



TOMEI CONSOLIDATED BERHAD (200501015912) (692959-W)

(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023
(THE FIGURES HAVE NOT BEEN AUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
QUARTER ENDED 30 JUNE 2023**

	Individual Quarter 3 months ended		Year-to-Date 6 months ended	
	30-06-2023 RM'000	30-06-2022 RM'000	30-06-2023 RM'000	30-06-2022 RM'000
Revenue	223,386	297,908	461,120	532,055
Cost of sales	(165,125)	(233,897)	(351,696)	(416,871)
Gross profit	58,261	64,011	109,424	115,184
Other income	1,200	3,741	2,884	5,771
Selling and distribution expenses	(25,263)	(24,153)	(49,971)	(44,738)
Administrative expenses	(7,572)	(7,997)	(14,595)	(14,413)
Other expenses	225	1,054	(897)	(1,314)
Net gain on impairment of financial assets	2	-	18	-
Profit from operations	26,853	36,656	46,863	60,490
Finance costs	(3,387)	(2,131)	(6,758)	(4,263)
Profit before tax	23,466	34,525	40,105	56,227
Tax expense	(5,596)	(8,752)	(9,576)	(14,672)
Profit for the financial period	17,870	25,773	30,529	41,555
Profit attributable to:-				
Owners of the parent	17,016	25,762	28,886	41,535
Non-controlling interests	854	11	1,643	20
	17,870	25,773	30,529	41,555
Earnings per ordinary share attributable to equity holders of the parent (sen):-				
Basic earnings per share	12.28	18.59	20.84	29.97
Diluted earnings per share *	N/A	N/A	N/A	N/A

* N/A - Not applicable

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023
(THE FIGURES HAVE NOT BEEN AUDITED)****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
QUARTER ENDED 30 JUNE 2023 (Cont'd)**

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30-06-2023 RM'000	30-06-2022 RM'000	30-06-2023 RM'000	30-06-2022 RM'000
Profit for the financial period	17,870	25,773	30,529	41,555
Foreign currency translations	21	166	25	151
Total comprehensive income	17,891	25,939	30,554	41,706
Profit attributable to:-				
Owners of the parent	17,037	25,928	28,911	41,686
Non-controlling interests	854	11	1,643	20
	17,891	25,939	30,554	41,706

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022. The accompanying notes form an integral part of this statement.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	As At 30-06-2023 RM'000	As At 31-12-2022 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	18,751	15,481
Right-of-use asset	25,312	29,323
Investment properties	4,356	-
Trade receivables	116	225
Deferred tax assets	283	283
	<u>48,818</u>	<u>45,312</u>
Current assets		
Inventories	527,101	519,771
Trade and other receivables	58,761	50,770
Current tax assets	1,671	-
Cash and bank balances	39,174	40,638
	<u>626,707</u>	<u>611,179</u>
TOTAL ASSETS	<u><u>675,525</u></u>	<u><u>656,491</u></u>
EQUITY AND LIABILITIES		
Share capital	73,336	73,336
Reserves	285,553	262,186
Equity attributable to owners of the parent	<u>358,889</u>	<u>335,522</u>
Non-controlling interests	<u>30,602</u>	<u>29,852</u>
TOTAL EQUITY	<u><u>389,491</u></u>	<u><u>365,374</u></u>
LIABILITIES		
Non-current liabilities		
Other payables	795	787
Borrowings	95,702	54,690
Deferred tax liabilities	555	438
Lease liabilities	10,346	14,107
	<u>107,398</u>	<u>70,022</u>
Current liabilities		
Trade and other payables	24,748	36,518
Borrowings	138,264	167,004
Lease liabilities	15,624	15,291
Current tax liabilities	-	2,282
	<u>178,636</u>	<u>221,095</u>
TOTAL LIABILITIES	<u><u>286,034</u></u>	<u><u>291,117</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>675,525</u></u>	<u><u>656,491</u></u>
Net assets per share (RM)	2.81	2.64

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022. The accompanying notes form an integral part of this statement.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023
(THE FIGURES HAVE NOT BEEN AUDITED)**

