

A close-up photograph of a woman from the chest up, wearing a vibrant red, sleeveless dress. She is adorned with a Tomei necklace featuring a series of blue gemstones and diamonds, a matching bracelet, and rings. She holds a glass dessert topped with chocolate, sprinkles, and a cherry. The background is a solid dark grey.

**TOMEI®**

TOMEI CONSOLIDATED BERHAD

# ANNUAL REPORT 2021

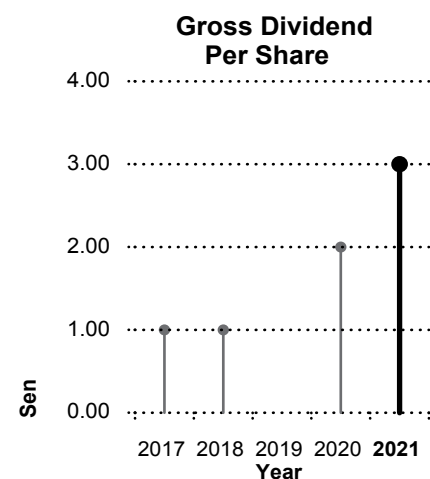
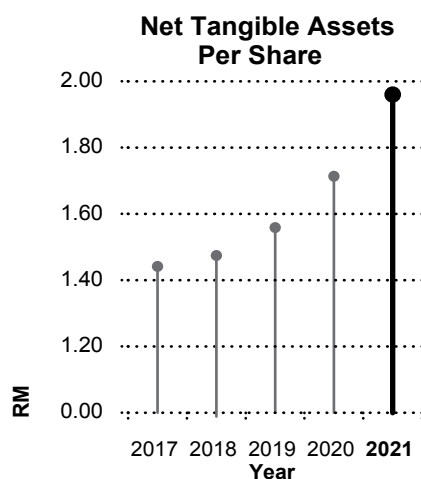
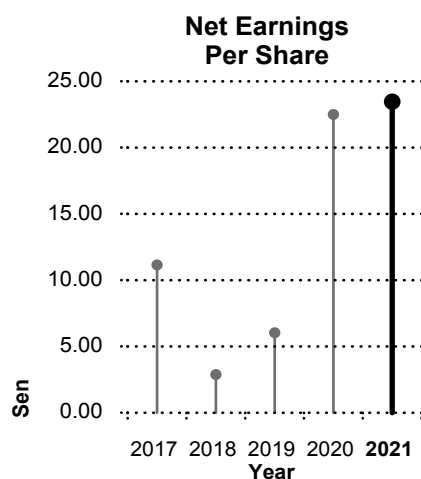
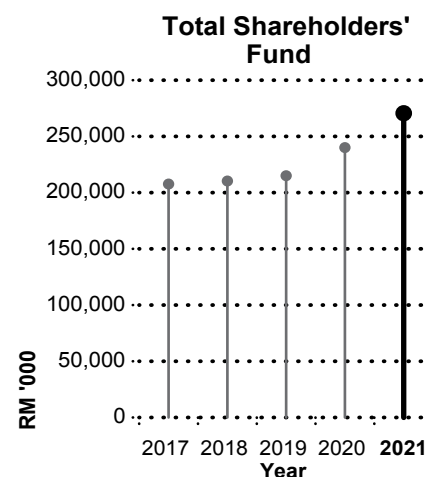
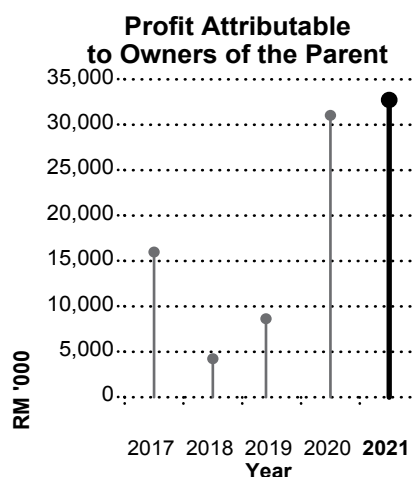
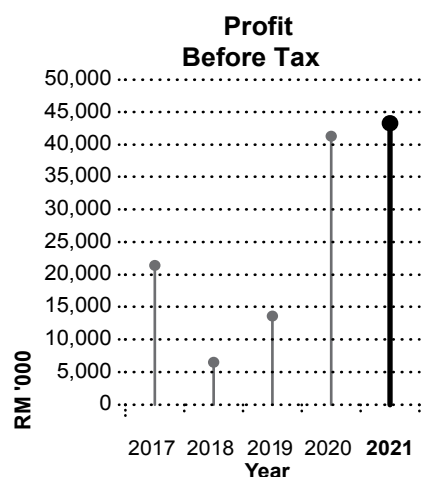
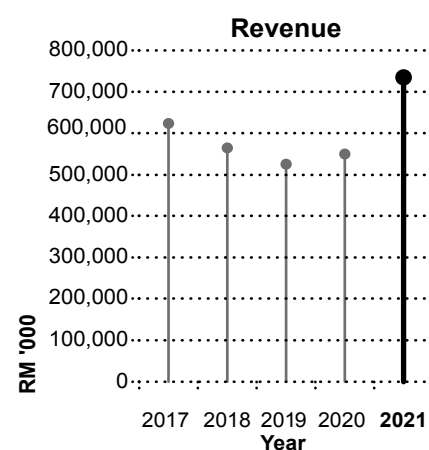


# TABLE OF CONTENTS

Table of Contents	1	38	Audit Committee Report Nomination Committee Statement
Financial Highlights Corporate Information Calendar of Events Corporate Structure	03 04 06 2	43	46 Statement on Risk Management & Internal Control Additional Compliance Information
Corporate Profile Profile of the Board of Directors Chairman's Statement Profile of Senior Management	09 12 16 8	48	49 114 115 Directors' Responsibility Statement Financial Statements List of Property Shareholdings Analysis
Management Discussion and Analysis Corporate Governance Overview Statement Sustainability Statement	25 33 19	117	125 127 Notice of Annual General Meeting Statement Accompanying Notice of Annual General Meeting Proxy Form

# 5 YEARS FINANCIAL HIGHLIGHTS

	2017	2018	2019	2020	2021
Revenue (RM '000)	617,020	564,024	534,074	552,401	<b>736,069</b>
Profit Before Tax (RM '000)	21,282	6,687	14,015	41,341	<b>43,959</b>
Profit Attributable to Owners of the Parent (RM '000)	16,045	4,745	8,739	31,173	<b>32,772</b>
Total Shareholders' Fund (RM '000)	203,566	206,862	214,193	245,375	<b>270,837</b>
Net Earnings Per Share (Sen)	11.58	3.42	6.31	22.49	<b>23.65</b>
Net Tangible Assets Per Share (RM)	1.47	1.49	1.55	1.77	<b>1.95</b>
Gross Dividend Per Share (Sen)	1.00	1.00	-	2.00	<b>3.00</b>



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

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

Datuk Ng Yih Pyng  
*Group Managing Director*

Puan Sri Nonadiah Binti Abdullah  
*Independent Non-Executive Director*

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 COMMITTEE

Mr Lau Tiang Hua  
*Chairman*

Puan Sri Nonadiah Binti Abdullah

Datuk M Chareon Sae Tang @ Tan Whye Aun

## RISK MANAGEMENT COMMITTEE

Mr Lau Tiang Hua  
*Chairman*

Puan Sri Nonadiah Binti Abdullah

Datuk M Chareon Sae Tang @ Tan Whye Aun

Datuk Ng Yih Pyng

## REMUNERATION COMMITTEE

Datuk M Chareon Sae Tang @ Tan Whye Aun  
*Chairman*

Puan Sri Nonadiah Binti Abdullah

Mr Lau Tiang Hua

## NOMINATION COMMITTEE

Datuk M Chareon Sae Tang @ Tan Whye Aun  
*Chairman*

Puan Sri Nonadiah Binti Abdullah

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](http://www.tomei.com.my)

## AUDITOR

BDO PLT (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



Chinese new year event - Jan 2022



Gold investment talk - Jan 2022



Feng shui talk - Jan 2022





Year end sale - Dec 2021



FB live - Jan 2022



Goldheart wedding event - Aug 2021



Le Lumiere "Joyous Wonderment" Christmas event - Dec 2021



Tomei Business Conference

# 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. (*fka YX Bullion Sdn. Bhd.*) (200201019252)(586915-X)  
 100% TXG Bullion Sdn. Bhd. (20221009890)(1455587-T)  
 100% YX Precious Metals Bhd. (202101001245)(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)  
 100% Flawless Skin Care Sdn. Bhd. (201401029410)(1105496-D)  
 100% O M Design Sdn. Bhd. (201001041276)(925204-T)

## **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)  
 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



**TOMEI®**  
GOLD & JEWELLERY

**LUSSO ITALIA**  
916 GOLD COLLECTION

# CORPORATE PROFILE

Tomei was founded in 1968 as a jewellery designer and manufacturer. It then set up its own first retail outlet under the brand name TOMEI in Campbell Shopping Complex in Kuala Lumpur in the early seventies and subsequently it transformed into an integrated jewellery manufacturer and retailer of gold and jewellery.

Listed on the Main Market of Bursa Malaysia, Tomei dominates a sizable portion of the Malaysian jewellery market with more than 50 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. Tomei's products are exported to other regional countries as well as in the 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 Ana-stasia and Chomel for gold jewellery and Eternal Binding for diamond jewellery. The Group also secured the exclusive distributorship for "Xifu Jewellery" and "Batar Jewellery", both from China and Thailand's "Prima Gold" for the 24k gold segment. For the children 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 metal from renowned marque such as the Suisse Pamp, the Maple Leaf and the Australian Kangaroo.

The Group retails its products through various channels. Most of its products are sold at 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 [www.etomei.com](http://www.etomei.com). Its products are also available at popular marketplaces such as Lazada, Shopee and Zalora. On the alternative channels, Tomei products are available on TV shopping and social media such as Facebook.

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, manufacturing and sales of gold and jewellery products from Lloyd's Register.

Due to the Group outstanding achievement in the industries, 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 SMECorp since 2010.

# PROFILE OF THE BOARD OF DIRECTORS

## **Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad (Malaysian/Male, 76 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 to join Perbadanan Usahawan Nasional Berhad as the CEO for one year. He was reappointed as CEO of Affin Bank Berhad in 1995 and retired in 2003.

Yang Mulia Raja Tan Sri Dato' Seri Aman also sits on the board of Ahmad Zaki Resources Berhad and Affin Hwang Asset Management Berhad as their Chairman. He also serves as the Chairman for the Investment Panel of Lembaga Tabung Angkatan Tentera. He does not have any family relationship with any directors and/or major shareholders of the Company.

## **Datuk Ng Yih Pyng (Malaysian/Male, 50 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. He is also the Vice President for The National Chamber of Commerce & Industry Malaysia. His portfolio in the chamber includes being the Chairman of its Branding Strategy and Membership Drive Consultative Committee and the advisor to the Young Entrepreneurs Committee.

Datuk Ng also sit on the Board of YX Precious Metals Bhd. His siblings, Mr Ng Yih Chen and Ms Ng Sheau Yuen and spouse Datin Choong Chow Mooi are also members of the Board.

## **Puan Sri Nonadiah Binti Abdullah (Malaysian/Female, 64 years)**

Puan Sri Nonadiah was appointed as Independent Non-Executive Director of the Company on 21 April 2006. She graduated with a Bachelor of Business (Administration) from the Royal Melbourne Institute of Technology in Australia in 1981 and thereafter obtained a Diploma in Montessori Method of Education, St. Nicholas, London, United Kingdom. She began her career in 1980 with the Public Works Department, Melbourne, Australia as an Accounts Executive. She has also served Bumiputra-Commerce Bank Berhad from 1982 to 1989 and her last position was Manager in Corporate Banking Division. In 1991, she became a licensed Dealer's Representative and was attached to a stockbroking firm until 1997.

Puan Sri Nonadiah does not have directorship in other public companies and listed issuers. She also does not have any family relationship with any directors and/or major shareholders of the Company.



**Datuk M Chareon Sae Tang @ Tan Whye Aun (Malaysian/Male, 83 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 also sits on the board of ACB Resources Berhad and Lion Corporation Berhad. He does not have any family relationship with any directors and/or major shareholders of the Company.

**Mr Lau Tiang Hua (Malaysian/Male, 69 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 managing partner of the Penang Office of Grant Thornton Malaysia PLT.

Mr Lau does not have directorship in other public companies and listed issuers. He also does not have any family relationship with the other directors and/or major shareholders of the Company.

**Datin Choong Chow Mooi (Malaysian/Female, 53 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 and 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, 48 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 and 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, 55 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 and 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 Shareholding 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 2021.

## REVIEW OF 2021 FINANCIAL YEAR PERFORMANCE

The Covid-19 pandemic has ravaged through our economy for the past two years, causing much hardship among Malaysian. Due to the increase infection rates, the Government has again decided to lock down our economy from June to August last year. Many businesses suffered and some to the extent of closing down while many Malaysians lost their source of income.

Just when the economy was about to rebound in the final quarter of last year, we are again met with more catastrophe. Several states in Malaysia including many urban areas such as in Kuala Lumpur and Selangor were affected by an unprecedented flood which then paralysed businesses and trapped many people to their home while assets were damaged.

Despite all these adversities, I am happy to report that the Group managed to report a 33.25% growth in revenue to RM736.069 million. As a result, the Group reported a net profit after tax of RM32.957 million. Both the revenue and net profit after tax reported represent the highest revenue and profit ever achieved by the Group.



**SUSTAINABILITY**

The issue of Environment, Social and Governance or ESG has gained much attention of late. The Group has long embedded this concept of sustainability into its way of doing business with the motto "Whatever taken from the society should be returned to the society". Today it has become a culture of the Group that all business decisions are made with the mindset of fair and equitable concern to all stakeholders. Details on our sustainability initiatives are deliberated more in the Sustainability Statement of this Annual Report.

**CORPORATE DEVELOPMENT**

The Group as part of its plan to expand on its manufacturing and wholesales division has taken a bold move to seek the floatation and separate listing of this business segment on the ACE Market of Bursa Malaysia. I am happy to announce that both the Bursa Malaysia and the Securities Commission have given their approvals for the proposed listing exercise paving way for a separate and distinct public listed entity within the Group. The Company has also received the approval from its shareholder for the exercise on 29 March 2022.

The objective for the proposed listing is to enable the Group to unlock and crystalize the value of its investment in the manufacturing and wholesales business and allows this business segment to raise equity funding independently for its operation and expansion.

For this purpose, the Company has set up a wholly-owned special investment vehicle, YX Precious Metals Bhd to acquire the whole of manufacturing and wholesales business of the Group. YX Precious Metals Bhd is targeted to be listed on the ACE Market of Bursa Malaysia by the second quarter of financial year 2022 and expected to raise approximately RM31 million from the public. Upon completion of the exercise, the Group's interest in YX Precious Metals Bhd shall be reduced to 70%. Despite the dilution, I expect the proposed exercise to contribute positively to the Group in view of the expected better performance from its manufacturing and wholesales business.

**DIVIDEND**

Your Board is pleased to recommend a first and final single tier dividend of 3.0 sen per ordinary share for the financial year ended 31 December 2021 for shareholders' approval at the forthcoming Annual General Meeting.

**OUTLOOK**

Despite the many challenges and against all the odds during the year, the Group has done well.

However, the recent wave of Omicron infections has caused a spike in positive Covid-19 cases in Malaysia and created much anxiety among the people. This does not bode well with the retail business as consumers might shun high-traffic area such as shopping malls as a precaution to avoid potential infection.

