

## 10. FINANCIAL INFORMATION

### 10.1 Profit And Dividend Record Of Our Group

We have prepared a table which is a summary of our proforma consolidated results for the past three (3) FYE 31 December 2005 for illustrative purpose on the assumption that our Group has been in existence throughout the years under review.

We have prepared our proforma consolidated results under the historical cost convention. Our audited financial statements were prepared in accordance with the applicable approved accounting standards in Malaysia.

This table should be read in conjunction with the accompanying notes and assumptions included in the Reporting Accountants' Letter on the Proforma Consolidated Financial Information set out in Section 10.13 of this Prospectus.

	←-----Audited-----→		
	←-----FYE 31 December-----→		
	2003	2004	2005
	RM'000	RM'000	RM'000
Revenue	124,188	146,985	161,659
Gross profit	38,109	48,361	54,607
EBIDTA	14,008	17,733	20,198
Interest expense	(2,008)	(2,622)	(3,178)
Depreciation	(1,465)	(1,765)	(2,065)
PBT	10,535	13,346	14,955
Tax expense	(3,282)	(3,362)	(3,779)
PAT	7,253	9,984	11,176
MI	-	-	(120)
PAT and MI	7,253	9,984	11,056
Gross profit margin (%)	30.69	32.90	33.78
Net profit margin (%)	5.84	6.79	6.91
No. of TCB Shares assumed in issue ('000)	126,000	126,000	126,000
Basic gross EPS (sen)	8.36	10.59	11.77
Basic net EPS (sen)	5.76	7.92	8.77

*Notes:*

- (1) *There were no amortisation, share of profits of associated companies and joint ventures, exceptional items and extraordinary items during the financial years under review*
- (2) *Tax expense has been adjusted for any under or overprovision of tax in the respective financial years, where relevant*
- (3) *The gross profit margin is computed by dividing the gross profit by revenue earned in the respective financial years*
- (4) *The net profit margin is computed by dividing the PAT by revenue earned in the respective financial years*
- (5) *The proforma gross EPS is computed by dividing the PBT and after MI by the number of ordinary shares assumed in issue of 126,000,000 TCB shares*
- (6) *The proforma net EPS is computed by dividing the PAT and MI by the number of ordinary shares assumed in issue of 126,000,000 TCB shares*
- (7) *All significant inter-company transactions are eliminated on consolidation and the consolidated results reflect external transactions only*

**10. FINANCIAL INFORMATION (Cont'd)****10.2 Segmental Analysis Of Proforma Group Revenue and Profits****10.2.1 Analysis Of Revenue By Companies Over the Past Three (3) Years**

Company	2003 RM'000	2004 RM'000	2005 RM'000
TCB	-	-	-
TR	-	-	-
TGJM	41,990	44,565	46,053
YXG	24,671	22,705	26,871
GPMI	13,038	12,812	12,767
TGJH	27,996	31,110	34,600
TGJ (BU)	7,611	6,603	6,433
TGJ (KLCC)	9,178	9,927	12,342
TGJ (MK)	1,563	1,042	3,598
TGJ (TS)	1,334	4,037	4,003
TGJ (KP)	2,579	1,985	1,702
TGJ (MV)	10,668	9,436	12,780
TGJ (Klang)	4,238	4,937	4,626
TGJ (Sunway)	4,790	4,634	3,125
TGJ (PT)	-	3,567	9,412
TGJ (JB)	-	-	601
TGJ (B)	-	-	-
THJ	945	4,771	4,934
CP	3,106	3,936	4,021
My Diamond	8,258	19,115	13,426
TGJ (MJ)	2,282	2,330	3,148
TGJ (SA)	2,708	4,058	2,809
TGJ (Subang)	4,365	5,570	6,019
TGJ (IOI)	4,709	4,245	4,799
TGJ (WM)	2,711	3,296	4,168
TGJ (KL)	5,443	6,715	6,050
TGJ (SK)	3,158	4,334	4,289
TGJ (RW)	2,310	3,499	2,156
SRT	4,163	3,182	4,451
Soon Hin	12,275	12,964	18,132
J&G	3,809	3,206	3,044
TWF	-	-	-
	<b>209,898</b>	<b>238,581</b>	<b>260,359</b>
Consolidation Adjustment	(85,710)	(91,596)	(98,700)
<b>Total</b>	<b>124,188</b>	<b>146,985</b>	<b>161,659</b>

