

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2019**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30/9/2019	30/9/2018	30/9/2019	30/9/2018
	RM'000	RM'000	RM'000	RM'000
Revenue	118,724	146,076	397,567	425,609
Cost of sales	(85,677)	(116,442)	(298,647)	(330,485)
Gross profit	33,047	29,634	98,920	95,124
Other income	791	945	3,269	3,990
Selling and distribution expenses	(20,305)	(23,983)	(63,983)	(69,946)
Administrative expenses	(6,539)	(6,759)	(19,265)	(19,057)
Other expenses	(462)	(161)	(893)	(620)
Profit/(Loss) from operations	6,532	(324)	18,048	9,491
Finance costs	(3,038)	(2,857)	(8,722)	(8,566)
Profit/(Loss) before tax	3,494	(3,181)	9,326	925
Tax expense	(1,325)	854	(2,897)	(340)
Profit/(Loss) for the financial period	2,169	(2,327)	6,429	585
Profit/(Loss) attributable to:-				
Owners of the parent	2,083	(2,407)	6,064	486
Non-controlling interests	86	80	365	99
	2,169	(2,327)	6,429	585
Earnings/(Loss) per ordinary share attributable to equity holders of the parent (sen):-				
Basic earnings per share	1.50	(1.48)	4.38	0.35
Diluted earnings per share *	N/A	N/A	N/A	N/A

* Not applicable

TOMEI CONSOLIDATED BERHAD (692959–W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2019**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2019
(Cont'd)**

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30/9/2019	30/9/2018	30/9/2019	30/9/2018
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the financial period	2,169	(2,327)	6,429	585
Foreign currency translations	96	(21)	(363)	(182)
Total comprehensive income	<u>2,265</u>	<u>(2,348)</u>	<u>6,066</u>	<u>403</u>
Profit/(Loss) attributable to:-				
Owners of the parent	2,179	(2,428)	5,701	304
Non-controlling interests	86	80	365	99
	<u>2,265</u>	<u>(2,348)</u>	<u>6,066</u>	<u>403</u>

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018. The accompanying notes form an integral part of this statement.

TOMEI CONSOLIDATED BERHAD (692959–W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2019**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2019**

	As At 30/9/2019 RM'000	As At 31/12/2018 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	17,000	17,544
Prepaid lease payments for land	452	467
Right-of-use asset	28,257	-
Deferred tax assets	1,655	1,655
	<u>47,364</u>	<u>19,666</u>
Current assets		
Inventories	350,339	333,552
Trade and other receivables	26,044	37,698
Current tax assets	-	2,726
Cash and bank balances	9,340	11,645
	<u>385,723</u>	<u>385,621</u>
TOTAL ASSETS	<u>433,087</u>	<u>405,287</u>
EQUITY AND LIABILITIES		
Share capital	73,336	73,336
Reserves	133,672	129,339
Equity attributable to owners of the parent	<u>207,008</u>	<u>202,675</u>
Non-controlling interests	4,549	4,187
TOTAL EQUITY	<u>211,557</u>	<u>206,862</u>
LIABILITIES		
Non-current liabilities		
Borrowings	14,907	2,356
Deferred tax liabilities	177	177
Other liabilities	569	569
	<u>15,653</u>	<u>3,102</u>
Current Liabilities		
Trade and other payables	25,139	27,998
Borrowings	180,277	167,325
Current tax liabilities	461	-
	<u>205,877</u>	<u>195,323</u>
TOTAL LIABILITIES	<u>221,530</u>	<u>198,425</u>
TOTAL EQUITY AND LIABILITIES	<u>433,087</u>	<u>405,287</u>
Net assets per share (RM)	1.53	1.49

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018. The accompanying notes form an integral part of this statement.

