Ng Sheau Yuen	6/6
Independent Non-Executive Directors	Attendance
Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad	6/6
Datuk M Chareon Sae Tang @ Tan Whye Aun	6/6
Lau Tiang Hua	6/6
Puan Sri Nonadiah Binti Abdullah (resigned on 27 February 2023)	6/6
Tan Sri Dr Madinah Binti Mohamad (appointed on 27 February 2023)	N/A

In addition, the Executive Directors meet regularly to discuss the corporate strategy, the business operations and the results of the business units within the Group.

Board Committees

In order to ensure effectiveness of the Board, your Board has delegated certain of its responsibilities to the Board Committees which operate within clearly defined terms of reference to carry out these responsibilities in a supporting role to your Board.

These Committees comprising members of your Board are empowered to deliberate and examine issues delegated to them and report back to your Board with their recommendations and comments.

The terms of reference of all the Board Committees are being disclosed at Company's website at www.tomei.com.my.

Your Board is assisted by three (3) Board Committees as follows:-

- 1) Audit and Risk Management Committee ("ARMCO")
- 2) Nomination Committee
- 3) Remuneration Committee

The report of the ARMCO and the Nomination Committee are presented in the ARMCO Report and Nomination Committee Statement section of this Annual Report.

Remuneration Committee

The Remuneration Committee comprises three (3) members, made up of Independent Non-Executive Directors and have the following term of reference as provided below:-

Name	Designation
Datuk M Chareon Sae Tang @ Tan Whye Aun	Chairman
Lau Tiang Hua	Member
Puan Sri Nonadiah Binti Abdullah (resigned on 27 February 2023)	Member
Tan Sri Dr Madinah Binti Mohamad (appointed on 27 February 2023)	Member

The Committee's duties and responsibilities are:-

- a) To ensure that a transparent and formal procedure is established in the development and assessment of the level of compensation that would be sufficient to attract and retain good caliber Directors;
- b) To review the components of remuneration package such as fees, allowances, basic salaries, bonuses and other benefits-in-kind for Directors;
- c) To ensure that the Directors' remuneration package is linked to the level of responsibility and performance and is benchmarked against market practice; and
- d) To review key management personnels' remuneration package benchmarked against their performance and to ensure that their rewards earned are within industry practice.

There was one (1) Remuneration Committee meeting held during the financial year 2022.

Supply of information

Your Board has full and unrestricted access to information concerning the Group from the senior management and the external auditors to enable them to discharge their duties effectively. Your Board may also seek advice of external independent professionals at the Group's expense.

All information on meetings is disseminated to your Board at least five (5) days before the date of meeting to enable your Board to make an informed decision. Relevant personnel of the Group could be summoned to the Board meeting to further brief your Board as and when required.

Your Board has direct access to the advice and services of a qualified Company Secretary who is responsible to advise your Board on matter concerning necessary compliance and governance. The Company Secretary also ensures that all Board procedures are followed and that applicable laws and regulations are complied with. The appointment and removal of the Company Secretary lies within the power of your Board.

Directors' training

Details of trainings attended by the directors are provided in the Nomination Committee Statement section of this Annual Report.

2. BOARD COMPOSITION

Your Board consists of members from a wide range of discipline and background, providing an in-depth and diversified experience for the benefit of the Group's operation. All Independent Non-Executive Directors are free from any material business dealings and other relationship with the Group and therefore play a crucial role in corporate accountability with their unbiased and independent view, advice and judgement in the decision-making process.

Your Independent Non-Executive Director, Puan Sri Nonadiah Binti Abdullah has stepped down from the Board on 27 February 2023 and was replaced by Tan Sri Dr Madinah Binti Mohamad who was appointed on the same day as an Independent Non-Executive Director.

The profiles of the members of your Board are set out in the Profile of the Board of Directors section of the Annual Report.

Details of the Board diversity, independence, re-election and re-appointment are provided in the Nomination Committee Statement section of this Annual Report.

Segregation of role

The Group's Independent Non-Executive Chairman does not hold an executive function and plays a crucial role in providing overall business direction. The Chairman conducts and sets the tone during your Board meeting and facilitate meaningful deliberation of the meeting agenda. In line with the recommendation of the Code, the Chairman does not sit on any of the Board Committee established by your Board.

The Group Managing Director, serves as the head of the Management team and is responsible for the implementation of the direction and strategy of the Group as laid down by your Board.

This segregation of role is vital to ensure a balance of power and authority.

Currently the Group has eight directors, whereby four of the directors are independent and do not hold any executive function within the Group. This in line with the best practice that requires at least half of the Board members must comprise of independent directors.

3. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

The Company's remuneration policy for Directors and senior management is tailored towards attracting and retaining Directors and senior management with relevant experience and expertise needed to assist in managing the Group effectively. The Remuneration Committee carries out the annual review of the overall remuneration for Directors and key senior management personnel whereupon recommendations are submitted to your Board for approval.

The details of your Directors' remuneration paid/payable for the financial year ended 31 December 2022 are set out below:-

Company level

2022	Remuneration	Fees	Allowance	Benefits-in-kind	Total
EXECUTIVE DIRECTOR					
Datuk Ng Yih Pyng	-	10,800	-	-	10,800
Datin Choong Chow Mooi	-	10,800	-	-	10,800
Ng Yih Chen	-	10,800	-	-	10,800
Ng Sheau Yuen	-	10,800	-	-	10,800
Sub-total	-	43,200	-	-	43,200
NON-EXECUTIVE DIRECTOR					
Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad	-	72,000	4,000	-	76,000
Datuk M Chareon Sae Tang @ Tan Whye Aun	-	60,000	4,000	-	64,000
Lau Tiang Hua	-	70,000	4,000	-	74,000
Puan Sri Nonadijah Binti Abdullah (Resigned on 27 February 2023)	-	60,000	4,000	-	64,000
Tan Sri Dr Madinah Binti Abdullah (Appointed on 27 February 2023)	-	-	-	-	-
Sub-total	-	262,000	16,000	-	278,000
Grand Total	-	305,200	16,000	-	321,200

Group level

2022	Remuneration	Fees	Allowance	Benefits-in-kind	Total
EXECUTIVE DIRECTOR					
Datuk Ng Yih Pyng	1,199,272	10,800	-	28,000	1,238,072
Datin Choong Chow Mooi	836,864	10,800	-	13,325	860,989
Ng Yih Chen	777,728	10,800	-	13,325	801,853
Ng Sheau Yuen	777,728	10,800	-	9,900	798,428
Sub-total	3,591,592	43,200	-	64,550	3,699,342
NON-EXECUTIVE DIRECTOR					
Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad	-	72,000	4,000	-	76,000
Datuk M Chareon Sae Tang @ Tan Whye Aun	-	60,000	4,000	-	64,000
Lau Tiang Hua	-	70,000	4,000	-	74,000
Puan Sri Nonadijah Binti Abdullah (Resigned on 27 February 2023)	-	60,000	4,000	-	64,000
Tan Sri Dr Madinah Binti Abdullah (Appointed on 27 February 2023)	-	-	-	-	-
Sub-total	-	262,000	16,000	-	278,000
Grand Total	3,591,592	305,200	16,000	64,550	3,977,342

The Directors' fees payable is subject to the approval of the shareholders at the forthcoming Annual General Meeting ("AGM") of the Company.

The remuneration paid to the top four senior management personnel other than the above Executive Directors of the Group for the financial year ended 31 December 2022 is RM1,132,250.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**1. FINANCIAL REPORTING**

The Directors' Responsibility Statement made pursuant to Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to the Financial Statements is disclosed in the Director's Responsibility Statement section of this Annual Report.

2. ARMCO AND EXTERNAL AUDITORS

The ARMCO assists your Board in scrutinizing the information for disclosure to ensure its accuracy, adequacy and completeness.

The Company's external auditors continue to provide their independent opinion to shareholders on the Group's and the Company's financial statements. Your Board maintains a formal and transparent relationship with the auditors to meet their professional requirements.

The ARMCO discusses with the external auditors on both the audit plan and their scope of audit before the commencement of audit work. The ARMCO is also being briefed by the auditor on their audit report upon the completion of audit. In addition, the ARMCO meets up with the external auditors at least two (2) times a year without the presence of the Management to discuss and obtain feedback on sensitive audit issues.

In determining the independence of the external auditors, the ARMCO has reviewed all aspects of relationships between the Group and the external auditors including the processes, policies and safeguards relating to audit independence and agreed on the audit strategy and the audit fee. The external auditors also declare their independence to the ARMCO during their audit planning.

The ARMCO has considered the non-audit services provided by the external auditors and its affiliated companies and is satisfied that the provision of those non-audit services during the year does not compromise the external auditors' independence.

The external auditors are also invited to attend the Company's AGM and are available to take questions from the shareholders on issues pertaining to their audit report.

The detailed role of the ARMCO in relation to the external auditors is described in the ARMCO Report section of this Annual Report.

3. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Your Board acknowledges its overall responsibility for maintaining a sound system of internal control and risk management to safeguard shareholders' investment and the Group's and the Company's assets.

The Group's internal audit function is carried out by the in-house Internal Auditor which reports directly to the ARMCO. Details of the internal audit function are provided in the ARMCO Report section of this Annual Report.

The Statement on Risk Management & Internal Control section of this Annual Report provides an overview of the risk management and state of internal control within the Group.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**1. COMMUNICATION WITH STAKEHOLDERS**

Your Board recognizes the importance of maintaining transparency and accountability to its stakeholders and is committed to provide the highest possible level of disclosure to ensure integrity and consistency of the financial reports.

Your Board keeps stakeholders informed via announcements and timely release of quarterly financial results, press releases, annual reports and circulars to shareholders. These information are also made available at the Company's website at www.tomei.com.my.

As there may be instances where stakeholders may prefer to express their concerns to an independent director, your Board has appointed Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad as the Senior Independent Non-Executive Director to whom concerns may be directed.

Your Board through the Management also takes effort to communicate with investors on regular basis to provide up to date information on latest material development in the Group.

2. CONDUCT OF GENERAL MEETINGS

Shareholders' meeting such as the AGM and/or Extraordinary General Meetings serve as the principal forum for dialogue and communication between your Directors and the shareholders. At the meeting, shareholders are given direct access to your Board and are encouraged to participate in its proceedings including seeking clarification on the meeting agenda and the Group's performance.

The Company implements a poll voting for all the resolutions set out in the notice of meeting via electronic means at the meeting to expedite verification and counting of votes. In addition, the Company appoints one (1) scrutineer to validate the votes casted at the meeting.

3. PROMOTES SUSTAINABILITY

Your Board is committed to promote sustainability of its business which are aligned and embedded into the Group's day to day business activities. In promoting the sustainability, the Group integrates good practices in the area of environmental, social and governance into its business culture. Details on areas of sustainability are provided in the Sustainability Statement section of this Annual Report.

STATEMENT ON COMPLIANCE WITH THE BEST PRACTICES OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2021

Having reviewed the governance structure and practices of the Group, your Board considers that it has complied with the best practices as set out in the Code unless otherwise stated as well as the items set out in Part A of Appendix 9C of the Main Market Listing Requirements of Bursa Securities in relation to the requirement of a separate disclosure in the Annual Report.

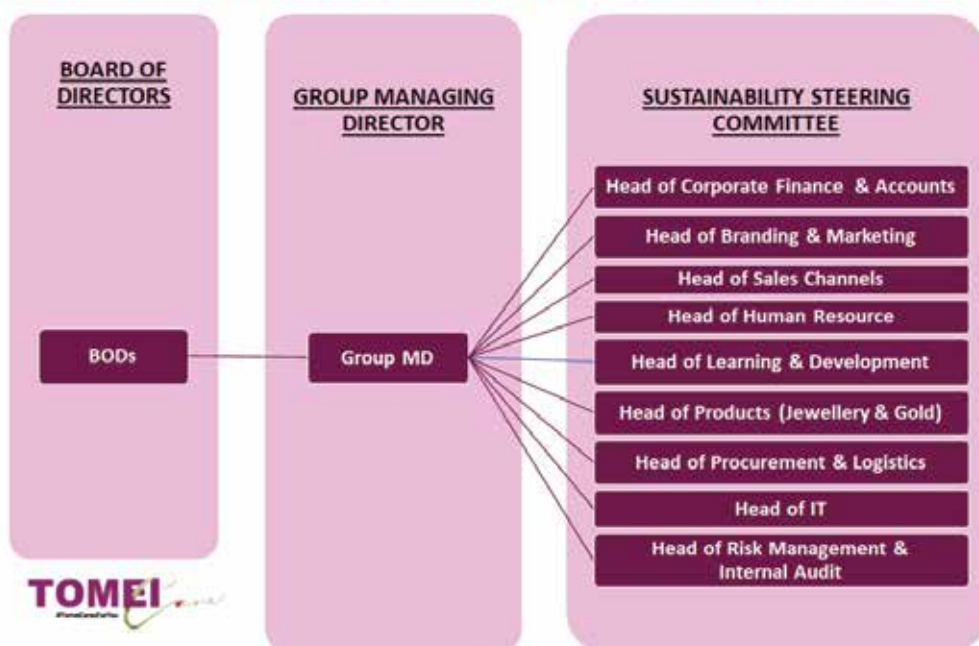
This Corporate Governance Overview Statement is made in accordance with the resolution of the Board of Directors dated 3 April 2023.

SUSTAINABILITY STATEMENT

TOMEI is built upon its corporate vision of emphasising on the sustainability of its products, branding, customers and progressive organisation. While we drive our business forward in becoming the most efficient jewellery company, we never lose sight on what is fundamentally important to all our stakeholders. This is important in order to build a long-lasting relationship which promotes a mutual winning situation. In line with our corporate vision, our commitment has been tailored in meeting and promoting sustainability of various aspects of our business through the Environmental, Social and Governance (“ESG”) practices. It has been ingrained in our policy that all business decisions are evaluated after taking into consideration the interest of all stakeholders in order to promote a conducive and sustainable business environment. The Group has developed a Code of Conduct to guide the implementation of its business decision based on these principles.

Tomei takes lead to initiate its Sustainability Agenda through the setting up of a Sustainability Steering Committee led by your Board to ensure that its sustainability commitments are properly and effectively carried out. The committee which is headed by the Group Managing Director and coordinated by a Sustainability Steering Committee comprises of senior management of the Group. The committee meets regularly to discuss on matters of importance to the Group’s sustainability concern and monitor on its implementation and progress.

SUSTAINABILITY GOVERNANCE STRUCTURE



We constantly engage with our stakeholders through various platforms in understanding their needs. Such engagements are important to ensure that we have a mutual understanding and better respond to each other’s requirements and interest. Following are the engagement that the Group has with its stakeholders:

Stakeholders	Method of engagement
Employees	Trainings, recreations, townhall, appraisal
Customers	CRM programme, event invitations, customer feedback forms, customer visits
Suppliers	Discussions and meetings
Shareholders & Analysts	General meetings, briefings, press releases, Bursa Malaysia announcements
Industry Associations	Consultation, forum, advice
Regulators	Regulatory reports, surveys, meetings
Communities	Meetings, feedbacks

Sustainability framework can be summarised as follows:



MANAGING AREA OF SUSTAINABILITY

Environmental

Promoting circular economy

Circular economy is all about creating closed loops where both waste and new inputs are minimised. Gold is mined and its supply just like any other natural resources is becoming scarce. Extensive mining also poses certain environmental hazard. Realising on this conundrum, and the need to meet industry demand, the Group has long been a strong advocate in promoting gold recycling in the industry.

Our retail outlets accept gold traded in by customer in exchange for new jewellery or for cash. The scrap gold can then be refined, recycled and turned into new jewellery. This minimises our requirement to purchase new gold as raw material. During the year approximate 40% of our source of raw material came from recycled gold.

Our Manufacturing & Wholesale ("M&W") division carries out refining process to recycle scrap gold bars, used gold jewellery as well as gold waste created from our manufacturing process. During the year, we have refined 612,437 gram of gold materials as part of our recycling initiative. The refined gold can either be used as input materials in our production process or sell to our customers upon demand.

In year 2022, the M&W division has started its own refinery business through GPM Refinery Sdn. Bhd., which provides refinery services to the gold industry in Malaysia. With our in-house refining capabilities, we hope to promote greater recycling awareness and initiative in the Malaysian gold industry.

Responsible waste management

We are committed towards a solid waste management system which adhere to a responsible and strategic waste production, management and disposal.

Our M&W division ensures that all waste generated from our manufacturing activities are disposed of responsibly. This includes the appointment of a licenced waste disposal contractor to handle all waste generated. During the year, our total scheduled wastes generated come to 1,630 kg. Pollution control systems are also installed in our manufacturing facilities in compliance with the Environmental Quality Act, 1974. In addition, we hold various environmental certifications from the Department of Environment of the Federal Territory of Kuala Lumpur.

During the year, there was no incident of non-compliance with the laws and regulations or any highlighted by the relevant authorities in relation to our waste management and disposal.

Reducing carbon footprint

In line with our commitment to preserve the environment, the Group has laid down its long-term plan to use recycled materials whenever possible for its packaging material. Staffs are encouraged to switch off equipment, lights and air-conditioners when not in use to conserve electricity. Most of the Group's data are stored in digital form whenever possible to avoid printing. If printing is unavoidable, we encourage double-sided printing or printing on recycled paper.

The Group has migrated most of its traditional promotional materials such as brochures and pamphlets to online promotion and over the social media, thus reducing the need for printing. Our official online blogs are published on monthly basis bringing latest news on Tomei's collections and industry updates to our readers.

Social

Employee's training and education

We believe training and education will help to nurture employees' capability to bring out their best to sustain their overall value to the Group. Our Learning & Development Roadmap focuses on the learning journey for both current staff as well as new recruits and is planned with the Group's human capital needs and development in mind. This entails identifying current and future human resources needs and then set up the priorities to address those needs. Among the training programs include customer sales and service, sales techniques as well as leadership skills to name a few.

During the year, approximately 43% of the retail division's employees have attended at least 1 formal training program and in total have undergone 4,947 training hours.

During the year, the M&W division's employees have taken the initiative to attend various training modules to further improve and strengthen their skills.

Employee's career advancement

When an employee first steps into Tomei, we have already set up the career progression path for them. In order for the employee to get promoted, they need new and relevant skillset that fit into the new role. We provide the relevant training and opportunity to equip employee and preparing them to move up to the next level. Each training is followed by an assessment to ensure that employee has properly mastered the skillset.