**10. FINANCIAL INFORMATION (Cont'd)****10.2.2 Analysis Of PBT Before MI By Companies Over the Past Three (3) Years**

Company	2003 RM'000	2004 RM'000	2005 RM'000
TCB	-	-	(13)
TR	-	-	(9)
TGJM	5,390	4,841	5,663
YXG	569	680	738
GPMI	143	352	287
TGJH	(221)	444	(519)
TGJ (BU)	809	454	676
TGJ (KLCC)	1,102	1,035	1,107
TGJ (MK)	5	(5)	207
TGJ (TS)	(17)	(21)	108
TGJ (KP)	116	(3)	96
TGJ (MV)	1,300	858	1,029
TGJ (Klang)	250	621	488
TGJ (Sunway)	214	207	58
TGJ (PT)	-	121	699
TGJ (JB)	-	(5)	(42)
TGJ (B)	-	-	(13)
THJ	26	208	237
CP	14	138	287
My Diamond	191	377	491
TGJ (MJ)	64	96	105
TGJ (SA)	82	172	103
TGJ (Subang)	267	465	476
TGJ (IOI)	331	304	291
TGJ (WM)	58	110	104
TGJ (KL)	357	536	468
TGJ (SK)	24	7	15
TGJ (RW)	(7)	6	104
SRT	221	262	255
Soon Hin	692	667	706
J&G	133	95	88
TWF	-	(4)	(3)
	12,113	13,018	14,287
Consolidation Adjustment	(1,578)	328	668
<b>Total</b>	<b>10,535</b>	<b>13,346</b>	<b>14,955</b>

**10. FINANCIAL INFORMATION (Cont'd)****10.2.3 Analysis Of Revenue By Products/Activity Over The Past Three (3) Years**

	2003	2004	2005
Products	RM'000	RM'000	RM'000
916 gold	50,312	44,075	43,661
Other yellow gold	1,676	1,666	1,670
White gold jewellery	10,857	13,033	14,298
Total gold jewellery	62,845	58,774	59,629
Diamond jewellery	24,379	45,663	54,610
Other jewellery	12,777	13,245	19,279
Platinum jewellery	985	785	1,206
Chain	2,038	2,399	2,321
Gold bar	13,391	12,150	13,192
Loose gemstones	2,391	3,566	5,667
Tolling	129	156	188
Others <sup>1</sup>	5,253	10,247	5,567
<b>Total</b>	<b>124,188</b>	<b>146,985</b>	<b>161,659</b>

Note:

1 Mainly from sales of recycled jewellery from "buy backs" from end-consumers and including some rework being undertaken

**10.2.4 Analysis Of PBT Before MI By Products/Activity Over The Past Three (3) Years**

	2003	2004	2005
Products	RM'000	RM'000	RM'000
916 gold	7,073	6,049	6,260
Other yellow gold	285	267	301
White gold jewellery	5,972	6,515	6,853
Total gold jewellery	13,330	12,831	13,414
Diamond jewellery	14,140	22,832	28,113
Other jewellery	6,644	6,339	7,116
Platinum jewellery	512	377	537
Chain	143	169	162
Gold bar	891	813	923
Loose gemstones	1,219	1,712	2,380
Tolling	9	11	13
Others <sup>1</sup>	2,799	2,674	1,281
Total gross profit	39,687	47,758	53,939
Consolidation adjustments	(1,578)	603	668
Proforma group gross profit	38,109	48,361	54,607
Other income	1,766	2,046	1,792
Total expenses	(29,340)	(36,786)	(41,444)
	10,535	13,621	14,955
Consolidation adjustments	-	(275)	-
<b>Proforma group PBT</b>	<b>10,535</b>	<b>13,346</b>	<b>14,955</b>

Note:

1 Mainly from sales of recycled jewellery from "buy backs" from end-consumers and including some rework being undertaken

**10. FINANCIAL INFORMATION (Cont'd)****10.2.5 Analysis Of Revenue By Local and Export Over The Past Three (3) Years**

	2003 RM'000	2004 RM'000	2005 RM'000
Export	1,904	1,854	2,976
Local	122,284	145,131	158,683
<b>Total</b>	<b>124,188</b>	<b>146,985</b>	<b>161,659</b>

**10.3 Overview Of Revenue And PBT For The Past Three (3) FYE 31 December 2005*****FYE 31 December 2003***

Our Group's revenue surged by 13.2% to approximately RM124.19 million with the opening of nine (9) new retail outlets. In addition, our Group through GPPI, ventured into the overseas market and recorded export revenue of approximately RM1.90 million (FYE 2002: RM0.28 million).

Our PBT grew 220.4% to approximately RM10.54 million (FYE 2002: RM3.29 million) due to the opening of retail outlets that were mainly selling jewellery with higher profit margin. Furthermore, certain subsidiaries which were making losses in the previous financial year had turned around to report profits.

Our effective tax rate of 31.2% was higher than the statutory tax rate of 28% due to certain non-allowable expenses for tax purposes.

***FYE 31 December 2004***

Our Group's revenue grew by 18.4% to approximately RM146.99 million (FYE 2003: RM124.19 million) mainly due to the opening of eight (8) new retail outlets. In addition, our Group has taken steps to relocate certain non performing retail outlets to locations with higher consumer demands.

Our PBT improved by 26.7% to approximately RM13.35 million (FYE 2003: RM10.54 million) mainly due to higher revenue from the sale of jewellery with higher margins.

The effective tax rate of 25.2% was lower than the statutory tax rate mainly due to reduction in statutory tax rate on chargeable income of up to RM500,000 for subsidiaries with issued and paid-up share capital of RM2.5 million and below.

