



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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2022**

(THE FIGURES HAVE NOT BEEN AUDITED)

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

	Individual Quarter		Year-to-date	
	3 months ended		9 months ended	
	30-09-2022	30-09-2021	30-09-2022	30-09-2021
	RM'000	RM'000	RM'000	RM'000
Revenue	217,400	112,094	749,455	502,893
Cost of sales	(168,476)	(93,228)	(585,347)	(413,132)
Gross profit	48,924	18,866	164,108	89,761
Other income	717	1,798	6,488	5,758
Selling and distribution expenses	(21,895)	(13,039)	(66,633)	(49,659)
Administrative expenses	(7,455)	(4,730)	(21,868)	(16,410)
Other expenses	525	528	(789)	(1,392)
Profit from operations	20,816	3,423	81,306	28,058
Finance costs	(2,681)	(1,937)	(6,944)	(6,211)
Profit before tax	18,135	1,486	74,362	21,847
Tax expense	(3,185)	(481)	(17,857)	(5,540)
Profit for the financial period	14,950	1,005	56,505	16,307
Profit attributable to:-				
Owners of the parent	14,315	1,005	55,850	16,121
Non-controlling interests	635	-	655	186
	14,950	1,005	56,505	16,307
Earnings per ordinary share attributable to equity holders of the parent (sen):-				
Basic earnings per share	10.33	0.73	40.30	11.63
Diluted earnings per share *	N/A	N/A	N/A	N/A

* Not applicable

TOMEI CONSOLIDATED BERHAD (200501015912) (692959-W)
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30 SEPTEMBER 2022
(THE FIGURES HAVE NOT BEEN AUDITED)

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

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30-09-2022 RM'000	30-09-2021 RM'000	30-09-2022 RM'000	30-09-2021 RM'000
Profit for the financial period	14,950	1,005	56,505	16,307
Foreign currency translations	(74)	(72)	77	(302)
Total comprehensive income	14,876	933	56,582	16,005
Profit attributable to:-				
Owners of the parent	14,241	933	55,927	15,819
Non-controlling interests	635	-	655	186
	14,876	933	56,582	16,005

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021. The accompanying notes form an integral part of this statement.

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

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	As At 30/09/2022 RM'000	As At 31/12/2021 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	12,303	10,973
Right-of-use asset	28,570	19,982
Trade receivables	383	192
Deferred tax assets	779	779
	<u>42,035</u>	<u>31,926</u>
Current assets		
Inventories	487,187	405,027
Trade and other receivables	54,349	47,101
Cash and bank balances	16,523	30,042
	<u>558,059</u>	<u>482,170</u>
TOTAL ASSETS	<u>600,094</u>	<u>514,096</u>
EQUITY AND LIABILITIES		
Share capital	73,336	73,336
Reserves	251,757	197,507
Equity attributable to owners of the parent	<u>325,093</u>	<u>270,843</u>
Non-controlling interests	28,957	(6)
TOTAL EQUITY	<u>354,050</u>	<u>270,837</u>
LIABILITIES		
Non-current liabilities		
Other payables	759	722
Borrowings	56,333	19,598
Deferred tax liabilities	68	68
Lease liabilities	15,592	9,379
	<u>72,752</u>	<u>29,767</u>
Current liabilities		
Trade and other payables	29,554	34,973
Borrowings	118,209	163,992
Lease liabilities	13,076	10,763
Current tax liabilities	12,453	3,764
	<u>173,292</u>	<u>213,492</u>
TOTAL LIABILITIES	<u>246,044</u>	<u>243,259</u>
TOTAL EQUITY AND LIABILITIES	<u>600,094</u>	<u>514,096</u>
Net assets per share (RM)	2.55	1.95

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

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

(THE FIGURES HAVE NOT BEEN AUDITED)

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

	-----Attributable To Owners Of The Parent-----					
	---Non Distributable---		Distributable		Non-Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000		
Balance as at 1 January 2022	73,336	1,203	196,304	270,843	(6)	270,837
Profit for the financial period	-	-	55,850	55,850	655	56,505
Foreign currency translations, net of tax	-	77	-	77	-	77
Transactions with owners						
Dividend paid	-	-	(4,158)	(4,158)	-	(4,158)
Share acquired by non-controlling interest of a subsidiary	-	-	2,481	2,481	28,308	30,789
Balance as at 30 June 2022	73,336	1,280	250,477	325,093	28,957	354,050