TOMEI CONSOLIDATED BERHAD (692959-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2019

-----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 2019	73,336	1,728	127,611	202,675	4,187	206,862
Profit for the financial period	-	-	6,064	6,064	365	6,429
Transaction with owners:-						
- Dividend paid	-	-	(1,386)	(1,386)	-	(1,386)
- Foreign currency translations, net of tax	-	(363)	-	(363)	-	(363)
- Disposal of shares to non-controlling interest			18	18	(3)	15
Balance as at 30 September 2019	73,336	1,365	132,307	207,008	4,549	211,557

-----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 2018	73,336	1,862	124,339	199,537	4,029	203,566
Profit for the financial period	-	-	486	486	99	585
Transaction with owners:-						
- Dividend paid			(1,386)	(1,386)	-	(1,386)
- Foreign currency translations, net of tax	-	(167)	-	(167)	-	(167)
- Dissolution of a subsidiary company		(15)		(15)		(15)
Balance as at 30 September 2018	73,336	1,680	123,439	198,455	4,128	202,583

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018. The accompanying notes form an integral part of this statement.

TOMEI CONSOLIDATED BERHAD (692959–W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

	9 months ended 30/9/2019	9 months ended 30/9/2018
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	9,326	925
Adjustments for:-		
Amortisation of prepaid lease payments for land	14	14
Amortisation of right of use asset	10,456	-
Depreciation of property, plant and equipment	4,468	4,781
Provision for impairment of receivables	113	-
Property, plant and equipment written off	377	77
Gain on disposal of property, plant and equipment	(132)	(211)
Gain on disposal of subsidiary	-	(20)
Reversal of impairment loss on receivables	(68)	-
Net unrealised (gain)/loss on gold price fluctuation and foreign exchange	65	139
Finance costs	8,722	8,566
	<hr/>	<hr/>
Operating profit before changes in working capital	33,341	14,271
Inventories	(16,787)	14,647
Trade and other receivables	(27,427)	(3,815)
Trade and other payables	24,642	(8,459)
	<hr/>	<hr/>
Cash generated from operations	13,769	16,644
Interest paid	(7,286)	(8,236)
Tax paid	(1,328)	(3,401)
Tax refunded	1,618	7
Net cash from operating activities	<hr/> 6,773 <hr/>	<hr/> 5,014 <hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,073)	(5,261)
Proceeds from disposal of property, plant and equipment	135	572
Net cash used in investing activities	<hr/> (3,938) <hr/>	<hr/> (4,689) <hr/>

TOMEI CONSOLIDATED BERHAD (692959–W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2019 (Cont'd)

	9 months ended	9 months ended
	30/9/2019	30/9/2018
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(200)	(315)
Dividend paid	(1,386)	(1,386)
Net repayments of term loans	(692)	(1,479)
Net repayment of short term borrowings	(11,511)	847
Net repayments of hire-purchase liabilities	(638)	(2,103)
Net cash from financing activities	<u>(14,427)</u>	<u>(4,436)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	(11,592)	(4,111)
CASH & CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD		
	(16,627)	(25,210)
EFFECT OF EXCHANGE RATES CHANGES		
	48	204
CASH & CASH EQUIVALENTS AT END OF FINANCIAL PERIOD		
	<u>(28,171)</u>	<u>(29,117)</u>
Represented by:-		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	9,340	11,402
Bank overdrafts	(37,511)	(40,519)
	<u>(28,171)</u>	<u>(29,117)</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018. The accompanying notes form an integral part of this statement.

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

The interim financial report is unaudited and is prepared in accordance with the MFRS134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements and should be read together with the Group's Audited Financial Statement for the year ended 31 December 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

At the date of authorisation of these interim financial statements, the Group adopted the following Standards of the MFRS Framework that were issued by the Malaysia Accounting Standards Board:

Title	Effective Date
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019

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

Title	Effective Date
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report for the preceding financial year ended 31 December 2018 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.

(The figures have not been audited)

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

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

There were no extraordinary or exceptional items for the current quarter ended 30 September 2019.