***FYE 31 December 2005***

Our Group's revenue rose by 9.9% to approximately RM161.66 million (FYE 2004: RM146.99 million) mainly due to the opening of eight (8) new retail outlets during the financial year.

Our PBT grew by 12.0% to approximately RM14.96 million (FYE 2004: RM13.35 million) mainly due to higher revenue from the sale of jewellery with higher margins.

The effective tax rate of 25.3% was lower than the statutory tax rate mainly due to reduction in statutory tax rate on chargeable income of up to RM500,000 for subsidiaries with issued and paid-up share capital of RM2.5 million and below.

Save as disclosed above, we are of the opinion that there are no other material changes in net revenue attributable to changes in prices, changes in the volume or amount of products or services being sold, or the introduction of new products or services and our operating profits were not materially affected by any other significant factors, including unusual or infrequent events or new developments.

**10. FINANCIAL INFORMATION (Cont'd)****10.4 Proforma Consolidated Statement of Assets and Liabilities**

The proforma consolidated statement of assets and liabilities of our Group as at 31 December 2005 is presented, for illustrative purpose only, to show the effects of the Revaluation/Disposal of Properties, Acquisitions and Disposals, Public Issue and use of proceeds and should be read in conjunction with the notes to the proforma consolidated statements of assets and liabilities as set out in Section 10.13 of this Prospectus.

	<b>31 December 2005</b>
	<b>RM'000</b>
<b>ASSETS EMPLOYED</b>	
Property, plant and equipment	16,950
Investment properties	1,981
Investment properties under development	420
Deferred tax assets	276
Goodwill on consolidation	252
<b>CURRENT ASSETS</b>	
Inventories	97,284
Trade receivables	9,714
Other receivables, deposits and prepayments	8,125
Tax recoverable	488
Fixed deposits with licensed banks	8,180
Cash and bank balances	24,575
	<u>148,366</u>
<b>CURRENT LIABILITIES</b>	
Trade payables	18,987
Other payables and accruals	4,587
Amount owing to Directors	2,439
Borrowings	55,841
Taxation	818
	<u>82,672</u>
<b>NET CURRENT ASSETS</b>	<u>65,694</u>
	<u>85,573</u>
<b>FINANCED BY</b>	
Share capital	63,000
Share premium	4,074
Reserve on consolidation	11,567
Accumulated loss	(14)
Share capital and reserves	<u>78,627</u>
Minority interest	206
<b>NON CURRENT AND DEFERRED LIABILITIES AND INCOME</b>	
Borrowings	5,848
Deferred taxation	871
Deferred income	21
	<u>85,573</u>
NTA (RM'000)	<u>78,375</u>
No. of TCB Shares	<u>126,000,000</u>
NTA per TCB Share	<u>0.62</u>

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**10. FINANCIAL INFORMATION (Cont'd)****10.5 The Proforma Consolidated Cash Flow Statement**

The proforma consolidated cash flow statement of our Group for the FYE 31 December 2005 is prepared for illustrative purpose only, to show the effects of the Revaluation/Disposal of Properties, Acquisitions and Disposals, Public Issue and use of proceeds and should be read in conjunction with the notes to the proforma consolidated cash flow statement as set out in Section 10.13 of this Prospectus.

	<b>FYE 31 December 2005</b>
	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
PBT	14,955
Adjustments for:	
Allowance for doubtful debts	9
Bad debts written off	92
Depreciation of property, plant and equipment	2,065
Interest expenses	3,178
Property, plant and equipment written off	21
Unrealised loss on gold	789
Amortisation of deferred income	(3)
Gain on disposal of property, plant and equipment	(39)
Interest income	(643)
Operating profit before working capital changes	20,424
Increase in inventories	(14,325)
Increase in trade receivables	(3,105)
Increase in other receivables, deposits and prepayments	(1,643)
Decrease in trade payables	(2,877)
Increase in other payables and accruals	1,194
Decrease in amounts owing to Directors	(423)
Cash used in operations	(755)
Tax paid	(3,909)
Interest paid	(1,378)
Net cash used in operating activities	(6,042)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	643
Purchase of property, plant and equipment	(2,718)
Disposal of a subsidiary company, net of cash and cash equivalents disposed	7,568
Placement of fixed deposits with licensed banks	(2,606)
Purchase of investment property under development	(10)
Proceeds from disposal of investment properties	6,200
Proceeds from disposal of property, plant and equipment	132
Acquisition of additional shares in subsidiary companies	(120)
Net cash from investing activities	9,089

**10. FINANCIAL INFORMATION (Cont'd)**

	FYE 31 December 2005
	RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Repayment to directors	(1,754)
Interest paid	(1,800)
Drawdown of bankers' acceptances	9,827
Drawdown of term loans	1,650
Repayment of term loans	(1,064)
Repayment of factoring	(37)
Repayment of gold loan	(132)
Repayment of hire-purchase and lease liabilities	(942)
Proceeds from public issue	13,877
Payment of listing expenses	(2,500)
	<hr/>
Net cash from financing activities	17,125
Net increase in cash and cash equivalents	20,172
Cash and cash equivalents at beginning of financial year	(12,820)
Cash and cash equivalents at end of financial year	<hr/> <hr/> 7,352
Cash and cash equivalents comprise:	
Fixed deposits with licensed banks	8,180
Cash and bank balances	24,575
Bank overdrafts	(17,347)
	<hr/> 15,408
Less: fixed deposits pledged to licensed banks	(8,056)
	<hr/> <hr/> 7,352