Attributable to owners of the parent	
Non Distributable	Distributable

	Share Capital RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
Balance as at 1 January 2023	73,336	1,652	260,534	335,522	29,852	365,374
Profit for the financial period	-	-	28,886	28,886	1,643	30,529
Foreign currency translations, net of tax	-	25	-	25	-	25
Transactions with owners						
Dividend paid to non- controlling interest of a subsidiary	-	-	-	-	(893)	(893)
Dividend paid	-	-	(5,544)	(5,544)	-	(5,544)
Balance as at 30 June 2023	73,336	1,677	283,876	358,889	30,602	389,491
Balance as at 1 January 2022	73,336	1,203	196,304	270,843	(6)	270,837
Profit for the financial period	-	-	41,535	41,535	20	41,555
Foreign currency translations, net of tax	-	151	-	151	-	151
Transactions with owners						
Dividend paid	-	-	(4,158)	(4,158)	-	(4,158)
Acquisition of additional interest from non- controlling interest	-	-	2,481	2,481	28,308	30,789
Balance as at 30 June 2022	73,336	1,354	236,162	310,852	28,322	339,174

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022. The accompanying notes form an integral part of this statement.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 JUNE 2023

	6 months ended 30/06/2023	6 months ended 30/06/2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	40,105	56,227
Adjustments for:-		
Depreciation of:-		
- investment properties	44	-
- property, plant and equipment	2,535	2,371
- right-of-use asset	9,775	6,921
Fair value gain on derivative liabilities	(10)	(466)
Finance costs	6,758	4,263
Gain on disposal of property, plant and equipment	(35)	(258)
Impairment loss on trade and other receivables	110	169
Interest income	(55)	-
Property, plant and equipments written off	65	177
Right-of-use asset written off	110	646
Reversal of lease liabilities	(122)	(635)
Reversal of impairment loss on property, plant and equipment	-	(203)
Reversal of impairment loss on trade and other receivables	(128)	(105)
Reversal of provision of restoration cost	-	(79)
Net unrealised loss on gold price fluctuation and foreign exchange	355	131
	59,507	69,159
Operating profit before changes in working capital	59,507	69,159
Inventories	(7,330)	(44,141)
Trade and other receivables	(7,167)	(26,346)
Trade and other payables	(12,413)	(6,368)
	32,597	(7,696)
Cash generated from/(used in) operations	32,597	(7,696)
Interest paid	(4,264)	(3,160)
Tax paid	(13,513)	(4,602)
Tax refund	-	13
	14,820	(15,445)
Net cash from/(used in) operating activities	14,820	(15,445)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	55	-
Acquisition of a subsidiary, net of cash acquired	(3,641)	-
Addition of right-of-use assets	(28)	(213)
Short term deposit held as security placed with Security Trustee	(539)	-
Proceeds from disposal of property, plant and equipments	35	446
Purchase of property, plant and equipment	(2,683)	(1,657)
	(6,801)	(1,424)
Net cash used in investing activities	(6,801)	(1,424)

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023
(THE FIGURES HAVE NOT BEEN AUDITED)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 JUNE 2023 (cont'd)**

	6 months ended 30/06/2023	6 months ended 30/06/2022
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(5,544)	(4,158)
Dividends paid to non-controlling interests of a subsidiary	(893)	-
Interest/Finance cost on IMTN paid	(1,576)	(415)
Lease interest paid	(29)	(40)
Net repayments of:		
- short term borrowings	(10,269)	(1,045)
- term loans	(2,640)	(2,589)
Net proceeds from issuance of shares to non-controlling interest	-	30,789
Payment of lease liabilities	(10,387)	(7,567)
Proceeds from issuance of Islamic Medium-Term Notes	40,000	-
Net cash from financing activities	<u>8,662</u>	<u>14,975</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	16,681	(1,894)
CASH & CASH EQUIVALENTS AT BEGINNING		
OF FINANCIAL PERIOD	21,420	29,027
EFFECT OF EXCHANGE RATES CHANGES	6	1
CASH & CASH EQUIVALENTS AT END OF		
FINANCIAL PERIOD	<u>38,107</u>	<u>27,134</u>
Represented by:-		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	39,174	40,439
Less:		
Short term deposits held as security for IMTN	(1,067)	-
Bank overdrafts	-	(13,305)
	<u>38,107</u>	<u>27,134</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022. The accompanying notes form an integral part of this statement.

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134**1. BASIS OF PREPARATION**

The interim financial report is unaudited and is prepared in accordance with the **MFRS134: *Interim Financial Reporting*** and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements and should be read together with the Group's Audited Financial Statement for the year ended 31 December 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Group in this report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2022 except for the adoption of the following new MFRSs and Amendments to MFRSs that become effective for the financial year beginning 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

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report for the preceding financial year ended 31 December 2022 was issued without any qualification.

4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter.