Due to these uncertainties, the Board will stay vigilant and continuously monitor the current situation and will take the necessary measures to sustain the Group's operation in the year 2022.

**ACKNOWLEDGEMENT**

Our Group Executive Director, Ms Ng Sheau Chyn has offered to step down from the Board on 12 October 2021 to fully concentrate on her duties and responsibilities for the proposed YX Precious Metals Bhd Group. On behalf of the Board, I would like to express our heartfelt gratitude to Ms Ng for her immense contributions to the Group for the past sixteen years. During her tenure with the Group, Ms Ng has spearheaded our manufacturing and wholesales business. Under her strong leadership and business acumen, the business has grown by leaps and bounds. The Board wishes her all the best in her new role and is confident that she will bring the manufacturing and wholesales business to greater heights.

**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. It is worth mentioning that our Group Managing Director, Datuk Ng Yih Pyng and his team has delivered yet another successful year. They have put in a lot of effort to formulate strategies and steering the business during the unprecedented business environment.

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**  
INDEEDENT NON-EXECUTIVE CHAIRMAN

---

# PENYATA PENGGERUSI

Bagi pihak Lembaga Pengarah Tomei Consolidated Berhad, saya dengan sukacita membentangkan laporan tahunan dan Penyata Kewangan beraudit bagi tahun berakhir 31 Disember 2021.

## ULASAN PRESTASI KEWANGAN TAHUN 2021

Sejak lebih dari dua tahun, pandemik Covid-19 telah memberi impak yang besar kepada ekonomi negara dan sekaligus menyusahkan rakyat Malaysia. Disebabkan peningkatan kadar kebolehtangkitan, pihak Kerajaan sekali lagi membuat keputusan untuk menutup dan menyekat ekonomi dari Jun sehingga Ogos tahun lepas. Banyak perniagaan telah menanggung kerugian sehingga terpaksa menutup perniagaan, manakala ramai rakyat Malaysia kehilangan sumber mata pencarian mereka.

Ketika ekonomi kelihatan kembali rancak di suku akhir tahun lepas, kita sekali lagi berhadapan dengan situasi yang buruk. Beberapa negeri di Malaysia termasuk banyak kawasan bandar seperti Kuala Lumpur dan Selangor telah terjejas oleh fenomena banjir luar biasa dan tidak pernah berlaku sebelum ini. Malapetaka ini telah melumpuhkan perniagaan dan mengakibatkan kerosakan harta benda manakala ramai rakyat terperangkap di dalam rumah.

Di sebalik kesulitan yang dihadapi, saya berbesar hati melaporkan bahawa Kumpulan berjaya melaporkan pertumbuhan jualan sebanyak 33.25% kepada RM736.069 juta. Justeru itu, Kumpulan melaporkan keuntungan bersih selepas cukai sebanyak RM32.957 juta. Kedua-dua jumlah jualan dan keuntungan bersih selepas cukai yang dilaporkan merupakan rekod tertinggi yang pernah dicapai oleh Kumpulan.

## KELESTARIAN

Isu alam sekitar, sosial dan tadbir urus (ESG) telah mendapat banyak perhatian sejak akhir-akhir ini. Kumpulan telah sekian lama mengamalkan konsep kelestarian di dalam pengurusan perniagaan dengan bertemakan “Setiap yang diambil dari masyarakat perlu dipulangkan kepada masyarakat”. Amalan ini telah sebatian dan menjadi budaya Kumpulan di mana semua keputusan perniagaan yang dibuat adalah berdasarkan penilaian keadilan dan saksama kepada semua pihak yang berkepentingan. Perincian inisiatif kelestarian Kumpulan dibincangkan dengan lebih lanjut di bahagian Kenyataan Kelestarian di dalam Laporan Tahunan ini.

## PEMBANGUNAN KORPORAT

Kumpulan telah mengorak langkah yang berani melalui permohonan untuk pengapungan dan penyenaraian berasingan di Pasaran ACE, Bursa Malaysia sebagai salah satu perancangan untuk memperkembangkan segmen pembuatan dan borongnya. Saya dengan berbesar hati ingin mengumumkan bahawa Bursa Malaysia dan Suruhanjaya Sekuriti telah meluluskan cadangan penyenaraian ini, selanjutnya membuka jalan kepada penyenaraian entiti awam yang berasingan dan tersendiri di dalam Kumpulan. Syarikat juga telah menerima kelulusan daripada pemegang saham untuk perancangan ini pada 29 Mac 2022.

Matlamat cadangan penyenaraian adalah bagi membolehkan Kumpulan untuk mengurai dan menyahihkan nilai pelaburan di dalam segmen pembuatan dan borong dan membolehkan segmen ini meraih pembiayaan ekuiti secara bebas untuk tujuan operasi dan perkembangan.

Bagi tujuan ini, Syarikat telah menubuhkan satu kenderaan pelaburan khas berpemilikan penuh, YX Precious Metals Bhd untuk mengambil alih keseluruhan perniagaan pembuatan dan borong Kumpulan. YX Precious Metals Bhd

menasarkan penyenaraian di Pasaran ACE, Bursa Malaysia pada suku kedua tahun kewangan 2022 dan dijangka akan meraih sebanyak RM31 juta daripada pelabur awam. Sejurus selesai cadangan ini, kepentingan Kumpulan di dalam YX Precious Metals Bhd akan dikurangkan kepada 70%. Walaupun dengan pengurangan tersebut, saya menjangkakan cadangan ini akan memberi sumbangan yang positif kepada Kumpulan memandangkan jangkaan prestasi yang lebih baik daripada perniagaan pembuatan dan borong.

## DIVIDEN

Lembaga Pengarah dengan sukacita mencadangkan dividen pertama dan akhir “single tier” sebanyak 3.0 sen bagi sesaham biasa bagi tahun kewangan berakhir 31 Disember 2021 untuk persetujuan para pemegang saham di Mesyuarat Agung Tahunan akan datang.

## PANDANGAN KE HADAPAN

Meskipun berhadapan dengan pelbagai cabaran dan kesulitan sepanjang tahun, Kumpulan telah berjaya dengan cemerlang.

Walau bagaimanapun, gelombang jangkitan Omicron baru-baru ini telah mengakibatkan peningkatan kes-kes Covid-19 di Malaysia dan meresahkan orang ramai. Ini merupakan petanda yang tidak baik kepada perniagaan runcit kerana pelanggan berkemungkinan mengelak daripada berkunjung ke tempat sesak seperti pusat membeli-belah sebagai langkah berjaga-jaga bagi mengelak jangkitan.

Oleh kerana ketidakpastian ini, Lembaga Pengarah akan terus berwaspada dan memantau secara berterusan keadaan semasa dan akan mengambil langkah yang perlu untuk mengekalkan operasi Kumpulan dalam tahun 2022.

## PENGIKTIRAFAN

Pengarah Eksekutif Kumpulan, Cik Ng Sheau Chyn telah menawarkan diri untuk berundur sebagai Lembaga Pengarah pada 12 Oktober 2021 untuk menumpukan perhatian di dalam tugas dan tanggungjawabnya bagi Kumpulan YX Precious Metals Bhd. Bagi pihak Lembaga Pengarah, saya ingin merakamkan penghargaan kepada Cik Ng bagi sumbangan beliau yang amat besar kepada Kumpulan sepanjang enam belas tahun. Sepanjang perkhidmatan beliau dengan Kumpulan, beliau telah meneraju perniagaan pembuatan dan borong. Di bawah kepimpinan kuat dan ketajaman perniagaan beliau, perniagaan telah meningkat berlipat kali ganda. Lembaga Pengarah mendoakan yang terbaik buat beliau di dalam menggalas tanggungjawab yang baru dan yakin bahawa beliau akan membawa perniagaan pembuatan dan borong ke peringkat yang lebih tinggi.

## PENGHARGAAN

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

Terima kasih juga saya panjangkan kepada pihak pengurusan dan pekerja bagi komitmen yang tinggi, dedikasi dan kegigihan yang diberikan. Saya juga ingin menyebut bahawa Pengarah Urusan Kumpulan, Datuk Ng Yih Pyng serta pasukan beliau sekali lagi telah memberikan prestasi yang cemerlang pada tahun ini. Beliau dan pasukannya telah memberi sepenuh tenaga untuk merumus strategi dan mengemudi perniagaan di situasi yang begitu mencabar.

Akhir kata, saya 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 DAN 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, 49 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, 61 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, 52 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, 52 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 ICOSA(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.



Le Lumiere - Diamonds of Light™

Perfect 8 Hearts & 8 Arrows Diamonds

八心八箭



Le Lumiere World Flagship, Lot F222, First Floor, The Gardens Mall. Tel: 03-2287 4668

[www.lelumiere.com](http://www.lelumiere.com)

Also available at selected **Tomei Gold & Jewellery • Goldheart**

[www.facebook.com/LeLumiere.Malaysia](https://www.facebook.com/LeLumiere.Malaysia) • [instagram.com/LeLumiereMalaysia](https://www.instagram.com/LeLumiereMalaysia)

# GOLDHEART®



*Be Cherished*

*Romantic Blue*  
ロマンティックブルー

KLANG VALLEY: Mid Valley Megamall G054A .03-2283 1633 Sunway Pyramid G1.78 .03-5611 2332 1 Utama F 302 .03-7726 5668



[instagram.com/Goldheart\\_Malaysia](https://www.instagram.com/Goldheart_Malaysia)



[www.goldheart-com.my](http://www.goldheart-com.my)



[www.facebook.com/GoldheartMalaysia](https://www.facebook.com/GoldheartMalaysia)



[t.me/GoldheartMalaysia](https://t.me/GoldheartMalaysia)



# 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 except for some manufacturing activity carried out in the Socialist Republic of Vietnam.

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 fashion in Malaysia.

Our retail division sells gold and jewellery under our own brands namely Tomei, Le Lumiere and Goldheart. We are also the authorized distributor for De Beers diamonds in Malaysia. Our manufacturing division manufactures and wholesales its products to other retailers both in Malaysia and overseas.

## OBJECTIVES & STRATEGIES

It is always our vision to make Tomei 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 organization with integrity and passionately delivering excellent products and services to all our customers.

Our long 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

Tomei offers a wide range of jewellery products in the market comprising of yellow gold, white gold, diamonds and other precious and semi-precious stones. This is in line with Malaysians’ preference for yellow gold ornaments for their creative design and inherent value. In order to cater to the younger generation and the affluent segment, Tomei continues to introduce more products of contemporary white gold and diamond jewellery.

Our products transcend race, culture and age and serves as a leading jewellery choice for both men and women. 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. Our sales personnels attend workshops and training regularly to upgrade their soft skills and product knowledge to ensure that our customers are always best attended to. 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.

Product selection and combination plays an important factor to ignite customers’ interest. We have introduced many new product designs tailored specifically for each seasonal promotion in line with local festivities. Our designs which are inspired by both the European trend and the Asian culture and incorporated with local taste have provided 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 jewelleries and tailored to their preference while Ana-stasia collections bring back the aura of classical beauty and elegance much cherished by Malaysians especially the urban modern Malay. For those who yearn for the European design jewellery, we have our Lusso Italia collections that bring out the design creativity from Italy.

Tomei brought in the award winning Xifu wedding jewellery collections, a product endorsed by the World Gold Council which offers the customary Chinese wedding series while the Batar jewellery collections from China features 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.

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.

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.

We are licensed by Sanrio Inc. for the retailing of Hello Kitty and its other related characters jewellery in Malaysia. These range which target mainly the younger customers has enabled us to widen the scope of our customer base.

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. We are also a licensed contract manufacturer for Disney character gold jewelleries for an oversea customer.

#### Sales channel

Tomei has more than 50 retail outlets located mainly at major shopping malls in Malaysia. Shopping malls in Malaysia provide the point of convergence to the public for works, 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.

The Covid-19 pandemic has brought about a great challenge to the Malaysian economic environment in particular the leisure and hospitality industry including the retail sector. Given our great exposure and high dependency on retail business, our operation has not been spared from the effect of the pandemic. As a result, we have re-strategized our business approach and crafted many alternative sales channels to further diversify our traditional bricks and mortar retail concept.

Our immediate response to the Movement Control Order measures was to further strengthen our online channel. Over the past years, we have started to build up our presence in the online segment through our own webstore, [www.etomei.com](http://www.etomei.com) to retail selected jewelleries in addition to selling on 3rd party market platforms such as Lazada, Shopee and Zalora. Since the start of the movement restriction order, this segment of business has improved by leaps and bounds. We foresee the online segment will continue to flourish even after the pandemic as more customers have experienced the convenience of online shopping at their own comfort while security is assured.

The Group also introduces its products through TV shopping. Currently Tomei's products are available on existing TV channels such as CJ Wowshop and Astro Go as well as sales made through social media such as on Tomei's Facebook page and Instagram.

#### Customer

Customer relationship and engagement has always been a core priority for Tomei. This has led to the setting-up of Tomei Jewel Club, our own customer relationship management system, to track the needs of customers, and to reward them for their loyalty. The customer database collected allows the Group to stay connected with customers on all our ongoing promotions and to solicit feedback. 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. Our Customer Engagement team reacted to customer queries and comments almost immediately to ensure that their needs are well taken care of.

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

**CORPORATE DEVELOPMENT**

Our subsidiary, YX Precious Metals Bhd has received the approval from all relevant authorities and shareholders for the listing and quotation of its shares on the ACE Market of Bursa Securities. The exercise is expected to be completed by the second quarter of the year.

The listing is expected to further improve on the performance of our manufacturing and wholesales business as the funding raised would be used primarily for the expansion of its production capacity.

**KEY PERFORMANCE INDICATORS**

Summary of key financial performance indicators are provided in the section titled “5 years financial highlights” 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 revenue of RM736.069 million for the financial year. This represents a 33% increase compared to last year's revenue of RM552.401 million mainly due to increase in sales volume. As a result, the Group reported a higher profit before tax (“PBT”) of RM43.959 million compared to RM41.341 million last year.

**Retail division**

Our retail division reported revenue of RM477.929 million for the financial year. This represents an increase of 33% compared to last year's revenue of RM360.291 million. This was achieved despite the closure of its retail outlets during the lockdown period from June 2021 to August 2021. The Group has deployed various strategies to keep its customer connected and building up their loyalty in preserving its market share. As a result, the retail division reported a PBT of RM34.669 million compared to RM30.888 million last year.

**Manufacturing and Wholesale division**

Our manufacturing and wholesale division reported total revenue of RM258.140 million for the financial year. This represents an increase of 34% compared to last year's revenue of RM192.110 million. However, the manufacturing and wholesales division reported lower PBT of RM9.290 million compared to RM11.530 million reported last year due to lower gross profit margin.

**GROSS PROFIT & GROSS MARGIN**

The Group reported a gross profit of RM138.161 million for the financial year, representing a gross margin of 19%. The lower gross margin as compared to 25% last year was due to lower gross profit margin from the manufacturing and wholesales division arising from higher carrying cost of gold inventory due to higher gold price.

**OPERATING EXPENSES**

Operating expenses for the financial year under review of RM94.232 million approximates that of the previous year. Major operating expenses includes staff cost and rental of retail space. The Group has implemented various cost rationalization 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 RM8.306 million is lower compared to RM10.039 million last year. The reduction came about as the Group rebalanced its loan portfolio to take advantage of the lower cost financing instruments. Finance cost is incurred mainly on borrowings taken by the Group to finance its working capital and purchase of assets.

**CAPITAL EXPENDITURE**

During the financial year under review, we have incurred capital expenditure of RM3.375 million mainly for the renovation and refurbishment of retail showrooms in order to provide a fresh and conducive shopping ambience for our customers.