**10.6 Trend Information**

Our Directors are optimistic about the future prospects for our products and believe that the following factors will have a positive impact on our future prospects:

- (i) the expansion in the number of retail outlets has contributed significantly to our growth. Our Directors are confident that our business will continue to grow given our future plans to open new retail outlets locally and overseas and the implementation of franchising concept to expand our coverage of the market; and
- (ii) our Directors believe that the continuous growth of the Malaysian economy, the growing affluence and improvement of living standards of the population and changing consumer spending habits offer opportunities to target the younger age group who are most likely influenced by changing fashion trends. Our strategy of new product development for silver jewellery, hollow chains and Baby Looney Tunes character jewellery to target the younger age group stands us in good stead in this respect.

Our Directors observed an increasing trend in the prices of gold, our major raw material. Since the market price of gold is determined principally by market supply and demand, it is not possible to envisage whether gold prices will continue to rise in the foreseeable future. To negate the effect of fluctuation in gold prices which will directly impact on the cost of our raw materials, we have, increased our product range to include more gemstone jewellery.

Our jewellery is generally sold to walk-in customers who purchase our jewellery at our retail outlets. Accordingly, due to the nature of our business, we do not maintain an order book.

Save as disclosed above and in Section 4 of this Prospectus, our Directors are not aware of any significant known trends in production, sales, costs and selling prices of our products and services or other trends, uncertainties, demands, commitments or events that are reasonably likely to have a material favourable or unfavourable impact on our financial performance, position and operations that would cause financial information disclosed in this Prospectus to be not necessarily indicative of future financial position.



**10. FINANCIAL INFORMATION (Cont'd)****10.7 Liquidity And Capital Resources****(i) Material Sources Of Liquidity And Cash Flow**

Our business growth and expansion have been financed through the use of internal and external source of funds. Our internal source of funds is derived mainly from cash generated from our operating activities and our external sources of funds comprised mainly shareholders' equity and bank borrowings.

As at 11 May 2006, we have bank facilities amounting to approximately RM66.8 million, of which approximately RM63.20 million was utilised. Further details of our borrowings are set out in paragraph 10.7 (ii) of this Prospectus.

Our Directors are of the opinion that after taking into consideration the sources of material liquidity mentioned above together with our cash flow position and the net proceeds from the Public Issue as mentioned in Section 10.5 of this Prospectus, our Group will have adequate working capital for a period of twelve (12) months from the date of this Prospectus.

A summary of our proforma Group cash flow for the FYE 31 December 2005 based on the proforma consolidated cash flow statement as disclosed in Section 10.5 is set out below:

<b>Proforma Cash Flow Summary</b>	<b>FYE 31 December 2005</b>
	<b>RM'000</b>
Net cash used in operating activities	(6,042)
Net cash from investing activities	9,089
Net cash from financing activities	17,125
Net increase in cash and cash equivalents	20,172
Cash and cash equivalents at beginning of year	(12,820)
Cash and cash equivalents at end of year	7,352

**Note:**

*The proforma cash flow statement of our Group for the financial year under review has been prepared on the basis that our Group has been in existence over the past one (1) FYE 31 December 2005*

**Cash flows from operating activities**

Net cash used in operating activities amounted to approximately RM6.04 million. This comprised cash generated from operating activities before changes in working capital of approximately RM20.42 million and working capital outflows of approximately RM26.46 million. Working capital outflows amounted to approximately RM26.46 million mainly due to:

- (a) increase in inventories and trade receivables amounting to approximately RM14.33 million and RM3.10 million respectively in line with our sales growth and outlet expansion;
- (b) decrease in trade payable of approximately RM2.88 million; and
- (c) tax and interest paid of approximately RM3.91 million and RM1.38 million respectively.

**Cash flows from investing activities**

Net cash from investing activities amounted to approximately RM9.09 million mainly due to proceeds from disposal of a subsidiary company and proceeds from disposal of investment properties amounting to approximately RM7.57 million and RM6.20 million respectively as well as interest received of approximately RM0.64 million. This was partially offset by purchase of property, plant and equipment of approximately RM2.72 million and placement of fixed deposits pledged to licensed banks of approximately RM2.61 million.

**10. FINANCIAL INFORMATION (Cont'd)****Cash flows from financing activities**

Net cash from financing activities amounted to approximately RM17.13 million. This arose mainly from financing obtained from proceeds from the Public Issue of approximately RM13.88 million, bankers' acceptances and term loans amounting to approximately RM11.48 million, which were partially offset by:

- (a) payment of listing expenses of RM2.50 million;
- (b) repayment of hire-purchase and lease liabilities and term loans amounting to approximately RM2.01 million;
- (c) repayment to directors amounting to approximately RM1.75 million; and
- (d) payment of interest amounting to approximately RM1.80 million.