	-----Attributable To Owners Of The Parent-----					
	---Non Distributable---		Distributable		Non-Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000		
Balance as at 1 January 2021	73,336	1,715	166,155	241,206	4,169	245,375
Profit for the financial period	-	-	16,121	16,121	186	16,307
Foreign currency translations, net of tax	-	(302)	-	(302)	-	(302)
Transactions with owners						
Dividend paid	-	-	(2,772)	(2,772)	-	(2,772)
Acquisition of additional interest from non-controlling interest	-	-	186	186	(4,360)	(4,174)
Reclassification adjustment relating to dissolution of a subsidiary	-	(258)	(37)	(295)	-	(295)
Balance as at 30 June 2021	73,336	1,155	179,653	254,144	(5)	254,139

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

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2022

(THE FIGURES HAVE NOT BEEN AUDITED)

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

	9 months ended 30/09/2022	9 months ended 30/09/2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	74,362	21,847
Adjustments for:-		
Depreciation of right-of-use asset	11,264	10,678
Depreciation of property, plant and equipment	3,538	3,601
Fair value gain on derivative liabilities	(205)	-
Finance costs	6,944	6,211
Impairment loss on trade and other receivables	177	227
Gain on disposal of property, plant and equipment	(261)	(290)
Property, plant and equipments written off	179	158
Right-of-use asset written off	646	-
Reversal of provision of restoration cost	(94)	-
Reversal of lease liabilities	(635)	(96)
Reversal of impairment loss on property, plant and equipment	(203)	-
Reversal of impairment loss on trade and other receivables	(153)	(259)
Net unrealised loss on gold price fluctuation and foreign exchange	(13)	175
	<hr/>	<hr/>
Operating profit before changes in working capital	95,546	42,252
Inventories	(82,160)	(6,057)
Trade and other receivables	(7,151)	(8,999)
Trade and other payables	(5,771)	(4,908)
	<hr/>	<hr/>
Cash generated (used in)/from operations	464	22,288
Interest paid	(4,826)	(5,271)
Tax paid	(9,181)	(4,236)
Tax refund	13	41
	<hr/>	<hr/>
Net cash (used in)/ from operating activities	(13,530)	12,822

TOMEI CONSOLIDATED BERHAD (200501015912) (692959-W)
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30 SEPTEMBER 2022

(THE FIGURES HAVE NOT BEEN AUDITED)

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

	9 months ended 30/09/2022 RM'000	9 months ended 30/09/2021 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of right-of-use assets	(213)	-
Purchase of property, plant and equipment	(4,633)	(1,378)
Proceeds from disposal of property, plant and equipments	446	418
Net cash used in investing activities	<u>(4,400)</u>	<u>(960)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(634)	(152)
Lease interest paid	(55)	(33)
Dividend paid	(4,158)	(2,772)
Proceeds from issuance of shares of a subsidiary company to non-controlling interest	31,261	-
Payment of share issuance expenses by a subsidiary company	(472)	-
Net repayment of term loans	(3,922)	18,662
Net repayment of short term borrowings	(44,111)	(10,731)
Net proceeds from issuance of Islamic Medium Term Notes	39,704	-
Payments of lease liabilities	(12,171)	(9,103)
Net cash from/(used in) financing activities	<u>5,442</u>	<u>(4,129)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(12,488)	7,733
CASH & CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	29,027	5,948
EFFECT OF EXCHANGE RATES CHANGES	(16)	(4)
CASH & CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>16,523</u>	<u>13,677</u>
Represented by:-		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	16,523	15,632
Bank overdrafts	-	(1,955)
	<u>16,523</u>	<u>13,677</u>

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

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

(THE FIGURES HAVE NOT BEEN AUDITED)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

The interim financial report is unaudited and is prepared in accordance with the MFRS134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements and should be read together with the Group's Audited Financial Statement for the year ended 31 December 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Title	Effective Date
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 – Comparative Information</i>	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>)	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report for the preceding financial year ended 31 December 2021 was issued without any qualification.

4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

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

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

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

6. CHANGES IN ESTIMATES

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

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30 SEPTEMBER 2022

(THE FIGURES HAVE NOT BEEN AUDITED)

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

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

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

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

On 8 August 2022, the Group has issued RM40.0 million Islamic Medium-Term Notes, the proceeds of which were used to reduce existing short-term borrowing of the Group.