**LIQUIDITY AND FINANCIAL RESOURCES**

For the financial year under review, we reported a surplus cashflows of RM23.086 million contributed mainly by the positive operating cash flow of RM16.166 million.

The positive operating cash flow of RM16.166 million was derived from the operating profit of RM70.893 million before changes in working capital components and before interest and tax expenses which both took up net cash outflow of RM38.624 million and RM16.103 million respectively.

The net cash outflow of RM2.808 million from investing activities was used mainly for capital expenditure.

The net cash inflow of RM9.728 million from financing activities was mainly derived from the net drawdown of term loan of RM23.585 million. During the financial year, the Group made payment for lease liabilities and dividend to shareholders amounting to RM12.020 million and RM2.772 million respectively.

As at the end of the financial year, the Group has total cash and bank balances of RM30.042 million while the utilization of bank overdrafts stood at RM1.015 million. The utilization of bank overdrafts as at financial year end was much lower compared to RM17.263 million last year.

**BORROWINGS & GEARING**

Our borrowings are mainly used for working capital purpose especially to purchase stocks. 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 RM183.590 million as compared to RM174.952 million as at the end of last financial year. During the financial year, the Group has drawn down RM26 million of term loan to finance its working capital. This has resulted in lower utilization of bank overdraft during the year.

The Group monitors its capital management 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. The Group reported net gearing ratio of 0.57 as at the end of the financial year, a decrease by 0.05 as compared to 0.62 last year.

**DIVIDEND**

The Board of Director has recommended a first and final single tier dividend of 3.0 sen per ordinary share for the financial year ended 31 December 2021 for shareholders' approval at the forthcoming Annual General Meeting.

**RISKS AND CHALLENGES**

Our retail segment currently contributes approximately 65% of the total Group's revenue. In addition, our manufacturing and wholesales 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.

Current geopolitical issues such as the recent war between Russia and Ukraine may result in many investors turning to less riskier assets such as gold causing its price to increase. While the increase in price is viewed favourably to the Group's profitability, high gold price could also dampen demand. Similarly, any major decision on monetary policy by major economies could lead to fluctuation in currency, particularly the US Dollar. These fluctuations pose risk to our profitability as any adverse movement could affect 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 financial position. Our online webstore and presence in market platforms currently address the growing needs from customers who prefer to shop online. We have also further diversified our sales channel to include selling on social media and TV.



The pandemic has greatly impacted the overall economy and change the way we interact. The introduction of various movement restrictions during the past 2 years has put a dent to the economy and retail businesses. Our retail outlets were not allowed to operate and our production was totally shut down during the period of lockdown. Despite the resumption of business, many consumers tend to avoid crowded areas such as shopping malls for fear of getting infected. In respond to this challenging environment, the Group has put in more effort to promote online business as well as marketing through 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 Company ensures that all cash transaction with value equals or exceeds the mandated threshold is subject to a due diligence check in accordance with the procedure laid down by Bank Negara.

The Company also has in a 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**

Despite the rise in the Omicron wave which has resulted in a surge of new infection cases, our government has adopted a more positive approach to relax the prevailing SOP with a view of opening up the economy further. Further, our government has reopened the borders with certain countries on 1 April 2022. Barring any unforeseen hitch, this should augur well for the local economy.

Our Group is poised to take advantage of the opportunity resulting from the border reopening. In the meanwhile, we will continue with our effort to attract and retain customers to sustain our market share and be mindful of controlling our operating overheads.



THE GREATEST PLAN FOR

# GOLD INVESTMENT

As low as  
**RM175**  
/month

**0%**  
interest  
fee

**12**  
scheduled  
payment



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Your Board of Directors recognizes 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](http://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 to best practices and principles of corporate governance through the Audit Committee;
- c) Identifying and implementing appropriate systems to manage principal risks through the Risk Management Committee;
- 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' communications policy for the Company;
- h) Developing an ethical standard for the Group through 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](http://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.

### 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 2021, there were five (5) Board Meetings held and the details of attendance are as follows:-

<b>Executive Directors</b>	<b>Attendance</b>
Datuk Ng Yih Pyng	5/5
Datin Choong Chow Mooi	5/5
Ng Yih Chen	5/5
Ng Sheau Yuen	5/5
Ng Sheau Chyn	
(resigned wef 12 October 2021)	4/4
<b>Independent Non-Executive Directors</b>	<b>Attendance</b>
Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad	5/5
Puan Sri Nonadiah Binti Abdullah	5/5
Datuk M Chareon Sae Tang @ Tan Whye Aun	5/5
Lau Tiang Hua	5/5

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 operates 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 the all the Board Committees are being disclosed at Company's website at [www.tomei.com.my](http://www.tomei.com.my).



Your Board is assisted by four (4) Board Committees as follows:-

- 1) Audit Committee ("AC")
- 2) Nomination Committee
- 3) Remuneration Committee
- 4) Risk Management Committee

The report of the AC and the Nomination Committee are presented in the Audit Committee 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
Puan Sri Nonadiah Binti Abdullah	Member
Lau Tiang Hua	Member
Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad (Resigned wef 18 August 2021)	Member

In accordance to the recommendation of the Code that the Chairman of the Company should not be a member of the Remuneration Committee, Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad has stepped down from being a member of the Remuneration Committee with effective from 18 August 2021.

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; and
- c) To ensure that the Directors' remuneration package is linked to level of responsibility and performance, and is within market practice.

There was one (1) remuneration committee meeting held during the financial year 2021.

### Risk Management Committee

The Risk Management Committee comprises four (4) members, majority of whom are Independent Non-Executive Directors:-

Name	Designation
Lau Tiang Hua	Chairman
Puan Sri Nonadiah Binti Abdullah (Appointed wef 18 August 2021)	Member
Datuk M Chareon Sae Tang @ Tan Whye Aun	Member
Datuk Ng Yih Pyng	Member
Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad (Resigned wef 18 August 2021)	Member

In accordance to the recommendation of the Code that the Chairman of the Company should not be a member of the Risk Management Committee, Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad has stepped down from being a member of the Risk Management Committee with effective from 18 August 2021 and being replaced by Puan Sri Nonadiah Binti Abdullah.

The Committee's duties and responsibilities are:-

- a) To review periodic management report on risk exposure, risk portfolio and management strategies to mitigate the identified risks;
- b) To ensure adequacy of infrastructure, resources and systems for effective risk management;
- c) To assess adequacy of policies and framework for identifying, measuring, monitoring and controlling risks; and
- d) To review the extent to which these measures are operating effectively.

There was one (1) risk management committee meeting held during the financial year 2021.

**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 diversity in experience to 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 independent, unbiased views, advice and judgement in the decision-making process.

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 set the tone during your Board meeting and facilitate meaningful deliberation of your Board agenda. In line with the recommendation of the Code, the Chairman does not sit in any of the Board Committee established by your Board.

The Group Managing Director, serves as the head of the Management team and 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 officers whereupon recommendations are submitted to your Board for approval.

The details of your Directors' remuneration paid/payable to all Directors of the Company for the financial year ended 31 December 2021 are set out as follows:-

<b>Company level</b>	
<b>2021</b>	<b>Fees</b>
<b>EXECUTIVE DIRECTOR</b>	
Datuk Ng Yih Pyng	10,800
Datin Choong Chow Mooi	10,800
Ng Yih Chen	10,800
Ng Sheau Yuen	10,800
<b>Sub-total</b>	<b>43,200</b>
<b>NON-EXECUTIVE DIRECTOR</b>	
Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad	65,000
Puan Sri Nonadiah Binti Abdullah	54,000
Datuk M Chareon Sae Tang @ Tan Whye Aun	54,000
Lau Tiang Hua	63,000
<b>Sub-total</b>	<b>236,000</b>
<b>Grand Total</b>	<b>279,200</b>

<b>Group Level</b>				
<b>2021</b>	<b>Remuneration</b>	<b>Fees</b>	<b>Benefits-in-kind</b>	<b>Total</b>
<b>EXECUTIVE DIRECTOR</b>				
Tan Sri Datuk Dr Ng Teck Fong (Demised on 21 March 2021)	135,600	-	3,992	139,592
Datuk Ng Yih Pyng	614,650	10,800	10,333	635,783
Datin Choong Chow Mooi	496,095	10,800	13,325	520,220
Ng Yih Chen	454,281	10,800	23,950	489,031
Ng Sheau Yuen	454,674	10,800	17,400	482,874
Ng Sheau Chyn	474,659	-	23,950	498,609
<b>Sub-total</b>	<b>2,629,959</b>	<b>43,200</b>	<b>92,950</b>	<b>2,766,109</b>
<b>NON-EXECUTIVE DIRECTOR</b>				
Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad	2,000	65,000	-	67,000
Puan Sri Nonadiah Binti Abdullah	1,500	54,000	-	55,500
Datuk M Chareon Sae Tang @ Tan Whye Aun	2,000	54,000	-	56,000
Lau Tiang Hua	2,000	63,000	-	65,000
<b>Sub-total</b>	<b>7,500</b>	<b>236,000</b>	<b>-</b>	<b>243,500</b>
<b>Grand Total</b>	<b>2,637,459</b>	<b>279,200</b>	<b>92,950</b>	<b>3,009,609</b>

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 officers other than the above Executive Directors of the Group for the financial year ended 31 December 2021 are RM939,016.

**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. AUDIT COMMITTEE AND EXTERNAL AUDITORS**

The AC 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 AC discusses with the external auditors on both the audit plan and their scope of audit before the commencement of audit work. The AC is also being briefed by the auditor on their audit report upon the completion of audit. In addition, the AC 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 AC 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 AC during their audit planning.

The AC 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 AC in relation to the external auditors is described in the AC 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 AC. Details of the internal audit function are provided in the AC Report section of this Annual Report.

The Statement on Risk Management & Internal Control in 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 informations are also made available at the Company's website at [www.tomei.com.my](http://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 and seek clarification on the meeting agenda including performance of the Group.

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 4 April 2022.

# JEWELMAG

爱饰

by TOMEI

January Issue, 2022

虎生威  
福满满



# SUSTAINABILITY STATEMENT

TOMEI is built upon its corporate vision of emphasizing on the sustainability of its products, branding, customers and progressive organization. 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 Environment 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.

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.

Tomei's sustainability pillars are focused on the following four areas:-

- 1) Responsible business practices
- 2) Meeting customers' expectation
- 3) Developing employees
- 4) Well-being of employees and communities

Tomei is proud that its subsidiary, De Beers Diamond Jewellers Sdn Bhd was selected as the winner of the Sin Chew Business Excellence Awards 2020 in the category of Business Sustainability.

## MANAGING AREA OF SUSTAINABILITY

### 1. Responsible Business Practices

#### **Promoting circular economy**

Gold is mined and its supply just like any other natural resources is becoming scarce. Extensive mining also poses certain environmental hazard. Realizing 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. We are glad to announce that a sizeable amount of our gold supply is traded in by our customers. We have the state-of-the-art technology to refine this gold into its purest form for the production of jewellery.

Gold dust from the production process is collected for melting and refining before turning them into pure gold bar. Such practices not only reduce wastage but also promote the culture of responsible consumption.

#### **Quality product offerings**

Tomei is the only jeweller in Malaysia with the accreditation of the National Mark for “Malaysian Brand” certification from the SMECorp. This accreditation is given in recognition of the quality of products offered by Tomei and the significant strength of its branding in the market.

#### **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. 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 shortchanged. 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 diamond. We source our gold from responsible sources such as Banks and reputable gold dealers. Diamonds are sourced mainly from the approved sightholders and reputable and trusted diamond dealers.

### 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.

### 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](http://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 Dilligence Form as required by Bank Negara Malaysia ("BNM"). In order to ensure the compliance with the Act, we hold regular training and update for our staff on the latest development/changes to the requirements of the Act. Our internal audit function serves as additional assurance to ensure the compliance with the Act.

We have met with the minimum requirement on staff accommodation as required by the Ministry of Human Resource, Malaysia.

### Quality management system

The Group is accredited with ISO 9001:2015 in the Quality Management System for both its retailing as well as design, manufacturing and sales of gold and jewellery products from Lloyd's Register. This accreditation speaks of the Group's commitment to quality in whatever it does which will contribute to improve its overall performance and provides 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 its context and objectives; and
- d) the ability to demonstrate conformity to specified quality management system requirements.

### Waste disposal

Our factory has installed a pollution control system in compliance with the Environment Quality Act, 1974. We practice stringent waste water system to prevent contamination of local water supplies that are used for neutralization, deionization and sedimentation of wastewater emitted from the manufacturing operation. This wastewater is then collected by waste collector approved by the local authority.

### Reducing carbon footprint

In line with our commitment to preserve the environment, the Company 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-cond when they are not in use to conserve electricity. Most of the Group's data are stored in digital copy whenever possible to avoid printing. If printing is unavoidable, we encourage double-sided printing or printing on recycled paper.

The Company has migrated most of its traditional promotional materials such as brochure and pamphlet to online promotion and over the social media, thus reducing the need for printing. Our official online magazine JewelMag is published bi-monthly bringing latest news on Tomei collections and industry updates to our readers.



## 2. Meeting Customers' Expectation

### New product designs

As Malaysia's leading jeweller, Tomei is instrumental in bringing new product designs to the market every year especially during the major festive celebrations such as Hari Raya, Chinese New Year and Christmas. Our customers are always spoilt for choices of product designs.

### Wide distribution network

Tomei's operation covers a wide spectrum of the market from the retail to the wholesale sectors. It also has a specialized and dedicated team to service its corporate customers in meeting their requirements.

In the retail segment, it has more than 50 retail outlets all over Malaysia serving customers from all walks of life in addition to the various fairs and exhibitions held. We are proud to be the most well represented jeweller in town that has a presence in almost every state in Malaysia. Our wholesale segment serves various jewellery retailers in Malaysia while some of its products are exported to Singapore and European countries. Customers may also access our products through our webstore at [www.etomei.com](http://www.etomei.com) and online market platforms such as Lazada, Shopee and Zalora. Our other alternative sales channels include TV shopping such as CJ Wowshop and Astro Go and through social media such as on Facebook Live.



Brands	No. of Retail Outlets
Tomei	50
Goldheart	3
Le Lumiere	1
De Beers	1

### Extensive product range

Tomei carries a wide range of products from yellow gold to diamond jewellery. It also sells platinum, white gold, precious and semi-precious stones. Its own in-house collections such as Le Lumiere, Éternel Binding, Ana-stasia, Lusso Italia and Chomel provide customers with ample choices. In addition, it also offers various ranges of investment precious metals including the Suisse Pamp, the Canadian Maple Leaf and the Australian Kangaroo. In addition to its own collections, Tomei also carries some famous international brands such as China's Batar Jewellery and Thailand's Prima Gold. Its wedding series' collection of Xifu, provides a one-stop destination for all wedding jewellery needs. Tomei is also the sole distributor of De Beers diamond products in Malaysia. For the baby's and kid's market, Tomei works with Sanrio to manufacture and retail gold jewellery based on the characters from Hello Kitty.

### Enhance shopping experience

In order to provide a fresh shopping experience to our customers, we upgrade our retail outlets on a periodical basis. Such improvement does uplift and elevate the "feel good" factor for our customers once they step into our premises. We have upgraded all our lightings into LED which not only increases the sparkling of our products but also saves on electricity consumption. During the year we have refurbished several of its retail outlets.

Visual merchandize display ("VMD") which compliments 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, Deepavali, Hari Raya and Christmas.

### Continuing Customer Engagement

Tomei Jewel Club was introduced to serve as a communication channel and to reward our customer. Through this channel, our team keeps our customers abreast with all the latest happening within the Group. During the period of lockdown, our team has conducted various Facebook Live sessions as an alternative channel for customers to view our collections. We also solicit feedback from customers which serves as an important tool to improve on our customer service.