6. CHANGES IN ESTIMATES

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

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont’d)**7. CAPITAL MANAGEMENT, ISSUANCES, REPURCHASES AND REPAYMENTS OF DEBTS AND EQUITY INSTRUMENTS**

The primary objective of the capital management of the Group and the Company is to safeguard the ability of the Group 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 30 June 2023 and 30 June 2022, which are within the objectives of the Group for capital management, are as follows:

	30 June 2023	30 June 2022
	RM’000	RM’000
Total debt net of cash and cash equivalents	194,792	151,806
Total equity	389,491	339,174
Net gearing ratio	0.50	0.45

The Group reported net gearing ratio of 0.50 as at 30 June 2023, increased by 0.05 compared to 30 June 2022.

8. DIVIDEND PAID

On 9 June 2023, the Company paid a first and final single tier dividend of 4.0 sen per ordinary share amounting to RM5.544 million in respect of the financial year ended 31 December 2022.

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

9. OPERATING SEGMENTAL INFORMATION – MFRS 8

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

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

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

Results for financial period ended 30 June 2023	Retail RM’000	M&W RM’000	Total RM’000
Revenue			
Total revenue	381,873	124,377	506,250
Inter-segment revenue	(20,411)	(24,719)	(45,130)
External revenue	361,462	99,658	461,120
Results			
Segment profit before tax	32,763	7,342	40,105
Elimination of inter-segmental profits			-
Profit before tax			40,105
Tax expenses			(9,576)
Profit for the financial period			30,529
Non-controlling interest			(1,643)
Profit attributable to owners of the parent			28,886

Assets and liabilities as at 30 June 2023	Retail RM’000	M&W RM’000	Total RM’000
Assets			
Segment assets	730,062	104,642	834,704
Elimination of inter-segment balances			(161,133)
			673,571
Unallocated assets			1,954
Total assets			675,525
Liabilities			
Segment liabilities	284,119	2,843	286,962
Elimination of inter-segment balances			(1,483)
			285,479
Unallocated liabilities			555
Total liabilities			286,034

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

9. OPERATING SEGMENTAL INFORMATION – MFRS 8 (cont’d)

Results for financial period ended 30 June 2022	Retail RM’000	M&W RM’000	Total RM’000
Revenue			
Total revenue	399,162	151,097	550,259
Inter-segment revenue	(7,573)	(10,631)	(18,204)
External revenue	391,589	140,466	532,055
Results			
Segment profit before tax	49,842	6,385	56,227
Elimination of inter-segmental profits			-
Profit before tax			56,227
Tax expenses			(14,672)
Profit for the financial period			41,555
Non-controlling interest			(20)
Profit attributable to owners of the parent			41,535

Assets and liabilities as at 30 June 2022	Retail RM’000	M&W RM’000	Total RM’000
Assets			
Segment assets	648,387	114,833	763,220
Elimination of inter-segment balances			(168,395)
Unallocated assets			594,825
			779
Total assets			595,604
Liabilities			
Segment liabilities	225,012	18,418	243,430
Elimination of inter-segment balances			(915)
Unallocated liabilities			242,515
			13,915
Total liabilities			256,430

10. CARRYING AMOUNT OF REVALUED ASSETS

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

11. SIGNIFICANT EVENT DURING THE CURRENT QUARTER

On 15 May 2023, the Company’s subsidiary, Tomei Services Sdn Bhd, had entered into a Sale and Purchase Agreement with Datuk Ng Yih Pyng and Datin Choong Chow Mooi for the purchase of the entire stake in Pajak Gadai JP Sdn Bhd (“JP”) for a consideration of RM3,802,028.00. The consideration which is based on the net assets of JP as at 31 December 2022 has been paid in full by cash. JP’s principal activity is in the business of pawnbroking.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

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

12. CHANGES IN COMPOSITION OF THE GROUP

During the current quarter, the Group has acquired a 100% subsidiary as disclosed in Note 11 above.

13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets which have arisen since the last annual reporting date as at 31 December 2022.

14. COMMITMENTS

There were no capital commitments authorized or contracted by the Group as at 30 June 2023.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

15. PERFORMANCE REVIEW

Comparison with previous year's corresponding quarter

Individual Quarter	3 Months ended		Increase/(Decrease)	
	30-06-2023	30-06-2022		
	RM'000	RM'000	RM'000	%
Revenue				
Retail	188,162	224,682	(36,520)	-16%
M&W	61,806	90,372	(28,566)	-32%
	249,968	315,054	(65,086)	-21%
Elimination of inter-segmental revenue	(26,582)	(17,146)		
Total	223,386	297,908	(74,522)	-25%
Profit before tax				
Retail	19,663	32,138	(12,475)	-39%
M&W	3,785	2,387	1,398	59%
	23,448	34,525	(11,077)	-32%
Elimination of inter-segmental profit	18	-		
Total	23,466	34,525	(11,059)	-32%

The Group recorded revenue of RM223.386 million and profit before tax ("PBT") of RM23.466 million for the current quarter compared to RM297.908 million and RM34.525 million in the corresponding quarter last year, represent a decrease of 25% and 32%, respectively.