The Group has a systematic appraisal system whereby employees are assessed on their skillset and capabilities. Such appraisal serves as an important tool in identifying employee's needs and guide for promotion. During the year 2022, 8% of our employees force from various skillset were promoted and given the trust to manage different portfolios and responsibilities. Such promotion does not only boost the self confidence of the promoted employee but also serves as role model for other employees to work towards their career advancement in the future.

The Group also implements a mentorship system whereby senior employees are required to provide guidance and handheld junior employees in their daily responsibilities. Such system not only helps new employees to understand their new role better but also creates a stronger bonding and working relationship among the employees.

The Group also has an Internship Programme, whereby fresh undergraduates are recruited and given trainings and exposures in various job scopes with a view to groom them into Management role.

Safe and conducive working environment

The Group provides a safe and conducive working environment to its employees where front liners in the retail division are provided with Company's uniform to improve staff appearance and confidence in dealing with customers. Our retail outlets are well guarded by qualified security guards and under the surveillance of CCTV at all time as a precaution to deter robbery and theft incidence.

Our factory and offices are equipped with the following security measures:

- a) Double layer security doors;
- b) Installation of 24-hour CCTVs to record and monitor all activities on the premises;
- c) Restricted access of visitors or employees in certain areas of the manufacturing facilities and office; and
- d) Strong room and safe has been installed in the premise to safeguard our inventories.

We also purchased various insurance coverage including jewellers block cover to protect our assets from any potential loss and personal accident cover for our employees.

During the year, the Group did not experience any incidence of theft and robbery nor did the Group encounter any pilferage by internal employees.

Employees' well-being and engagement

Engaging of employees is practiced at all levels of the business hierarchy and is cultivated on a regular basis. When employees are engaged at work, they feel better connected to the Group and results in a sense of belonging. Through these initiatives, we managed to foster a culture of inclusiveness which is also key in reducing turnover rates and boosting employee retention. Employees' enthusiasm with the Group remained encouraging with more than half of our employees serving for more than 5 years. For employee who is seconded to outstation, the Group assists to source for accommodation to ensure that he/she has a comfortable living condition away from home without much worries.

Healthy and well-motivated employees can have an equally positive impact on their peers and will overall contribute improved productivity and efficiency. Tomei has developed various wellness programs which aimed to provide a healthy and joyful working environment for its employees.

Despite being in the endemic phase, Tomei continues to subscribe to the best practices in maintaining a hygienic environment for both our employee and customer. We provide hand sanitizer to all our retail outlets and offices while employees are also provided with face mask. Employees are always reminded to monitor their own health and required to undergo self-quarantine if they are tested positive with Covid-19.

Employment opportunity across wide spectrum

Tomei believes that everyone is born equal and should be treated equal. The Group has provided employment to all Malaysians regardless of age, gender and ethnicity. Tomei employs more than 800 staffs from almost every state in Malaysia consisting of various ethnicity. The Group does not employ any child or force labour and has met all the minimum wage requirements as required by the law.

Tomei believes in fair employment practices whereby all employees are treated fairly without any sort of discrimination and harassment. All employees do not work beyond the maximum working hours stipulated by the Labour Law and are given at least one rest day a week. We also provide productivity linked compensation in the form of sales commission to retail staff based on their respective sales achieved.

During the year, we have filled up more than 200 vacancies available within the Group all across Malaysia.

Staff locations	
Northern	10%
Central	39%
Southern	25%
East Coast	15%
East Malaysia	10%
Overseas	1%

Cherish Diversity

Tomei subscribes to the idea of promoting gender equality of having at least 30% female participation in workforce as recommended by the Government. Currently, Tomei's Board of Directors consists of 37.5% female while its subsidiary, YX Precious Metals Bhd has 66.7% women director on its Board. The Group's female employees made up more than 60% of our total workforce.

Support conservation programme

During the year, the Group in promoting the conservation of wildlife in Malaysia has worked with the World Wildlife Fund ("WWF-Malaysia") to mint gold coin strictly from recycled gold. These coins feature Malaysian endangered animals such as the Malayan tiger, Bornean elephant, Orangutan and Sea turtle. Tomei also committed to contribute 2% from the sales of the coins to WWF-Malaysia to support its conservation activities.

We also organised a talk on the Malayan tiger by the WWF-Malaysia for our staffs as an effort to raise the awareness on need to protect our tiger and its habitat.

Governance

Responsible sourcing

The Group has an Anti-Corruption Policy which prohibits corrupt practices especially in the area of engaging in kick-back payments relating to sales and purchases, thus ensuring that we conduct our business in a professional and ethical manner. We required all our supplier to sign an Anti-Corruption declaration form before starting of any dealings to ensure that there is no element of corruption in any transactions with the Group. The benefit to our Group is the building of trust with our customers and suppliers as everyone in the supply chain will get a fair deal without worrying of being short-changed. During the financial year, there was no report of any incidence which involved corrupt practices in the Group.

The Group's raw material consists mainly of gold and precious stones and semi-precious stones. Most of our products are sourced from supplier locally. However, if there is no alternative but to source internationally, we select supplier with high standards in areas such as ethical, behaviour, environmental stewardship and workplace practices.

Confidentiality of customer's and employee's information

Tomei subscribes to the importance of data privacy of its customers and employees. We have taken necessary steps to ensure that all information that comes into our possession are managed strictly as required by the Personal Data Protection Act, 2010. There was no report of any breach in data privacy that involves our customers and employees during the financial year.

Pricing transparency

Tomei promotes transparency in its products pricing whereby all its retail products on display come with price tag attached. We adhere strictly to the Competition Act, 2010 and therefore do not subscribe to any form of price fixing mechanism. Tomei retail gold price is published in the local daily while in the shop front, the gold price is clearly and properly displayed to inform customers of the current selling price. Our gold price is also displayed on our website at www.tomei.com.my.

Compliance with regulatory requirements

Tomei complies strictly with the requirements of the Anti-Money Laundering, Anti-Terrorist Financing & Proceeds of Unlawful Activities Act, 2001 ("Act"). We conduct proper "Know Your Client" procedure in accordance to the Act before dealing with potential customer. The Group does not deal with any individual or organization sanctioned by the United Nation or the Malaysian government. We also screen the background of new candidate before they are offered employment in the Group.

In the retail business, customer conducting transactions in the form of cash or precious metals and/or stones equivalent to RM50,000 and above needs to complete the Customer Due Diligence Form as required in the Policy Document issued by Bank Negara Malaysia ("BNM").

In order to ensure the compliance with the Act, we hold regular training and update for employee on the latest development/changes to the requirements of the Act. The appointed Compliance Officer and our internal audit function serves as additional assurance to ensure the compliance with the Act.

Tomei has complied with the Malaysia Employment Act 1955 (Amendment) 2022 that comes into force on 1 January 2023 and Workers' Minimum Standards of Housing and Amenities Act, 1990 (Act 446). All our commercial vehicles are inspected at Puspakom on annual basis in compliance with the Road Transport Regulation. The layout of our retail showrooms are strictly in compliance with the shopping mall management and certified fit for their intended use.

During the year, there was no report of any breach of laws and regulations.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

1. COMPOSITION

The Audit Committee was merged with the Risk Management Committee with effect from 26 August 2022 and the merged entity is named as the Audit and Risk Management Committee (ARMCO). The ARMCO comprises solely of independent non-executive directors appointed by your Board of Directors from amongst its members, and they are:-

Name	Designation
Lau Tiang Hua	Chairman
Datuk M Chareon Sae Tang @ Tan Whye Aun	Member
Puan Sri Nonadiah Binti Abdullah (Resigned on 27 February 2023)	Member
Tan Sri Dr Madinah Binti Mohamad (Appointed on 27 February 2023)	Member

2. ATTENDANCE

The ARMCO held five (5) meetings during the financial year ended 31 December 2022 and the attendance of each member is as follows:-

Name	Attendance
Lau Tiang Hua	5/5
Datuk M Chareon Sae Tang @ Tan Whye Aun	5/5
Puan Sri Nonadiah Binti Abdullah	5/5

3. SUMMARY OF WORK

The following is a summary of the work carried out by the ARMCO during the financial year ended 31 December 2022 in accordance with its terms of reference:-

- a) Reviewed the quarterly interim unaudited financial statements with the Management, focusing (1) on the financial performance and financial position of the Group, (2) compliance with applicable accounting standards and other legal requirements, and (3) matters affecting the financial results such as change in accounting policies, significant events etc., before recommending same to the Board for consideration and approval for release to Bursa Securities;
- b) Reviewed the annual audited financial statements and principal matters arising from the audit with the external auditors before recommending same to your Board for consideration and approval.
The key areas of focus were (1) any change in or implementation of accounting policies and practices, (2) significant adjustments arising from the audit, (3) going concern assumption, (4) compliance with accounting standards and other legal requirements, (5) significant matters / events affecting the financial statements and (6) any significant judgements or estimations made by the Management;
- c) Held 3 private meetings with the external auditors without the presence of the Management for the purpose of obtaining feedback on sensitive audit issues;
- d) Reviewed the audit findings and recommendations made by the external auditors and the Management's response and follow up actions where appropriate and report the same to your Board;
- e) Reviewed and approved the annual Internal Audit Plan to ensure adequate scope and coverage on the activities of the Group;

- f) Reviewed the internal audit reports, audit recommendations made and Management's response to these recommendations and actions taken to improve the system of internal control and procedures as recommended. Where appropriate, the ARMCO had directed Management to rectify and improve control procedures and workflow processes based on the internal auditor's recommendations and suggestions for improvement;
- g) Reviewed the adequacy of the resources of the internal audit function and suggested prioritized audit areas, if necessary;
- h) Reported to your Board of Directors significant matters deliberated at the ARMCO meetings;
- i) Reviewed the report on related party transactions (recurrent and non-recurrent) prepared by the internal auditor to ensure no conflict of interest situation and the terms and conditions of the transactions are entered into at arm's length basis and did not disadvantage the Group;
- j) Reviewed the risk register compiled by the Head of Risk Management and deliberated on the controls in place to mitigate the risks identified; and
- k) Reviewed the ARMCO Report and the Statement on Risk Management and Internal Control and recommended same for your Board's approval for inclusion in the Annual Report.

4. SUMMARY OF THE WORK OF THE INTERNAL AUDIT FUNCTION

The main role of the internal audit is to provide independent and objective assessment of the adequacy and effectiveness of the Group's risk management, internal control and governance processes established by Management and / or the Board within the Group. This is performed with impartiality, proficiency and due professional care. Internal audit adopts a risk based auditing approach by focusing on reviewing identified high risk areas for compliance with policies and procedures, identifying business risks which have not been appropriately addressed and evaluating the adequacy and effectiveness of internal controls.

The Group has in place an internal audit function which is independent of the activities it reviews. The Head of the Internal Audit Department reports directly to the ARMCO. The internal audit personnel are free from any relationships and no conflict of interest, which could impair their objectivity and independence. The Internal Audit Department comprised 4 internal auditors and is headed by Ms. Lee Wai Kwan. She holds a Bachelor (Honours) in Accounting and Finance from Middlesex University, UK. The internal audit works are guided by a detailed annual Internal Audit Plan. The annual Internal Audit Plan is approved by the ARMCO and thereafter updated as and when necessary after prior approval of the ARMCO. In discharging its function, the Internal Audit Department adopted the International Professional Practices Framework as well as established auditing guidelines/audit programmes to enhance its efficiency and effectiveness.

The following is a summary of the work undertaken by the Internal Audit Department during the financial year ended 31 December 2022:-

- a) Carried out its duties for the year in accordance with its Internal Audit Charter;
- b) Conducted independent reviews and evaluated the risk exposures relating to the Group's governance, operations and information systems as follows:-
 - Reliability and integrity of financial and operational information;
 - Effectiveness and efficiency of operations;
 - Safeguarding of assets;
 - Compliance with laws, regulations, contracts, policies and procedures; and
 - Identification of opportunities to improve the operations and processes.
- c) The internal audit work had been carried out according to the Internal Audit Plan approved by the ARMCO;
- d) Discussed audit findings and audit recommendations with Management for resolution and action;
- e) Conducted review on Recurrent and non-recurrent Related Party Transactions; and
- f) Tabled the internal audit reports and the summary of the reviewed related party transactions in paragraph (e) above at the ARMCO meetings for the deliberation by its members, and to follow up on any suggested actions.

The total cost incurred for the internal audit function in respect of the financial year ended 31 December 2022 amounted to RM540,000.

This ARMCO Report is made in accordance with the resolution of your Board of Directors dated 3 April 2023.

NOMINATION COMMITTEE STATEMENT

1. COMPOSITION

The Nomination Committee comprises three (3) members made up of Independent Non-Executive Directors and have the following term of reference as provided below:-

Name	Designation
Datuk M Chareon Sae Tang @ Tan Whye Aun	Chairman
Lau Tiang Hua	Member
Puan Sri Nonadiah Binti Abdullah (resigned on 27 February 2023)	Member
Tan Sri Dr Madinah Binti Mohamad (appointed on 27 February 2023)	Member

2. ATTENDANCE

During the financial year ended 31 December 2022, the Nomination Committee held two (2) meetings which were held on 22 February 2022 and 22 November 2022. The details of attendance of each member of the Nomination Committee held during the financial year is as follows:-

Name	Attendance
Datuk M Chareon Sae Tang @ Tan Whye Aun	2/2
Lau Tiang Hua	2/2
Puan Sri Nonadiah Binti Abdullah (resigned on 27 February 2023)	2/2
Tan Sri Dr Madinah Binti Mohamad (appointed on 27 February 2023)	N/A

3. SUMMARY OF WORK OF THE NOMINATION COMMITTEE

Summary activities during the financial year and up to the date of this report are as follows:-

Assess the fitness and propriety of Directors

The Committee is guided by the Directors' Fit and Proper Policy which is disclosed at the Company's website at www.tomei.com.my on the appointment of new director as well as the re-election of director of the Company. The assessment on all the Directors is also being carried out at regular intervals of at least annually or whenever the Company becomes aware of information that may have materially compromise its director's fitness and propriety. Each director needs to complete their Evaluation Form on annual basis and submits to the Committee for assessment.

The Directors are assessed on the following fit and proper criterias:

- a) Character and integrity
- b) Experience and competence
- c) Time and commitment

The Nomination Committee evaluated each director individually as well as collectively taking into account of their relative importance based on the Directors' Fit and Proper Policy.

The term of the Directors' Fit and Proper Policy is assessed, reviewed and updated where necessary by the Committee before presenting to your Board for approval.

Review the performance of Board Committees

The Nomination Committee evaluated on the needs to establish separate Board Committee to assist the Board on its decision making and continues to review the effectiveness of such committee annually. Upon the recommendation of the Committee, the following Board Committees have been set up with their respective term of reference and to deliberate on their respective areas:-

- a) Audit Committee
- b) Risk Management Committee
- c) Remuneration Committee

During the year, the Nomination Committee has proposed to your Board for the Audit Committee and Risk Management Committee to be combined and known as the Audit and Risk Management Committee ("ARMCO") in order to better meet the effectiveness of both the committees. As the ARMCO shall only comprised of Non-Executive Director, Datuk Ng Yih Pyng has offered to step down from being a member of the Committee.

Review of the independence of the Directors

Your Board of Directors comprises eight (8) members, of whom four (4) are Executive Directors and four (4) are Independent Non-Executive Directors. The composition of our Board meets the requirement of the Code which provides that at least half of the Board members should consist of independent directors. The Independent Directors has declared their independence and non-conflict of interest with the Company in the Performance Evaluation Form on an annual basis. The Nomination Committee has reviewed and satisfied on the independence of the Independent Directors.

Re-election and re-appointment of director

The Nomination Committee has also assessed and recommended to your Board of the proposed re-election and re-appointment of relevant directors by the shareholders at the forthcoming Annual General Meeting ("AGM") of the Company. It assesses and evaluates the Directors individually based on the Directors' Fit and Proper Policy to determine on their status of independence, mix set of skills and experience before deciding on the selection and nomination of directors for their respective re-election or re-appointment. The Board does not have a specific policy on gender, ethnicity and age group for the appointment of its directors. Nevertheless, the current composition of the Board does reflect a mix diversity of gender, ethnicity and age among its director.

According to the Constitution of the Company, at least one third of the directors shall retire from office at the AGM, and eligible for re-election provided that each director shall retire once in every three (3) years. In accordance with this, the Nomination Committee has recommended for the following Directors to retire and eligible for re-election by shareholders at the forthcoming AGM of the Company:-

- a) Datuk Ng Yih Pyng
- b) Ng Sheau Yuen
- c) Datin Choong Chow Mooi

In accordance to the recommendation of the Code, all independent directors shall not hold office for a tenure of more than nine (9) years. However, the said independent director may continue to serve as a non-independent director. Three (3) Independent Directors of the Company have hold office in their present capacity exceeding a period of (9) years.

The Nomination Committee has assessed and satisfied with the independence of the Independent Directors and has recommended to the Board for them to continue serving in their current capacity. Therefore, they will submit themselves for re-appointment by the shareholders in the coming AGM.

All Directors who are due for retirement have expressed their intention to seek for re-election and re-appointment from the shareholders at the forthcoming AGM of the Company.

Resignation and Appointment of Director

The Nomination Committee had on 27 February 2023 deliberated and considered the resignation of Puan Sri Nonadiah Binti Abdullah from the Board, ARMCO, Nomination Committee and Remuneration Committee subject to the Board's approval. On the same date the Nomination Committee also has deliberated and proposed to the Board for the appointment of Tan Sri Dr Madinah Binti Mohamad as the Independent Non-Executive Director and as member of the ARMCO, Nomination Committee and Remuneration Committee.

Tan Sri Dr Madinah Binti Mohamad, being the newly appointed Independent Non-Executive Director of the Company shall retire and subject herself for re-election by shareholders at the forthcoming AGM of the Company.

Assessment of ARMCO

The Nomination Committee has conducted an assessment on the term of office and performance of the ARMCO and each of the members individually. The assessment shall be conducted annually in accordance to the paragraph 15.20 of the Main Market Listing Requirements of Bursa Securities. Upon its assessment, the Nomination Committee is satisfied and has recommended to the Board that the ARMCO has performed up to expectation and in accordance to the term of reference as mandated.

Review the composition of Remuneration Committee

The Nomination Committee has reviewed the composition of the Remuneration Committee to ensure that it complies with the Code. In accordance to the Code, the Remuneration Committee consists of only Independent Non-Executive Director.