**(ii) Borrowings**

As at 31 December 2005 (being the latest available audited financial statements) and 11 May 2006 (being the latest practicable date of which such amounts could be determined prior to the printing of this Prospectus), our Group's total bank borrowings amounted to approximately RM61.69 million and RM63.20 million respectively, the details of which are as follows:

	As at 31 December 2005 (Audited) RM'000	As at 11 May 2006 (Unaudited) RM'000
<b>Local</b>		
<i>Short term</i>		
Interest bearing	55,841	59,039
<i>Long term</i>		
Interest bearing	5,848	4,161
<b>Total outstanding borrowings</b>	61,689	63,200
Gearing ratio (%)	78 <sup>(1)</sup>	80 <sup>(1)</sup>

Note:

- (1) Gearing ratio is calculated based on total outstanding borrowings divided by the proforma shareholders' equity as at 31 December 2005 (after Public Issue and deducting listing expenses) amounting to RM78,626,482

Save as disclosed above, our Group does not have any other borrowings outstanding. There have been no such instances of default on payments, either interest and/ or principal sums in respect of any borrowings throughout the past one (1) year and the subsequent financial period thereof, immediately preceding the date of this Prospectus.

**(iii) Financial Ratios**

Our key financial ratios for the FYE 31 December 2005 are as follows:

	FYE 31 December 2005 (Number of days)
Inventory turnover	332
Receivable turnover	22
Payable turnover	57

**10. FINANCIAL INFORMATION (Cont'd)****(iv) Financial Instruments**

For the past three (3) FYE 31 December 2005, our Group entered into commodity futures contract as follows:

	← 2003 →		← 2004 →		← 2005 →	
	Contracted Amount (RM)	Fair Value (RM)	Contracted Amount (RM)	Fair Value (RM)	Contracted Amount (RM)	Fair Value (RM)
Purchase contract	-	-	32,603	32,820	548,289	587,941

**(v) Material Commitments**

Save as disclosed below, as at 11 May 2006 (being the latest practicable date prior to the printing of this Prospectus), our Group does not have any material commitments which, upon becoming enforceable, may have a material impact on the profit or net assets value of our Group.

	Audited As at 31 December 2005 RM'000	Unaudited As at 11 May 2006 RM'000
Authorised and contracted for	-	567

The material commitment as at 11 May 2006 relates to the purchase of an enterprise resource planning system software to integrate the departments and functions of our Group onto a single computer system. We have already placed an order for the purchase of the software and paid a deposit of 10% using internally generated funds. The amount stated above is the remaining 90% of the purchase consideration which will be financed using internally generated funds and hire-purchase.

**(vi) Material Litigation**

As at 11 May 2006 (being the latest practicable date prior to the printing of this Prospectus), our Group is not engaged in any legal action, proceeding, arbitration or prosecution for any criminal offence, either as plaintiff or defendant, which has a material effect on our financial position and our Directors do not know of any proceedings pending or threatened or any fact likely to give rise to any proceedings which might materially and adversely affect our position or business.

**(vii) Contingent Liabilities**

As at 11 May 2006 (being the latest practicable date prior to the printing of this Prospectus), our Group does not have any material contingent liabilities.

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**10. FINANCIAL INFORMATION (Cont'd)****10.8 Consolidated Profit Forecast For The FYE 31 December 2006**

Our Directors forecast that our consolidated PAT for the FYE 31 December 2006 will be as follows:

	<b>Forecast Before FRS 3 FYE 2006 RM'000</b>	<b>Excess Of Net Fair Value Over Cost Of Combination Pursuant To FRS 3 RM'000</b>	<b>Forecast After FRS 3 FYE 2006 RM'000</b>
Revenue	192,298		192,298
Consolidated PBT	19,279	11,567 <sup>(2)</sup>	30,846
Tax expense	(4,283)		(4,283)
Consolidated PAT	14,996 <sup>(1)</sup>		26,563
MI	(120)		(120)
Consolidated PAT and MI	14,876		26,443
Enlarged number of TCB Shares assumed in issue ('000)	126,000		126,000
<b>Based on enlarged number of TCB Shares assumed in issue</b>			
Gross EPS (sen)	15.21		24.39
Net EPS (sen)	11.81		20.99
Gross PE Multiple based on the Issue/Offer Price per TCB Share (times)	6.25		3.90
Net PE Multiple based on the Issue/Offer Price per TCB Share (times)	8.04		4.53

**Notes:**

- (1) Inclusive of the disposal of a leasehold land and building by a subsidiary which is expected to result in a gain on disposal of approximately RM1.27 million
- (2) Our Group will adopt FRS 3 Business Combinations which requires all business combinations to be accounted for by applying the purchase method. In accordance with FRS 3, if the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree exceeds the cost of combination, the excess is recognised immediately in income statement after reassessing the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination. The adoption of the accounting policy will result in an excess of approximately RM11.57 million being recognised in the income statement assuming that the acquisitions of the subsidiary companies are completed on 1 January 2006

The principal bases and assumptions underlying the consolidated profit forecast are set out in the appendix accompanying the Reporting Accountants' Letter on the Consolidated Profit Forecast as set out in Section 10.9 of this Prospectus.