For capital management purposes, the Group considers shareholders' equity, non-controlling interests and net debt to be the key components in the Group's capital structure. The Group monitors capital on the basis of net gearing ratio. The ratio is calculated as the total debt net of cash and cash equivalents to total equity. Total equity is the sum of total equity attributable to shareholders and non-controlling interests. The net gearing ratios as at 30 September 2022 and 30 September 2021, which are within the Group's objectives for capital management, are as follows:

	30-09-2022	30-09-2021
	RM'000	RM'000
Total debt net of cash and cash equivalents	158,019	151,943
Total equity	354,050	254,139
Net gearing ratio	0.45	0.60

The Group reported net gearing ratio of 0.45 as at 30 September 2022, decreased by 0.15 compared to 30 September 2021.

8. DIVIDEND PAID

No dividend was paid during the current quarter.

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

9. OPERATING SEGMENTAL INFORMATION – MFRS 8

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

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

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

Results for financial period ended
30 September 2022

	Retail RM'000	M&W RM'000	Total RM'000
Revenue			
Total revenue	558,193	219,197	777,390
Inter-segment revenue	(11,875)	(16,060)	(27,935)
External revenue	546,318	203,137	749,455

Results

Segment profit before tax	65,186	9,176	74,362
Elimination of inter-segmental profits			-
Profit before tax			74,362
Tax expenses			(17,857)
Profit for the financial period			56,505
Non-controlling interest			(655)
Profit attributable to owners of the parent			55,850

Assets and liabilities
as at 30 September 2022

	Retail RM'000	M&W RM'000	Total RM'000
Assets			
Segment assets	665,413	102,353	767,766
Elimination of inter-segment balances			(168,451)
Unallocated assets			599,315
Total assets			779
			600,094
Liabilities			
Segment liabilities	229,291	4,114	233,405
Elimination of inter-segment balances			118
Unallocated liabilities			233,523
Total liabilities			12,521
			246,044

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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 2021	Retail RM'000	M&W RM'000	Total RM'000
Revenue			
Total revenue	322,326	192,644	514,970
Inter-segment revenue	(5,844)	(6,233)	(12,077)
External revenue	316,482	186,411	502,893
Results			
Segment profit before tax	17,892	3,983	21,875
Elimination of inter-segmental profits			(28)
Profit before tax			21,847
Tax expenses			(5,540)
Profit for the financial period			16,307
Non-controlling interest			(186)
Profit attributable to owners of the parent			16,121
Assets and liabilities as at 30 September 2021			
	Retail RM'000	M&W RM'000	Total RM'000
Assets			
Segment assets	510,666	68,160	578,826
Elimination of inter-segment balances			(107,227)
			471,599
Unallocated assets			1,158
Total assets			472,757
Liabilities			
Segment liabilities	203,759	13,329	217,088
Elimination of inter-segment balances			(2,301)
			214,787
Unallocated liabilities			3,381
Total liabilities			218,618

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.

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(THE FIGURES HAVE NOT BEEN AUDITED)

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

11. SIGNIFICANT EVENT DURING THE CURRENT QUARTER

There were no significant events during the current quarter.

12. CHANGES IN COMPOSITION OF THE GROUP

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

Other than above, there were no changes to the composition of the Group during the current quarter.

13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets which have arisen since the last annual reporting date as at 31 December 2021.

14. COMMITMENTS

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

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

Approved but not contracted for

RM'000
3,375

TOMEI CONSOLIDATED BERHAD (200501015912) (692959-W)
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30 SEPTEMBER 2022

(THE FIGURES HAVE NOT BEEN AUDITED)

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

15. PERFORMANCE REVIEW

Comparison with previous year's corresponding quarter and financial year to-date

	INDIVIDUAL QUARTER			
	3 MONTHS ENDED			
	30-09-2022	30-09-2021	Changes	
	RM'000	RM'000	RM'000	%
Revenue				
Retail	159,031	64,474	94,557	147%
M&W	68,100	48,007	20,093	42%
	227,131	112,481	114,650	102%
Elimination of inter-segmental revenue	(9,731)	(387)		
Total	217,400	112,094	105,306	94%
Profit before tax				
Retail	15,344	260	15,084	5,802%
M&W	2,791	1,214	1,577	130%
	18,135	1,474	16,661	1,130%
Elimination of inter-segmental profit	-	12		
Total	18,135	1,486	10,708	1,120%

Comparison with previous year's corresponding quarter

The Group's revenue for the current quarter has almost doubled to RM217.400 million compared to RM112.094 million in the corresponding quarter last year, contributed mainly by the retail division. As a result, the Group reported higher profit before tax ("PBT") of RM18.135 million compared to RM1.486 million last year.