Training

The Nomination Committee has reviewed the training requirement of the directors based on their skills and the ongoing current requirement in order for them to discharge their duty diligently. Upon the assessment, the Committee has recommended for all the Directors and the senior management team of the Company to attend the training titled "Regulatory Expectations for Sustainability" which was held on 3 April 2023.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Your Board is pleased to present the Statement on Risk Management and Internal Control (“SORMIC”) pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Securities and is prepared in accordance with the principles and recommendations relating to risk management and internal controls provided in the Malaysian Code on Corporate Governance 2021 and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by Bursa Securities (“Guidelines”).

This statement outlines the nature and scope of risk management and internal control of the Group during the financial year ended 31 December 2022.

BOARD RESPONSIBILITY

Your Board recognises its responsibility and is committed to maintain and enhance the existing system of internal control and risk management affecting the Group’s operations in order to safeguard shareholders’ investments and the Group’s assets. The responsibility of reviewing the adequacy and integrity of the Group’s system of internal control and the risk management framework are delegated to the Audit and Risk Management Committee which reports directly to your Board.

However, there are inherent limitations in any system of internal control system as it is designed to manage rather than to eliminate the risk of failure to meet the Group’s business objectives. Therefore, it can only provide reasonable and not absolute assurance against material misstatement or loss.

MAIN FEATURES OF THE GROUP’S RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL SYSTEM

Risk Management Framework

Your Board recognises that risk management is vital to the sustainability of the Group’s operation and at the same time enhancing shareholders’ value.

Your Board has established a Risk Management Committee which has been merged with the Audit Committee with effect from 26 August 2022 and the merged entity is called Audit and Risk Management Committee or ARMCO. The ARMCO consists solely of independent non-executive directors and one of its main functions is to oversee the risk management of the Group. With reference to ISO 31000-Risk Management, control measures are designed and implemented to counter/mitigate the identified risks. This is an ongoing process by the head of each department who will identify, evaluate and manage key business, operation and financial risks faced by the Group. All the data are compiled into a risk register and updated annually after each review.

Significant risks identified are escalated to the Board for their consideration by the Group Managing Director. The business risks that would impact the most on the Group’s operation are gold price and the USD. The Group monitors the movement of gold price and the USD closely to ensure that such fluctuation does not negatively affect the Group’s performance. This includes entering into certain hedging contracts to hedge against the volatility of prices and exchange rate when the situation warrants such action to be taken and with the prior consent of the Group Managing Director.

The Board plays its role to ensure no breaches of the requirements of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, particularly on the Corporate Liability provision under Section 17A. In this respect the Group has in place procedures designed to prevent associated persons from undertaking corrupt practices by implementing anti-corruption compliance programmes which shall be reviewed at least once in every 3 years to ensure it continues to remain relevant, appropriate and effective. The Group also has a Whistleblowing Policy which provides an avenue for its employees and other stakeholders to report genuine concerns on acts committed by employees and/or directors arising from unethical behavior, malpractices, illegal acts or failure to comply with regulatory requirements without fear of reprisal provided they act in good faith when reporting such concerns. Details of the Whistleblowing Policy and Anti-Corruption Programmes are available on the Group's website at www.tomei.com.my.

Internal Control Framework

The key elements of the Group's internal control framework are described below:

- Limits of authority and responsibility

A clear line of reporting hierarchy has been established which provides for a documented trail of accountability. This includes clearly defined lines and limits of authority, responsibility and accountability which have been established through the Group's organizational structure and authority limits including specific matters requiring your Board's approval.

- Strategic business planning

The Group Managing Director is responsible to come out with business strategy plan and presented to the Board for deliberation and consequential modifications resulting there from. The Board approves the annual performance budget against which performance is monitored on an ongoing basis.

- Documented policies and procedures

The Group's policies and operational procedures are compiled into standard operating manuals and are maintained to streamline activities and are reviewed and updated, when necessary.

- Performance monitoring and reporting

The Group's management team monitors and reviews the financial and operational performance of individual segment within the Group on a monthly basis compared against the operating plans/budgets. The management team formulates and communicates action plans to address areas of concern.

- Financial performance review

The quarterly and annual results of the Group are reviewed by the ARMCO and recommended to the Board for deliberations and approval before being released to Bursa Securities.

- Safeguarding of assets

Sufficient insurance coverage and physical safeguards over major assets including inventory of the Group are in place to ensure that the assets are adequately insured against calamities and/or theft that may result in material loss to the Group.

The internal control and risk management framework is reviewed annually by your Board.

INTERNAL AUDIT FUNCTION

The Internal Audit Department continues to independently, objectively and regularly review key processes, check compliance with policies/procedures, evaluate the adequacy and effectiveness of internal control, risk management and governance processes established by Management and/or the Board within the Group. The annual Internal Audit Plan, established primarily on a risk-based approach, is reviewed and approved by the ARMCO annually. At its quarterly meetings, the Head of Internal Audit Department presented to the Committee for its deliberation, the progress of the Internal Audit Plan 2022, including the status of internal audit assignments, key findings from internal audit reports, audit recommendations by the internal auditors, and the representations made, and the corrective actions taken by Management in addressing and resolving issues and ensured that all issues were adequately addressed on a timely basis. The Head of the Internal Audit Department reports directly to the ARMCO. Your Board, however, is still responsible for ensuring the adherence of the scope of the internal audit function.

Based on the internal audit reviews carried out, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties to the Group.

REVIEW BY THE BOARD

Your Board has considered all the reports presented by the ARMCO and is of the opinion that the measures taken to manage the business, financial and operational risks of the Group are satisfactory and of an acceptable level and the system of internal control in place is effective and adequate for the year under review.

ASSURANCE FROM MANAGEMENT

The Group Managing Director and the Chief Financial Officer have given assurance to your Board that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management framework adopted by the Group.

REVIEW BY EXTERNAL AUDITOR

As required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the external auditors have reviewed this statement and has reported to your Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

This statement is made in accordance with a resolution of the Board of Directors dated 27 February 2023.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

The status of utilisation of proceeds from the Company's subsidiary, YX Precious Metals Bhd's Initial Public Offering on the ACE Market of Bursa Securities Malaysia Berhad as at 31 December 2022 is as follows:

Purposes	Proposed utilisation	Actual utilisation	Balance unutilised	Deviation	Estimated time frame for use (from the Listing Date)
	RM'000	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	21,389	-	528	Within 12 months
Estimated listing expenses	3,500	2,972	-	(528)	Within 3 months
Total	31,261	24,361	6,900	-	

NON-AUDIT FEE

During the financial year ended 31 December 2022, RM74,000 was paid to the external auditor, BDO PLT, for non-audit services.

MATERIAL CONTRACTS

During the financial year, there were no material contract entered into by the Company and/or its subsidiaries involving the interest of its directors or major shareholders.

RECURRENT RELATED PARTY TRANSACTIONS

The aggregate value of the recurrent related party transactions conducted by the Company and/or its subsidiary companies with related parties during the financial year were as follows:-

Transacting parties	Companies within the Group	Nature of transactions	Nature of relationship	Amount of transactions (RM '000)
Ong Tiong Yee & Sons Sdn. Bhd. ("OTY")	YXG	Sales and purchase of jewellery	Note 1	895
Best Arcade Sdn. Bhd. ("BASB")	TGJH	Rental of premises	Note 2	92
Oasis Properties Sdn. Bhd. ("OPSB")	YXG, GPM, TGJM, TS, TGJH, TMKTG	Rental of premises	Note 3	1,379
Gexcel Asia Sdn. Bhd. ("GASB")	GPM	Sales of goods	Note 4	15
	GPM	Purchase of manufacturing tools		124
Pajak Gadai JP Sdn. Bhd. ("PGJP")	TGJH	Rental of premises	Note 5	37
	TGJH	Purchase of goods		168
NTF Jewellery Museum Sdn. Bhd. ("NTFJM")	TS	Rental of advertisement space	Note 6	36
Datuk Ng Yih Pyng ("DNYP")	TGJH	Rental of premises		36
Datin Choong Chow Mooi ("DCCM")	TGJH	Rental of premises		104

DNYP, NYC, and NSY are the major shareholders and directors of Tomei. NSC is the major shareholder of Tomei. DCCM, the spouse of DNYP is a director and shareholder of Tomei.

Wee Ching Yun and Ng Yi Li the directors and major shareholders of NYC Resources Sdn. Bhd., are the spouse and child of NYC.

DNYP, NYC, NSC and NSY are the trustees of Ng Teck Fong Foundation.

DNYP, NYC, NSC, NSY, Ng Teck Fong Foundation and NYC Resources Sdn. Bhd. are collectively known as "The Ng Family".

Abbreviation:-		
Yi Xing Goldsmith Sdn. Bhd. ("YXG")	Tomei Gold & Jewellery Holdings (M) Sdn. Bhd. ("TGJH")	Ng Sheau Yuen ("NSY")
Gemas Precious Metals Industries Sdn. Bhd. ("GPM")	Tomei Signature Sdn. Bhd. ("TS")	Ng Sheau Chyn ("NSC")
Tomei Gold & Jewellery Manufacturing Sdn. Bhd. ("TGJM")	Tomei Marketing Sdn. Bhd. ("TMKTG")	Ng Yih Chen ("NYC")

NOTE 1

The spouse of NSC, Ong Kee Liang, is a director and has a 2% shareholding interest in OTY.

NOTE 2

DNYP, NSC and NSY are directors of BASB. The Ng Family controls 100% shareholding interest in BASB.

NOTE 3

DNYP, NSC and NSY are directors of OPSB. The Ng Family controls 100% shareholding interest in OPSB.

NOTE 4

NSC is a director of GASB. Ng Teck Fong Holdings Sdn. Bhd. is the major shareholder of GASB. NSC is a shareholder and director of Ng Teck Fong Holdings Sdn. Bhd..

NOTE 5

DNYP and DCCM are the only directors and shareholders of PGJP.

NOTE 6

DNYP, NSC and NSY are directors of NTFJM. DNYP, NYC, NSC and NSY collectively control 100% shareholding interest in NTFJM.

DIRECTORS' RESPONSIBILITY STATEMENT IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

Your Board is responsible for ensuring that the financial statements for the financial year which have been drawn up in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the provisions of the Companies Act 2016 (“the Act”) in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements, your Board has used appropriate and relevant accounting policies that are consistently used and supported by reasonable as well as prudent judgements and estimates, and that all applicable approved MFRSs and IFRSs have been complied with.

Your Board is responsible for ensuring that the Group and the Company keep proper accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with MFRSs, IFRSs and the Act.

Your Board also has a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to detect and prevent fraud and other irregularities.

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are mainly manufacturing, retailing and wholesale of gold ornaments and jewellery and other related business and activities. Other details of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	67,457	30,723
Attributable to:		
Owners of the parent	65,907	30,723
Non-controlling interests	1,550	-
	67,457	30,723

DIVIDEND

Dividend paid, declared and proposed since the end of the previous financial year was as follows:-

	Company RM'000
In respect of financial year ended 31 December 2021:	
First and final single tier dividend of 3.0 sen per ordinary share, was paid on 9 June 2022.	4,158

The Directors proposed a first and final single tier dividend of 4.0 sen per ordinary share amounting to RM5,544,000 in respect of the financial year ended 31 December 2022, subject to the approval of shareholders at the forthcoming Annual General Meeting.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2023.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

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

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad
 Datuk Ng Yih Pyng*
 Datuk M Chareon Sae Tang @ Tan Whye Aun
 Lau Tiang Hua
 Datin Choong Chow Mooi*
 Ng Yih Chen*
 Ng Sheau Yuen*
 Tan Sri Dr Madinah Binti Mohamad (Appointed on 27 February 2023)
 Puan Sri Nonadiah Binti Abdullah (Resigned on 27 February 2023)

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

Subsidiaries of the Company (excluding those Directors listed above)

Ng Sheau Chyn
 Lau Chia En
 Low Soon Tak
 Tang Yow Sai
 Aw Ee Leng
 Wong Phait Lee (Appointed on 1 March 2022)
 Samuel Sia Hsiao Guong (Appointed on 24 November 2022)
 Puan Sri Nonadiah Binti Abdullah (Appointed on 28 February 2023)
 Chai Jone Fuu (Resigned on 24 November 2022)
 Tan Sri Azlan Bin Mohd Zainol (Demised on 12 January 2023)

In accordance with Clause 83.1 of the Company's Constitution, Datuk Ng Yih Pyng, Datin Choong Chow Mooi and Ng Sheau Yuen retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

In accordance with Section 202(3) of Companies Act 2016, Tan Sri Dr Madinah Binti Mohamad retires by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for re-election.

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2022 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, were as follows:

	-- Number of ordinary shares --			
	Balance as at 1.1.2022	Acquired	Sold	Balance as at 31.12.2022
Shares in the Company				
<u>Direct interests</u>				
Datuk Ng Yih Pyng	581,239	400,000	-	981,239
Puan Sri Nonadiah Binti Abdullah	2,000,000	-	(1,000,000)	1,000,000
Datin Choong Chow Mooi	1,180,000	-	-	1,180,000
Ng Sheau Yuen	100,000	-	-	100,000
<u>Indirect interests</u>				
Datuk Ng Yih Pyng ¹	82,702,399	-	-	82,702,399
Ng Yih Chen ²	82,777,399	-	-	82,777,399
Ng Sheau Yuen ¹	82,702,399	-	-	82,702,399
Lau Tiang Hua ³	269,000	-	-	269,000

DIRECTORS' INTERESTS (continued)

	Balance as at 1.1.2022	-- Number of ordinary shares --		Balance as at 31.12.2022
		Acquired	Sold	
Shares in the ultimate holding company				
Teck Fong Corporation Sdn. Bhd.				
<u>Direct interests</u>				
Datuk Ng Yih Pyng	200,000	-	-	200,000
Ng Yih Chen	80,000	-	-	80,000
Ng Sheau Yuen	60,000	-	-	60,000

Notes:

- Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Teck Fong Corporation Sdn. Bhd., Tropical Bliss Sdn. Bhd. and being a trustee of Ng Teck Fong Foundation.
- Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Teck Fong Corporation Sdn. Bhd., Tropical Bliss Sdn. Bhd., being a trustee in Ng Teck Fong Foundation and his children Ng Yi Min's, Ng Yi Jie's and Ng Yi Li's shareholding.
- Deemed interest by virtue of his child Gwendolyn Lau Ee Lin's shareholding.

By virtue of their interests in the ordinary shares of the Company, Datuk Ng Yih Pyng, Ng Yih Chen and Ng Sheau Yuen are also deemed to have interest in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

Other than the above, none of the other Directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the following:

- certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which certain Directors have substantial financial interests; and
- certain Directors who received remuneration from the subsidiaries as Directors of the subsidiaries.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Remuneration for the Directors of the Company in respect of the financial year ended 31 December 2022 were as follows:

	Group RM'000	Company RM'000
Fees	305	305
Short term employee benefits	3,210	-
Defined contribution plans	382	-
	<u>3,897</u>	<u>305</u>

The estimated monetary value of benefit-in-kind received by the Directors of the Company amounted to RM64,550.

INDEMNITY AND INSURANCE FOR OFFICERS AND AUDITORS

The Group and the Company effected Directors' and officers' liability insurance during the financial year to protect the Directors and officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors and officers. The insurance premium paid by the Group during the financial year amounted to RM9,000.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY**(I) AS AT THE END OF THE FINANCIAL YEAR**

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**(a) Listing of a subsidiary, YX Precious Metals Bhd ("YXPM") and change in composition of the Group**

On 23 June 2022, the Company's wholly owned subsidiary, YXPM was successfully listed on the ACE Market of Bursa Securities. Following the exercise, the effective interest of the Company in YXPM has reduced to 70% and resulted in a net increase of approximately RM30.8 million to the equity of the Group.

(b) Issuance of Sukuk Murabahah

On 27 June 2022, the Group via its wholly-owned subsidiary, Tomei Gold & Jewellery Holdings (M) Sdn. Bhd. ("Issuer") has lodged with Securities Commission Malaysia ("SC") information and relevant documents pursuant to the SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework for the establishment of an Islamic Medium-Term Notes Programme (Sukuk Murabahah) of up to RM150.0 million in nominal value.

On 8 August 2022, the Issuer has made the first issuance of RM40.0 million of Sukuk Murabahah which was used to reduce the Group's short-term borrowings.

HOLDING COMPANY

The Directors regard Teck Fong Corporation Sdn. Bhd., a company incorporated in Malaysia, as the ultimate holding company.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2022 were as follows:

	Group RM'000	Company RM'000
Statutory audit	228	42
Non-statutory audit	253	5
	<u>481</u>	<u>47</u>

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

.....
Datuk Ng Yih Pyng
Director

Kuala Lumpur
3 April 2023

.....
Ng Yih Chen
Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 58 to 109 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

.....
Datuk Ng Yih Pyng
Director

Kuala Lumpur
3 April 2023

.....
Ng Yih Chen
Director

STATUTORY DECLARATION

I, Tan Syn Wooi (CA 14662), being the officer primarily responsible for the financial management of Tomei Consolidated Berhad, do solemnly and sincerely declare that the financial statements set out on pages 58 to 109 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed)
at Kuala Lumpur this)
3 April 2023)

Tan Syn Wooi

Before me:

Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOMEI CONSOLIDATED BERHAD (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tomei Consolidated Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 58 to 109.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (continued)

a) Carrying amount of inventories at the lower of cost and net realisable value

As at 31 December 2022, the carrying amount of inventories was RM519.8 million as disclosed in Note 9 to the financial statements.

We have focused on audit risk that the carrying amount of inventories may not be stated at the lower of cost and net realisable value. This is due to the main component of inventories is gold and it is a commodity that is subject to price volatility. Judgement is required in estimating the net realisable values of inventories, which were based on Directors' consideration of the age and design of inventories, coupled with market knowledge and fluctuation of gold price.

Audit response

Our audit procedures included:

- (i) analysed inventories turnover period by comparing that to the assessment of the Directors on the identification of slow-moving inventories, which was based on the age, design and future demand of the inventories;
- (ii) challenged assessment of Directors that write down or write back of inventories was appropriate by verifying actual margins and vouching subsequent sales invoices for sales recorded subsequent to the end of the reporting period; and
- (iii) assessed reasonableness of the forecasted margins by comparing to the actual margins achieved with reference to the movements of gold price based on available industry data.

b) Recoverability of trade receivables

As at 31 December 2022, the gross carrying amount of trade receivables of the Group was RM32.7 million, as disclosed in Note 10 to the financial statements.

The Group has impaired trade receivables of RM1.8 million as at 31 December 2022.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the probability of default by trade receivables as well as the use of appropriate forward-looking information.