6. CHANGES IN ESTIMATES

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

7. CAPITAL MANAGEMENT, ISSUANCES, REPURCHASES AND REPAYMENTS OF DEBTS AND EQUITY INSTRUMENTS

The Group’s objectives of managing capital are to safeguard the Group’s ability to continue in operations as a going concern in order to provide fair returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain the optimal capital structure, the Group may, from time to time, adjust the dividend payout to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

For capital management purposes, the Group considers shareholders’ equity, non-controlling interests and net debt to be the key components in the Group’s capital structure. The Group monitors capital on the basis of net gearing ratio. The ratio is calculated as the total debt net of cash and cash equivalents to total equity. Total equity is the sum of total equity attributable to shareholders and non-controlling interests. The net gearing ratios as at 30 September 2019 and 30 September 2018, which are within the Group’s objectives for capital management, are as follows:-

	30/9/2019	30/9/2018
	<u>RM’000</u>	<u>RM’000</u>
Total debt net of cash and cash equivalents	185,844	170,293
Total equity	211,557	202,583
Net gearing ratio	0.88	0.84

The Group reported net gearing ratio of 0.88 as at 30 September 2019, increased by 0.04 compared to 30 September 2018.

Upon the adoption of MFRS 16 *Leases*, total debts of the Group is inclusive of lease creditors arising from the right-of-use asset amounted RM28,886,000.

8. DIVIDEND PAID

During the current quarter, the Company paid a first and final single tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2018 on 3 June 2019.

TOMEI CONSOLIDATED BERHAD (692959-W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2019**

(The figures have not been audited)

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

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

- Manufacturing & Wholesales
- Retail

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

Results for financial period ended 30 September 2019	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Revenue			
Total sales	127,932	306,951	434,883
Inter-segment sales	(17,843)	(19,473)	(37,316)
External sales	110,089	287,478	397,567
Results			
Profit before tax	5,680	3,646	9,326
Tax expense	(1,391)	(1,506)	(2,897)
Profit for the period	4,289	2,140	6,429
Non-controlling interest			(365)
Profit attributable to owners of the parent			6,064
Assets and liabilities as at 30 September 2019			
Assets			
Segment assets	74,422	357,010	431,432
Unallocated assets	-	-	1,655
Total assets	-	-	433,087
Liabilities			
Segment liabilities	22,335	198,557	220,892
Unallocated liabilities	-	-	638
Total liabilities	-	-	221,530

TOMEI CONSOLIDATED BERHAD (692959–W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2019**

(The figures have not been audited)

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

Results for financial period ended 30 September 2018	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Revenue			
Total sales	143,177	355,801	498,978
Inter-segment sales	(34,425)	(38,944)	(73,369)
External sales	108,752	316,857	425,609
Results			
(Loss)/Profit before tax	(1,190)	2,115	925
Tax expense	250	(590)	(340)
(Loss)/Profit for the period	(940)	1,525	585
Non-controlling interest			(99)
Profit attributable to owners of the parent			486
Assets and liabilities as at 30 September 2018			
	RM'000	RM'000	RM'000
Assets			
Segment assets	76,540	327,524	404,064
Unallocated assets	-	-	5,932
Total assets	-	-	409,996
Liabilities			
Segment liabilities	27,689	179,393	207,082
Unallocated liabilities	-	-	331
Total liabilities	-	-	207,413

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 EVENTS DURING THE CURRENT QUARTER

There were no significant events during the current quarter.

12. CHANGES IN COMPOSITION OF THE GROUP

On 2 July 2019, the Company's subsidiary company, Tomei Retail Sdn Bhd has disposed of 30% of its interest in its wholly owned subsidiary company, Tomei Worldwide Franchise Sdn Bhd for a total consideration of RM15,000.00.

Subsequent to the current quarter, on 22 October 2019, the Company has incorporated a new subsidiary company, Tomei Services Sdn Bhd with a paid up capital of RM2.00.

Except for the above, there were no changes to the composition of the Group for the financial period.

(The figures have not been audited)

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

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 2018.