The consolidated profit forecast of TCB for the FYE 2006 had been prepared on bases and accounting principles consistent with those previously adopted in the preparation of the audited financial statements of our Group.

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10. FINANCIAL INFORMATION (*Cont'd*)

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10.9 Reporting Accountants' Letter On The Consolidated Profit Forecast

(Prepared for inclusion in this Prospectus)



**BDO Binder** (AF 0206)  
Chartered Accountants

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26 May 2006

**The Board of Directors**  
**Tomei Consolidated Berhad**  
13A-2, Menara Uni.Asia  
1008 Jalan Sultan Ismail  
50250 Kuala Lumpur

Dear Sirs

**TOMEI CONSOLIDATED BERHAD ("TCB" or "the Company")**  
**CONSOLIDATED PROFIT FORECAST**  
**FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2006**

We have reviewed the consolidated profit forecast of TCB and its subsidiary companies (collectively referred to as "TCB Group") for the financial year ending 31 December 2006 as set out in the accompanying statement (which we have stamped for the purpose of identification) in accordance with the auditing standard applicable to the review of forecast. The forecast has been prepared for inclusion in the Prospectus dated 23 June 2006 in connection with the listing and quotation for the entire enlarged issued and paid-up share capital of TCB comprising 126,000,000 ordinary shares of RM0.50 each on the Second Board of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing"), and should not be relied on for any other purposes. The exercises in connection with the Listing are as follows:-

- (a) Public Issue of 14,608,000 new ordinary shares of RM0.50 each in TCB at an issue price of RM0.95 per new ordinary share;
- (b) Offer for Sale of 37,800,000 ordinary shares of RM0.50 each in TCB at an offer price of RM0.95 per ordinary share; and
- (c) Listing and quotation of the entire issued and fully paid-up share capital of TCB comprising 126,000,000 ordinary shares of RM0.50 each on the Second Board of Bursa Securities.

Our review has been undertaken to enable us to form an opinion as to whether the consolidated profit forecast, in all material respects, is properly prepared on the basis of the assumptions made by the Directors and is presented on a basis consistent with the accounting policies adopted and disclosed by the TCB Group in the respective audited financial statements for the financial year/period ended 31 December 2005 and applicable new and revised Financial Reporting Standards which are effective on 1 January 2006, issued by the Malaysian Accounting Standards Board and which will be adopted by TCB Group. The Directors of TCB are solely responsible for the preparation and presentation of the consolidated profit forecast and the assumptions on which the consolidated profit forecast is based.

10. FINANCIAL INFORMATION (Cont'd)



*Tomei Consolidated Berhad  
Consolidated Profit Forecast  
For the Financial Year Ending 31 December 2006*

Forecast, in this context, means prospective financial information prepared on the basis of assumptions as to future events which management expects to take place and the actions which management expects to take as of the date the information is prepared (best-estimate assumptions). While information may be available to support the assumptions on which the forecast is based, such information is generally future oriented and therefore uncertain. Thus, actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation could be material.

Subject to the matters stated in the preceding paragraphs:-

- (i) nothing has come to our attention which causes us to believe that the assumptions made by the Directors, as set out in the accompanying statement, do not provide a reasonable basis for the preparation of the consolidated profit forecast; and
- (ii) in our opinion, the consolidated profit forecast, so far as the calculations are concerned, is properly prepared on the basis of the assumptions made by the Directors and is presented on a basis consistent with the accounting policies adopted and disclosed by the TCB Group in the respective audited financial statements for the financial year/period ended 31 December 2005 and applicable new and revised Financial Reporting Standards which are effective on 1 January 2006, issued by the Malaysian Accounting Standards Board and which will be adopted by TCB Group.

Yours faithfully

**BDO Binder**  
AF : 0206  
Chartered Accountants

**Tan Kim Leong, JP**  
235/06/07 (J/PH)  
Partner

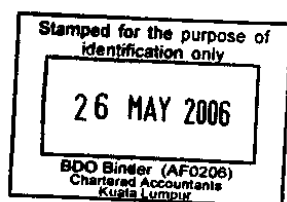
## 10. FINANCIAL INFORMATION (Cont'd)

Tomei Consolidated Berhad  
Consolidated Profit Forecast  
for the Financial Year Ending 31 December 2006

**TOMEI CONSOLIDATED BERHAD ("TCB" or "the Company")  
CONSOLIDATED PROFIT FORECAST FOR THE FINANCIAL YEAR ENDING  
31 DECEMBER 2006 TOGETHER WITH THE PRINCIPAL BASES AND ASSUMPTIONS  
THERE TO**

The Directors of TCB forecast that the consolidated profit after tax of TCB and its subsidiary companies (collectively referred to as "TCB Group") for the financial year ending 31 December 2006 will be as follows:-