Our audit procedures included the following:

- (i) assessed the adequacy of credit impaired assessment performed by management on trade receivables exceeding their credit terms and long overdue and old balances;
- (ii) tested the accuracy of trade receivables' ageing;
- (iii) assessed the appropriateness of the probability of default and incorporating forward-looking information adjustment, applied by the Group;
- (iv) recomputed the correlation coefficient between the macroeconomic indicators used by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group;
- (v) inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses; and
- (vi) assessed cash receipts subsequent to the end of the reporting period for its effect in reducing amounts outstanding as at the end of the reporting period.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

Information Other than the Financial Statements and Auditors' Report Thereon (continued)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats and safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants
Kuala Lumpur
3 April 2023

Koo Swee Lin
03281/08/2024 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	15,481	10,973	-	-
Right-of-use assets	6	29,323	19,982	-	-
Trade receivables	10	225	192	-	-
Investments in subsidiaries	7	-	-	160,572	135,745
Deferred tax assets	8	283	779	-	-
		45,312	31,926	160,572	135,745
Current assets					
Inventories	9	519,771	405,027	-	-
Trade and other receivables	10	50,770	47,101	5	207
Current tax assets		-	-	1	1
Cash and bank balances	11	40,638	30,042	1	1
		611,179	482,170	7	209
TOTAL ASSETS		656,491	514,096	160,579	135,954

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	12	73,336	73,336	73,336	73,336
Reserves	13	262,186	197,507	86,729	60,164
		335,522	270,843	160,065	133,500
Non-controlling interests	7	29,852	(6)	-	-
TOTAL EQUITY		365,374	270,837	160,065	133,500
LIABILITIES					
Non-current liabilities					
Other payables	16	787	722	-	-
Borrowings	14	54,690	19,598	-	-
Lease liabilities	6	14,107	9,379	-	-
Deferred tax liabilities	8	438	68	-	-
		70,022	29,767	-	-
Current liabilities					
Trade and other payables	16	36,518	34,973	514	2,454
Borrowings	14	167,004	163,992	-	-
Lease liabilities	6	15,291	10,763	-	-
Current tax liabilities		2,282	3,764	-	-
		221,095	213,492	514	2,454
TOTAL LIABILITIES		291,117	243,259	514	2,454
TOTAL EQUITY AND LIABILITIES		656,491	514,096	160,579	135,954

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	17	974,342	736,069	7,579	33,202
Cost of sales		(762,328)	(597,908)	-	-
Gross profit		212,014	138,161	7,579	33,202
Other income		7,786	8,336	32,148	-
Selling and distribution expenses		(86,495)	(70,225)	-	-
Administrative expenses		(29,626)	(21,877)	(683)	(496)
Other expenses		(1,287)	(1,854)	(8,321)	-
Finance costs	18	(9,817)	(8,306)	-	-
Net losses on impairment of financial assets		(1,209)	(276)	-	-
Profit before tax	19	91,366	43,959	30,723	32,706
Tax expense	20	(23,909)	(11,002)	-	-
Profit for the financial year		67,457	32,957	30,723	32,706

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations		449	(254)	-	-
Other comprehensive income/(loss), net of tax		449	(254)	-	-
Total comprehensive income		67,906	32,703	30,723	32,706
Profit attributable to:					
Owners of the parent		65,907	32,772	30,723	32,706
Non-controlling interests	7	1,550	185	-	-
		67,457	32,957	30,723	32,706
Total comprehensive income attributable to:					
Owners of the parent		66,356	32,518	30,723	32,706
Non-controlling interests	7	1,550	185	-	-
		67,906	32,703	30,723	32,706
Earnings per ordinary share attributable to equity holders of the parent (sen)					
- Basic and diluted	21	47.55	23.65		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Group	Note	Share capital RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling interests 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 year		-	-	32,772	32,772	185	32,957
Foreign currency translations, net of tax		-	(254)	-	(254)	-	(254)
Total comprehensive income		-	(254)	32,772	32,518	185	32,703
Transactions with owners							
Dividend paid	22	-	-	(2,772)	(2,772)	-	(2,772)
Acquisition of additional interest from non-controlling interest		-	-	186	186	(4,360)	(4,174)
Reclassification adjustments relating to dissolution of a subsidiary		-	(258)	(37)	(295)	-	(295)
Balance as at 31 December 2021		-	(258)	(2,623)	(2,881)	(4,360)	(7,241)
		73,336	1,203	196,304	270,843	(6)	270,837

Group	Note	Share capital RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1 January 2022		73,336	1,203	196,304	270,843	(6)	270,837
Profit for the financial year		-	-	65,907	65,907	1,550	67,457
Foreign currency translations, net of tax		-	449	-	449	-	449
Total comprehensive income		-	449	65,907	66,356	1,550	67,906
Transactions with owners							
Dividend paid	22	-	-	(4,158)	(4,158)	-	(4,158)
Shares acquired by non-controlling interest		-	-	-	-	30,789	30,789
Effects arising from dilution of interest in a subsidiary		-	-	2,481	2,481	(2,481)	-
Total transactions with owners		-	-	(1,677)	(1,677)	28,308	26,631
Balance as at 31 December 2022		73,336	1,652	260,534	335,522	29,852	365,374

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

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Company	Note	Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2021		73,336	30,230	103,566
Profit for the financial year		-	32,706	32,706
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	32,706	32,706
Transaction with owners				
Dividend paid	22	-	(2,772)	(2,772)
Balance as at 31 December 2021		73,336	60,164	133,500
Balance as at 1 January 2022		73,336	60,164	133,500
Profit for the financial year		-	30,723	30,723
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	30,723	30,723
Transaction with owners				
Dividend paid	22	-	(4,158)	(4,158)
Balance as at 31 December 2022		73,336	86,729	160,065

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		91,366	43,959	30,723	32,706
Adjustments for:					
Bad debts written off	19	42	-	-	-
Depreciation of property, plant and equipment	5	4,864	4,831	-	-
Depreciation of right-of-use assets	6	15,655	14,460	-	-
Fair value loss on derivative liabilities	19	70	221	-	-
Finance costs	18	9,817	8,306	-	-
Gain on disposal of property, plant and equipment	19	(301)	(552)	-	-
Gain on disposal of subsidiaries	19	-	-	(32,148)	-
Gain on dissolution of a subsidiary	19	-	(538)	-	-
Gross dividend income	17	-	-	(7,579)	(33,202)
Interest income		(55)	-	-	-
Impairment on investments in subsidiaries	7	-	-	8,321	-
Impairment losses on property, plant and equipment	5	-	216	-	-
Impairment losses on trade and other receivables	10(g)	1,394	379	-	-
Net unrealised gain on foreign exchange	19	(108)	(393)	-	-
Net unrealised gain on gold price fluctuation	19	-	(33)	-	-
Property, plant and equipment written off	5	313	165	-	-
Reversal of provision for restoration cost	16(e)	(89)	(23)	-	-
Reversal of lease liabilities	6	(1,756)	(26)	-	-
Reversal of impairment losses on trade and other receivables	10(g)	(184)	(103)	-	-
Reversal of impairment losses on property, plant and equipment	5	(216)	-	-	-
Right-of-use assets written off	6	1,714	24	-	-
Operating profit/(loss) before changes in working capital		122,526	70,893	(683)	(496)

STATEMENTS OF CASH FLOWS FOR
THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (continued)

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Operating profit/(loss) before changes in working capital (continued)		122,526	70,893	(683)	(496)
Changes in working capital:					
Inventories		(114,744)	(23,107)	-	-
Trade and other receivables		(5,094)	(14,576)	190	-
Trade and other payables		1,411	(941)	(2,064)	2,102
Cash generated from/(used in) operations		4,099	32,269	(2,557)	1,606
Interest paid		(6,389)	(6,826)	-	-
Tax paid		(24,538)	(9,318)	*	*
Tax refunded		13	41	-	-
Net cash (used in)/from operating activities		(26,815)	16,166	(2,557)	1,606
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of additional interests in subsidiaries		-	-	(1,000)	-
Addition of right-of-use assets	6(d)	(213)	(114)	-	-
Interest income		55	-	-	-
Net repayments from subsidiaries		-	-	7,715	1,016
Purchase of property, plant and equipment	5	(9,472)	(3,375)	-	-
Proceeds from disposal of property, plant and equipment		486	681	-	-
Short term deposits held as security placed with Security Trustee	11(e)	(527)	-	-	-
Net cash (used in)/from investing activities		(9,671)	(2,808)	6,715	1,016

* Amount is less than RM1,000.

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid	22	(4,158)	(2,772)	(4,158)	(2,772)
Interest/Finance cost on IMTN paid		(1,302)	(321)	-	-
Lease interest paid	6(h)	(59)	(45)	-	-
Net (repayments)/drawdown of:					
- short term borrowings	14(i)	(14,316)	1,301	-	-
- term loans	14(i)	(5,256)	23,585	-	-
Net proceeds from issuance of shares to non-controlling interest		30,789	-	-	-
Payments for lease liabilities	6(h)	(16,806)	(12,020)	-	-
Proceeds from issuance of Islamic Medium-Term Notes	14(i)	40,000	-	-	-
Net cash from/(used in) financing activities		28,892	9,728	(4,158)	(2,772)
Net (decrease)/increase in cash and cash equivalents		(7,594)	23,086	-	(150)
Effects of exchange rate changes on cash and cash equivalents		(13)	(7)	-	-
Cash and cash equivalents at beginning of financial year		29,027	5,948	1	151
Cash and cash equivalents at end of financial year	11(e)	21,420	29,027	1	1

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

1. CORPORATE INFORMATION

Tomei Consolidated Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at SO-26-02, Menara 1, No. 3 Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur.

The principal place of business of the Company is located at No. 8-1, Jalan 2/131A, Project Jaya Industrial Estate, Batu 6, Jalan Kelang Lama, 58200 Kuala Lumpur.

The ultimate holding company is Teck Fong Corporation Sdn. Bhd., a company incorporated in Malaysia.

The consolidated financial statements for the financial year ended 31 December 2022 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 3 April 2023.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are mainly retailing and in manufacturing and wholesale of gold ornaments and jewellery and related business and activities. The principal activities and details of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new Amendments to MFRSs during the financial year. The new Amendments to MFRSs adopted during the financial year are disclosed in Note 28.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

4. OPERATING SEGMENTS

Tomei Consolidated Berhad and its subsidiaries are principally engaged in retailing and in manufacturing and wholesale of gold ornaments and jewellery.

Tomei Consolidated Berhad has two (2) reportable segments that are based on information reported internally to the Group Managing Director. The reportable segments are summarised as follows:

- (a) Retail
- (b) Manufacturing and wholesale

The Group evaluates the operating segments' performance on the basis of profit or loss before tax.

Inter-segment revenue is priced at arm's length and on terms not more favourable than sales to external customers and is eliminated in the consolidated financial statements.

Segment assets exclude tax assets used primarily for corporate purpose.

4. OPERATING SEGMENTS (continued)

Segment liabilities exclude tax liabilities are allocated to the segments based on relevant factors. Details are provided in the reconciliations of segment assets and liabilities to the group position.

2022	Retail RM'000	Manufacturing and wholesale RM'000	Total RM'000
Segment revenue			
Total revenue	744,638	298,042	1,042,680
Inter-segment sales	(27,207)	(41,131)	(68,338)
Revenue from external customers	717,431	256,911	974,342
Interest income	4	51	55
Finance costs	9,216	601	9,817
Depreciation of property, plant and equipment	4,419	445	4,864
Depreciation of right-of-use assets	15,406	249	15,655
Segment profit before tax	78,147	13,219	91,366
Tax expense	20,091	3,818	23,909
Other non-cash items:			
- Bad debts written off	42	-	42
- Fair value loss on derivative liabilities	70	-	70
- Gain on disposal of property, plant and equipment	(281)	(20)	(301)
- Impairment loss on trade and other receivables	1,336	58	1,394
- Net unrealised (gain)/loss on foreign exchange	(112)	4	(108)
- Property, plant and equipment written off	313	-	313
- Reversal of provision for restoration cost	(89)	-	(89)
- Reversal of lease liabilities	(1,756)	-	(1,756)
- Reversal of impairment loss on trade and other receivables	(44)	(140)	(184)
- Reversal of impairment loss on property, plant and equipment	(216)	-	(216)
- Right-of-use assets written off	1,714	-	1,714
Capital expenditure	7,276	2,196	9,472
Segment assets	705,732	107,027	812,759
Segment liabilities	283,713	7,340	291,053

4. OPERATING SEGMENTS (continued)

2021	Retail RM'000	Manufacturing and wholesale RM'000	Total RM'000
Segment revenue			
Total revenue	483,747	265,384	749,131
Inter-segment sales	(5,818)	(7,244)	(13,062)
Revenue from external customers	477,929	258,140	736,069
Finance costs	7,457	849	8,306
Depreciation of property, plant and equipment	4,524	307	4,831
Depreciation of right-of-use assets	14,265	195	14,460
Segment profit before tax	34,669	9,290	43,959
Tax expense	8,815	2,187	11,002
Other non-cash items:			
- Fair value loss on derivative liabilities	221	-	221
- Gain on dissolution of a subsidiary	(538)	-	(538)
- Gain on disposal of property, plant and equipment	(196)	(356)	(552)
- Impairment loss on property, plant and equipment	216	-	216
- Impairment loss on trade and other receivables	256	123	379
- Property, plant and equipment written off	165	-	165
- Right-of-use assets written off	24	-	24
- Reversal of impairment loss on trade and other receivables	(57)	(46)	(103)
- Reversal of lease liabilities	(26)	-	(26)
- Reversal of provision for restoration cost	(23)	-	(23)
- Net unrealised gain on foreign exchange	(389)	(4)	(393)
- Net unrealised gain on gold price fluctuation	(33)	-	(33)
Capital expenditure	2,235	1,140	3,375
Segment assets	567,328	79,811	647,139
Segment liabilities	226,310	19,893	246,203

4. OPERATING SEGMENTS (continued)

Reconciliations of reportable segment assets and liabilities to the corresponding amounts of the Group are as follows:

	2022 RM'000	2021 RM'000
Assets		
Total assets for reportable segments	812,759	647,139
Elimination of inter-segment balances	(156,551)	(133,822)
	<hr/>	<hr/>
Tax assets	656,208	513,317
	283	779
	<hr/>	<hr/>
Assets of the Group per consolidated statement of financial position	656,491	514,096
	<hr/>	<hr/>
Liabilities		
Total liabilities for reportable segments	291,053	246,203
Elimination of inter-segment balances	(2,656)	(6,776)
	<hr/>	<hr/>
Tax liabilities	288,397	239,427
	2,720	3,832
	<hr/>	<hr/>
Liabilities of the Group per consolidated statement of financial position	291,117	243,259
	<hr/>	<hr/>

Geographical information

The Group operates predominantly in Malaysia. As such, geographical information is not presented.

Major customers

There are no major customers with revenue equal or more than ten (10%) percent of the Group revenue. As such, information on major customers is not presented.

5. PROPERTY, PLANT AND EQUIPMENT

Group 2022	Balance as at 1 January RM'000	Additions RM'000	Reclassification (Note 6) RM'000	Disposal RM'000	Written off RM'000	Depreciation charge for the financial year RM'000	Reversal of Impairment during the financial year RM'000	Translation adjustments RM'000	Balance as at 31 December RM'000
Carrying amount									
Buildings	99	-	-	-	-	(19)	-	47	127
Computer equipment	619	589	410	-	-	(380)	1	-	1,239
Plant and machineries	842	1,925	457	-	-	(273)	-	-	2,951
Motor vehicles	27	378	133	(185)	-	(98)	-	-	255
Furniture and fittings	4,132	3,036	(448)	-	(127)	(1,729)	85	-	4,949
Office equipment	1,402	1,046	23	-	(27)	(635)	23	-	1,832
Renovation and electrical installations	3,243	2,143	14	-	(156)	(1,653)	105	2	3,698
Tools, equipment and moulds	144	355	9	-	(3)	(77)	2	-	430
Capital work-in progress	465	-	(465)	-	-	-	-	-	-
	10,973	9,472	133	(185)	(313)	(4,864)	216	49	15,481

At 31 December 2022			
Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000	
401	(274)	127	Buildings
6,453	(5,214)	1,239	Computer equipment
9,332	(6,381)	2,951	Plant and machineries
2,805	(2,550)	255	Motor vehicles
23,844	(18,895)	4,949	Furniture and fittings
8,789	(6,957)	1,832	Office equipment
16,692	(12,994)	3,698	Renovation and electrical installations
1,569	(1,139)	430	Tools, equipment and moulds
69,885	(54,404)	15,481	

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2021	Balance as at 1 January RM'000	Additions RM'000	Reclassification from right-of-use assets (Note 6) RM'000	Disposal RM'000	Written off RM'000	Depreciation charge for the financial year RM'000	Impairment during the financial year RM'000	Translation adjustments RM'000	Balance as at 31 December RM'000
Carrying amount									
Buildings	94	-	-	-	-	(18)	-	23	99
Computer equipment	266	685	-	-	(18)	(313)	(1)	-	619
Plant and machineries	846	211	-	-	-	(215)	-	-	842
Motor vehicles	50	5	129	(129)	-	(28)	-	-	27
Furniture and fittings	5,240	797	-	-	(14)	(1,806)	(85)	-	4,132
Office equipment	1,418	635	-	-	(27)	(601)	(23)	-	1,402
Renovation and electrical installations	4,749	459	-	-	(105)	(1,803)	(105)	48	3,243
Tools, equipment and moulds	76	118	-	-	(1)	(47)	(2)	-	144
Capital work-in progress	-	465	-	-	-	-	-	-	465
	12,739	3,375	129	(129)	(165)	(4,831)	(216)	71	10,973

At 31 December 2021			
	Cost RM'000	Accumulated depreciation and impairment RM'000	Carrying amount RM'000
Buildings	348	(249)	99
Computer equipment	4,476	(3,857)	619
Plant and machineries	6,973	(6,131)	842
Motor vehicles	1,456	(1,429)	27
Furniture and fittings	24,064	(19,932)	4,132
Office equipment	7,682	(6,280)	1,402
Renovation and electrical installations	15,159	(11,916)	3,243
Tools, equipment and moulds	1,235	(1,091)	144
Capital work-in progress	465	-	465
	61,858	(50,885)	10,973

5. PROPERTY, PLANT AND EQUIPMENT (continued)

- (a) Each class of property, plant and equipment are measured after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses.