### **3. Developing Employees**

#### **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. This entails identifying current and future human resources needs and then set up the priorities to address those needs. Among the modules covered by our training programme includes products, sales technic, leadership as well as self-development. During the year, approximately 50% of the Group's employees has attended at least 1 training module conducted.

#### **Employee's career advancement**

When an employee first steps into TOMEI, we have already set up the career progression path for the staff. In order for the staff to get promoted, they need new and relevant skillset that fit into the new role. We provide the relevant training and opportunity to equip staff and preparing them to move up to the next level. Each training is followed by an assessment to ensure that staff 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, 2% of our staff force from various skillset was promoted and given the trust to manage different portfolios and responsibilities. Such promotion does not only boost the self-confidence of the promoted staff but also serves as role model for other staffs to work towards their career advancement in the future.

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

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. During the year the Group has provided trainings to 10 interns in various areas of job responsibilities.

### **4. Well-being of employees and communities**

#### **Safe and conducive working environment**

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

Our retail showroom and factory are inspected and approved by the Bomba and Local Council and certified fit for their intended use. All our commercial vehicles are inspected at Puspakom on annual basis in compliance with the Road Transport Regulation.

#### **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 Company 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.

During this pandemic, Tomei has prepared hand sanitizer in all its retail outlets and offices for all its customers and employees. Employees are also provided with face mask and encouraged to wash their hand regularly as part of good hygienic practice. We display MySejahtera application together with self-scanned thermometer at the entrance of all our premises to facilitate contact tracing. As a precaution, our premises are sanitized on a daily basis to provide piece of mind to our customers and employees.

**Employees' well-being and engagement (continued)**

Employees are always reminded to monitor their own health and required to undergo self-quarantine if they are tested positive with Covid-19. Certain selected high-risk employees are required to undergo the Covid-19 test at the Group's expense. As a precaution measure, business travelling and meetings for employees are minimized unless they are unavoidable. Virtual meeting is encouraged unless it is not practical to conduct one. We enforce a strict measure that only allow fully vaccinated employees to report for work. Employees are also advised to practice social distancing at work.

**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 staff based on their respective sales achieved,

**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 female employees made up more than 60% of its total workforce.

**Support charity programme**

We believe in the philosophy of giving back to society to show our gratitude and appreciation for our success.

Recently, the Company joined force with the Ministry of International Trade and Industries to clear rubbish and clean the drains in the district of Hulu Langat in the aftermath of the floods that hit our country. 13 employees joined hand in the programme from 31 December 2021 to 4 January 2022 brought much relief to the victims who were traumatized by the flash floods. The Company through the Malaysian Consortium of Mid-Tier Companies and the Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor has also donated fund to buy the necessary items for the victims to enable them to get on with their daily lives.

# AUDIT COMMITTEE REPORT

## 1. COMPOSITION

The Audit Committee comprising independent non-executive directors is appointed by your Board of Directors from amongst its members. The Audit Committee comprised the following three (3) members:-

Name	Designation
Lau Tiang Hua	Chairman
Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad (Resigned wef 18 August 2021)	Member
Datuk M Chareon Sae Tang @ Tan Whye Aun	Member
Puan Sri Nonadiah Binti Abdullah (Appointed wef 18 August 2021)	Member

## 2. ATTENDANCE

The Audit Committee held five (5) meetings during the financial year ended 31 December 2021 and the attendance of each member is as follows:-

Name	Attendance
Lau Tiang Hua	5/5
Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad	4/4
Datuk M Chareon Sae Tang @ Tan Whye Aun	5/5
Puan Sri Nonadiah Binti Abdullah	1/5

## 3. SUMMARY OF THE WORK OF THE AUDIT COMMITTEE

The following is a summary of the work carried out by the Audit Committee during the financial year ended 31 December 2021 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 Audit Committee 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 Audit Committee 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) Together with the Risk Management Committee, 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 Audit Committee 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 Audit Committee. 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 Audit Committee and thereafter updated as and when necessary after prior approval of the Audit Committee. 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 main work undertaken by the Internal Audit Department during the financial year ended 31 December 2021:-

- 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 Audit Committee;
- 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 Audit Committee 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 2021 stood at RM434,000.

This Audit Committee Report is made in accordance with the resolution of your Board of Directors dated 22 February 2022.

# 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
Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad (Resigned wef 18 August 2021)	Member
Puan Sri Nonadiah Binti Abdullah	Member
Lau Tiang Hua	Member

In accordance to the recommendation of the Malaysian Code of Corporate Governance 2021 ("Code") that the Chairman of the Company should not be a member of the Nomination Committee, our Independent Non-Executive Chairman, Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad has offered to step down from being a member of the Nomination Committee on 18 August 2021.

## 2. ATTENDANCE

During the financial year ended 31 December 2021, the Nomination Committee held three (3) meetings which were held on 1 April 2021, 18 August 2021 and 17 November 2021. The details of attendance of each member of the Nomination Committee held during the financial year are as follows:-

Name	Attendance
Datuk M Chareon Sae Tang @ Tan Whye Aun	3/3
Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad	2/2
Puan Sri Nonadiah Binti Abdullah	3/3
Lau Tiang Hua	3/3

## 3. SUMMARY OF WORK OF THE NOMINATION COMMITTEE

Summary activities during the financial year are as follows:-

### Review the performance of Directors and Board Committees

Each director needs to complete their Performance Evaluation Form on annual basis and submits to the Committee for assessment. The Directors are required to declare their interest in the Company as well as their directorship in other public companies and other listed issuers. In addition, all Directors also need to confirm if there is any sanction or penalty imposed onto them by relevant regulatory bodies during the financial year or offences convicted within the past five (5) years. The Nomination Committee evaluated each director individually taking into consideration their skillsets and commitment required of them to discharge their duty and is satisfied with the performance of all the directors.

The Nomination Committee also 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

**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 provide 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**

Following to the demise of our Group Executive Chairman, the late Tan Sri Datuk Dr Ng Teck Fong on 21 March 2021, the Nomination Committee has on 1 April 2021 assessed and recommended to your Board for the appointment of Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad as the Independent Non-Executive Chairman of the Group.

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 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 Directors.

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) Ng Yih Chen
- b) Puan Sri Nonadiah Binti Abdullah
- c) Lau Tiang Hua

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. All the 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.

**Assessment of Audit Committee**

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

In accordance to the recommendation of the Code that the Chairman of the Company should not be a member of the Audit Committee, our Independent Non-Executive Chairman, Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad has offered to step down from being a member of the Audit Committee on 18 August 2021. On the same date, the Nomination Committee has recommended to your Board for the appointment of Puan Sri Nonadiah Binti Abdullah, our Independent Non-Executive Director as the new member of the Audit Committee.

**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 shall consist of only non-executive director, majority of them must be independent.

In accordance to the recommendation of the Code that the Chairman of the Company should not be a member of the Remuneration Committee, our Independent Non-Executive Chairman, Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad has offered to step down from being a member of the Remuneration Committee on 18 August 2021.

**Review the composition of Risk Management Committee**

The Nomination Committee has reviewed the composition of the Risk Management Committee to ensure that it complies with the Code. In accordance to the Code, the Risk Management Committee shall consist of majority independent non-executive directors.

In accordance to the recommendation of the Code that the Chairman of the Company should not be a member of the Risk Management Committee, our Independent Non-Executive Chairman, Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad has offered to step down from being a member of the Risk Management Committee on 18 August 2021. On the same date, the Nomination Committee has recommended to your Board for the appointment of Puan Sri Nonadiah Binti Abdullah, our Independent Non-Executive Director as the new member of the Risk Management Committee.

**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 "Economic Impact on Malaysia from Rising Geopolitical Risks" which was held on 4 April 2022.



# 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 2021.

## BOARD RESPONSIBILITY

Your Board recognizes 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 is delegated to the Audit Committee while the Risk Management Committee has oversight over the risk management framework. Both committees report 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 recognizes 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 comprises members of the Audit Committee and the Group Managing Director, to oversee the risk management function of the Group. A dedicated qualified internal auditor has been appointed to lead the risk management process together with Heads of Departments in identifying, evaluating and managing the significant risks faced by the Group. Control measures are designed and implemented to counter/mitigate the identified risks. This is an ongoing process used to 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 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. During the year under review, the Group continued to face the challenges from the Covid-19 pandemic and had taken measures to protect its business as well as the welfare of its employees. The measures had shown positive results as the Group was able to sustain its business to a certain degree and the wellbeing of its employees had been cared for.

The Board also took cognizance on the key changes in the Malaysian Anti-Corruption Commission (Amendment) Act 2018, particularly on the new Corporate Liability provision under Section 17A which had been effective since 1 June 2020. 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 Programme are available on the Group's website at [www.tomei.com.my](http://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 Audit Committee and recommended to the Board for deliberations and approval to be 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.

**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 Audit Committee 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 2021, 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 Audit Committee. 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 Audit Committee and the Risk Management Committee 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 Bursa Securities Listing Requirements, 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 the resolution of the Board of Directors dated 22 February 2022.

# ADDITIONAL COMPLIANCE INFORMATION

## UTILIZATION OF PROCEEDS

There was no fund raising exercise implemented during the financial year.

## NON-AUDIT FEE

During the financial year ended 31 December 2021 RM206,500 was paid to the external auditor, BDO PLT, for non-audit services.

## MATERIAL CONTRACTS

The Company has on 18 May 2021 entered into a sale and purchase of shares agreement with David Cheng Tak Wai for the acquisition of 2,250,000 ordinary shares in O M Design Sdn. Bhd. ("OMD"), representing 45.00% of the remaining equity interest in OMD, a subsidiary of the Company for a total cash consideration of RM4,173,750.00. This transaction was completed on 16 July 2021 and OMD has become a wholly-owned subsidiary of Tomei.

Other than the above, there were no material contract entered into by the Company and/or its subsidiaries during the financial year ended 31 December 2021.

## 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)
Ong Tiong Yee & Sons Sdn. Bhd.("OTY")	YXG	Sales and purchase of jewellery	Note 1	792,122
Unique Avenue Sdn. Bhd.("UASB")	GPM	Rental of premises	Note 2	8,988
Best Arcade Sdn. Bhd.("BASB")	TS, TGJH	Rental of premises	Note 3	73,363
Teck Fong Property Sdn. Bhd.("TFPSB")	TS	Rental of premises	Note 4	62,917
Oasis Properties Sdn. Bhd.("OPSB")	YXG, GPM, TGJM, TS, TGJH	Rental of premises	Note 5	1,244,754
Gexcel Asia Sdn. Bhd.("GASB")	GPM	Purchase of manufacturing tools	Note 6	95,031
Pajak Gadai JP Sdn. Bhd.("PGJP")	TGJH	Rental of premises	Note 7	33,300
	TGJH	Purchase of gold		149,800
NTF Jewellery Museum Sdn. Bhd.("NTFJM")	TS	Rental of advertisement space	Note 8	33,300
Datuk Ng Yih Pyng ("DNYP")	TGJH	Rental of premises		61,050
Datin Choong Chow Mooi ("DCCM")	TGJH	Rental of premises		96,492

DNYP, NYC, and NSY are the major shareholder 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")

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 UASB. The Ng Family controls 100% shareholding interest in UASB.

**NOTE 3**

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

**NOTE 4**

DNYP, NSC and NSY are directors of TFPSB. BASB is the sole shareholder of TFPSB. DNYP, NSC and NSY are directors of BASB. The Ng Family controls 100% shareholding interest in BASB.

**NOTE 5**

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

**NOTE 6**

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 7**

DNYP and DCCM are the only directors and shareholders of Pajak Gadai JP Sdn. Bhd..

**NOTE 8**

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 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 2021 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 with reasonable accuracy the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with MFRSs, IFRSs and the provision of the Companies Act, 2016 in Malaysia.

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

# FINANCIAL STATEMENTS

50

Directors' Report

55

55  
56

Statement by Directors  
Statutory Declaration  
Independent Auditors' Report

61

63

Statements of Financial Position  
Statements of Profit or Loss and Other Comprehensive Income

65

67  
68  
71

Consolidated Statement of Changes In Equity  
Statement of Changes In Equity  
Statements of Cash Flows  
Notes to the Financial Statements

# 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 2021.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and the 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 during the financial year.

## RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	32,957	32,706
Attributable to:		
Owners of the parent	32,772	32,706
Non-controlling interests	185	-
	32,957	32,706

## DIVIDENDS

Dividend paid since the end of the previous financial year was as follows:-

	Company RM'000
In respect of financial year ended 31 December 2020:	
First and final single tier dividend of 2.0 sen per ordinary share, paid on 24 May 2021.	2,772

The Directors proposed a first and final single tier dividend of 3.0 sen per ordinary share amounting to RM4,158,000 in respect of the financial year ended 31 December 2021, subject to the approval of shareholders at the forthcoming Annual General Meeting.

## 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:

Tan Sri Datuk Dr Ng Teck Fong\* (Demised on 21 March 2021)  
 Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad  
 Datuk Ng Yih Pyng\*  
 Puan Sri Nonadiah Binti Abdullah  
 Datuk M Chareon Sae Tang @ Tan Whye Aun  
 Lau Tiang Hua  
 Datin Choong Chow Mooi\*  
 Ng Yih Chen\*  
 Ng Sheau Yuen\*  
 Ng Sheau Chyn\* (Resigned on 12 October 2021)

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

The Directors of subsidiaries who had held office since the date of the last report and up to the date of this report, not including those Directors listed above are:

Ng Sheau Chyn  
 Lau Chia En  
 Low Soon Tak  
 Chai Jone Fuu (Appointed on 14 April 2021)  
 Tan Sri Azlan Bin Mohd Zainol (Appointed on 31 May 2021)  
 Tang Yow Sai (Appointed on 31 May 2021)  
 Aw Ee Leng (Appointed on 31 May 2021)  
 Wong Phait Lee (Appointed on 1 March 2022)  
 Ma Chun Nin Marvin (Resigned on 13 December 2021)

In accordance with Clause 83.1 of the Company's Constitution, Ng Yih Chen, Puan Sri Nonadiah Binti Abdullah and Lau Tiang Hua retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves 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 2021 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 1.1.2021	Acquired	Sold	Balance as at 31.12.2021
<b>Shares in the Company</b>				
<u>Direct interests</u>				
Datuk Ng Yih Pyng	581,239	-	-	581,239
Puan Sri Nonadiah Binti Abdullah	2,000,000	-	-	2,000,000
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 <sup>1</sup>	82,682,399	20,000	-	82,702,399
Ng Yih Chen <sup>2</sup>	82,757,399	20,000	-	82,777,399
Ng Sheau Yuen <sup>1</sup>	19,550,222	63,152,177	-	82,702,399
Lau Tiang Hua <sup>3</sup>	269,000	-	-	269,000

**DIRECTORS' INTERESTS (continued)**

	Balance as at 1.1.2021	-- Number of ordinary shares --		Balance as at 31.12.2021
		Acquired	Sold	
Shares in the ultimate holding company				
Teck Fong Corporation Sdn. Bhd.				
<u>Direct interests</u>				
Datuk Ng Yih Pyng	100,000	100,000	-	200,000
Ng Yih Chen	80,000	-	-	80,000
Ng Sheau Yuen	60,000	-	-	60,000

**Notes:**

1. 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.
2. 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.
3. 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 those related party transactions as disclosed in Note 27 to the financial statements.

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**

The details of Directors' remuneration are disclosed in Notes 23 and 27 to the financial statements.

**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 there are no known bad debts to be 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 necessitate the writing off of bad debts or render 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 EVENT DURING THE FINANCIAL YEAR**

Significant event during the financial year is disclosed in Note 29 to the financial statements.

**SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

Significant event subsequent to the end of the reporting period is disclosed in Note 30 to the financial statements.

**HOLDING COMPANY**

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

**AUDITORS**

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

The details of auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2021 are disclosed in Note 19 to the financial statements.

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

.....  
**Datuk Ng Yih Pyng**  
Director

Kuala Lumpur  
4 April 2022

.....  
**Ng Yih Chen**  
Director



# STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 61 to 113 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 2021 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  
4 April 2022

.....  
**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 61 to 113 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 )  
4 April 2022 )

**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 2021 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 61 to 113.

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 2021, 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 2021, the carrying amount of inventories was RM405.0 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 their net realisable value, which have been derived based on specific assessment by the Directors that involved judgement about the ageing and design of inventories, coupled with market knowledge and fluctuations 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) Recognition of lease liabilities and right-of-use assets**

Carrying amount of lease liabilities and right-of-use assets of the Group as at 31 December 2021 were RM20.1 million and RM20.0 million respectively as disclosed in Note 6 to the financial statements.

We determined this to be a key audit matter because of the following areas of risk:

- (i) Leasing arrangements within the scope of MFRS 16 may not be identified or appropriately included in the calculation of lease liabilities and right-of-use assets; and
- (ii) Specific assumptions applied to determine the discount rates and assessment of lease terms, including renewal and termination options, for each lease could be inappropriate.

**Audit response**

Our audit procedures included:

- (i) Reviewed key service contracts to assess whether these contracts contain a lease as defined in MFRS 16;
- (ii) Assessed the appropriateness of the assumptions applied in determining the lease terms of lease liabilities;
- (iii) Verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contracts or other supporting information; and
- (iv) Assessed the appropriateness of applying the requirements of *Covid-19-Related Rent Concessions beyond 30 June 2021* (Amendment to MFRS 16).

**c) Recoverability of trade receivables**

As at 31 December 2021, the net carrying amount of trade receivables of the Group was RM32.8 million, as disclosed in Note 10 to the financial statements.

The Group has impaired trade receivables of RM0.9 million as at 31 December 2021.

**Key Audit Matters (continued)****c) Recoverability of trade receivables (continued)**

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.

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.

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**  
LLP0018825-LCA & AF 0206  
Chartered Accountants  
Kuala Lumpur  
4 April 2022

**Ng Soe Kei**  
02982/08/2023 J  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	10,973	12,739	-	-
Right-of-use assets	6	19,982	19,824	-	-
Trade receivables	10	192	-	-	-
Investments in subsidiaries	7	-	-	135,745	103,495
Deferred tax assets	8	779	1,158	-	-
		31,926	33,721	135,745	103,495
<b>Current assets</b>					
Inventories	9	405,027	381,920	-	-
Trade and other receivables	10	47,101	32,978	207	242
Current tax assets		-	-	1	1
Cash and bank balances	11	30,042	23,211	1	151
		482,170	438,109	209	394
<b>TOTAL ASSETS</b>		514,096	471,830	135,954	103,889

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 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	197,507	167,870	60,164	30,230
		270,843	241,206	133,500	103,566
Non-controlling interests	7	(6)	4,169	-	-
TOTAL EQUITY		270,837	245,375	133,500	103,566
LIABILITIES					
Non-current liabilities					
Other payable	16	722	651	-	-
Borrowings	14	19,598	502	-	-
Lease liabilities	6	9,379	7,333	-	-
Deferred tax liabilities	8	68	83	-	-
		29,767	8,569	-	-
Current liabilities					
Trade and other payables	16	34,973	28,123	2,454	323
Borrowings	14	163,992	174,450	-	-
Lease liabilities	6	10,763	12,734	-	-
Current tax liabilities		3,764	2,579	-	-
		213,492	217,886	2,454	323
TOTAL LIABILITIES		243,259	226,455	2,454	323
TOTAL EQUITY AND LIABILITIES					
		514,096	471,830	135,954	103,889

*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 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	17	736,069	552,401	33,202	550
Cost of sales		(597,908)	(413,488)	-	-
Gross profit		138,161	138,913	33,202	550
Other income		8,336	6,529	-	*
Selling and distribution expenses		(70,225)	(70,859)	-	-
Administrative expenses		(21,877)	(22,259)	(496)	(379)
Other expenses		(1,854)	(759)	-	-
Finance costs	18	(8,306)	(10,039)	-	-
Net losses on impairment of financial assets		(276)	(185)	-	-
Profit before tax	19	43,959	41,341	32,706	171
Tax expense	20	(11,002)	(10,617)	-	-
Profit for the financial year		32,957	30,724	32,706	171

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations		(254)	458	-	-
Other comprehensive (loss)/income, net of tax		(254)	458	-	-
Total comprehensive income		32,703	31,182	32,706	171
Profit/(Loss) attributable to:					
Owners of the parent		32,772	31,173	32,706	171
Non-controlling interests	7	185	(449)	-	-
		32,957	30,724	32,706	171
Total comprehensive income/(loss) attributable to:					
Owners of the parent		32,518	31,631	32,706	171
Non-controlling interests	7	185	(449)	-	-
		32,703	31,182	32,706	171
Earnings per ordinary share attributable to equity holders of the parent (sen)					
- Basic and diluted	21	23.65	22.49		

\* Amount is less than RM1,000.

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



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Group	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 2020	73,336	1,257	134,982	209,575	4,618	214,193
Profit for the financial year	-	-	31,173	31,173	(449)	30,724
Foreign currency translations, net of tax	-	458	-	458	-	458
Total comprehensive income	-	458	31,173	31,631	(449)	31,182
Balance as at 31 December 2020	73,336	1,715	166,155	241,206	4,169	245,375

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (continued)

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
<b>Transactions with owners</b>							
Dividend paid		-	-	(2,772)	(2,772)	-	(2,772)
Acquisition of additional interest from non-controlling interest	22	-	-	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

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

# STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Company	Note	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2020		73,336	30,059	103,395
Profit for the financial year		-	171	171
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	171	171
Balance as at 31 December 2020		73,336	30,230	103,566
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
<b>Transaction with owners</b>				
Dividend paid	22	-	(2,772)	(2,772)
Balance as at 31 December 2021		73,336	60,164	133,500

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before tax		43,959	41,341	32,706	171
Adjustments for:					
Bad debts written off		-	2	-	-
Depreciation of property, plant and equipment	5	4,831	5,215	-	-
Depreciation of right-of-use assets	6	14,460	18,529	-	-
Fair value loss on derivative liabilities	16	221	-	-	-
Finance costs	18	8,306	10,039	-	-
Gain on disposal of property, plant and equipment	19	(552)	-	-	-
Gain on dissolution of a subsidiary	19	(538)	-	-	-
Gross dividend income	17	-	-	(33,202)	(550)
Impairment losses on property, plant and equipment	5	216	-	-	-
Impairment losses on trade and other receivables	10(g)	379	417	-	-
Property, plant and equipment written off	5	165	27	-	-
Right-of-use assets written off	6	24	753	-	-
Reversal of provision for restoration cost	16	(23)	(19)	-	-
Reversal of lease liabilities	6	(26)	(777)	-	-
Reversal of impairment losses on trade and other receivables	10(g)	(103)	(232)	-	-
Net unrealised (gain)/loss on foreign exchange		(393)	92	-	-
Net unrealised (gain)/loss on gold price fluctuation		(33)	58	-	-
Operating profit/(loss) before changes in working capital		70,893	75,445	(496)	(379)

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES (continued)</b>					
Operating profit/(loss) before changes in working capital (continued)		70,893	75,445	(496)	(379)
Changes in working capital:					
Inventories		(23,107)	(25,658)	-	-
Trade and other receivables		(14,576)	(9,208)	-	550
Trade and other payables		(941)	(2,628)	2,102	874
Cash generated from operations		32,269	37,951	1,606	1,045
Interest paid		(6,826)	(8,535)	-	-
Tax paid		(9,318)	(8,587)	*	*
Tax refunded		41	79	-	-
Net cash from operating activities		16,166	20,908	1,606	1,045
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Net repayments from subsidiaries		-	-	1,016	(895)
Addition of right-of-use assets		(114)	-	-	-
Purchase of property, plant and equipment	5	(3,375)	(3,022)	-	-
Proceeds from disposal of property, plant and equipment		681	-	-	-
Net cash (used in)/from investing activities		(2,808)	(3,022)	1,016	(895)

\* Amount is less than RM1,000.



STATEMENTS OF CASH FLOWS FOR  
THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (continued)

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Interest paid		(321)	(88)	-	-
Lease interest paid	6(h)	(45)	(44)	-	-
Net drawdown/(repayments) of:					
- short term borrowings	14(h)	1,301	14,382	-	-
- term loans	14(h)	23,585	(670)	-	-
Payment for lease liabilities	6(h)	(12,020)	(16,143)	-	-
Dividends paid	22	(2,772)	-	(2,772)	-
Net cash from/(used in) financing activities		9,728	(2,563)	(2,772)	-
Net increase/(decrease) in cash and cash equivalents		23,086	15,323	(150)	150
Effects of exchange rate changes on cash and cash equivalents		(7)	76	-	-
Cash and cash equivalents at beginning of financial year		5,948	(9,451)	151	1
Cash and cash equivalents at end of financial year	11(d)	29,027	5,948	1	151

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

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2021

### 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 holding and 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 2021 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 4 April 2022.

### 2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities 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 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 MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 28 to the financial statements.

The Group and the Company has also early adopted Amendment to MFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021* (Amendment to *MFRS 16 Leases*) in the current financial year and elected to apply the practical expedient to all rent concessions relating to leases with similar characteristics and similar circumstances. Adoption of these Standards did not have any material effect in the financial performance or position of the Group and of the Company.

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 wholesales 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 wholesales

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

**4. OPERATING SEGMENTS (continued)**

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.

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.

2021	Retail RM'000	Manufacturing and wholesales RM'000	Total RM'000
<b>Segment revenue</b>			
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
<b>Segment profit before tax</b>	<b>34,669</b>	<b>9,290</b>	<b>43,959</b>
Tax expense	8,815	2,187	11,002
Other material 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
<b>Segment assets</b>	<b>567,328</b>	<b>79,811</b>	<b>647,139</b>
<b>Segment liabilities</b>	<b>226,310</b>	<b>19,893</b>	<b>246,203</b>

## 4. OPERATING SEGMENTS (continued)

2020	Retail RM'000	Manufacturing and wholesales RM'000	Total RM'000
<b>Segment revenue</b>			
Total revenue	392,718	210,727	603,445
Inter-segment sales	(32,427)	(18,617)	(51,044)
Revenue from external customers	360,291	192,110	552,401
Finance costs	8,962	1,077	10,039
Depreciation of property, plant and equipment	4,811	404	5,215
Depreciation of right-of-use assets	17,937	592	18,529
<b>Segment profit before tax</b>	<b>30,888</b>	<b>11,530</b>	<b>42,418</b>
Tax expense	7,218	3,399	10,617
Other material non-cash items:			
- Bad debts written off	2	-	2
- Impairment loss on trade and other receivables	126	291	417
- Property, plant and equipment written off	27	-	27
- Right-of-use assets written off	745	8	753
- Reversal of impairment loss on trade and other receivables	(66)	(166)	(232)
- Reversal of lease liabilities	(769)	(8)	(777)
- Reversal of provision for restoration cost	(19)	-	(19)
- Net unrealised loss/(gain) on foreign exchange	153	(61)	92
- Net unrealised loss on gold price fluctuation	33	25	58
Capital expenditure	2,672	350	3,022
<b>Segment assets</b>	<b>488,728</b>	<b>87,928</b>	<b>576,656</b>
<b>Segment liabilities</b>	<b>202,751</b>	<b>23,743</b>	<b>226,494</b>

**4. OPERATING SEGMENTS (continued)**

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

	<b>2021 RM'000</b>	<b>2020 RM'000</b>
<b>Profit for the financial year</b>		
Total profit for reportable segments	43,959	42,418
Elimination of inter-segmental profits	-	(1,077)
	<hr/> 43,959	<hr/> 41,341
Profit before tax	43,959	41,341
Tax expense	(11,002)	(10,617)
	<hr/> 32,957	<hr/> 30,724
Profit for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	<hr/> <hr/> 32,957	<hr/> <hr/> 30,724

	<b>2021 RM'000</b>	<b>2020 RM'000</b>
<b>Assets</b>		
Total assets for reportable segments	647,139	576,656
Elimination of inter-segment balances	(133,822)	(105,984)
	<hr/> 513,317	<hr/> 470,672
Tax assets	779	1,158
	<hr/> 514,096	<hr/> 471,830
Assets of the Group per consolidated statement of financial position	<hr/> <hr/> 514,096	<hr/> <hr/> 471,830
<b>Liabilities</b>		
Total liabilities for reportable segments	246,203	226,494
Elimination of inter-segment balances	(6,776)	(2,701)
	<hr/> 239,427	<hr/> 223,793
Tax liabilities	3,832	2,662
	<hr/> 243,259	<hr/> 226,455
Liabilities of the Group per consolidated statement of financial position	<hr/> <hr/> 243,259	<hr/> <hr/> 226,455

**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 2021	Balance as at 1 January RM'000	Reclassification from right-of-use assets (Note 6) RM'000	Additions 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
<b>Carrying amount</b>									
Buildings	94	-	-	-	-	(18)	-	23	99
Computer equipment	266	-	685	-	(18)	(313)	(1)	-	619
Plant and machineries	846	-	211	-	-	(215)	-	-	842
Motor vehicles	50	129	5	(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	129	3,375	(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)

Group 2020	Balance as at 1 January RM'000	Additions RM'000	Written off RM'000	Depreciation charge for the financial year RM'000	Translation adjustments RM'000	Reclassification RM'000	Balance as at 31 December RM'000
<b>Carrying amount</b>							
Buildings	104	-	-	(18)	8	-	94
Computer equipment	244	313	(1)	(298)	-	8	266
Plant and machineries	883	169	-	(206)	#	-	846
Motor vehicles	87	-	-	(37)	#	-	50
Furniture and fittings	5,242	1,932	*	(1,934)	-	-	5,240
Office equipment	1,788	296	(3)	(655)	-	(8)	1,418
Renovation and electrical installations	6,531	292	(23)	(2,034)	(17)	-	4,749
Tools, equipment and moulds	89	20	#	(33)	-	-	76
	14,968	3,022	(27)	(5,215)	(9)	-	12,739

At 31 December 2020			
Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000	
316	(222)	94	Buildings
3,878	(3,612)	266	Computer equipment
7,238	(6,392)	846	Plant and machineries
1,447	(1,397)	50	Motor vehicles
24,099	(18,859)	5,240	Furniture and fittings
7,320	(5,902)	1,418	Office equipment
15,464	(10,715)	4,749	Renovation and electrical installations
1,136	(1,060)	76	Tools, equipment and moulds
60,898	(48,159)	12,739	

\* Furniture and fittings written off with nil carrying amount.