Retail Segment

The retail segment reported revenue of RM188.162 million for the current quarter compared to RM224.682 million in the corresponding quarter last year, represents a decrease of 16% due to lower sales volume.

As a result, it reported lower PBT of RM19.663 million for the current quarter compared to RM32.138 million in the corresponding quarter last year, represents a decrease of 39%. The lower profitability was also attributable to the higher operating overheads and finance cost.

Manufacturing & Wholesale Segment ("M&W")

The M&W segment reported revenue of RM61.806 million for the current quarter compared to RM90.372 million in the corresponding quarter last year, represents a decrease of 32%.

Despite lower revenue, it reported increase in PBT to RM3.785 million for the current quarter compared to RM2.387 million in the corresponding quarter last year. The increase in PBT was due mainly to lower expenses incurred during the current quarter. Expenses for the corresponding quarter last year was higher due to a one-off expense of RM2.3 million incurred for the Initial Public Offering ("IPO") of YX Precious Metals Bhd.

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

15. PERFORMANCE REVIEW (Cont'd)

Comparison with previous year's financial year-to-date

Year-to-Date	6 Months ended		Increase/(Decrease)	
	30-06-2023	30-06-2022		
	RM'000	RM'000	RM'000	%
Revenue				
Retail	381,873	399,162	(17,289)	-4%
M&W	124,377	151,097	(26,720)	-18%
	506,250	550,259	(44,009)	-8%
Elimination of inter-segmental revenue	(45,130)	(18,204)		
Total	461,120	532,055	(70,935)	-13%
Profit before tax				
Retail	32,763	49,842	(17,079)	-34%
M&W	7,342	6,385	957	15%
	40,105	56,227	(16,122)	-29%
Elimination of inter-segmental profit	-	-		
Total	40,105	56,227	(16,122)	-29%

The Group recorded revenue of RM461.120 million and PBT of RM40.105 million for the current financial period compared to RM532.055 million and RM56.227 million last year, represent a decrease of 13% and 29% respectively.

Retail Segment

The retail segment recorded revenue of RM381.873 million for the current financial period compared to RM396.162 million last year due to lower sales volume.

As a result, it recorded lower PBT of RM32.763 million for the current financial period compared to RM49.842 million last year. The retail segment also incurred higher operating overhead following the opening of several retail outlets and higher cost of borrowings.

Manufacturing & Wholesale Segment ("M&W")

The M&W segment recorded revenue of RM124.377 million for the current financial period compared to RM151.057 million last year. The decrease was due mainly to lower orders from customers.

Despite lower revenue, it reported higher PBT of RM7.342 million for the financial period compared to RM6.385 million last year. The increase in PBT was due mainly to lower expenses incurred. Last year's expenses were higher due to the IPO expenses.

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

15. PERFORMANCE REVIEW (Cont’d)

Comparison with preceding quarter

	3 Months ended		Increase/(Decrease)	
	30-06-2023	31-03-2023		
	RM'000	RM'000	RM'000	%
Revenue				
Retail	188,162	193,711	(5,549)	-3%
M&W	61,806	62,571	(765)	-1%
	249,968	256,282	(6,314)	-2%
Elimination of inter-segmental revenue	(26,582)	(18,550)		
Total	223,386	237,732	(14,346)	-6%
Profit before tax				
Retail	19,663	13,100	6,563	50%
M&W	3,785	3,557	228	6%
	23,448	16,657	6,791	41%
Elimination of inter-segmental profit	18	(18)		
Total	23,466	16,639	6,827	41%

The Group recorded a slight decrease in revenue to RM223.386 million compared to RM237.732 million in the preceding quarter. However, the Group recorded higher PBT of RM23.466 million mainly due to higher gross profit margin.

Retail Segment

The Retail segment recorded a slight decrease in revenue to RM188.162 million compared to RM193.711 million in the preceding quarter. However, it recorded higher PBT of RM19.663 million due to higher gross profit margin.

Manufacturing & Wholesales Segment (“M&W”)

Both the revenue and PBT of the M&W approximate those of the preceding quarter.