Capital work-in-progress represents machinery under installation and is stated at cost. Capital work-in-progress is not depreciated until such time when the asset is available for use.

Depreciation is calculated to write off the cost of the assets to their residual value on a straight line basis over their estimated useful lives at the following annual depreciation rates:

Buildings	3% - 4%
Computer equipment	20%
Plant and machineries	10% - 33%
Motor vehicles	10% - 20%
Furniture and fittings	20%
Office equipment	17% - 33%
Renovation and electrical installations	17% - 20%
Tools, equipment and moulds	20%

Changes in the expected level of usage and technological developments could impact the economic useful lives or the annual rates of depreciation and the residual values of these assets and therefore, future depreciation charges could be revised.

6. LEASES

Right-of-use assets

	Balance as at 1.1.2022 RM'000	Reclassification to property, plant and equipment (Note 5) RM'000	Additions RM'000	Depreciation RM'000	Written off RM'000	Balance as at 31.12.2022 RM'000
Carrying amount						
Leasehold land	413	-	-	(18)	-	395
Office and retail space	18,202	-	25,896	(15,052)	(1,683)	27,363
Motor vehicles under hire purchase	905	(133)	773	(429)	-	1,116
Computer equipment under hire purchase	307	-	-	(67)	-	240
Provision for restoration cost	155	-	174	(89)	(31)	209
	19,982	(133)	26,843	(15,655)	(1,714)	29,323

Lease liabilities

	Balance as at 1.1.2022 RM'000	Additions RM'000	Lease payments RM'000	Lease concessions RM'000	Interest expense RM'000	Early settlement RM'000	Reversal RM'000	Balance as at 31.12.2022 RM'000
Carrying amount								
Office and retail space	18,900	25,896	(16,023)	(262)	1,624	-	(1,756)	28,379
Motor vehicles under hire purchase	945	560	(725)	-	41	9	-	830
Computer equipment under hire purchase	297	-	(126)	-	18	-	-	189
	20,142	26,456	(16,874)	(262)	1,683	9	(1,756)	29,398

6. LEASES (continued)

Right-of-use assets

Carrying amount	Balance as at 1.1.2021 RM'000	Reclassification to property, plant and equipment (Note 5) RM'000	Additions RM'000	Depreciation RM'000	Written off RM'000	Balance as at 31.12.2021 RM'000
Leasehold land	431	-	-	(18)	-	413
Office and retail space	17,909	-	13,983	(13,666)	(24)	18,202
Motor vehicles under hire purchase	1,299	(129)	375	(640)	-	905
Computer equipment under hire purchase	-	-	335	(28)	-	307
Provision for restoration cost	185	-	78	(108)	-	155
	19,824	(129)	14,771	(14,460)	(24)	19,982

Lease liabilities

Carrying amount	Balance as at 1.1.2021 RM'000	Additions RM'000	Lease payments RM'000	Lease concessions RM'000	Interest expense RM'000	Early settlement RM'000	Reversal RM'000	Balance as at 31.12.2021 RM'000
Office and retail space	18,919	13,983	(11,514)	(3,560)	1,098	-	(26)	18,900
Computer equipment under hire purchase	-	339	(52)	-	10	-	-	297
Motor vehicles under hire purchase	1,148	261	(505)	-	35	6	-	945
	20,067	14,583	(12,071)	(3,560)	1,143	6	(26)	20,142

6. LEASES (continued)

Represented by:

Current liabilities
Non-current liabilities

Group	
2022 RM'000	2021 RM'000
15,291	10,763
14,107	9,379
<u>29,398</u>	<u>20,142</u>
1,019	1,242
28,379	18,900
<u>29,398</u>	<u>20,142</u>

Lease liabilities owing to financial institutions
Lease liabilities owing to non-financial institutions

- (a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	25 years
Office and retail space	2 - 5 years
Motor vehicles	5 years
Computer equipment	5 years
Provision for restoration cost	5 years

- (b) The Group has certain leases of office and retail space with lease term of 12 months or less, and low value leases of RM5,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.
- (c) The following are the amounts recognised in profit or loss:

Group	
2022 RM'000	2021 RM'000
Depreciation charge of right-of-use assets (included in selling and distribution and administration expenses)	15,655
Interest expense on lease liabilities (included in finance costs)	1,683
Lease payments on short-term leases (included in cost of sales and administration expenses)	4,879
Lease payments on low-value assets leases (included in administration expenses)	9
Variable lease payments:	
- others (included in selling and distribution expenses)	2,661
- arising from COVID-19 related rent concessions (included in other income)	(262)
<u>24,625</u>	<u>19,386</u>

6. LEASES (continued)

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

The Group has entered into tenancy agreements for the lease of outlets, which contain variable lease payments, which is the common commercial practice in Malaysia, based on predetermined revenue thresholds. The Group has determined that these contingent rental features are not embedded derivatives to be separately accounted for due to the economic characteristics and risk of these contingent rental features are closely related to the economic characteristics and risk of the underlying tenancy agreements. There are no leverage features contained within these contingent rental features.

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

	Group	
	2022 RM'000	2021 RM'000
Included in net cash from operating activities:		
Payment relating to short-term leases and low value assets	4,888	5,234
Payment relating to variable lease payments not included in the measurement of lease liabilities	2,661	2,109
Included in net cash from investing activities:		
Purchase of right-of-use assets	213	114
Included in net cash from financing activities:		
Payment of lease liabilities	16,806	12,020
Lease interest paid	59	45
Total cash outflows for leases	24,627	19,522

(e) Some leases of retail outlets contain variable lease payments that are based on sales that the Group and the Company makes at the outlets. Those payments are common in retail outlets in Malaysia. Fixed and variable rental payments were as follows:

	Fixed payments RM'000	Variable payments RM'000	Total payments RM'000	Estimated annual impact on rent of a 1% increase in sales RM'000
Group 2022				
Leases with lease payments based on sales	16,023	2,661	18,684	27
2021				
Leases with lease payments based on sales	11,514	2,109	13,623	21

6. LEASES (continued)

- (f) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of the Group that are exposed to interest rate risk:

Group 31 December 2022	Weighted average incremental borrowing rate per annum %	Within one (1) year RM'000	Later than one (1) year but not later than five (5) years RM'000	Total RM'000
Lease liabilities				
Fixed rate	5.24%	391	628	1,019
Floating rate	6.00%	14,900	13,479	28,379
31 December 2021				
Lease liabilities				
Fixed rate	5.11%	608	634	1,242
Floating rate	6.00%	10,155	8,745	18,900

- (g) The table below summarises the maturity profile of the lease liabilities of the Group at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group 31 December 2022	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	Total RM'000
Lease liabilities	16,596	14,741	31,337
31 December 2021			
Lease liabilities	11,642	9,765	21,407

- (h) A reconciliation of liabilities arising from financing activities is as follows:

	Group	
	2022 RM'000	2021 RM'000
Balance as at 1 January	20,142	20,067
Cash flows		
- Payments of lease liabilities	(16,806)	(12,020)
- Payments of lease interest	(59)	(45)
Non-cash changes		
- Additions	26,456	14,583
- Lease concessions	(262)	(3,560)
- Interest expenses	1,683	1,143
- Reversal of lease liabilities due to termination	(1,756)	(26)
Balance as at 31 December	29,398	20,142

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
At cost:		
- Unquoted shares	116,793	135,745
- Quoted shares in Malaysia	52,100	-
	<hr/>	<hr/>
	168,893	135,745
	(8,321)	-
	<hr/>	<hr/>
Less: Impairment losses of investments in unquoted shares	160,572	135,745
	<hr/>	<hr/>

- (a) Investment in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

All components of non-controlling interests shall be initially measured at fair value on the acquisition date, unless another measurement basis is required by MFRS. The choice of the measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of the non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Management reviews the investments in subsidiaries for impairment when there is an indication of impairment. Recoverable amounts of the investments in subsidiaries are assessed by reference to the higher of the fair values less cost to sell of the underlying assets or the value in use of the respective subsidiaries. Estimating a value in use requires management to make an estimate of the expected future cash flows to be derived from continuing use of the asset and from its ultimate disposal, expectations about possible variations in the amount, timing of those cash flows, the time value of money, price for inherent uncertainty risk and other relevant factors.

In the current financial year, impairment loss of RM8,321,000 was recognised to bring the carrying amounts of certain subsidiaries of the Company to their recoverable amounts as currently these subsidiaries are dormant.

- (b) In the previous financial year, the Company had subscribed for additional 5,800,000 and 22,276,000 new ordinary shares in its wholly owned subsidiaries Tomei Gold & Jewellery Holdings (M) Sdn. Bhd. and Tomei Gold & Jewellery Manufacturing Sdn. Bhd. respectively at an issue price of RM1 via capitalisation of amount due from the subsidiaries which amounted to RM28,076,000.
- (c) The details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective equity interest		Principal activities
		2022	2021	
<u>Direct subsidiaries</u>				
Tomei Gold & Jewellery Manufacturing Sdn. Bhd. ('TGJM') ⁽⁵⁾	Malaysia	100%	100%	Design and manufacturing of gemstone jewellery
Tomei Gold & Jewellery Holdings (M) Sdn. Bhd. ('TGJH') ⁽⁵⁾	Malaysia	100%	100%	Investment holding and distribution of jewellery
YX Precious Metals Bhd ('YXPM') ⁽²⁾	Malaysia	70%	100%	Investment holding
Yi Xing Goldsmith Sdn. Bhd. ('YXG') ⁽¹⁾	Malaysia	-	100%	Wholesale of gold jewellery and other related products and services

7. INVESTMENTS IN SUBSIDIARIES (continued)

(c) The details of the subsidiaries are as follows: (continued)

Name of company	Country of incorporation/ Principal place of business	Effective equity interest		Principal activities
		2022	2021	
<i><u>Direct subsidiaries (continued)</u></i>				
Gemas Precious Metals Industries Sdn. Bhd. ('GPM') ⁽¹⁾	Malaysia	-	100%	Design and manufacture of gold jewellery and other related products and services
Emas Assayer Sdn. Bhd. ('EASB') ⁽¹⁾	Malaysia	-	100%	Dormant
GPM Refinery Sdn. Bhd. ('GPMR') ⁽¹⁾	Malaysia	-	100%	Provision of precious metal refining services
Tomei Retail Sdn. Bhd. ('TR') ⁽¹⁰⁾	Malaysia	100%	100%	Investment holding and retailing of jewellery
TXG Financial Solutions Sdn. Bhd.	Malaysia	100%	100%	Moneylending and trading of bullion
TXG Bullion Sdn. Bhd. ('TXGB') ^{(6) (9)}	Malaysia	100%	-	Trading of bullion
Tomei Marketing Sdn. Bhd.	Malaysia	100%	100%	Dormant
Flawless Skin Care Sdn. Bhd.	Malaysia	100%	100%	Dormant
O M Design Sdn. Bhd. ('OMD')	Malaysia	100%	100%	Dormant
Tomei Services Sdn. Bhd.	Malaysia	100%	100%	Dormant
Gemological Int. Malaysia Sdn. Bhd. ^{(7) (8)}	Malaysia	100%	-	Dormant
<i><u>Subsidiaries of TR</u></i>				
Tomei Signature Sdn. Bhd. ('TS')	Malaysia	100%	100%	Retailing of jewellery
Tomei Diamond Sdn. Bhd. ('TD') ⁽¹⁰⁾	Malaysia	100%	100%	Retailing of jewellery
Tomei Collections Sdn. Bhd. ('TC') ⁽¹⁰⁾	Malaysia	100%	100%	Retailing of jewellery
Le Lumiere Sdn. Bhd.	Malaysia	100%	100%	Retailing of jewellery
De Beers Diamond Jewellers Sdn. Bhd.	Malaysia	100%	100%	Retailing of jewellery
MyTomei Sdn. Bhd.	Malaysia	100%	100%	Retailing of jewellery
Gemological Laboratory Malaysia Sdn. Bhd. ('GLM')	Malaysia	70%	70%	Training and laboratory services
Go Gold Shop Sdn. Bhd.	Malaysia	100%	100%	Retailing of jewellery
Tomei Digital Sdn. Bhd. ('Tomei Digital') ^{(4) (8) (9)}	Malaysia	75%	-	Provision of online application services

7. INVESTMENTS IN SUBSIDIARIES (continued)

(c) The details of the subsidiaries are as follows: (continued)

Name of company	Country of incorporation/ Principal place of business	Effective equity interest		Principal activities
		2022	2021	
<u>Subsidiaries of TGJH</u>				
Tomei (Vietnam) Company Limited ⁽³⁾	Socialist Republic of Vietnam	100%	100%	Manufacturing of semi-finished jewellery
<u>Subsidiaries of YXPM</u>				
Yi Xing Goldsmith Sdn. Bhd. ('YXG') ⁽¹⁾	Malaysia	100%	-	Wholesale of gold jewellery and other related products and services
Gemas Precious Metals Industries Sdn. Bhd. ('GPM') ⁽¹⁾	Malaysia	100%	-	Design and manufacture of gold jewellery and other related products and services
Emas Assayer Sdn. Bhd. ('EASB') ⁽¹⁾	Malaysia	100%	-	Dormant
GPM Refinery Sdn. Bhd. ('GPMR') ⁽¹⁾	Malaysia	100%	-	Provision of precious metal refining services

- (1) On 12 April 2022, the Company has disposed of its entire stake in subsidiaries namely YXG, GPM, EASB and GPMR to YXPM for a consideration of RM52.1 million and satisfied via the issuance of 260,501,990 ordinary shares of RM0.20 each in YXPM.
- (2) On 23 June 2022, YXPM has undertaken a public issue of 111,648,000 new shares. Following the exercise, the effective interest of the Company in YXPM has reduced to 70%.
- (3) Subsidiary audited by BDO Member Firms.
- (4) On 19 August 2022, the Company incorporated a 75% owned subsidiary, Tomei Digital with paid up share capital RM100.
- (5) These companies manufacture and distribute jewellery to retail outlets within Tomei Group.
- (6) On 17 March 2022, the Company incorporated a wholly-owned subsidiary, TXGB with paid up share capital of RM 2. The Company has on 30 September 2022 subscribed for additional 999,998 new ordinary shares at an issue price of RM1 for cash consideration.
- (7) On 16 November 2022, the Company incorporated a wholly-owned subsidiary, Gemological Int Malaysia Sdn. Bhd. with paid up share capital of RM2.
- (8) These are newly incorporated companies and their first set of audited financial statements shall be prepared within 18 months from the date of incorporation under Section 248(1)(a) (i.e. 31 December 2023).
- (9) The companies have not commenced business.
- (10) TD and TC have ceased their retail outlets' operations effective from 30 June 2022 and 30 November 2022, respectively.

7. INVESTMENTS IN SUBSIDIARIES (continued)

(d) The subsidiaries of the Group that have non-controlling interests ('NCI') are as follows:

2022	YXPM Group	Tomei Digital	GLM	OMD	Total
NCI percentage of ownership and voting interests	30%	25%	30%	-	
Carrying amount of NCI (RM'000)	29,817	*	35	-	29,852
Profit allocated to NCI (RM'000)	1,508	*	42	-	1,550
Other comprehensive income allocated to NCI (RM'000)	-	-	-	-	-
Total comprehensive income allocated to NCI (RM'000)	1,508	*	42	-	1,550
2021					
NCI percentage of ownership and voting interests	-	-	30%	-	
Carrying amount of NCI (RM'000)	-	-	(6)	-	(6)
(Loss)/Profit allocated to NCI (RM'000)	-	-	(1)	186	185
Other comprehensive income allocated to NCI (RM'000)	-	-	-	-	-
Total comprehensive (loss)/income allocated to NCI (RM'000)	-	-	(1)	186	185

*Amount is less than RM1,000

7. INVESTMENTS IN SUBSIDIARIES (continued)

- (e) The summarised financial information before intra-group elimination of YXPM Group that had material NCI as at the end of the financial year were as follows:

	YXPM Group 2022 RM'000
Assets and liabilities	
Non-current assets	4,470
Current assets	102,623
Non-current liabilities	(773)
Current liabilities	(6,930)
	<hr/>
Net assets	99,390
	<hr/>
Results	
Revenue	298,042
Profit for the financial year	9,401
Total comprehensive income	9,401
	<hr/>
Cash flows from operating activities	1,141
Cash flows used in investing activities	(2,125)
Cash flows from financing activities	18,649
	<hr/>
Net increase in cash and cash equivalents	17,665
	<hr/>

8. DEFERRED TAX

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

	Group	
	2022 RM'000	2021 RM'000
Balance as at 1 January	(711)	(1,075)
Recognised in profit or loss (Note 20)		
- current year	503	328
- prior years	363	36
	<hr/>	<hr/>
Balance as at 31 December	155	(711)
	<hr/>	<hr/>
Presented after appropriate offsetting:		
Deferred tax assets, net	(283)	(779)
	<hr/>	<hr/>
Deferred tax liabilities, net	438	68
	<hr/>	<hr/>

8. DEFERRED TAX (continued)

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

	Group	
	2022 RM'000	2021 RM'000
Deferred tax assets		
Balance as at 1 January	779	1,158
Recognised in profit or loss		
Property, plant and equipment	(408)	120
Unused tax losses	-	(164)
Other deductible temporary differences	(88)	(335)
	(496)	(379)
Deferred tax assets as at 31 December, net	283	779
Deferred tax liabilities		
Balance as at 1 January	68	83
Recognised in profit or loss		
Property, plant and equipment	1,091	(3)
Other taxable temporary differences	(721)	(12)
	370	(15)
Deferred tax liabilities as at 31 December, net	438	68

(c) The components of deferred tax assets and liabilities as at the end of each reporting period comprise the tax effects of:

	Group	
	2022 RM'000	2021 RM'000
Deferred tax assets		
Property, plant and equipment	139	547
Other deductible temporary differences	144	232
	283	779
Deferred tax liabilities		
Property, plant and equipment	1,220	129
Other taxable temporary differences	(782)	(61)
	438	68

8. DEFERRED TAX (continued)

- (d) The amounts of temporary differences for which no deferred tax assets have been recognised in the statement of financial position are as follows:

	Group	
	2022 RM'000	2021 RM'000
Other deductible temporary differences	5,071	4,546
Unused tax losses		
- Expires by 31 December 2028	686	686
- Expires by 31 December 2030	1,045	1,045
- Expires by 31 December 2031	318	318
- Expires by 31 December 2032	64	-
	<u>7,184</u>	<u>6,595</u>

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The unutilised tax losses can be carried forward up to ten (10) consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities.