# Carrying amount is less than RM1,000.

**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	2% - 3%
Computer equipment	20%
Plant and machineries	10% - 20%
Motor vehicles	20%
Furniture and fittings	20%
Office equipment	17% - 20%
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

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)

## Right-of-use assets

Carrying amount	Balance as at 1.1.2020 RM'000	Remeasurement RM'000	Additions RM'000	Depreciation RM'000	Written off RM'000	Balance as at 31.12.2020 RM'000
Leasehold land	449	-	-	(18)	-	431
Office and retail space	27,919	101	8,274	(17,633)	(752)	17,909
Motor vehicles under hire purchase	2,084	-	-	(785)	-	1,299
Provision for restoration cost	181	-	98	(93)	(1)	185
	30,633	101	8,372	(18,529)	(753)	19,824

## Lease liabilities

Carrying amount	Balance as at 1.1.2020 RM'000	Remeasurement RM'000	Additions RM'000	Lease payments RM'000	Lease concessions RM'000	Interest expense RM'000	Reversal RM'000	Balance as at 31.12.2020 RM'000
Office and retail space	28,945	101	8,274	(15,714)	(3,272)	1,362	(777)	18,919
Motor vehicles under hire purchase	1,577	-	-	(473)	-	44	-	1,148
	30,522	101	8,274	(16,187)	(3,272)	1,406	(777)	20,067

**6. LEASES (continued)**

Represented by:

	<b>2021 RM'000</b>	<b>2020 RM'000</b>
Current liabilities	10,763	12,734
Non-current liabilities	9,379	7,333
	<u>20,142</u>	<u>20,067</u>
Lease liabilities owing to financial institutions	1,242	1,148
Lease liabilities owing to non-financial institutions	18,900	18,919
	<u>20,142</u>	<u>20,067</u>

- (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:

	<b>Group</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>
Depreciation charge of right-of-use assets (included in administration expenses)	14,460	18,529
Interest expense on lease liabilities (included in finance costs)	1,143	1,406
Lease payments on short-term leases (included in cost of sales and administration expenses)	5,228	2,199
Lease payments on low-value assets leases (included in administration expenses)	6	7
Variable lease payments:		
- others (included in selling and distribution expenses)	2,109	1,293
- arising from COVID-19 related rent concessions (included in other income)	(3,560)	(3,272)
	<u>19,386</u>	<u>20,162</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:

	<b>Group</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>
Included in net cash from operating activities:		
Payment relating to short-term leases and low value assets	5,234	2,206
Interest paid in relation to lease liabilities	1,143	1,406
Payment relating to variable lease payments not included in the measurement of lease liabilities	2,109	1,293
Included in net cash from investing activities:		
Purchase of right-of-use assets	114	-
Included in net cash from financing activities:		
Payment of lease liabilities	12,020	16,143
Lease interest paid	45	44
Total cash outflows for leases	20,665	21,092

(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:

	<b>Fixed payments RM'000</b>	<b>Variable payments RM'000</b>	<b>Total payments RM'000</b>	<b>Estimated annual impact on rent of a 1% increase in sales RM'000</b>
<b>Group 2021</b>				
Leases with lease payments based on sales	11,514	2,109	13,623	21
<b>2020</b>				
Leases with lease payments based on sales	15,714	1,293	17,007	13

**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:

<b>Group</b>	<b>Weighted average incremental borrowing rate per annum %</b>	<b>Within one (1) year RM'000</b>	<b>Later than one (1) year but not later than five (5) years RM'000</b>	<b>Total RM'000</b>
<b>31 December 2021</b>				
<b>Lease liabilities</b>				
Fixed rate	5.11%	608	634	1,242
Floating rate	6.00%	10,155	8,745	18,900
<b>31 December 2020</b>				
<b>Lease liabilities</b>				
Fixed rate	4.97%	523	625	1,148
Floating rate	6.00%	12,211	6,708	18,919

- (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:

<b>Group</b>	<b>On demand or within one (1) year RM'000</b>	<b>One (1) to five (5) years RM'000</b>	<b>Total RM'000</b>
<b>31 December 2021</b>			
Lease liabilities	11,642	9,765	21,407
<b>31 December 2020</b>			
Lease liabilities	13,603	7,681	21,284

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

	<b>Group</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>
At 1 January	20,067	30,522
Cash flows		
- Payments of lease liabilities	(12,020)	(16,143)
- Payments of lease interest	(45)	(44)
Non-cash changes		
- Additions	14,583	8,274
- Lease concessions	(3,560)	(3,272)
- Interest expenses	1,143	1,406
- Reversal of lease liabilities due to termination	(26)	(777)
- Remeasurement	-	101
At 31 December	20,142	20,067

## 7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021 RM'000	2020 RM'000
Unquoted shares - at cost	135,745	103,495

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.

The 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.

The Company had on 31 December 2021 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 RM 28,076,000.

(a) The details of the subsidiaries are as follows:

Name of company	Country of incorporation / Principal place of business	Effective equity interest		Principal activities
		2021	2020	
<i>Direct subsidiaries</i>				
Tomei Gold & Jewellery Manufacturing Sdn. Bhd. ('TGJM') <sup>(5)</sup>	Malaysia	100%	100%	Design and manufacturing of gemstone jewellery
Tomei Gold & Jewellery Holdings (M) Sdn. Bhd. ('TGJH') <sup>(5)</sup>	Malaysia	100%	100%	Investment holding and distribution of jewellery
Yi Xing Goldsmith Sdn. Bhd.	Malaysia	100%	100%	Wholesale of gold jewellery and other related products and services
Tomei Marketing Sdn. Bhd.	Malaysia	100%	100%	Ceased operation
Tomei Retail Sdn. Bhd. ('TR')	Malaysia	100%	100%	Investment holding and retailing of jewellery
Gemas Precious Metals Industries Sdn. Bhd.	Malaysia	100%	100%	Design and manufacture of gold jewellery and other related products and services
O M Design Sdn. Bhd. <sup>(1)</sup>	Malaysia	100%	55%	Ceased operation
Emas Assayer Sdn. Bhd.	Malaysia	100%	100%	Dormant
Flawless Skin Care Sdn. Bhd.	Malaysia	100%	100%	Dormant
Tomei Services Sdn. Bhd.	Malaysia	100%	100%	Dormant
GPM Refinery Sdn. Bhd.	Malaysia	100%	100%	Dormant

**7. INVESTMENTS IN SUBSIDIARIES (continued)**

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

Name of company	Country of incorporation / Principal place of business	Effective equity interest		Principal activities
		2021	2020	
<u>Direct subsidiaries</u>				
TXG Financial Solutions Sdn. Bhd. (fka YX Bullion Sdn. Bhd.)	Malaysia	100%	100%	Moneylending, trading of bullion and rental of motor vehicles to companies of the Group
YX Precious Metals Bhd. (fka YX Precious Metals Sdn. Bhd.) <sup>(2)</sup>	Malaysia	100%	-	Investment holding
<u>Subsidiaries of TR</u>				
Tomei Signature Sdn. Bhd.	Malaysia	100%	100%	Retailing of jewellery
Tomei Diamond Sdn. Bhd.	Malaysia	100%	100%	Retailing of jewellery
Tomei Collections Sdn. Bhd.	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.	Malaysia	70%	70%	Training and laboratory services
Go Gold Shop Sdn. Bhd.	Malaysia	100%	100%	Retailing of jewellery
<u>Subsidiary of TGJH</u>				
Tomei (Vietnam) Company Limited <sup>(3)</sup>	Socialist Republic of Vietnam	100%	100%	Manufacturing of semi-finished jewellery
<u>Subsidiary of TGJM</u>				
Lumiere 2006 Limited <sup>(4)</sup>	Hong Kong	-	100%	Dormant

<sup>(1)</sup> On 18 May 2021, the Company has acquired the remaining interest of 45% in its subsidiary, O M Design Sdn. Bhd. for a total consideration of RM4,173,450 by way of cash.

<sup>(2)</sup> On 11 January 2021, the Company has incorporated a wholly-owned subsidiary, YX Precious Metals Sdn. Bhd. with paid up share capital of RM2.

<sup>(3)</sup> Subsidiaries audited by BDO Member Firms.

<sup>(4)</sup> On 25 June 2021, the Company's subsidiary was officially dissolved.

<sup>(5)</sup> The companies manufacture and distribute jewellery to retail outlets within Tomei Group.

**7 . INVESTMENTS IN SUBSIDIARIES (continued)**

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

	<b>O M Design Sdn. Bhd.</b>	<b>Gemological Laboratory Malaysia Sdn. Bhd.</b>	<b>Total</b>
<b>2021</b>			
NCI percentage of ownership and voting interests	-	30%	
Carrying amount of NCI (RM'000)	-	(6)	(6)
Profit/(Loss) allocated to NCI (RM'000)	186	(1)	185
Other comprehensive income allocated to NCI (RM'000)	-	-	-
Total comprehensive income/(loss) allocated to NCI (RM'000)	186	(1)	185
<b>2020</b>			
NCI percentage of ownership and voting interests	45%	30%	
Carrying amount of NCI (RM'000)	4,174	(5)	4,169
Loss allocated to NCI (RM'000)	(447)	(2)	(449)
Other comprehensive loss allocated to NCI (RM'000)	-	-	-
Total comprehensive loss allocated to NCI (RM'000)	(447)	(2)	(449)

(c) In the previous financial year, the summarised financial information before intra-group elimination of O M Design Sdn. Bhd. that had material NCI as at the end of the financial year were as follows:

	<b>O M Design Sdn. Bhd. 2020 RM'000</b>
<b>Assets and liabilities</b>	
Non-current assets	268
Current assets	11,550
Non-current liabilities	(62)
Current liabilities	(2,481)
Net assets	9,275
<b>Results</b>	
Revenue	19,843
Loss for the financial year	(994)
Total comprehensive loss	(994)
Cash flows from operating activities	771
Cash flows used in investing activities	(20)
Cash flows used in financing activities	(493)
Net increase in cash and cash equivalents	258

**8. DEFERRED TAX**

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

	<b>Group</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>
Balance as at 1 January	(1,075)	(995)
Recognised in profit or loss (Note 20)		
- current year	328	(170)
- prior years	36	90
	<hr/>	<hr/>
Balance as at 31 December	(711)	(1,075)
	<hr/>	<hr/>
Presented after appropriate offsetting:		
Deferred tax assets, net	(779)	(1,158)
	<hr/>	<hr/>
Deferred tax liabilities, net	68	83
	<hr/>	<hr/>

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

	<b>Group</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>
<b>Deferred tax assets</b>		
Balance as at 1 January	1,158	1,087
Recognised in profit or loss		
Property, plant and equipment	120	(35)
Unused tax losses	(164)	(14)
Other deductible temporary differences	(335)	120
	<hr/>	<hr/>
	(379)	71
	<hr/>	<hr/>
Deferred tax assets as at 31 December, net	779	1,158
	<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:  
(continued)

	<b>Group</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>
<b>Deferred tax liabilities</b>		
Balance as at 1 January	83	92
Recognised in profit or loss		
Property, plant and equipment	(3)	21
Other taxable temporary differences	(12)	(30)
	(15)	(9)
Deferred tax liabilities as at 31 December, net	68	83

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

	<b>Group</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>
<b>Deferred tax assets</b>		
Property, plant and equipment	547	427
Unused tax losses	-	164
Other deductible temporary differences	232	567
	779	1,158
<b>Deferred tax liabilities</b>		
Property, plant and equipment	129	132
Other taxable temporary differences	(61)	(49)
	68	83

**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:

	<b>Group</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>
Other deductible temporary differences	3,880	1,904
Unused tax losses		
- Expires by 31 December 2028	1,730	3,543
- Expires by 31 December 2029	195	195
- Expires by 31 December 2031	59	-
	<u>5,864</u>	<u>5,642</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 which were previously allowed to be utilised for seven (7) consecutive years of assessments ("YAs") effective from YA2019 was extended to ten (10) consecutive YAs during the financial year.

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**

	<b>Group</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>
<b>At cost</b>		
Finished goods	362,511	324,920
Work-in-progress	16,729	16,660
Raw material	20,742	35,003
Consumables	4,333	4,465
	<u>404,315</u>	<u>381,048</u>
<b>At net realisable value</b>		
Finished goods	536	537
Work-in-progress	176	335
	<u>712</u>	<u>872</u>
	<u>405,027</u>	<u>381,920</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 RM589,526,000 (2020: RM399,750,000).
- (c) The Group writes down its slow moving inventories based on specific assessment by Directors which involved judgement about the ageing and design of inventories, coupled with market knowledge of merchandising department and the valuation of inventories which is subject to 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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current				
<b>Trade receivables</b>				
Loan and borrowing to customer	192	-	-	-
Current				
<b>Trade receivables</b>				
Third parties	33,390	22,966	-	-
Loan and borrowing to customer	96	-	-	-
	33,486	22,966	-	-
Less: Impairment losses	(881)	(608)	-	-
	32,605	22,358	-	-
<b>Other receivables and deposits</b>				
Amounts owing by subsidiaries	-	-	12	47
Other receivables	616	295	-	-
Deposits	10,286	8,096	192	192
	10,902	8,391	204	239
Less: Impairment losses	(194)	(191)	-	-
	10,708	8,200	204	239
<b>Total current receivables, net of prepayments</b>	43,313	30,558	204	239
<b>Prepayments</b>	3,788	2,420	3	3
<b>Total current trade and other receivables</b>	47,101	32,978	207	242
<b>Total trade and other receivables</b>	47,293	32,978	207	242

- (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 (2020: 7 to 90 days) from date of invoice. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (c) The amounts owing by subsidiaries represent advances, which are unsecured, interest free and payable within the next twelve months.

**10. TRADE AND OTHER RECEIVABLES (continued)**

(d) The currency exposure profile of trade and other receivables (exclude prepayments) are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>	<b>2021 RM'000</b>	<b>2020 RM'000</b>
Ringgit Malaysia ('RM')	42,229	28,609	204	239
United State Dollar ('USD')	1,115	1,877	-	-
Vietnam Dong ('VND')	18	16	-	-
Singapore Dollar ('SGD')	83	-	-	-
Hong Kong Dollar ('HKD')	50	37	-	-
Others	10	19	-	-
	<b>43,505</b>	<b>30,558</b>	<b>204</b>	<b>239</b>

(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.

		<b>Group</b>	
		<b>2021 RM'000 Profit after tax</b>	<b>2020 RM'000 Profit after tax</b>
USD/RM	-strengthen by 5%	+42	+71
	-weaken by 5%	-42	-71
VND/RM	-strengthen by 5%	+1	+1
	-weaken by 5%	-1	-1
SGD/RM	-strengthen by 5%	+3	-
	-weaken by 5%	-3	-
HKD/RM	-strengthen by 5%	+2	+1
	-weaken by 5%	-2	-1

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**

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 experienced credit judgement. 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 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 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)

Lifetime expected loss provision for trade receivables are as follows:

Customers' characteristics	Weighted-average expected credit loss rate	2021		2020	
		Gross carrying amount RM'000	Impairment loss allowance RM'000	Gross carrying amount RM'000	Impairment loss allowance RM'000
Low risk	0.01%	9,720	1	2,998	*
Fair risk	1.50%	10,960	135	14,879	224
Substandard	2.00%	5,638	115	4,661	93
Doubtful	5.00%	7,084	354	144	7
Loss	100%	276	276	284	284
		33,678	881	22,966	608

\* Amount is less than RM1,000.

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:

	<b>Group</b>		<b>Company</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>	<b>2021 RM'000</b>	<b>2020 RM'000</b>
<b>Trade receivables</b>				
<b>Lifetime ECL</b>				
At 1 January	608	517	-	-
Impairment losses	373	258	-	-
Reversal of impairment losses	(100)	(167)	-	-
At 31 December	881	608	-	-
<b>Other receivables</b>				
<b>12-month ECL</b>				
At 1 January	191	97	-	-
Impairment losses	6	159	-	-
Reversal of impairment losses	(3)	(65)	-	-
At 31 December	194	191	-	-

(h) The Group has no major concentration of credit risk as at 31 December 2021 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:

	<b>Group</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>
Maximum exposure	32,797	22,358

(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**

	<b>Group</b>		<b>Company</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>	<b>2021 RM'000</b>	<b>2020 RM'000</b>
Cash and bank balances	30,042	23,211	1	151

- (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 currency exposure profile of cash and bank balances are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>	<b>2021 RM'000</b>	<b>2020 RM'000</b>
Ringgit Malaysia ('RM')	29,591	22,446	1	151
United States Dollar ('USD')	45	377	-	-
Singapore Dollar ('SGD')	95	94	-	-
Others	311	294	-	-
	30,042	23,211	1	151

- (c) 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:

		<b>Group</b>	
		<b>2021 RM'000 Profit after tax</b>	<b>2020 RM'000 Profit after tax</b>
USD/RM	-strengthen by 5%	+2	+14
	-weaken by 5%	-2	-14
SGD/RM	-strengthen by 5%	+4	+4
	-weaken by 5%	-4	-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.