Retail Segment

The retail segment reported revenue of RM159.031 million for the current quarter compared to RM64.474 million in the previous year's corresponding quarter, an increase of 147%. During the economic lockdown period last year, our retail outlets were not able to operate resulting in the absence of revenue during the said period. As a result, the retail division only reported a marginal profit of RM0.260 million last year. Following the re-opening of the economy, our retail sales has recovered and as a result, the retail segment reported higher PBT of RM15.344 million during the current quarter.

Manufacturing & Wholesales Segment ("M&W")

During the current quarter, the M&W reported revenue of RM68.100 million compared to RM48.007 million reported in the previous year's corresponding quarter, an increase of 42%. Our factory was shut down during the lockdown period last year, resulting in lower production output. Our operation has returned to its normalcy during the current quarter and as a result, our profitability has accordingly improved to RM2.791 million.

TOMEI CONSOLIDATED BERHAD (200501015912) (692959-W)
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30 SEPTEMBER 2022

(THE FIGURES HAVE NOT BEEN AUDITED)

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

15. PERFORMANCE REVIEW (Cont'd)

	YEAR-TO-DATE 9 MONTHS ENDED			
	30-09-2022	30-09-2022	Changes	
	RM'000	RM'000	RM'000	%
Revenue				
Retail	558,193	322,326	235,867	73%
M&W	219,197	192,644	26,553	14%
	777,390	514,970	262,420	51%
Elimination of inter-segmental revenue	(27,935)	(12,077)		
Total	749,455	502,893	246,562	49%
Profit before tax				
Retail	65,186	17,892	47,294	264%
M&W	9,176	3,983	5,193	130%
	74,362	21,875	52,487	240%
Elimination of inter-segmental profit	-	(28)		
Total	74,362	21,847	52,515	240%

Comparison with previous year's financial year to-date

The Group reported revenue of RM749.455 million for the current financial year-to-date compared to RM502.893 million last year, an increase of 49%, contributed positively mainly by the retail segment. As a result, the Group reported higher PBT of RM74.362 million compared to RM21.847 million last year.

Retail Segment

The retail segment reported revenue of RM558.193 million for the current financial year-to-date compared to RM322.326 million last year, an increase of 73%. Last year's revenue was affected by the lockdown during the second and third quarter of the year. Due to improvement in revenue, the retail segment reported a PBT of RM65.186 million compared to RM17.892 million last year.

Manufacturing & Wholesales Segment ("M&W")

The M&W reported revenue of RM219.197 million for the current financial year-to-date compared to RM192.644 million last year mainly due to increase in sales volume. As a result, the M&W reported higher PBT of RM9.176 million compared to RM3.983 million last year.

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

(THE FIGURES HAVE NOT BEEN AUDITED)

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

15. PERFORMANCE REVIEW (Cont'd)

Comparison with preceding quarter

	3 MONTHS ENDED			
	30-09-2022	30-06-2022	Changes	
	RM'000	RM'000	RM'000	%
Revenue				
Retail	159,031	224,682	(65,651)	-29%
M&W	68,100	90,372	(22,272)	-25%
	227,131	315,054	(87,923)	-28%
Elimination of inter-segmental revenue	(9,731)	(17,146)		
Total	217,400	297,908	(80,508)	-27%
Profit before tax				
Retail	15,344	32,138	(16,794)	-52%
M&W	2,791	2,387	404	17%
	18,135	34,525	(16,390)	-47%
Elimination of inter-segmental profit	-	-		
	18,135	34,525	(16,390)	-47%

The Group's revenue for the current quarter of RM217.400 million was 27% lower compared to the preceding quarter. As a result, the Group reported a lower PBT of RM18.135 million compared to RM34.525 million reported in the preceding quarter.

Retail Segment

The retail segment revenue for the current quarter of RM159.031 million was 29% lower compared to the previous quarter which coincides with major festive season such as the Hari Raya. As a result, of lower revenue, the retail division reported lower PBT of RM15.344 million during the current quarter.

Manufacturing & Wholesales Segment ("M&W")

During the current quarter, the M&W reported lower a revenue of RM68.100 million compared to RM90.372 million in the preceding quarter. Most retailers replenished their stocks in preparation for the expected increase in jewellery demand for the Hari Raya celebration last quarter. Despite the lower revenue, the M&W reported higher PBT of RM2.791 million. The PBT of RM2.387 million in the preceding quarter is inclusive of a deduction of one-off listing expenses of RM2.309 million which was incurred for the listing of YXPM.