	Forecast before FRS 3 2006 RM'000	Excess of net fair value over cost of combination pursuant to FRS 3 RM'000	Forecast after FRS 3 2006 RM'000
Revenue	192,298		192,298
Consolidated profit before tax	19,279	11,567	30,846
Tax expense	(4,283)		(4,283)
Consolidated profit after tax	14,996		26,563
Attributable to:			
Equity holders of TCB	14,876		26,443
Minority interest	120		120
	14,996		26,563

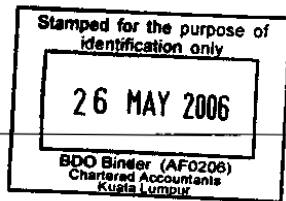


The principal bases and assumptions upon which the above consolidated profit forecast after tax has been prepared are as follows:-

1. The consolidated profit forecast has been prepared on a basis consistent with those bases and accounting policies previously adopted in the preparation of financial statements of the TCB Group and disclosed in the respective audited financial statements for the financial year/period ended 31 December 2005 and applicable new and revised Financial Reporting Standards ("FRS") which are effective on 1 January 2006, issued by the Malaysian Accounting Standards Board and which will be adopted by TCB Group.
2. The TCB Group will adopt FRS 3 Business Combinations which requires all business combinations to be accounted for by applying the purchase method. In accordance with FRS 3, if the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree exceeds the cost of combination, the excess is recognised immediately in income statement after reassessing the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination.

The adoption of the accounting policy will result in an excess of approximately RM11.567 million being recognised in the income statement assuming that the acquisitions of the subsidiary companies are completed on 1 January 2006.

## 10. FINANCIAL INFORMATION (Cont'd)



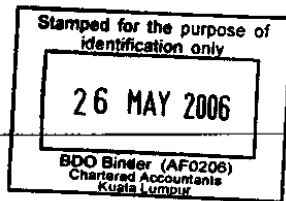
Tomei Consolidated Berhad  
Consolidated Profit Forecast  
for the Financial Year Ending 31 December 2006

3. The TCB Group will adopt the fair value model stipulated in FRS 140 Investment Property. Under the fair value model, the fair value of investment property shall reflect market conditions at the balance sheet. A gain or loss from a change in the fair value of investment property shall be recognised in income statement for the period in which it arises. It is assumed that there is no material change to the fair values of investment properties for the financial year ending 31 December 2006.
4. The disposal of a leasehold land and building by a subsidiary company is expected to result in a gain on disposal of approximately RMI.272 million and will be completed in the financial year ending 31 December 2006.
5. There will be no changes in the accounting policies adopted by the TCB Group other than the adoption of the new accounting policies mentioned in Notes 2 and 3.
6. There will be no material changes in the principal activities, management structure, accounting and business policies adopted by the TCB Group.
7. There will be no significant changes in the prevailing market, economic and political conditions in Malaysia and elsewhere which the TCB Group operates that will adversely affect the activities or performance of the TCB Group.
8. There will be no significant changes in legislation or government regulations and policies, including tariffs, duties, levies and other taxes, which will adversely affect the TCB Group, its operations or the market in which it operates.
9. Inflation and exchange rates of foreign currencies will not change significantly from their present levels.
10. The existing financing facilities of the TCB Group will remain available at the prevailing interest rates. There will be no material changes to the timing of repayment of these facilities. The TCB Group will be able to obtain additional financing facilities as and when necessary at interest rates which approximate those currently available to the TCB Group.
11. The TCB Group will be able to operate under existing and new tenancy arrangements and renew them upon expiry, and obtain the necessary licences from the relevant authorities for the operation of new outlets.
12. The demand for and prices of the products, sales mix, profit margins and services provided by the TCB Group as forecasted will not be affected to a material extent by changes in market conditions.
13. There will be no unfavourable or major disruptions in the production facilities arising from industrial disputes, labour shortage, or any abnormal circumstances including exceptional bad debts which will adversely affect the development, production operation and sales of the products and services of the TCB Group.
14. There will be no significant changes in the prevailing cost of raw materials, labour, plant and machinery and their incidental costs or overheads which will adversely affect the operations of the TCB Group.
15. Capital expenditure programmes will be implemented and incurred as scheduled with no material changes in the expected cost or price and there will be no material acquisitions or disposals of property, plant and equipment and investment other than those planned.



## 10. FINANCIAL INFORMATION (Cont'd)

Tomei Consolidated Berhad  
Consolidated Profit Forecast  
for the Financial Year Ending 31 December 2006



16. There will be no material changes in the structure and present activities of TCB Group other than those taken into consideration in the profit forecast.
17. There will be no disruption in the supply of raw materials/services by major suppliers that will adversely affect the activities of the TCB Group.
18. Income from domestic operations is subject to tax, assumed at the current applicable rate of 28% (or where applicable, 20% tax rate for small and medium enterprises) reduced by available tax losses and unabsorbed capital allowances. It is further assumed that there will be no material changes in such law or practice or the rates and bases of taxation applicable to the TCB Group.
19. Commodity price of gold is not expected to differ materially from the present level.
20. There will be no material contingent liabilities arising from any material litigation and there will be no legal proceedings against the TCB Group in the forecast year.
21. The Listing will be completed by the third quarter of 2006 and the proceeds from the Listing amounting to approximately RM13.878 million will be utilised in the following manner:-

	<b>RM'000</b>
Acquisition of machineries	1,000
Branch expansion	4,000
Working capital	6,378
Estimated listing expenses*	2,500
	<u>13,878</u>

\* The listing expenses of RM2,500,000 are netted off against the share premium arising from the public issue.