**11. CASH AND BANK BALANCES (continued)**

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

	<b>Group</b>		<b>Company</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>	<b>2021 RM'000</b>	<b>2020 RM'000</b>
Cash and bank balances	30,042	23,211	1	151
Less:				
Bank overdrafts included in borrowings (Note 14)	(1,015)	(17,263)	-	-
	<u>29,027</u>	<u>5,948</u>	<u>1</u>	<u>151</u>

**12. SHARE CAPITAL**

	<b>Group and Company</b>			
	<b>2021</b>		<b>2020</b>	
	<b>Number of shares '000</b>	<b>RM'000</b>	<b>Number of shares '000</b>	<b>RM'000</b>
Issued and fully paid	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**

	<b>Group</b>		<b>Company</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>	<b>2021 RM'000</b>	<b>2020 RM'000</b>
Exchange translation reserve	1,203	1,715	-	-
Retained earnings	196,304	166,155	60,164	30,230
	<u>197,507</u>	<u>167,870</u>	<u>60,164</u>	<u>30,230</u>

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are 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 operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

**14. BORROWINGS**

	<b>Group</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>
<b>Current liabilities</b>		
<b><u>Unsecured</u></b>		
Bank overdrafts	1,015	17,263
Bankers' acceptances	78,650	78,049
Revolving credits	79,000	78,300
Term loans (Note 15)	5,327	838
	<hr/>	<hr/>
	163,992	174,450
	<hr/>	<hr/>
<b>Non-current liabilities</b>		
<b><u>Unsecured</u></b>		
Term loans (Note 15)	19,598	502
<b>Total borrowings</b>		
Bank overdrafts (Note 11)	1,015	17,263
Bankers' acceptances	78,650	78,049
Revolving credits	79,000	78,300
Term loans (Note 15)	24,925	1,340
	<hr/>	<hr/>
	183,590	174,952
	<hr/>	<hr/>

(a) All bank overdrafts, bankers' acceptances, revolving credit and term loans of the Group are either guaranteed by the Company or its subsidiaries.

(b) All borrowings are denominated in RM.

(c) Significant covenants

Borrowings of the Group and of the Company are subject to the following significant covenants:

- (i) not to permit a 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 a gearing ratio of the Group to exceed one point two (1.2) times;
- (iv) 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; and
- (v) not to permit a debt service ratio of the Group to less than one point five (1.5) times.

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

**14. BORROWINGS (continued)**

(d) At the end of the reporting period, all loans and borrowings were on floating rate.

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

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
<b>Floating rate</b>		
Bank overdrafts	6.53%	6.66%
Bankers' acceptances	3.45%	3.84%
Revolving credits	4.28%	4.55%
Term loans	4.62%	5.73%

(f) 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:

	<b>Group</b>	
	<b>2021 RM'000 Profit after tax</b>	<b>2020 RM'000 Profit after tax</b>
- increase by 25 basis points	-349	-332
- decrease by 25 basis points	+349	+332

Sensitivity analysis for fixed rate loans and borrowings as at the end of the reporting period was not presented as fixed rate instruments are not affected by changes in interest rates.

**14. BORROWINGS (continued)**

(g) 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.

<b>Group</b>	<b>On demand or within one (1) year RM'000</b>	<b>One (1) to five (5) years RM'000</b>	<b>Over five (5) years RM'000</b>	<b>Total RM'000</b>
<b>As at 31 December 2021</b>				
<b>Financial liabilities:</b>				
Borrowings	164,831	19,406	1,651	185,888
<b>As at 31 December 2020</b>				
<b>Financial liabilities:</b>				
Borrowings	174,495	519	-	175,014

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

	<b>Short-term borrowings</b>		
	<b>Bankers' acceptance RM'000</b>	<b>Revolving credits RM'000</b>	<b>Term loans RM'000</b>
At 1 January 2020	76,667	65,300	2,010
Cash flows from financing activities	1,382	13,000	(670)
At 31 December 2020	78,049	78,300	1,340
At 1 January 2021	78,049	78,300	1,340
Cash flows from financing activities	601	700	23,585
At 31 December 2021	78,650	79,000	24,925

## 15. TERM LOANS

	Group	
	2021 RM'000	2020 RM'000
Term loan I repayable by 36 equal monthly instalments commencing 5 December 2017	-	446
Term loan II repayable by 48 equal monthly instalments commencing 1 April 2019	592	894
Term loan III repayable by 60 equal monthly instalments commencing 1 July 2021	18,333	-
Term loan IV repayable by 72 equal monthly instalments commencing 22 December 2021	6,000	-
	<u>24,925</u>	<u>1,340</u>
Repayable as follows:		
- within one (1) year	5,327	838
- later than one (1) year but not later than five (5) years	17,884	502
- five (5) years and above	1,714	-
	<u>24,925</u>	<u>1,340</u>

Term loans of the Group are secured by corporate guarantees from the Company.

## 16. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Non-current</b>				
<b>Other payables</b>				
Provision for restoration cost	<u>722</u>	<u>651</u>	<u>-</u>	<u>-</u>
<b>Current</b>				
<b>Trade payables</b>				
Third parties	9,261	9,312	-	-
<b>Other payables</b>				
Amounts owing to subsidiaries	-	-	30	1
Contract liability	324	325	-	-
Other payables	5,901	4,085	2,130	6
Down payment received	2,581	1,306	-	-
Accruals	16,685	13,095	294	316
	<u>25,491</u>	<u>18,811</u>	<u>2,454</u>	<u>323</u>
<b>Total current payables</b>	<u>34,752</u>	<u>28,123</u>	<u>2,454</u>	<u>323</u>
<b>Derivative liabilities</b>	<u>221</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total current trade and other payables</b>	<u>34,973</u>	<u>28,123</u>	<u>2,454</u>	<u>323</u>
<b>Total trade and other payables</b>	<u>35,695</u>	<u>28,774</u>	<u>2,454</u>	<u>323</u>



**16. TRADE AND OTHER PAYABLES (continued)**

- (a) Trade and other payables are classified as financial liabilities and are measured at amortised cost, except for hedge 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 trade credit terms granted to the Group range from 30 to 180 days (2020: 30 to 180 days) from date of invoice.
- (c) Amounts owing to subsidiaries represent payments made on behalf by subsidiaries are unsecured, bear interest rate at 6% (2020: 6%) per annum and payable within the next twelve months except for amount of RM29,316 which are interest free.
- (d) A reconciliation of the contract liability is as follows:

	<b>Group</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>
Balance as at 1 January	325	386
Additions during the financial year	200	72
Redemptions	(121)	(44)
Redemption points expired	(80)	(89)
	<hr/>	<hr/>
Balance as at 31 December	324	325
	<hr/>	<hr/>

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

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.

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

	<b>Group</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>
At 1 January	651	560
Provision made during the year	78	99
Unwinding of discount	16	11
Reversal of provision for restoration cost	(23)	(19)
	<hr/>	<hr/>
At 31 December	722	651
	<hr/>	<hr/>

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%.

**16. TRADE AND OTHER PAYABLES (continued)**

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

	<b>Group</b>		<b>Company</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>	<b>2021 RM'000</b>	<b>2020 RM'000</b>
Ringgit Malaysia ('RM')	28,576	25,685	2,454	323
United States Dollar ('USD')	6,548	2,758	-	-
Hong Kong Dollar ('HKD')	63	185	-	-
Renminbi ('RMB')	428	1	-	-
Others	80	145	-	-
	<u>35,695</u>	<u>28,774</u>	<u>2,454</u>	<u>323</u>

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

		<b>Group</b>	
		<b>2021 RM'000 Profit after tax</b>	<b>2020 RM'000 Profit after tax</b>
USD/RM	-strengthen by 5%	-249	-105
	-weaken by 5%	+249	+105
HKD/RM	-strengthen by 5%	-2	-7
	-weaken by 5%	+2	+7
RMB/RM	-strengthen by 5%	-16	*
	-weaken by 5%	+16	*

\*Amount is less than RM1,000.

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
<b>31 December 2021</b>			
Trade and other payables	34,973	768	35,741
<b>31 December 2020</b>			
Trade and other payables	28,123	689	28,812
<b>Company</b>			
<b>31 December 2021</b>			
Trade and other payables	2,454	-	2,454
<b>31 December 2020</b>			
Trade and other payables	323	-	323

- (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			
	2021		2020	
	Contract amount RM'000	Derivatives liabilities RM'000	Contract amount RM'000	Derivatives liabilities RM'000
Gold contract	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 year, the Group recognised a net loss of RM0.221 million arising from fair value changes of the gold contract.

## 17. REVENUE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from contracts with customers				
Sales of goods				
- Gold and silver bar, ornaments and jewellery	735,865	552,268	-	-
Deferred revenue from customer loyalty points (Note 16)	201	133	-	-
Training service	3	-	-	-
Other revenue				
- Gross dividend income from subsidiaries	-	-	33,202	550
	<u>736,069</u>	<u>552,401</u>	<u>33,202</u>	<u>550</u>

(a) Revenue from contracts with customers is disaggregated in Note 4 to the financial statements by geographical area.

(b) Sales of goods

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

There is no significant financing component in the revenue arising from sale of products 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) Dividend income

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

(f) 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.

(g) 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		2021 Profit after tax RM'000	2020 Profit after tax RM'000
Gold price	- strengthen by 5%	+3,410	+6,440
	- weaken by 5%	- 3,410	- 6,440

**18. FINANCE COSTS**

	<b>Group</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>
Interest expense on:		
- bankers' acceptances	2,724	3,405
- bank overdrafts	903	1,582
- revolving credits	3,199	3,547
- term loans	321	88
- provision for restoration cost	16	11
- lease liabilities (Note 6)	1,143	1,406
	<u>8,306</u>	<u>10,039</u>

**19. PROFIT BEFORE TAX**

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

	<b>Group</b>		<b>Company</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>	<b>2021 RM'000</b>	<b>2020 RM'000</b>
Profit before tax is arrived at after charging:				
Auditors' remuneration:				
- statutory audit:				
- current year	163	168	18	18
- under provision in prior years	-	1	-	-
- non-statutory audit	28	23	5	5
Bad debts written off	-	2	-	-
Directors' fee:				
- current	363	293	279	293
- over provision in prior year	-	(44)	-	(44)
Loss on foreign exchange:				
- realised	295	88	-	-
- unrealised	-	193	-	-
Loss on gold price fluctuation:				
- realised	1,154	170	-	-
- unrealised	-	58	-	-
Rental expenses:				
- exhibition booths	436	490	-	-
- plant and machineries	6	7	-	-
- premises	4,792	1,709	-	-

**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):

	<b>Group</b>		<b>Company</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>	<b>2021 RM'000</b>	<b>2020 RM'000</b>
And crediting:				
Gain on disposal of property, plant and equipment	552	-	-	-
Gain on dissolution of a subsidiary	538	-	-	-
Gain on foreign exchange:				
- realised	2,795	1,210	-	*
- unrealised	393	101	-	-
Gain on gold price fluctuation:				
- realised	246	582	-	-
- unrealised	33	-	-	-

\*Amount is less than RM1,000.

**20. TAX EXPENSE**

	<b>Group</b>		<b>Company</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>	<b>2021 RM'000</b>	<b>2020 RM'000</b>
Current tax expense based on profit for the financial year:				
- current year	11,173	10,263	-	-
- (over)/under provision in prior years	(535)	434	-	-
	10,638	10,697	-	-
Deferred tax (Note 8):				
- relating to origination and reversal of temporary differences	328	(170)	-	-
- under provision in prior years	36	90	-	-
	11,002	10,617	-	-

(a) Malaysian income tax is calculated at the statutory tax rate of twenty-four percent (24%) (2020: 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 is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2021 %</b>	<b>2020 %</b>	<b>2021 %</b>	<b>2020 %</b>
Tax at Malaysian statutory tax rate of 24% (2020 : 24%)	24.0	24.0	24.0	24.0
Tax effects in respect of:				
Non-allowable expenses	2.3	3.2	0.4	53.1
Non-taxable income	(0.3)	(0.6)	(24.4)	(77.1)
Movements in deferred tax assets not recognised	0.1	(2.1)	-	-
	26.1	24.5	-	-
Under provision in prior years				
- current tax	(1.2)	1.0	-	-
- deferred tax	0.1	0.2	-	-
Effective tax rate	25.0	25.7	-	-

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

	<b>Group</b>					
	<b>Before tax RM'000</b>	<b>2021 Tax effect RM'000</b>	<b>After tax RM'000</b>	<b>Before tax RM'000</b>	<b>2020 Tax effect RM'000</b>	<b>After tax RM'000</b>
<b>Items that may be reclassified subsequently to profit or loss</b>						
Foreign currency translations	(254)	-	(254)	458	-	458

**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.

	<b>Group</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>
Profit attributable to equity holders of the parent	32,772	31,173
Weighted average number of ordinary shares outstanding ('000)	138,600	138,600
Basic earnings per ordinary share (sen)	23.65	22.49

**21. EARNINGS PER ORDINARY SHARE (continued)****(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			
	2021	2020		
	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	-	-

A first and final single tier dividend of 3.0 sen per ordinary share in respect of the financial year ended 31 December 2021 amounting to RM4,158,000 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 2022.

**23. EMPLOYEE BENEFITS**

	Group	
	2021 RM'000	2020 RM'000
Directors' emoluments	2,848	3,273
Salaries, wages, overtime and allowances	32,500	34,775
Defined contribution plan	5,087	5,025
Staff commissions	5,296	3,740
Other employee benefits	6,407	5,305
	52,138	52,118

**24. CAPITAL COMMITMENTS**

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

	Group	
	2021 RM'000	2020 RM'000
Approved but not contracted for	8,781	3,951

**25. CONTINGENT LIABILITIES - UNSECURED**

	Company	
	2021 RM'000	2020 RM'000
Corporate guarantees given to financial institutions for credit facilities granted to subsidiaries	246,836	209,636

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 2021 and 31 December 2020, which are within the objectives of the Group for capital management, are as follows:

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Borrowings	14	183,590	174,952	-	-
Less: Cash and bank balances	11	(30,042)	(23,211)	(1)	(151)
Net debt/(cash)		153,548	151,741	(1)	(151)
Total equity		270,837	245,375	133,500	103,566
Net gearing ratio		57%	62%	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 2021.

**26. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)****(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 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.

**(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 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:

<b>Related parties</b>	<b>Relationships</b>
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..
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.
Pajak Gadai JP Sdn. Bhd. (‘PGJP’)	Datuk Ng Yih Pyng and Datin Choong Chow Mooi are the only directors and shareholders of Pajak Gadai JP Sdn. Bhd..
C.S. Tang & Co. (‘CS Tang’)	Datuk M Chareon Sae Tang @ Tan Whye Aun is a partner of CS Tang.
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.

**Notes:**

*Datuk Ng Yih Pyng, Ng Yih Chen, Ng Sheau Chyn, Ng Sheau Yuen, Ng Teck Fong Foundation and NYC Resources are 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.