16. COMMENTARY ON PROSPECTS

According to the Monetary Policy Statement of Bank Negara Malaysia, the Malaysian economy expanded at a more moderate pace in recent months as exports were weighed down by slower external demand, as expected. Growth for the remainder of the year will continue to be driven by resilient domestic demand. Household spending continues to be underpinned by favourable labour market conditions, particularly in the domestic-oriented sectors. Tourist arrivals have been steadily improving, and are expected to continue rising, thereby lifting tourism-related activities. Household spending remains resilient, underpinned by better labour market conditions as unemployment continues to decline to pre-pandemic levels. The Monetary Policy Committee will ensure that the monetary policy stance remains conducive to sustainable economic growth amid price stability. (BNM 6/7/23)

Notwithstanding and due to the challenging and uncertain operating environment, the Board will continue to adopt a cautious and prudent approach to its operations with a view to sustain its profitability for the financial year.

17. PROFIT FORECAST OR PROFIT GUARANTEE

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

TOMEI CONSOLIDATED BERHAD (200501015912) (692959-W)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

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

18. TAX EXPENSE

	Individual Quarter		Year-to-date	
	30-06-2023	30-06-2022	30-06-2023	30-06-2022
	RM'000	RM'000	RM'000	RM'000
Current taxation	5,596	8,755	9,576	14,671
Under taxation	-	1	-	1
Deferred taxation	-	(4)	-	-
Total	5,596	8,752	9,576	14,672

The effective tax rate of the Group for the current quarter and financial year-to-date approximate the statutory tax rate of 24%.

19. CORPORATE PROPOSALS

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

20. UTILISATION OF PROCEEDS FROM YXPM's IPO

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	85	2,415	-	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	24,446	6,815	-	

21. BORROWINGS AND DEBT SECURITIES

As at 30 June 2023, the Group total borrowings of RM233.966 million, all of which are denominated in Ringgit Malaysia.

	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings	-	138,264	138,264
Long-term borrowings	80,000	15,702	95,702
	840,000	153,966	233,966

Included in the secured borrowings are RM80.0 million of IMTNs issued by the Group on 8 August 2022 and 1 June 2023. The IMTNs are secured by a short-term deposit of RM1,067,000 which represents minimum requirement balance equivalent to one (1) quarter of its profit payment held in designated accounts and operated by Security Trustee.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)**22. DERIVATIVE FINANCIAL INSTRUMENT**

	Contract Amount RM'000	Derivative liabilities RM'000
Gold contracts	50,096	281

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

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

During the financial period, the Group recognized a net gain of RM0.01 million arising from fair value changes of the gold contract.

23. CHANGES IN MATERIAL LITIGATIONS

No litigation has arisen since 31 December 2022.

24. DIVIDEND PAYABLE

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

25. EARNINGS PER ORDINARY SHARE

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

	Individual Quarter 3 months ended		Year-to-date 6 months ended	
	30-06-2023	30-06-2022	30-06-2023	30-06-2022
	RM'000	RM'000	RM'000	RM'000
Consolidated profit for the financial period attributable to equity holders of the parent	17,016	25,762	28,886	41,535
Weighted average number of ordinary shares in issue ('000)	138,600	138,600	138,600	138,600
Basic earnings per share (sen)	12.28	18.59	20.84	29.97
Diluted earnings per share	N/A	N/A	N/A	N/A

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

TOMEI CONSOLIDATED BERHAD (200501015912) (692959-W)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

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

26. PROFIT BEFORE TAX

Profit before tax is arrived at after charging: -

	Individual Quarter 3 months ended		Year-to-date 6 months ended	
	30-06-2023	30-06-2022	30-06-2023	30-06-2022
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	1,294	1,189	2,579	2,371
Depreciation of right-of-use asset	4,877	3,535	9,775	6,921
Finance costs	3,387	2,131	6,758	4,263
Impairment loss on trade and other receivables	76	169	110	169
Property, plant and equipment written off	65	172	65	177
Right-of-use asset written off	110	646	110	646

And crediting: -

	RM'000	RM'000	RM'000	RM'000
Fair value gain/(loss) of derivative liabilities	(133)	378	10	466
Interest income	21	-	55	-
Reversal of lease liabilities	122	635	122	635
Reversal of impairment loss on trade and other receivables	78	105	128	105
Reversal of provision of restoration cost	-	79	-	79
Reversal of impairment loss on property, plant and equipment	-	203	-	203
Gain on disposal of property, plant and equipment	35	169	35	258
Net gain on gold price fluctuation and foreign exchange	1,433	3,853	1,611	3,393

By Order of the Board

Secretary

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

Dated: 24 August 2023