9. INVENTORIES

	Group	
	2022 RM'000	2021 RM'000
At cost		
Finished goods	454,550	362,511
Work-in-progress	16,407	16,729
Raw material	46,867	20,742
Consumables	1,372	4,333
	<u>519,196</u>	<u>404,315</u>
At net realisable value		
Finished goods	399	536
Work-in-progress	176	176
	<u>575</u>	<u>712</u>
	<u>519,771</u>	<u>405,027</u>

- (a) Cost is determined on a weighted average basis or specific identification as appropriate and comprises the original cost of purchase plus the cost of bringing the inventories to their present location and condition.
- (b) Cost of inventories of the Group recognised as cost of sales during the financial year amounted to RM758,698,000 (2021: RM589,526,000).

9. INVENTORIES (continued)

- (c) The Group writes down its slow-moving inventories based on specific assessment by Directors. Judgement is required in estimating the net realisable values of inventories, which were based on Directors' consideration of the age and design of inventories, coupled with market knowledge of the merchandising department and the fluctuation of the market price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

There is no inventories written down during the financial year as the Group is able to sell inventories above their carrying amounts.

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Non-current				
Trade receivables				
Loan to customer	225	192	-	-
Current				
Trade receivables				
Third parties	32,060	33,390	-	-
Loan to customer	462	96	-	-
	32,522	33,486	-	-
Less: Impairment losses	(1,846)	(881)	-	-
	30,676	32,605	-	-
Other receivables and deposits				
Amounts owing by subsidiaries	-	-	-	12
Other receivables	999	616	2	-
Deposits	14,583	10,286	-	192
	15,582	10,902	2	204
Less: Impairment losses	(439)	(194)	-	-
	15,143	10,708	2	204
Total current receivables, net of prepayments	45,819	43,313	2	204
Prepayments	4,951	3,788	3	3
Total current trade and other receivables	50,770	47,101	5	207
Total trade and other receivables	50,995	47,293	5	207

(a) Total receivables excluding prepayments are classified as financial assets measured at amortised cost.

(b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 7 to 90 days (2021: 7 to 90 days) from date of invoice. The credit period for trade receivables arising from money lending is based on the tenure of the money lending agreement. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

10. TRADE AND OTHER RECEIVABLES (continued)

- (c) In the previous financial year, the amounts owing by subsidiaries represented advances, which were unsecured, interest free and payable within the next twelve months.
- (d) The currency exposure profile of trade and other receivables (exclude prepayments) are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Ringgit Malaysia ('RM')	38,227	42,229	2	204
United States Dollar ('USD')	7,511	1,115	-	-
Vietnam Dong ('VND')	66	18	-	-
Singapore Dollar ('SGD')	22	83	-	-
Hong Kong Dollar ('HKD')	212	50	-	-
Others	6	10	-	-
	46,044	43,505	2	204

- (e) The following table demonstrates the sensitivity of the profit after tax of the Group to a reasonably possible change in the USD, VND, SGD and HKD exchange rates against the functional currency of the Group, with all other variables held constant.

		Group	
		2022 Profit after tax RM'000	2021 Profit after tax RM'000
USD/RM	-strengthen by 5%	+285	+42
	-weaken by 5%	-285	-42
VND/RM	-strengthen by 5%	+3	+1
	-weaken by 5%	-3	-1
SGD/RM	-strengthen by 5%	+1	+3
	-weaken by 5%	-1	-3
HKD/RM	-strengthen by 5%	+8	+2
	-weaken by 5%	-8	-2

Any change in other foreign currencies exchange rates against the respective functional currencies of the Group entities would not have any significant impact to the Group's financial statements.

- (f) Impairment loss

Trade receivables

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, and available press information about customers) and applying significant judgement in determining the probability of default by trade receivables. Credit risk grades are defined by management using qualitative and quantitative factors that are indicative of the risk of default.

Exposures within each credit risk grade are segmented by customers' characteristic and an Expected Credit Loss ('ECL') rate is calculated for each segment based on delinquency status and actual credit loss experience over the past years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of forward looking information relating to economic conditions i.e. Gross Domestic Product (GDP), inflation rate and unemployment rate, over the expected lives of the receivables.

10. TRADE AND OTHER RECEIVABLES (continued)

(f) Impairment loss (continued)

Trade receivables (continued)

Lifetime expected loss provision for trade receivables are as follows:

		Group 2022	
Customers' characteristics	Expected credit loss rate	Gross carrying amount RM'000	Impairment loss allowance RM'000
Low risk	0.01% to 0.05%	13,313	1
Fair risk	1.50%	7,550	113
Substandard	2.00%	4,700	94
Doubtful	5.00% to 20.00%	6,907	1,361
Loss	100%	277	277
		<u>32,747</u>	<u>1,846</u>

		Group 2021	
Customers' characteristics	Expected credit loss rate	Gross carrying amount RM'000	Impairment loss allowance RM'000
Low risk	0.01%	9,720	1
Fair risk	1.50%	10,960	135
Substandard	2.00%	5,638	115
Doubtful	5.00%	7,084	354
Loss	100%	276	276
		<u>33,678</u>	<u>881</u>

Individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

Other receivables

For other receivables and intercompany balances, the Group and the Company apply general approach to measure expected credit losses which reflect their credit risk and how the loss allowance is determined. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. The Group and the Company defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment delays and past due information. The Group and the Company assessed the other receivables and intercompany balances as performing category with a low risk of default and a strong capacity to meet contractual cash flows. The basis of measuring ECL are based on 12-month ECL.

10. TRADE AND OTHER RECEIVABLES (continued)

(g) The reconciliation of movement in the impairment losses is as follows:

	Group	
	2022 RM'000	2021 RM'000
Trade receivables		
Lifetime ECL		
Balance as at 1 January	881	608
Impairment losses	1,119	373
Reversal of impairment losses	(154)	(100)
Balance as at 31 December	1,846	881
Other receivables		
12-month ECL		
Balance as at 1 January	194	191
Impairment losses	275	6
Reversal of impairment losses	(30)	(3)
Balance as at 31 December	439	194

(h) The Group has no major concentration of credit risk as at each financial year end and the exposure to credit risk is reflected in the carrying amount of the trade receivables as at the end of the reporting period as follows:

	Group	
	2022 RM'000	2021 RM'000
Maximum exposure	30,901	32,797

(i) The carrying amounts of trade and other receivables are reasonable approximation of fair value due to their short-term nature.

11. CASH AND BANK BALANCES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Short term deposits with licensed banks	627	-	-	-
Cash and bank balances	40,011	30,042	1	1
	40,638	30,042	1	1

(a) The exposure to interest rate risk is insignificant as the cash and bank balances are short term in nature and are held for the Group's working capital purposes.

No expected credit losses are recognised arising from the bank balances with financial institutions because the probability of default by these financial institutions are negligible.

(b) The short term deposits with licensed bank as at 31 December 2022 have maturity of 1 month. Included in short term deposits is an amount of RM527,000 which represents minimum requirement balance equivalent to one (1) quarter profit payment of Islamic Medium Term Note ('IMTN') held in a designated account and operated by Security Trustee. The designated account is held as security for IMTN as disclosed in Note 14 to the financial statements.

11. CASH AND BANK BALANCES (continued)

(c) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Ringgit Malaysia ('RM')	40,135	29,591	1	1
United States Dollar ('USD')	123	45	-	-
Singapore Dollar ('SGD')	208	95	-	-
Others	172	311	-	-
	<u>40,638</u>	<u>30,042</u>	<u>1</u>	<u>1</u>

(d) The following table demonstrates the sensitivity of the profit after tax of the Group to a reasonably possible change in the USD and SGD exchange rates against the functional currency of the Group, with all other variables held constant:

		Group	
		2022 Profit after tax RM'000	2021 Profit after tax RM'000
USD/RM	-strengthen by 5%	+5	+2
	-weaken by 5%	-5	-2
SGD/RM	-strengthen by 5%	+8	+4
	-weaken by 5%	-8	-4

Any change in other foreign currencies exchange rates against the respective functional currencies of the Group entities would not have any significant impact to the Group's financial statements.

(e) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the financial year:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances	40,638	30,042	1	1
Less:				
Short term deposits held as security for IMTN	(527)	-	-	-
Bank overdrafts included in borrowings (Note 14)	(18,691)	(1,015)	-	-
	<u>21,420</u>	<u>29,027</u>	<u>1</u>	<u>1</u>

12. SHARE CAPITAL

	Group and Company			
	2022		2021	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid ordinary shares with no par value	138,600	73,336	138,600	73,336

The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

13. RESERVES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Exchange translation reserve	1,652	1,203	-	-
Retained earnings	260,534	196,304	86,729	60,164
	262,186	197,507	86,729	60,164

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statement of a foreign operation whose functional currency is different from that of the presentation currency of the Group.

It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operation, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

14. BORROWINGS

	Group	
	2022 RM'000	2021 RM'000
Current liabilities		
<u>Unsecured</u>		
Bank overdrafts	18,691	1,015
Bankers' acceptances	70,334	78,650
Revolving credits	73,000	79,000
Term loans (Note 15)	4,979	5,327
	<u>167,004</u>	<u>163,992</u>
Non-current liabilities		
<u>Unsecured</u>		
Term loans (Note 15)	14,690	19,598
<u>Secured</u>		
IMTN (Note 15)	40,000	-
	<u>54,690</u>	<u>19,598</u>
Total borrowings		
Bank overdrafts (Note 11)	18,691	1,015
Bankers' acceptances	70,334	78,650
Revolving credits	73,000	79,000
Term loans (Note 15)	19,669	24,925
IMTN (Note 15)	40,000	-
	<u>221,694</u>	<u>183,590</u>

- (a) All bank overdrafts, bankers' acceptances, revolving credits, term loans and IMTN of the Group are either guaranteed by the Company or its subsidiaries.
- (b) IMTN is secured by a designated account as disclosed in Note 11 to the financial statements.
- (c) All borrowings are denominated in RM.
- (d) Borrowings of the Group are subject to the following significant covenants:
- (i) not to permit a gearing ratio (debt to equity ratio) of the Group to exceed one point two (1.2) times;
 - (ii) not to permit total bank borrowings of the Group to exceed one point five (1.5) times of its tangible net worth;
 - (iii) not to permit the declaration of dividend in excess of 50% of the net profit after tax of the Group unless with the consent of the financial institution;
 - (iv) not to permit a debt service cover ratio of the Group to fall below one point five (1.5) times; and
 - (v) not to permit debt to asset ratio of the Group to exceed 60%.

The Group has complied with these externally imposed capital requirements as at the end of reporting period.

- (e) At the end of the reporting period, all borrowings were on floating rate.

14. BORROWINGS (continued)

(f) At the end of reporting period, the weighted average effective interest rates for the borrowings were as follows:

	Group	
	2022	2021
Floating rates		
Bank overdrafts	7.66%	6.53%
Bankers' acceptances	4.76%	3.45%
Revolving credits	5.38%	4.28%
Term loans	5.11%	4.62%
IMTN	5.42%	-

(g) The following table demonstrates the sensitivity analysis of the Group if interest rates for the floating rate instruments at the end of each reporting period changed by twenty-five (25) basis points with all other variables held constant:

	Group	
	2022	2021
	Profit after tax	Profit after tax
	RM'000	RM'000
- increase by 25 basis points	-421	-349
- decrease by 25 basis points	+421	+349

(h) The table below summarises the maturity profile of the liabilities of the Group at the end of each reporting period based on contractual undiscounted repayment obligations.

	On demand or within one (1) year RM'000	One (1) to five (5) years RM'000	Over five (5) years RM'000	Total RM'000
Group				
31 December 2022				
Financial liabilities:				
Borrowings	169,818	46,686	15,775	232,279
31 December 2021				
Financial liabilities:				
Borrowings	164,831	19,406	1,651	185,888

14. BORROWINGS (continued)

(i) A reconciliation of liabilities arising from financing activities is as follows:

	Short-term borrowings		Long-term borrowings	
	Bankers' acceptances RM'000	Revolving credits RM'000	Term Loans RM'000	IMTN RM'000
Balance as at 1 January 2021	78,049	78,300	1,340	-
Cash flows from financing activities	601	700	23,585	-
Balance as at 31 December 2021	78,650	79,000	24,925	-
Balance as at 1 January 2022	78,650	79,000	24,925	-
Cash flows (used in)/from financing activities	(8,316)	(6,000)	(5,256)	40,000
Balance as at 31 December 2022	70,334	73,000	19,669	40,000

(j) The carrying amounts of borrowings are reasonable approximation of their fair values, either due to their short-term nature or that they are floating rate instruments, which are re-priced to market interest rates on or near the end of the reporting period. Fair value of the borrowings of the Group are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

15. TERM LOANS AND IMTN

	Group	
	2022 RM'000	2021 RM'000
Term loan I repayable by 48 equal monthly instalments commencing 1 April 2019	122	592
Term loan II repayable by 60 equal monthly instalments commencing 1 July 2021	14,333	18,333
Term loan III repayable by 72 equal monthly instalments commencing 22 December 2021	5,214	6,000
IMTN repayable by 6 annual instalments commencing 8 August 2024 in accordance to the repayment schedule of the IMTN programme	40,000	-
	59,669	24,925
Repayable as follows:		
- within one (1) year	4,979	5,327
- later than one (1) year but not later than five (5) years	39,762	17,884
- five (5) years and above	14,928	1,714
	59,669	24,925

Term Loans and IMTN of the Group are secured by corporate guarantee from the Company.

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current				
Other payables				
Provision for restoration cost	787	722	-	-
Current				
Trade payables				
Third parties	14,537	9,261	-	-
Other payables				
Amounts owing to subsidiaries	-	-	154	30
Contract liability	307	324	-	-
Other payables	2,887	5,901	8	2,130
Down payment received	2,616	2,581	-	-
Accruals	15,880	16,685	352	294
	21,690	25,491	514	2,454
Total current payables	36,227	34,752	514	2,454
Derivative liabilities	291	221	-	-
Total current trade and other payables	36,518	34,973	514	2,454
Total trade and other payables	37,305	35,695	514	2,454

- (a) Trade and other payables are classified as financial liabilities and are measured at amortised cost, except for derivative liabilities, which are classified as financial liabilities measured at fair value through profit or loss.
- (b) Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 30 to 180 days (2021: 30 to 180 days) from date of invoice.
- (c) Amounts owing to subsidiaries represent payments made on behalf by subsidiaries which are unsecured, interest-free and payable within the next twelve months.
- (d) A reconciliation of the contract liability is as follows:

	Group	
	2022 RM'000	2021 RM'000
Balance as at 1 January	324	325
Additions during the financial year	159	200
Redemptions	(106)	(121)
Redemption points expired	(70)	(80)
Balance as at 31 December	307	324

Contract liability represents the Group's customer loyalty program that allows its members to accumulate customer loyalty points on their purchases from the Group's outlets. These customer loyalty points are then converted into rebate vouchers based on the term and conditions in force and can be used in all outlets within the Group.

The deferred revenue arising from customer loyalty points are estimated based on the amount of loyalty points outstanding as at the end of the reporting period that are expected to be redeemed within two (2) years.

16. TRADE AND OTHER PAYABLES (continued)

(e) A reconciliation of the provision for restoration cost is as follows:

	Group	
	2022	2021
	RM'000	RM'000
Balance as at 1 January	722	651
Provision made during the year	174	78
Unwinding of discount	25	16
Reversal of provision for restoration cost	(89)	(23)
Restoration cost utilised	(45)	-
Balance as at 31 December	<u>787</u>	<u>722</u>

Under the provision of lease agreements, the Group has an obligation to dismantle and remove refurbishments on the outlets and restore them at the end of the lease term to an acceptable condition. The liabilities for restoration are recognised at present value of the compounded future expenditure estimated using current price and discounted using a discount rate of 6% (2021: 6%).

(f) The currency exposure profile of trade and other payables are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia ('RM')	27,729	28,576	514	2,454
United States Dollar ('USD')	8,594	6,548	-	-
Hong Kong Dollar ('HKD')	439	63	-	-
Renminbi ('RMB')	491	428	-	-
Others	52	80	-	-
	<u>37,305</u>	<u>35,695</u>	<u>514</u>	<u>2,454</u>

The transactional currency exposures of the Group mainly arise from substantial purchase of gold and jewellery from countries outside Malaysia, which are invoiced in foreign currencies. The Group may use derivative financial instruments to hedge their risk. The Group monitors the movements in foreign currency exchange rates closely to ensure that its risk to transactional currency exposures is minimal.

(g) The following table demonstrates the sensitivity of the profit after tax of the Group to a reasonably possible change in the USD, HKD and RMB exchange rates against the functional currency of the Group, with all other variables held constant.

		Group	
		2022	2021
		Profit after tax	Profit after tax
		RM'000	RM'000
USD/RM	-strengthen by 5%	-327	-249
	-weaken by 5%	+327	+249
HKD/RM	-strengthen by 5%	-17	-2
	-weaken by 5%	+17	+2
RMB/RM	-strengthen by 5%	-19	-16
	-weaken by 5%	+19	+16

Any change in other foreign currencies exchange rates against the respective functional currencies of the Group entities would not have any significant impact to the Group's financial statements.

16. TRADE AND OTHER PAYABLES (continued)

- (h) The maturity profile of the trade and other payables of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

Group	On demand or within one (1) year RM'000	One (1) to five (5) Years RM'000	Total RM'000
31 December 2022			
Trade and other payables	36,518	837	37,355
31 December 2021			
Trade and other payables	34,973	768	35,741
Company			
31 December 2022			
Trade and other payables	514	-	514
31 December 2021			
Trade and other payables	2,454	-	2,454

- (i) The carrying amounts of current trade and other payables are reasonable approximation of fair value due to their short-term nature.
- (j) Derivative liabilities

	Group			
	2022		2021	
	Contract amount RM'000	Derivatives liabilities RM'000	Contract amount RM'000	Derivatives liabilities RM'000
Gold contracts	30,234	291	15,891	221

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.

Derivative liabilities of the Group are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

During the financial year, the Group recognised a net loss of RM70,000 (2021: RM221,000) arising from fair value changes of the gold contracts.

17. REVENUE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue from contracts with customers				
Sales of goods				
- Gold and silver bar, ornaments and jewellery	973,852	735,865	-	-
Deferred revenue from customer loyalty points (Note 16(d))	176	201	-	-
Training service	283	3	-	-
Interest income from money lending service	31	-	-	-
<i>Other revenue</i>				
Gross dividend income from subsidiaries	-	-	7,579	33,202
	<u>974,342</u>	<u>736,069</u>	<u>7,579</u>	<u>33,202</u>

(a) Revenue from contracts with customers is disaggregated in Note 4 to the financial statements by segment of operating activities.