	<b>Group</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>
Sales of goods to:		
- OTY	651	655
- GASB	*	13
Purchase of goods from:		
- PGJP	150	381
- OTY	141	184
Purchase of manufacturing tools from:		
- Gexcel	95	41
Rental of premises paid to:		
- UASB	9	34
- BASB	73	382
- TFPSB	63	160
- OPSB	1,245	1,268
- PGJP	33	33
- Datin Choong Chow Mooi	96	96
- Datuk Ng Yih Pyng	61	61
Advertising expenses paid to:		
- NTFJM	33	28
Legal fee paid to:		
- CS Tang	7	3

	<b>Company</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>
Gross dividend income received from subsidiaries	33,202	550
Legal fee paid to CS Tang	7	-

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.

**27. RELATED PARTY DISCLOSURES (continued)****(c) Compensation of key management personnel**

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group.

The remuneration of Directors during the financial year was as follows:

	<b>Group</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>
Short term employee benefits	2,559	3,013
Contributions to defined contribution plan	289	260
	<u>2,848</u>	<u>3,273</u>

The estimated monetary value of benefit-in-kind received by the Directors of the Group amounted to RM92,950 (2020: RM127,200).

**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 Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

<b>Title</b>	<b>Effective Date</b>
<i>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i> (Amendment to MFRS 16 Leases)	1 April 2021 (early adopted)

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company except for the adoption of Amendment to MFRS 16 as described in the following section.

**COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendments to MFRS 16)**

Effective 1 June 2020, MFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

- (i) The changes in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (ii) The reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (iii) There is no substantive change to other terms and conditions of the lease.



**28. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)****28.1 New MFRSs adopted during the financial year (continued)****COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendments to MFRS 16) (continued)**

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in MFRS 16 in accounting for the concession.

The Group elected to utilise the practical expedient for all rent concessions that meet the criteria during the financial year ended 31 December 2020.

Accounting for the rent concessions as lease modifications would have resulted in the Group remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

On 31 March 2021, the MASB issued another Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021, which extended the above practical expedient to reductions in lease payments that were originally due on or before 30 June 2022. This Amendment is effective for annual periods beginning on or after 1 April 2021 with earlier application permitted. This Amendment is to be applied mandatorily by those entities that have elected to apply the previous amendment COVID-19-Related Rent Concessions. Accordingly, the Group has applied the Amendment Covid-19-Related Rent Concessions beyond 30 June 2021 in the current annual financial statements. The effect of applying the practical expedient is disclosed in Note 6(c) to the financial statements.

**28.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2022**

<b>Title</b>	<b>Effective Date</b>
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
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

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

**29. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

The Company has on 7 January 2021 announced that it is considering to list its manufacturing and wholesales division on the Ace Market of Bursa Securities (Initial Public Offerings or IPO) via its wholly owned subsidiary company, YX Precious Metals Bhd. ('YXPM'). The proposal is subject to the approval of relevant authorities and shareholders of the Company.

In conjunction with the proposal, the YXPM has on 18 August 2021 entered into a conditional Sales and Purchase Agreement to acquire the total equity interest in Yi Xing Goldsmith Sdn. Bhd., Gemas Precious Metals Industries Sdn. Bhd., Emas Assayer Sdn. Bhd. and GPM Refinery Sdn. Bhd. from the Company for a consideration of RM52.100 million to be satisfied via the issuance of 260,501,990 ordinary shares of RM0.20 each in YXPM to the Company.

Upon the completion of the acquisition, YXPM shall undertake an IPO which entails a public issue of shares of 111,648,000 at the proposed issuance price of RM0.28 per YXPM share. Following the completion of the public issue, the Company's effective interest in YXPM shall be reduced from 100% to 70%.

YXPM has on 27 August 2021 submitted an application to Bursa Securities on 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. Applications were also made to the Securities Commission (Equity Compliance Unit) and MITI for the recognition of the Bumiputera equity content in YXPM.

The above proposal has yet to complete as at end of the financial year.

**30. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

Both the Bursa Securities and the Securities Commission had vide their letters dated 13 January 2022 and 15 February 2022 respectively, approved the 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 subject to certain conditions to be met by YXPM.

The shareholders of the Company had during the Company's Extraordinary General Meeting on 29 March 2022 approved the proposed listing of YXPM on the ACE Market of Bursa Securities.

# LIST OF PROPERTY AS AT 31 DECEMBER 2021

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	511,908	1,975 sqm	Leasehold (50 years)	27 years	15 Apr 2011

# SHAREHOLDINGS ANALYSIS AS AT 22 MARCH 2022

## 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	62	2.09	1,248	0.00
100 to 1,000	624	20.99	385,901	0.28
1,001 to 10,000	1,637	55.06	8,241,200	5.94
10,001 to 100,000	565	19.00	16,969,300	12.24
100,001 and below 5%	83	2.79	30,319,952	21.88
5% and above	2	0.07	82,682,399	59.66
	2,973	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	581,239	0.42	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	581,239	0.42	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
Puan Sri Nonadiah Binti Abdullah	1,500,000	1.08	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)	3,720,000	2.68
4. Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Boey Chee Kun	2,200,000	1.59
5. HLB Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Nonadiah Binti Abdullah	1,500,000	1.08
6. Ang Sheau Wee	1,190,000	0.86
7. Choong Chow Mooi	1,180,000	0.85
8. Ng Kong Wan	1,000,000	0.72
9. Gan Sao Wah @ Gan Sao Eng	990,900	0.71
10. Goh Yong Wee	801,000	0.58
11. Wong Gin Chee Realty Sendirian Berhad	600,000	0.43
12. Ng Yih Pyng	581,239	0.42
13. Kenanga Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Lee Chan Fook	556,700	0.40
14. CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Liaw Hen Kyun @ Alex Liaw (MY3796)	520,000	0.38
15. Song Chee Chiang	478,000	0.34
16. Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary: Ng Wei King	468,000	0.34
17. Ng Sheau Chyn	448,700	0.32
18. Tan Koi Ong	420,000	0.30
19. Cheng Gek Hong	400,000	0.29
20. RHB Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Yap Kuen Cheong	400,000	0.29
21. CIMSEC Nominees (Tempatan) Sdn. Bhd. Beneficiary: CIMB for Saw Kok Leng (PB)	375,000	0.27
22. Chong Chin Choi	350,000	0.25
23. RHB Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Chua Chee Wei	344,400	0.25
24. Choong Yee Vooi	312,006	0.23
25. Eng Watt Ya @ Eng Watt Ying	300,000	0.22
26. Mohamad Azlan Bin Jaafar	300,000	0.22
27. Ong Ho Thaw	300,000	0.22
28. HLIB Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Foong Kin Ong	280,000	0.20
29. Tan Aik Choon	280,000	0.20
30. Foong Hong Chuen	277,700	0.20
	<b>103,256,044</b>	<b>74.50</b>

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Seventeenth 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 Thursday, 19 May 2022 at 10.00 a.m. for the following purposes:-

1.	To receive the Audited Financial Statements for the financial year ended 31 December 2021 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 3.0 sen per ordinary share for the financial year ended 31 December 2021.	Resolution 1
3.	To approve the payment of Directors' Fees amounting to RM279,200 in respect of the financial year ended 31 December 2021.	Resolution 2
4.	To approve the payment of Directors' Benefits (excluding Directors' Fees) amounting to RM9,000 from 20 May 2022 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) Ng Yih Chen  (ii) Puan Sri Nonadiah Binti Abdullah  (iii) Lau Tiang Hua	Resolution 4  Resolution 5  Resolution 6
6.	To re-appoint BDO PLT as Auditor of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	Resolution 7

**AS SPECIAL BUSINESS**

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

**7. 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 twenty per centum (20%) 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 8****8. 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 2022, 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 9**



**AS SPECIAL BUSINESS (continued)**

9. **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 2021, its retained earnings stood at approximately RM60,164,000; 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><b>AND FURTHER THAT</b> 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><b>Resolution 10</b></p>
<p>10. <b>ORDINARY RESOLUTION 4 CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – YANG MULIA RAJA TAN SRI DATO’ SERI AMAN BIN RAJA HAJI AHMAD</b></p> <p>“<b>THAT</b> 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><b>Resolution 11</b></p>
<p>11. <b>ORDINARY RESOLUTION 5 CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – PUAN SRI NONADIAH BINTI ABDULLAH</b></p> <p>“<b>THAT</b> authority be and is hereby given to Puan Sri Nonadiah Binti Abdullah 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><b>Resolution 12</b></p>
<p>12. <b>ORDINARY RESOLUTION 6 CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – DATUK M CHAREON SAE TANG @ TAN WHY E AUN</b></p> <p>“<b>THAT</b> 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><b>Resolution 13</b></p>
<p>13. <b>ORDINARY RESOLUTION 7 CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – MR LAU TIANG HUA</b></p> <p>“<b>THAT</b> 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><b>Resolution 14</b></p>

**AS SPECIAL BUSINESS (continued)**

- 
14. To transact any other ordinary business of which due notice shall have been given in accordance with the Companies Act 2016.
- 

**BY ORDER OF THE BOARD**

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

Company Secretary

Kuala Lumpur

Date: 13 April 2022

**NOTICE OF DIVIDEND PAYMENT**

**NOTICE IS HEREBY GIVEN THAT**, subject to the approval of the shareholders at the Seventeenth Annual General Meeting, the First and Final Single Tier Dividend of 3.0 sen per ordinary share in respect of the financial year ended 31 December 2021 shall be paid on 9 June 2022 to the shareholders registered in the Record of Depositors at the close of business on 25 May 2022.

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

- a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 25 May 2022 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 11 May 2022 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.
10. As a precautionary measure against the spread of COVID-19, members are strongly encouraged to appoint either the Chairman of the Meeting or any one (1) of the Independent Directors as proxy to vote in their stead.
11. At the physical meeting, members are advised to observe the applicable directives, safety and precautionary requirements as prescribed by the Government, the Ministry of Health, the Malaysian National Securities Council, and other relevant authorities to curb the spread of COVID-19 are abided by maintaining a physical distance of at least one(1) metre between each meeting participant and to put on face masks at all time during the proceeding of the meeting.
12. The Company will continue to closely monitor the COVID-19 pandemic situation and may adopt further procedures and measures at short notice as may be necessitate by the change in the public health situation. Members may check for any further update on the Company's website at [www.tomei.com.my](http://www.tomei.com.my) or on Bursa Securities' website.

**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 RM216,000 per annum to RM236,000 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 20 May 2022 until the next Annual General Meeting of the Company.

**EXPLANATORY NOTES ON SPECIAL BUSINESS****Resolution 8**

The proposed Resolution 8, 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 20% of the issued share capital of the Company for the time being.

The previous mandate approved on 4 May 2021 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 9**

The proposed Resolution 9, 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 Securities 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 2022 which is made available on the Company's website at [www.tomei.com.my](http://www.tomei.com.my) or on Bursa Securities' website.

**Resolution 10**

The proposed Resolution 10, 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 Securities. 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 2022, which is made available on the Company's website at [www.tomei.com.my](http://www.tomei.com.my) or on Bursa Securities' website.

**EXPLANATORY NOTES ON SPECIAL BUSINESS (continued)****Resolution 11****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 12****Continuing in Office as Independent Non-Executive Director****– PUAN SRI NONADIAH BINTI ABDULLAH**

The Nomination Committee has assessed the independence of Puan Sri Nonadiah Binti Abdullah, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended her to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:-

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

**EXPLANATORY NOTES ON SPECIAL BUSINESS (continued)****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 SEVENTEENTH ANNUAL GENERAL MEETING

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

- i ) Ng Yih Chen
- ii ) Puan Sri Nonadiah Binti Abdullah
- iii ) Lau Tiang Hua

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 ) Puan Sri Nonadiah Binti Abdullah
- iii ) Datuk M Chareon Sae Tang @ Tan Whye Aun
- iv ) 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 2021 (a total of 5 were held for the financial year).

DIRECTORS	ATTENDANCE
i ) Datuk Ng Yih Pyng	5/5
ii ) Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad	5/5
iii ) Puan Sri Nonadiah Binti Abdullah	5/5
iv ) Datuk M Chareon Sae Tang @ Tan Whye Aun	5/5
v ) Mr Lau Tiang Hua	5/5
vi ) Datin Choong Chow Mooi	5/5
vii ) Mr Ng Yih Chen	5/5
viii) Ms Ng Sheau Yuen	5/5
ix ) Ms Ng Sheau Chyn ( <i>Resigned wef 12 October 2021</i> )	4/4

The profiles of the above Directors 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' Shareholding" 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:-

<b>DATE</b>	<b>TIME</b>	<b>VENUE</b>
8 <sup>th</sup> February 2021	11.00 a.m.	Video Conferencing
1 <sup>st</sup> April 2021	11.00 a.m.	Video Conferencing
4 <sup>th</sup> May 2021	11.50 a.m.	Bukit Kiara Resort
18 <sup>th</sup> August 2021	12.00 p.m.	Video Conferencing
17 <sup>th</sup> November 2021	11.00 a.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 SEVENTEENTH ANNUAL GENERAL MEETING**

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

DATE: 19<sup>th</sup> May 2022

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 Seventeenth 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 Thursday, 19 May 2022 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 Mr. Ng Yih Chen as Director		
5.	Re-election of Puan Sri Nonadiah Binti Abdullah as Director		
6.	Re-election of Mr. Lau Tiang Hua as Director		
7.	Re-appointment of BDO PLT as Auditors		
<b>Special Business</b>			
8.	Ordinary Resolution 1		
	Authority to Allot & Issue Shares		
9.	Ordinary Resolution 2		
	Proposed Shareholders' Mandate for Recurrent Related Party Transactions		
10.	Ordinary Resolution 3		
	Proposed Renewal of Authority for Shares Buy-Back		
11.	Ordinary Resolution 4		
	Continuing in Office as Independent Non-Executive Director		
	- Yang Mulia Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad		
12.	Ordinary Resolution 5		
	Continuing in Office as Independent Non-Executive Director		
	- Puan Sri Nonadiah Binti Abdullah		
13.	Ordinary Resolution 6		
	Continuing in Office as Independent Non-Executive Director		
	- Datuk M Chareon Sae Tang @ Tan Whye Aun		
14.	Ordinary Resolution 7		
	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 11 May 2022 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.
10. As a precautionary measure against the spread of COVID-19, members are strongly encouraged to appoint either the Chairman of the Meeting or any one (1) of the Independent Directors as proxy to vote in their stead.
11. At the physical meeting, members are advised to observe the applicable directives, safety and precautionary requirements as prescribed by the Government, the Ministry of Health, the Malaysian National Securities Council, and other relevant authorities to curb the spread of COVID-19 are abided by maintaining a physical distance of at least one (1) metre between each meeting participant and to put on face masks at all time during the proceeding of the meeting.
12. The Company will continue to closely monitor the COVID-19 pandemic situation and may adopt further procedures and measures at short notice as may be necessitate by the change in the public health situation. Members may check for any further update on the Company's website at [www.tomei.com.my](http://www.tomei.com.my) or on Bursa Securities' website.

fold here

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.

fold here

fold this flap for sealing

## 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  
Integríti



**PASSION**  
热忱  
Sepenuh Hati

20  
21

**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

**TOMEI ONLINE:** [www.tomei.com.my](http://www.tomei.com.my) • [www.myjewelclub.com](http://www.myjewelclub.com) • [www.etomei.com](http://www.etomei.com)  
[www.facebook.com/mytomei](https://www.facebook.com/mytomei) • [www.instagram.com/mytomei](https://www.instagram.com/mytomei)