14. COMMITMENTS

Except as disclosed below, there were no other material commitments as at 30 September 2019:-

Capital commitments

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

Approved but not contracted for

RM’000
1,799

TOMEI CONSOLIDATED BERHAD (692959-W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019****(The figures have not been audited)****PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****15. PERFORMANCE REVIEW***Comparison with previous year's corresponding quarter and financial year to-date*

	Individual Quarter			
	3 months ended		Variance	
	30/9/2019	30/9/2018	RM'000	Percentage
	RM'000	RM'000	RM'000	Percentage
Sales				
Retail	83,170	103,338	-20,168	-20%
Manufacturing & wholesales	35,554	42,738	-7,184	-17%
Total	118,724	146,076	-27,352	-19%
Profit before tax				
Retail	387	(2,779)	3,166	N/A
Manufacturing & wholesales	3,107	(402)	3,509	N/A
Total	3,494	(3,181)	6,675	N/A

	Year-to-date			
	9 months ended		Variance	
	30/9/2019	30/9/2018	RM'000	Percentage
	RM'000	RM'000	RM'000	Percentage
Sales				
Retail	287,478	316,857	-29,379	-9%
Manufacturing & wholesales	110,089	108,752	1,337	1%
Total	397,567	425,609	-28,042	-7%
Profit before tax				
Retail	3,646	1,904	1,743	92%
Manufacturing & wholesales	5,680	(979)	6,659	N/A
Total	9,326	925	8,402	N/A

The Group reported a drop of 19% in revenue to RM118.724 million for the current quarter ended 30 September 2019 in comparison to RM146.076 million recorded in the previous year's corresponding quarter. During the current quarter, the international gold price has increased from approximately USD1,400 per oz to as high as approximately USD1,550 per oz. The sudden escalation of gold price has dampened the demand for gold. The increase in the gold price however has improved our margin slightly and contributed to our increase profitability to RM3.494 million from a loss before tax of RM3.181 million last year.

For the financial year to-date, we reported revenue of RM397.567 million and profit before tax ("PBT") of RM9.326 million.

(The figures have not been audited)

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

15. PERFORMANCE REVIEW (Cont'd)

*Comparison with previous year's corresponding quarter and financial year to-date (cont'd)**Retail Segment*

The retail segment reported revenue of RM83.170 million for the current quarter compared to RM103.338 million in the previous year's corresponding quarter, a decrease of 20%. On 1 June 2018, our government has zero rated the Goods and Services Tax and subsequently replaced it with the Sales and Services Tax ("SST") on 1 September 2018. Sales spiked up during the tax-free period of June to August 2018 contributing to the higher revenue achieved for the corresponding period in the previous year. Higher gold price during the current quarter has also dampened the demand for gold. Due to better gross margin, the retail segment reported a PBT of RM0.387 million compared to the loss reported for the corresponding quarter last year.

For the financial year to-date the retail segment reported PBT of RM3.646 million on the back of revenue of RM287.478 million.

Manufacturing & Wholesales segment ("M&W")

During the current quarter, the M&W reported revenue of RM35.554 million compared to RM42.738 million in the previous year's corresponding quarter as most retailers stocked up their products before the reintroduction of the SST. Despite the lower revenue, the higher gold price has increased our gross margin resulting in the M&W to report a PBT of RM3.107 million, turnaround its loss of RM0.402 million last year.

For the financial year to-date the M&W reported PBT of RM5.680 million on the back of revenue of RM110.089 million.

Comparison with preceding quarter

	3 months ended		Variance	
	30/9/2019 RM'000	30/6/2019 RM'000	RM'000	Percentage
Revenue				
Retail	83,170	99,000	(15,830)	-16%
Manufacturing & wholesales	35,554	36,511	(957)	-3%
Total	118,724	135,511	(16,787)	-12%

	3 months ended		Variance	
	30/9/2019 RM'000	30/6/2019 RM'000	RM'000	Percentage
Profit before tax				
Retail	387	533	(146)	-27%
Manufacturing & wholesales	3,107	1,183	1,924	163%
Total	3,494	1,716	1,778	104%

TOMEI CONSOLIDATED BERHAD (692959-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

(The figures have not been audited)

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

15. PERFORMANCE REVIEW (Cont'd)

Comparison with preceding quarter

The Group reported revenue of RM118.724 million for the current quarter compared to RM135.511 million in the preceding quarter mainly due to the higher gold price which has resulted in lesser demand by customers and the absence of major festivals. The higher retail gold price has resulted in better margin for the Group and doubled its PBT to RM3.494 million compared to the preceding quarter.