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16. COMMENTARY ON PROSPECTS

The Malaysian economy has strengthened driven primarily by robust domestic demand. However, downside risks to the domestic economy continue to stem from a weaker-than-expected global growth, higher risk aversion in global financial markets amid more aggressive monetary policy tightening in major economies, further escalation of geopolitical conflicts, and worsening supply chain disruptions.

On the retail front, the market condition could be challenging as the rising input cost, weakening of ringgit and rising inflation that could impact consumer purchasing power.

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

17. PROFIT FORECAST OR PROFIT GUARANTEE

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

18. TAX EXPENSE

	Individual Quarter		Year-to-date	
	30-09-2022 RM'000	30-09-2021 RM'000	30-09-2022 RM'000	30-09-2021 RM'000
Current taxation	3,332	481	18,003	5,930
Under/(Over) provision	(147)	-	(146)	(390)
Total	3,185	481	17,857	5,540

The effective tax rate of the Group for the current financial period approximates the statutory tax rate of 24%.

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19. CORPORATE PROPOSALS

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

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

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

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

On 19 August 2022, the Company through its subsidiary company, Tomei Retail Sdn Bhd has entered into a Joint Venture Agreement with Alpha Next Sdn Bhd to carry out the business of developing, deploying, integrating, commissioning, operating and maintaining an online sales platform application that allows customer to buy gold product online directly from Tomei.

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

20. UTILISATION OF PROCEEDS FROM YXPM’S IPO

The status of utilisation of proceeds from YXPM’s IPO as at 30 September 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	-	

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21. BORROWINGS AND DEBT SECURITIES

As at 30 September 2022, the Group total borrowings of RM174.542 million, all of which are denominated in Ringgit Malaysia.

	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term	-	118,209	118,209
Long-term	40,000	16,333	56,333
	<u>40,000</u>	<u>134,542</u>	<u>174,542</u>

The Group has established a Sukuk Murabahah Programme of up to RM150.0 million in nominal value based on the Shariah principle of Murabahah (via Tawarruq arrangement). The first tranche of the programme of RM40.0 million in nominal value was drawn down on 8 August 2022 and its proceeds were used to pay the Group's short term credit facilities.

22. DERIVATIVE FINANCIAL INSTRUMENT

	Contract Amount RM'000	Derivative liabilities RM'000
Gold contracts	<u>30,159</u>	<u>16</u>

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

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

During the financial period, the Group recognized a net gain of RM0.205 million arising from fair value changes of the gold contract.

23. CHANGES IN MATERIAL LITIGATIONS

No material litigation has arisen since 31 December 2021.

24. DIVIDEND PAYABLE

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

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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 9 months ended	
	30-09-2022 RM'000	30-09-2021 RM'000	30-09-2022 RM'000	30-09-2021 RM'000
Consolidated profit for the financial period attributable to equity holders of the parent	14,315	1,005	55,850	16,121
Weighted average number of ordinary shares in issue ('000)	138,600	138,600	138,600	138,600
Basic earnings per share (sen)	10.33	0.73	40.30	11.63
Diluted earnings per share	N/A	N/A	N/A	N/A

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

26. PROFIT BEFORE TAX

Profit before tax is arrived at after charging: -

	Individual Quarter 3 months ended		Year-to- Date 9 months ended	
	30-09-2022 RM'000	30-09-2021 RM'000	30-09-2022 RM'000	30-09-2021 RM'000
Depreciation of right-of-use asset	4,343	3,393	11,264	10,678
Depreciation of property, plant and equipment	1,167	1,314	3,538	3,601
Finance costs	2,681	1,937	6,944	6,211
Impairment loss on trade and other receivables	8	191	177	227
Property, plant and equipment written off	2	-	179	158
Right-of-use asset written off	-	-	646	-

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26. PROFIT BEFORE TAX (cont'd)

And crediting: -

	Individual Quarter 3 months ended		Year-to- Date 9 months ended	
	30-09-2022 RM'000	30-09-2021 RM'000	30-09-2022 RM'000	30-06-2021 RM'000
Fair value loss/(gain) on derivative liabilities	261	-	(205)	-
Reversal of lease liabilities	-	-	(635)	(96)
Reversal of impairment loss on trade and other receivables	(48)	(229)	(153)	(259)
Reversal of provision of restoration cost	(15)	-	(94)	-
Reversal of impairment loss on property, plant and equipment	-	-	(203)	-
Gain on disposal of property, plant and equipment	(3)	(290)	(261)	(290)
Net gain on gold price fluctuation and foreign exchange	(1,341)	(263)	(4,734)	(979)

By Order of the Board

Secretary

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

Dated: 22 November 2022