(b) Sales of goods

Revenue from sale of goods is recognised at a point in time when the goods has been transferred to the customer and coincides with the delivery of product and acceptance by customer.

There is no significant financing component in the revenue arising from sale of goods as the sales range from cash term to normal credit term of not more than 90 days.

(c) Revenue from customer loyalty points

Revenue from customer loyalty points is recognised either when the obligation in respect of the awards is fulfilled or upon the expiry of the customer loyalty points. Deferred revenue on customer loyalty points is recognised as a reduction in revenue upon granting of loyalty points to customers in accordance with the announced loyalty points scheme.

(d) Training service

Revenue from training service is recognised upon the rendering of service.

(e) Interest income from money lending service

Interest income is recognised as it accrues using the effective interest method.

(f) Dividend income

Dividend income is recognised when the right to receive payment is established.

(g) The Group is exposed to the fluctuation of gold price risk arising from sales and purchase of gold with customers and suppliers. The Group continues to monitor the movements in gold price closely to ensure that the risk from gold price fluctuation is minimal. The Group also enters into certain hedging contracts to manage the fluctuation of gold prices.

17. REVENUE (continued)

(h) The following table demonstrates the sensitivity analysis of the Group if gold price at the end of each reporting period changes by 5% with all other variables held constant:

		Group	
		2022	2021
		Profit after tax	Profit after tax
		RM'000	RM'000
Gold price	- strengthen by 5%	+4,700	+3,410
	- weaken by 5%	-4,700	-3,410

18. FINANCE COSTS

		Group	
		2022	2021
		RM'000	RM'000
Interest expense on:			
- bankers' acceptances		2,857	2,724
- bank overdrafts		593	903
- revolving credits		3,049	3,199
- term loans		858	321
- provision for restoration cost		25	16
- lease liabilities (Note 6)		1,684	1,143
		9,066	8,306
Finance cost on:			
- share of profits by financial institution on IMTN		751	-
		9,817	8,306

19. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, the profit before tax is arrived at after charging/(crediting):

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging:				
Auditors' remuneration:				
- statutory audit:				
- current year	228	163	42	18
- under provision in prior year	*	-	-	-
- non-statutory audit	253	28	5	5
Bad debts written off	42	-	-	-
Directors' fee:				
- current	305	363	305	279
- over provision in prior year	(22)	-	(22)	-
Fair value loss on derivative liabilities	70	221	-	-
Net realised loss on gold price fluctuation	-	908	-	-
Rental expenses:				
- exhibition booths	656	436	-	-
- plant and equipment	9	6	-	-
- premises, retail space and hostel	4,223	4,792	-	-

19. PROFIT BEFORE TAX (continued)

Other than those disclosed elsewhere in the financial statements, the profit before tax is arrived at after charging/(crediting):
(continued)

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
And crediting:				
Gain on disposal of property, plant and equipment	301	552	-	-
Gain on dissolution of subsidiaries	-	538	-	-
Gain on disposal of subsidiaries	-	-	32,148	-
Net gain on foreign exchange:				
- realised	5,838	2,500	-	-
- unrealised	108	393	-	-
Net gain on gold price fluctuation:				
- realised	8,606	-	-	-
- unrealised	-	33	-	-
Net gain on write off of right-of-use assets	42	-	-	-

* Amount is less than RM1,000.

20. TAX EXPENSE

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current tax expense based on profit for the financial year:				
- current year	23,188	11,173	-	-
- over provision in prior years	(145)	(535)	-	-
	23,043	10,638	-	-
Deferred tax (Note 8):				
- relating to origination and reversal of temporary differences	503	328	-	-
- under provision in prior years	363	36	-	-
	23,909	11,002	-	-

(a) Malaysian income tax is calculated at the statutory tax rate of twenty-four percent (24%) (2021: 24%) of the estimated taxable profit for the fiscal year.

(b) Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

20. TAX EXPENSE (continued)

- (c) The numerical reconciliation between the effective tax rate and the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2022 %	2021 %	2022 %	2021 %
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	24.0	24.0	24.0	24.0
Tax effects in respect of:				
Non-allowable expenses	2.2	2.3	7.0	0.4
Non-taxable income	(0.4)	(0.3)	(31.0)	(24.4)
Movements in deferred tax assets not recognised	0.2	0.1	-	-
	26.0	26.1	-	-
(Over)/Under provision in prior years				
- current tax	(0.2)	(1.2)	-	-
- deferred tax	0.4	0.1	-	-
Effective tax rate	26.2	25.0	-	-

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

	Group					
	Before tax RM'000	2022 Tax effect RM'000	After tax RM'000	Before tax RM'000	2021 Tax effect RM'000	After tax RM'000
Items that may be reclassified subsequently to profit or loss						
Foreign currency translations	449	-	449	(254)	-	(254)

21. EARNINGS PER ORDINARY SHARE**(a) Basic earnings per ordinary share**

The basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2022 RM'000	2021 RM'000
Profit attributable to equity holders of the parent	65,907	32,772
Weighted average number of ordinary shares outstanding ('000)	138,600	138,600
Basic earnings per ordinary share (sen)	47.55	23.65

(b) Diluted earnings per ordinary share

The diluted earnings per ordinary share for the financial year is the same as the basic earnings per ordinary share for the financial year as there were no dilutive potential ordinary shares.

22. DIVIDENDS

	Company			
	2022	2021	2022	2021
	Dividend per share sen	Amount of dividend RM'000	Dividend per share sen	Amount of dividend RM'000
In respect of financial year ended 31 December 2020:				
- First and final single tier dividend paid on 24 May 2021	-	-	2.0	2,772
In respect of financial year ended 31 December 2021:				
- First and final single tier dividend paid on 9 June 2022	3.0	4,158	-	-

A first and final single tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 31 December 2022 amounting to RM5,544,000 has been proposed by the Directors after the reporting period for the shareholders' approval at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. This dividend, if approved by shareholders would be accounted for as an appropriation of retained earnings in the financial year ending 31 December 2023.

23. EMPLOYEE BENEFITS

	Group	
	2022 RM'000	2021 RM'000
Directors' emoluments other than fees*	3,592	2,848
Salaries, wages, overtime, allowances and bonus	43,467	32,500
Defined contribution plan	6,144	5,087
Staff commissions	7,376	5,296
Other employee benefits	3,186	6,407
	<u>63,765</u>	<u>52,138</u>

*Represent emoluments for the Directors of the Company

24. CAPITAL COMMITMENTS

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

	Group	
	2022 RM'000	2021 RM'000
Approved but not contracted for	<u>16,096</u>	<u>8,781</u>

25. CONTINGENT LIABILITIES - UNSECURED

	Company	
	2022 RM'000	2021 RM'000
Corporate guarantees given to financial institutions for credit facilities granted to subsidiaries	<u>281,336</u>	<u>246,836</u>

The Company designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Company recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The determination and treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of the business.

The Directors are of the view that the likelihood of the financial institutions calling upon the corporate guarantees is remote. Accordingly, the fair values of the above corporate guarantees given to subsidiaries for banking facilities are negligible.

26. CAPITAL AND FINANCIAL RISK MANAGEMENT**(a) Capital management**

The primary objective of the capital management of the Group and the Company is to safeguard the ability of the Group and the Company 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 and the Company 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 total debt to be the key components in the capital structure of the Group. The Group monitors capital on the basis of the net gearing ratio. The ratio is calculated as the total debt net of cash and bank balances to total equity. Total equity is the sum of total equity attributable to shareholders and non-controlling interests. The net gearing ratios as at 31 December 2022 and 31 December 2021, which are within the objectives of the Group for capital management, are as follows:

	Note	Group		Company	
		2022 RM'000	2022 RM'000	2022 RM'000	2021 RM'000
Borrowings	14	221,694	183,590	-	-
Less: Cash and bank balances	11	(40,638)	(30,042)	(1)	(1)
Net debt/(cash)		181,056	153,548	(1)	(1)
Total equity		365,374	270,837	160,065	133,500
Net gearing ratio		50%	57%	N/A	N/A

Pursuant to the requirements of Practice Note No.17/2005 of the Bursa Malaysia Securities, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five per centum (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement during the financial year ended 31 December 2022.

(b) Financial risk management

The financial risk management objective of the Group and the Company is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from interest rate risk, foreign currency risk, credit risk, liquidity and cash flow risk and market price risk.

The Group and the Company operate within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors through the Audit and Risk Management Committee. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group financial risk management policies. Information on the risk management of the related exposures is detailed below:

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The exposure of the Group to interest rate risk arises primarily from its bank borrowings. The Group does not use derivative financial instruments to hedge its risk.

The interest rate profile and sensitivity analysis of interest rate risk has been disclosed in Note 14 to the financial statements.

26. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)**(b) Financial risk management (continued)****(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

Transactional currency exposures mainly arose from transactions that are denominated in currencies other than functional currencies of operating entities.

The transactional currency exposures of the Group mainly arise from substantial purchase of gold and jewellery from countries outside Malaysia, which are invoiced in foreign currencies. The Group may use derivative financial instruments to hedge its risk. The Group monitors the movements in foreign currency exchange rates closely to ensure that its risk to transactional currency exposures are minimal.

The sensitivity analysis for foreign currency risk has been disclosed in Notes 10, 11 and 16 to the financial statements respectively.

(iii) Credit risk

Cash deposit and trade receivables may give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. It is the policy of the Group and the Company to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group and the Company are exposed to minimal credit risk.

The respective analysis of credit risk has been disclosed in Notes 10 and 11 to the financial statements respectively.

(iv) Liquidity and cash flow risk

The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all operating, investing and financing needs are met. It is the policy of the Group and the Company to ensure their ability to service the cash obligations by maintaining a level of cash and cash equivalents deemed adequate to the operations of the Group and the Company. The Group and the Company also maintain flexibility in funding by keeping committed credit lines available.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 6, 14 and 16 to the financial statements respectively.

(v) Market price risk

Market price risk is the risk that the fair value of future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The sensitivity analysis of market price risk has been disclosed in Note 17 to the financial statements.

27. RELATED PARTY DISCLOSURES**(a) Identities of related parties**

The Company has controlling related party relationship with its direct and indirect subsidiaries.

The Group also has related party relationships with the following parties:

Related parties	Relationships
Ong Tiong Yee & Sons Sdn. Bhd. ('OTY')	The spouse of Ng Sheau Chyn, Ong Kee Liang, is a director and has a 2% shareholding interest in OTY.
Gexcel Asia Sdn. Bhd. ('GASB')	Ng Sheau Chyn is a director of GASB. Ng Teck Fong Holdings Sdn. Bhd. is the major shareholder of GASB. Ng Sheau Chyn is a shareholder and director of Ng Teck Fong Holdings Sdn. Bhd..
Pajak Gadai JP Sdn. Bhd. ('PGJP')	Datuk Ng Yih Pyng and Datin Choong Chow Mooi are the only directors and shareholders of PGJP.
Unique Avenue Sdn. Bhd. ('UASB')	Datuk Ng Yih Pyng, Ng Sheau Chyn and Ng Sheau Yuen are directors of UASB. The Ng Family controls 100% shareholding interest in UASB.
Best Arcade Sdn. Bhd. ('BASB')	Datuk Ng Yih Pyng, Ng Sheau Chyn and Ng Sheau Yuen are directors of BASB. The Ng Family controls 100% shareholding interest in BASB.
Teck Fong Property Sdn. Bhd. ('TFPSB')	Datuk Ng Yih Pyng, Ng Sheau Chyn and Ng Sheau Yuen are directors of TFPSB. BASB is the sole shareholder of TFPSB. Datuk Ng Yih Pyng, Ng Sheau Chyn and Ng Sheau Yuen are directors of BASB. The Ng Family controls 100% shareholding interest in BASB.
Oasis Properties Sdn. Bhd. ('OPSB')	Datuk Ng Yih Pyng, Ng Sheau Chyn and Ng Sheau Yuen are directors of OPSB. The Ng Family controls 100% shareholding interest in OPSB.
NTF Jewellery Museum Sdn. Bhd. ('NTFJM')	Datuk Ng Yih Pyng, Ng Sheau Chyn and Ng Sheau Yuen are directors of NTFJM. Datuk Ng Yih Pyng, Ng Yih Chen, Ng Sheau Chyn and Ng Sheau Yuen collectively control 100% shareholding interest in NTFJM.
C.S. Tang & Co. ('CS Tang')	Datuk M Chareon Sae Tang @ Tan Whye Aun is a partner of CS Tang.

Notes:

Datuk Ng Yih Pyng, Ng Yih Chen, Ng Sheau Chyn, Ng Sheau Yuen, Ng Teck Fong Foundation and NYC Resources Sdn. Bhd. collectively known as "The Ng Family".

Wee Ching Yun and Ng Yi Li the directors and major shareholders of NYC Resources Sdn. Bhd., are the spouse and child of Ng Yih Chen.

Datuk Ng Yih Pyng, Ng Yih Chen, Ng Sheau Chyn and Ng Sheau Yuen are the trustees of Ng Teck Fong Foundation.

27. RELATED PARTY DISCLOSURES (continued)**(b) Significant related party transactions**

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year.

	Group	
	2022 RM'000	2021 RM'000
Sales of goods to:		
- OTY	654	651
- GASB	15	*
Purchase of goods from:		
- OTY	241	141
- PGJP	168	150
Purchase of manufacturing tools from:		
- GASB	124	95
Rental of premises paid to:		
- UASB	-	9
- BASB	92	73
- TFPSB	-	63
- OPSB	1,379	1,245
- PGJP	37	33
- Datin Choong Chow Mooi	104	96
- Datuk Ng Yih Pyng	36	61
Advertising expenses paid to:		
- NTFJM	36	33
Legal fee paid to:		
- CS Tang	15	7
	<hr/>	<hr/>
	Company	
	2022 RM'000	2021 RM'000
Gross dividend income received from subsidiaries	7,579	33,202
Legal fee paid to CS Tang	-	7
	<hr/>	<hr/>

The related party transactions described above were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties.

* Amount is less than RM1,000.

(c) Compensation of key management personnel

The key management personnel comprises the Directors of the Company and their remuneration during the financial year are disclosed in Note 23 to the financial statements.

28. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs**28.1 New MFRSs adopted during the financial year**

The Group and the Company adopted the following Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

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

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

28.2 New MFRSs and Amendments of that have been issued, but only effective for annual periods beginning on or after 1 January 2023

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for future financial years.

29. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**(a) Listing of a subsidiary, YX Precious Metals Bhd ("YXPM") and change in composition of the Group**

On 23 June 2022, the Company's wholly owned subsidiary company, YXPM was successfully listed on the ACE Market of Bursa Securities. Following the exercise, the effective interest of the Company in YXPM has reduced to 70%. and resulted in a net increase of approximately RM30.8 million to the equity of the Group.

(b) Issuance of Sukuk Murabahah

On 27 June 2022, the Group via its wholly-owned subsidiary, Tomei Gold & Jewellery Holdings (M) Sdn. Bhd. ("Issuer") has lodged with Securities Commission Malaysia ("SC") information and relevant documents pursuant to the SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework for the establishment of an Islamic Medium-Term Notes Programme (Sukuk Murabahah) of up to RM150.0 million in nominal value.

On 8 August 2022, the Issuer has made the first issuance of RM40.0 million of Sukuk Murabahah which was used to reduce the Group's short-term borrowings.

LIST OF PROPERTY AS AT 31 DECEMBER 2022

Property Address	Property Description	Existing Use	Net Book Value (RM)	Built Up	Status	Age	Purchase Date
Lot 104/2-8, Road 4A, AMATA Industrial Park, Long Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam.	Land and factory lot	Factory	522,391	1,980 sqm	Leasehold (50 years)	28 years	15 Apr 2011

SHAREHOLDINGS ANALYSIS AS AT 10 MARCH 2023

ANALYSIS OF SHAREHOLDINGS

Issued Share Capital	:	RM 73,336,000 (138,600,000 shares)
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	68	2.64	1,378	0.00
100 to 1,000	600	23.31	349,601	0.25
1,001 to 10,000	1,362	52.91	6,779,100	4.89
10,001 to 100,000	456	17.72	15,022,770	10.84
100,001 and below 5%	86	3.34	33,764,752	24.36
5% and above	2	0.08	82,682,399	59.66
	2,574	100.00	138,600,000	100.00

SUBSTANTIAL SHAREHOLDERS

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Teck Fong Corporation Sdn. Bhd.	63,132,177	45.55	0	0.00
Tropical Bliss Sdn. Bhd.	19,550,222	14.11	0	0.00
Datuk Ng Yih Pyng	981,239	0.71	82,702,399 *	59.67
Ng Yih Chen	0	0.00	82,777,399 #	59.72
Ng Sheau Chyn	468,700	0.34	82,702,399 *	59.67
Ng Sheau Yuen	100,000	0.07	82,702,399 *	59.67

DIRECTORS' SHAREHOLDINGS

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Datuk Ng Yih Pyng	981,239	0.71	82,702,399 *	59.67
Ng Yih Chen	0	0.00	82,777,399 #	59.72
Datin Choong Chow Mooi	1,180,000	0.85	0	0.00
Ng Sheau Yuen	100,000	0.07	82,702,399 *	59.67
Lau Tiang Hua	0	0.00	269,000 ##	0.19

* Deemed interested by virtue of his shareholdings in Teck Fong Corporation Sdn. Bhd., Tropical Bliss Sdn. Bhd. and being a trustee for Ng Teck Fong Foundation pursuant to Section 59 of the Act.

Deemed interested by virtue of his shareholdings in Teck Fong Corporation Sdn. Bhd., Tropical Bliss Sdn. Bhd. and his children's shareholding and being a trustee in Ng Teck Fong Foundation pursuant to Section 59 of the Act.

Deemed interested by virtue of his child's shareholding.