Retail Segment

The retail segment's reported lower revenue of RM83.170 million compared to RM99.000 million in the preceding quarter in the absence of major festivals. Despite the better gross margin, it reported a lower PBT of RM0.387 million compared to RM0.533 million recorded in the preceding quarter mainly due to higher operating expenses.

Manufacturing & Wholesales segment ("M&W")

The M&W's revenue for the current quarter of RM35.554 million is slightly lower than the revenue in the preceding quarter. As a result of higher gold price, the M&W reported higher PBT of RM3.107 million compared to RM1.183 million recorded in the preceding quarter.

16. COMMENTARY ON PROSPECTS

The Group will continue on its rationalization strategy in improving its sales volume through introduction of more new design and at the same time taking step to contain its operating cost. Barring any unforeseen circumstances, the Board of Directors is of the opinion that the Group will remain profitable for the year.

17. PROFIT FORECAST OR PROFIT GUARANTEE

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

18. TAX EXPENSE

	Individual Quarter		Year-to-date	
	30/9/2019	30/9/2018	30/9/2019	30/9/2018
	RM'000	RM'000	RM'000	RM'000
Current taxation	884	(1,174)	2,456	20
Under provision	441	320	441	320
	<u>1,325</u>	<u>(854)</u>	<u>2,897</u>	<u>340</u>

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

TOMEI CONSOLIDATED BERHAD (692959-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

(The figures have not been audited)

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

19. CORPORATE PROPOSALS

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

20. BORROWINGS AND DEBT SECURITIES

As at 30 September 2019, the Group has total borrowings of RM195.184 million, all of which are denominated in Ringgit Malaysia.

	Secured RM'000	Unsecured RM'000		Total RM'000
	Bank	Bank	Leased creditor	
Current	633	163,561	16,083	180,277
Non-current	1,106	998	12,803	14,907
	<u>1,739</u>	<u>164,559</u>	<u>28,886</u>	<u>195,184</u>

21. DERIVATIVE ASSETS

As at 30 September 2019, the Group does not have any outstanding derivative assets or liabilities.

22. CHANGES IN MATERIAL LITIGATIONS

No material litigation has arisen since 31 December 2018.

23. DIVIDEND PAYABLE

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

24. EARNINGS PER ORDINARY SHARE

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

	Individual Quarter 3 months ended		Year-to date 9 months ended	
	30/9/2019 RM'000	30/9/2018 RM'000	30/6/2019 RM'000	30/9/2018 RM'000
Consolidated profit/(loss) for the financial period attributable to equity holders of the parent	2,083	(2,047)	6,064	486
Weighted average number of ordinary shares in issue ('000)	138,600	138,600	138,600	138,600
Basic earnings per share (sen)	1.50	(1.48)	4.38	0.35
Diluted earnings per share	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

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

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30 SEPTEMBER 2019**

(The figures have not been audited)

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)****25. PROFIT/(LOSS) BEFORE TAX**

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

	Individual Quarter 3 months ended		Individual Quarter 9 months ended	
	30/9/2019 RM'000	30/9/2018 RM'000	30/9/2019 RM'000	30/9/2018 RM'000
Amortisation and depreciation	1,612	1,637	4,482	4,795
Amortisation right-of-use asset	4,805	-	10,456	-
Finance costs	3,038	2,857	8,722	8,566
Property, plant and equipment written off	107	76	377	77
Gain on dissolution of a subsidiary company	-	-	-	(20)
Gain on disposal of property, plant and equipment	-	(53)	(132)	(211)
Provision for impairment of receivables	113	-	113	-
Reversal of impairment loss on receivables	(68)	-	(68)	-
Net loss/(gain) on gold price fluctuation and foreign exchange	(94)	260	(1,322)	25

By Order of the Board

Secretary

Teoh Kok Jong (LS 04719)

Dated : 18 November 2019