THIRTY (30) LARGEST SHAREHOLDERS

Name	No. of Shares	%
1. Teck Fong Corporation Sdn. Bhd.	63,132,177	45.55
2. Tropical Bliss Sdn. Bhd.	19,550,222	14.11
3. CIMB Group Nominees (Asing) Sdn. Bhd. Beneficiary: Exempt An for DBS Bank Ltd (SFS)	3,000,000	2.16
4. Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Boey Chee Kun	2,200,000	1.59
5. Alliancegroup Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Kong Kok Choy (8092812)	1,400,000	1.01
6. Kong Kok Choy	1,200,000	0.87
7. Ang Sheau Wee	1,190,000	0.86
8. Choong Chow Mooi	1,180,000	0.85
9. Alliancegroup Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Nonadiah Binti Abdullah (7001174)	1,000,000	0.72
10. Ng Kong Wan	1,000,000	0.72
11. Gan Sao Wah @ Gan Sao Eng	990,900	0.71
12. HLB Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Ng Yih Pyng	981,239	0.71
13. Goh Yong Wee	801,000	0.58
14. Liew Yoon Yee	618,000	0.45
15. Wong Gin Chee Realty Sendirian Berhad	600,000	0.43
16. RHB Capital Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Wong Mei Wan (2241004)	550,000	0.40
17. Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary: Ng Wei King	539,100	0.39
18. Yap Heng Or	529,500	0.38
19. CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Liaw Hen Kyun @ Alex Liaw	520,000	0.38
20. Ooi Cheng Hai	510,500	0.37
21. Tan Aik Choon	506,900	0.37
22. Song Chee Chiang	478,000	0.34
23. Ng Sheau Chyn	448,700	0.32
24. CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Lim Chin Horng (MY3204)	440,000	0.32
25. Liew Yoon Yee	438,000	0.32
26. Tan Koi Ong	420,000	0.30
27. Cheng Gek Hong	400,000	0.29
28. CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Goalkey System Sdn. Bhd.(MY1461)	394,000	0.28
29. Chong Chin Choi	350,000	0.25
30. Public Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Kong Kok Choy (SRB/PMS)	330,000	0.24
	105,698,238	76.26

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting of the Company will be held at the Dewan Berjaya, Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 12 May 2023 at 10.00 a.m. for the following purposes:-

1.	To receive the Audited Financial Statements for the financial year ended 31 December 2022 and the Reports of Directors' and Auditors' thereon.	(Please refer to explanatory note below)
2.	To declare a First and Final Single Tier Dividend of 4.0 sen per ordinary share for the financial year ended 31 December 2022.	Resolution 1
3.	To approve the payment of Directors' Fees amounting to RM305,200 in respect of the financial year ended 31 December 2022.	Resolution 2
4.	To approve the payment of Directors' Benefits (excluding Directors' Fees) amounting to RM9,000 from 13 May 2023 until the next Annual General Meeting of the Company.	Resolution 3
5.	To re-elect the following Directors retiring in accordance with Clause 83.1 of the Constitution of the Company:- (i) Datuk Ng Yih Pyng (ii) Ng Sheau Yuen (iii) Datin Choong Chow Mooi	Resolution 4 Resolution 5 Resolution 6
6.	To re-elect Tan Sri Dr Madinah Binti Mohamad, a Director retiring in accordance to Section 202(3) of the Companies Act 2016.	Resolution 7
7.	To re-appoint BDO PLT as Auditor of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	Resolution 8

AS SPECIAL BUSINESS

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

8. **ORDINARY RESOLUTION 1**

AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 76 OF THE COMPANIES ACT 2016

“**THAT** pursuant to Section 76 of the Companies Act 2016 and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions, for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued in any one financial year of the Company does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

Resolution 9

9. **ORDINARY RESOLUTION 2**

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS (“RRPT”) OF A REVENUE OR TRADING NATURE WITH RELATED PARTY (“PROPOSED SHAREHOLDERS' MANDATE”)

“**THAT** subject to provisions of the Companies Act 2016 (“Act”), the Constitution of the Company, Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements or other regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries to enter into category of RRPT as set out in Section 2.1 of the Circular to Shareholders dated 13 April 2023, subject to the following:-

(i) **THAT** the RRPTs are:-

- (a) necessary for the day-to-day operations;
- (b) undertaken in the ordinary course of business and at arm's length basis and are on terms not more favourable to the related parties than those generally available to the public; and
- (c) are not detrimental to the shareholders of the Company; and

(ii) **THAT** such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time it will lapse unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the RRPTs contemplated and/or authorised by this Ordinary Resolution.”

Resolution 10

AS SPECIAL BUSINESS (continued)**10. ORDINARY RESOLUTION 3
PROPOSED RENEWAL OF AUTHORITY FOR SHARES BUY-BACK**

“THAT subject to provisions of the Companies Act 2016 (“Act”), the Constitution of the Company, Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements or other regulatory authorities, the Company be authorised, to the fullest extent permitted by law, to buy-back such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time, through Bursa Securities, upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company, provided that:-

- (i) the aggregate number of ordinary shares bought-back does not exceed 10% of the total number of issued shares of the Company at the time in question;
- (ii) the maximum amount of funds to be allocated for the shares buy-back shall not exceed the aggregate of retained earnings of the Company. Based on the latest audited account of the Company as at 31 December 2022, its retained earnings stood at approximately RM86,729,000; and
- (iii) the ordinary shares purchased shall be treated in the following manner:-
 - (a) the purchased ordinary shares shall be cancelled; or
 - (b) the purchased ordinary shares shall be retained as treasury shares for distribution as dividend to the shareholders and/or resale on Bursa Securities in accordance with the relevant rules of Bursa Securities and/or cancellation subsequently; or
 - (c) part of the purchased ordinary shares shall be retained as treasury shares and the remainder shall be cancelled; or
 - (d) in such other manner as Bursa Securities and other relevant authorities may allow from time to time.

AND THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company, unless the authority granted is renewed, either unconditionally or subject to conditions, at the said AGM; or
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); but not so as to prejudice the completion of the purchase(s) by the Company made before the aforesaid expiry date and, in any event in accordance with the Listing Requirements of Bursa Securities or any other relevant authorities and the applicable law; or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier.

AS SPECIAL BUSINESS (continued)

<p>AND FURTHER THAT authority be and is hereby given to the Directors of the Company to take all such steps as may be necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities (Central Depository) Industry Act, 1991, and the entering into and execution of all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the proposed share buy-back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the shares bought back) in accordance with the provisions of the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and all other relevant statutory and/or regulatory requirements.”</p>	<p>Resolution 11</p>
<p>11. ORDINARY RESOLUTION 4 CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – YANG MULIA RAJA TAN SRI DATO’ SERI AMAN BIN RAJA HAJI AHMAD</p> <p>“THAT authority be and is hereby given to Yang Mulia Raja Tan Sri Dato’ Seri Aman Bin Raja Haji Ahmad who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company.”</p>	<p>Resolution 12</p>
<p>12. ORDINARY RESOLUTION 5 CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – DATUK M CHAREON SAE TANG @ TAN WHYE AUN</p> <p>“THAT authority be and is hereby given to Datuk M Chareon Sae Tang @ Tan Whye Aun who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company.”</p>	<p>Resolution 13</p>
<p>13. ORDINARY RESOLUTION 6 CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – MR LAU TIANG HUA</p> <p>“THAT authority be and is hereby given to Mr Lau Tiang Hua who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company.”</p>	<p>Resolution 14</p>
<p>14. To transact any other ordinary business of which due notice shall have been given in accordance with the Companies Act 2016.</p>	

BY ORDER OF THE BOARD

TEOH KOK JONG (LS 04719 / PC No. 201908001451)
Company Secretary

Kuala Lumpur

Date: 13 April 2023

AS SPECIAL BUSINESS (continued)**NOTICE OF DIVIDEND PAYMENT**

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the Eighteenth Annual General Meeting, the First and Final Single Tier Dividend of 4.0 sen per ordinary share in respect of the financial year ended 31 December 2022 shall be paid on 9 June 2023 to the shareholders registered in the Record of Depositors at the close of business on 25 May 2023.

A Depositor shall qualify for the entitlement to the dividend only in respect of:-

- a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 25 May 2023 in respect of ordinary transfers; and
- b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

Notes:

- 1. Only depositors whose names appear in the Record of Depositors as at 5 May 2023 be regarded as members and entitled to attend, speak and vote at the meeting.
- 2. A proxy may but need not be a member of the Company.
- 3. The proxy form must be deposited at the Registered Office of the Company at SO-26-02, Menara 1, No 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- 4. A Member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting.
- 5. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- 6. If the appointer is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
- 7. Where a member is an authorised nominee as defined under the Central Depositories Act, it may appoint more than one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- 8. NO door gift will be provided to the shareholders / proxies / invited guests.
- 9. NO refreshment will be served at the AGM venue.

EXPLANATORY NOTES ON ORDINARY BUSINESS**Item 1**

This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

Resolution 2

It is proposed that the fee for the Non-Executive Directors of the Company be increased from RM236,000 per annum to RM262,000 per annum after taking into the consideration of the financial performance of the Company and also the current market condition.

Resolution 3

The proposed payment of Directors' Benefits (excluding Directors' Fees) amounting to RM9,000 comprise the Directors and Officers Liability Insurance from 13 May 2023 until the next Annual General Meeting of the Company.

EXPLANATORY NOTES ON SPECIAL BUSINESS**Resolution 9**

The proposed Resolution 9, is a renewal of the previous year mandate and if passed, is to empower the Directors to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of shares issued does not exceed 10% of the issued share capital of the Company for the time being.

The previous mandate approved on 19 May 2022 was not utilized and accordingly no proceeds were raised.

The purpose of this general mandate is for possible fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

Resolution 10

The proposed Resolution 10, is a renewal of the previous year Shareholders' Mandate and if passed will allow the Company and its subsidiaries to enter into RRPT of a Revenue or Trading Nature in order to comply with Paragraph 10.09 of Chapter 10 and Practice Note 12 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The mandate will take effect from the date of the passing of the Ordinary Resolution until the next AGM of the Company.

Further information on the Proposed Mandate is set out in the Circular to Shareholders of the Company dated 13 April 2023 which is made available on the Company's website at www.tomei.com.my or on Bursa Securities' website.

Resolution 11

The proposed Resolution 11, if passed, will empower the Directors to purchase up to ten per centum (10%) of the total number of issued shares of the Company through Bursa Malaysia Securities Berhad. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next AGM.

Further information on the Proposed Renewal of Authority for Share Buy Back is set out in the Circular to Shareholders dated 13 April 2023, which is made available on the Company's website at www.tomei.com.my or on Bursa Securities' website.

EXPLANATORY NOTES ON SPECIAL BUSINESS (continued)**Resolution 12****Continuing in Office as Independent Non-Executive Director****– YANG MULIA RAJA TAN SRI DATO' SERI AMAN BIN RAJA HAJI AHMAD**

The Nomination Committee has assessed the independence of Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:-

- a) he fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as a check and balance, bring an element of objectivity to the Board;
- b) he has been with the Company for more than nine years and is familiar with the Company's business operations;
- c) he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making; and
- d) he has exercised his due care during his tenure as an Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders.

Resolution 13**Continuing in Office as Independent Non-Executive Director****– DATUK M CHAREON SAE TANG @ TAN WHY E AUN**

The Nomination Committee has assessed the independence of Datuk M Chareon Sae Tang @ Tan Whye Aun, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:-

- a) he fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as a check and balance, bring an element of objectivity to the Board;
- b) he has been with the Company for more than nine years and is familiar with the Company's business operations;
- c) he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making; and
- d) he has exercised his due care during his tenure as an Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders.

Resolution 14**Continuing in Office as Independent Non-Executive Director****– MR LAU TIANG HUA**

The Nomination Committee has assessed the independence of Mr Lau Tiang Hua, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:-

- a) he fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as a check and balance, bring an element of objectivity to the Board;
- b) he has been with the Company for more than nine years and is familiar with the Company's business operations;
- c) he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making; and
- d) he has exercised his due care during his tenure as an Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Malaysia Securities Berhad

1. DIRECTORS WHO ARE STANDING FOR RE-ELECTION AT THE EIGHTEENTH ANNUAL GENERAL MEETING

Pursuant to Clause 83.1 of the Constitution of the Company:-

- i) Datuk Ng Yih Pyng
- ii) Ng Sheau Yuen
- iii) Datin Choong Chow Mooi

Pursuant to Section 202(3) of the Companies Act 2016:-

- i) Tan Sri Dr Madinah Binti Mohamad

Pursuant to Principle 5.3 of the Malaysian Code of Corporate Governance 2021:-

- i) Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad
- ii) Datuk M Chareon Sae Tang @ Tan Whye Aun
- iii) Mr Lau Tiang Hua

The profiles of the above Directors are set out in the Profile of the Board of Directors section of the Annual Report of the Company.

2. THE DETAILS OF ATTENDANCE OF THE DIRECTORS AT BOARD MEETINGS

The details of attendance of each Director at the Board Meetings for the financial year ended 31 December 2022 (a total of 6 were held for the financial year).

DIRECTORS

- i) Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad
- ii) Datuk Ng Yih Pyng
- iii) Datuk M Chareon Sae Tang @ Tan Whye Aun
- iv) Mr Lau Tiang Hua
- v) Datin Choong Chow Mooi
- vi) Mr Ng Yih Chen
- vii) Ms Ng Sheau Yuen
- viii) Puan Sri Nonadiah Binti Abdullah (*Resigned on 27 February 2023*)
- ix) Tan Sri Dr Madinah Binti Mohamad (*Appointed on 27 February 2023*)

ATTENDANCE

6/6
6/6
6/6
6/6
6/6
6/6
6/6
6/6
N/A

The profiles of the Directors as at the date of this Annual Report are set out in the Profile of the Board of Directors section of the Annual Report. Their respective shareholdings in the Company are set out in the Directors' Shareholdings section of the Annual Report.

3. THE DATE, TIME AND VENUE OF THE BOARD MEETINGS

The date, time and venue of the Board Meetings were as follows:-

DATE	TIME	VENUE
17 th January 2022	10.00 a.m.	Video Conferencing
22 nd February 2022	11.50 a.m.	Tomei Head Office
4 th April 2022	10.30 a.m.	Tomei Head Office
19 th May 2022	12.25 p.m.	Bukit Kiara Resort
25 th August 2022	11.15 a.m.	Tomei Head Office
22 th November 2022	5.45 p.m.	Tomei Head Office

Note:-

Tomei Head Office	: The Boardroom, No. 8, Jalan 2/131A, Project Jaya Industrial Estate, Batu 6, Jalan Kelang Lama, 58200 Kuala Lumpur.
Bukit Kiara Resort	: Dewan Berjaya, Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur.

4. VENUE, DATE AND TIME OF THE EIGHTEENTH ANNUAL GENERAL MEETING

VENUE: Dewan Berjaya,
Bukit Kiara Resort Berhad,
Jalan Bukit Kiara, Off Jalan Damansara,
60000 Kuala Lumpur.

DATE: 12th May 2023

TIME: 10.00 a.m.

TOMEI CONSOLIDATED BERHAD (200501015912) (692959-W)

I/We _____ (I/C No: _____)
(FULL NAME IN BLOCK LETTERS)

of _____
(ADDRESS)

being a member/members of TOMEI CONSOLIDATED BERHAD hereby appoint:-

Full Name in Block Letters	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

and / or

Full Name in Block Letters	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

Or failing whom, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf, at the Eighteenth Annual General Meeting of the Company to be held at the Dewan Berjaya, Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 12 May 2023 at 10.00 a.m. or at any adjournment thereof, as indicated below:-

No.	Ordinary Resolutions	For	Against
1.	Declaration of First and Final Single Tier Dividend		
2.	Approval for the payment of Directors' Fees		
3.	Approval for the payment of Directors' Benefits		
4.	Re-election of Datuk Ng Yih Pyng as Director		
5.	Re-election of Ms Ng Sheau Yuen as Director		
6.	Re-election of Datin Choong Chow Mooi as Director		
7.	Re-election of Tan Sri Dr Madinah Binti Mohamad as Director		
8.	Re-appointment of BDO PLT as Auditors		
Special Business			
9.	Ordinary Resolution 1		
	Authority to Allot & Issue Shares		
10.	Ordinary Resolution 2		
	Proposed Shareholders' Mandate for Recurrent Related Party Transactions		
11.	Ordinary Resolution 3		
	Proposed Renewal of Authority for Shares Buy-Back		
12.	Ordinary Resolution 4		
	Continuing in Office as Independent Non-Executive Director		
	- Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad		
13.	Ordinary Resolution 5		
	Continuing in Office as Independent Non-Executive Director		
	- Datuk M Chareon Sae Tang @ Tan Whye Aun		
14.	Ordinary Resolution 6		
	Continuing in Office as Independent Non-Executive Director		
	- Mr Lau Tiang Hua		

Please indicate with a (✓) in the appropriate box against the resolution how you wish your vote to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

No. of shares	CDS Account No.

Signature/Seal of the Shareholder: _____

Date: _____

Notes:

1. Only depositors whose names appear in the Record of Depositors as at 5 May 2023 be regarded as members and entitled to attend, speak and vote at the meeting.
2. A proxy may but need not be a member of the Company.
3. The proxy form must be deposited at the Registered Office of the Company at SO-26-02, Menara 1, No 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
4. A Member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting.
5. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
6. If the appointer is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
7. Where a member is an authorised nominee as defined under the Central Depositories Act, it may appoint more than one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
8. NO door gift will be provided to the shareholders / proxies / invited guests.
9. NO refreshment will be served at the AGM venue.

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AFFIX
STAMP

THE COMPANY SECRETARY

TOMEI CONSOLIDATED BERHAD 200501015912 (692959-W)

SO-26-02, Menara 1,
No. 3 Jalan Bangsar,
KL Eco City,
59200 Kuala Lumpur, Malaysia.

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VISION 愿景

To be the **trusted jeweler of choice** where our customers find our products a joy to behold.

MISSION 使命

Pioneering in **product superiority and design creativity** are our leads.

Making **sustained efforts towards brand significance to gain customers' trust** are our priority.

Service excellence is our passion.

Developing a progressive organization with dignity is our ultimate goal.

优质的产品，创新的设计，卓越的服务，杰出的企业。

CORE VALUES 核心价值



ACCOUNTABILITY
承担责任
Akauntabiliti



TEAMWORK
团队精神
Semangat Berpasukan



INTEGRITY
诚信
Integriti



PASSION
热忱
Sepenuh Hati

20
22

TOMEI CONSOLIDATED BERHAD (200501015912)(692959-W)

8-1, JALAN 2/131A, PROJECT JAYA INDUSTRIAL ESTATE,
BATU 6, JALAN KELANG LAMA, 58200 KUALA LUMPUR, MALAYSIA. Phone: 03-7784 8136 Fax: 03-7784 8140

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www.facebook.com/mytomei • www.instagram.com/mytomei