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**10. FINANCIAL INFORMATION (Cont'd)**

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**10.10 Directors' Analysis And Commentary On The Consolidated Profit Forecast For The FYE 31 December 2006**

Our Directors have reviewed and analysed the reasonableness of the bases and assumptions used in arriving at the profit forecast for the FYE 31 December 2006 to be true and fair in the light of the future prospects of the industry, future plans and strategies, level of gearing, liquidity and working capital requirements to be adopted by our Group.

Nevertheless, the profit forecast is based on subjective judgments and there can be no assurance that the profit forecast will be realised. Accordingly our Group's actual results for the FYE 31 December 2006 may differ from the forecast figure shown herein.

Our Directors do not foresee any likely change in business and operating conditions that will materially impact our forecast. In addition, our forecast revenue is also not based on any secured contract or order.

**FYE 31 December 2006**

For the FYE 2006, the Group's revenue is forecast at approximately RM192.30 million which is 19.0% higher than that reported for FYE 2005. This is mainly due to additional contribution from two (2) new retail outlets opened in the first quarter of 2006 and the positive contribution from eight (8) new retail outlets that opened in FYE 2005.

Our Group's PBT is forecast at approximately RM30.85 million (FYE 2005: RM14.96 million), representing an increase of approximately 106% which is mainly due to the following reasons:

- (a) positive contribution from the new retail outlets opened in FYE 2005;
- (b) additional contribution from new retail outlets opened in FYE 2006;
- (c) the disposal of a leasehold land and building by a subsidiary which is expected to result in a gain on disposal of approximately RM1.27 million; and
- (d) the adoption of FRS 3 which will result in an excess of net fair value over cost of combination of approximately RM11.57 million being recognised in the income statement pursuant to the Acquisitions and Disposals.

Our effective tax rate of 13.9% for FYE 2006 was lower than the statutory tax rate mainly due to reduction in statutory tax rate on chargeable income of up to RM500,000 for subsidiaries with issued and paid-up share capital of RM2.5 million and below and non-taxable gain arising from adoption of FRS 3.

**10.11 Dividend Forecast**

It is the policy of our Directors to recommend dividends to allow shareholders to participate in the profits of our Group as well as leaving adequate reserves for future growth of our Group.

Based on the profit forecast for the FYE 31 December 2006 and assuming that the current basis for calculating taxation and the tax rates remain unchanged, our Directors anticipate that our Company will be in a position to propose gross dividend of RM6.3 million or 5.00 sen per TCB Share for the FYE 31 December 2006, based on the enlarged issued and paid-up share capital of 126,000,000 TCB Shares.

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**10. FINANCIAL INFORMATION (Cont'd)**

The intended appropriation of the forecast consolidated PAT for the FYE 31 December 2006 would be as follows:

	<b>FYE 2006</b>
Gross dividend per TCB Share (sen)	5.00
Net dividend per TCB Share (sen)	3.60
Gross dividend yield based on the Issue/Offer Price per TCB Share (%)	5.26
Net dividend yield based on the Issue/Offer Price per TCB Share (%)	3.79
Gross dividend cover (times)	4.88
Net dividend cover (times)	5.83

The declaration, amount and payment of dividends are subject to the approval by our shareholders on recommendation by our Board. TCB currently expects to pay dividends on an annual basis but has not established (and does not expect to establish) any fixed percentage of earnings allocated for the payment of dividends. Any variation from the forecast dividend would depend on TCB's operation results, financial conditions, cash requirements and other factors deemed relevant by our Board.

**10.12 Sensitivity Analysis****(i) Variation In Revenue, PBT And PAT And MI (Due To Variations In Operating Costs)**

A sensitivity analysis on our consolidated forecast revenue, PBT and PAT and MI for the FYE 31 December 2006 based on deviation of 5% to 10% on our Group's operating costs is set out below:

2006	Revenue RM'000	Variation (%)	PBT RM'000	Variation (%)	PAT And MI RM'000	Variation (%)
As forecasted	192,298		30,846		26,443	
Up 10%	192,298	-	26,165	-15.18	22,895	-13.42
Up 5%	192,298	-	28,511	-7.57	24,680	-6.67
Down 5%	192,298	-	33,169	7.53	28,137	6.41
Down 10%	192,298	-	35,480	15.02	29,820	12.77

**(ii) Variation In Revenue, PBT And PAT And MI (Due To Variations In Product Pricing)**

A sensitivity analysis on our consolidated forecast revenue, PBT and PAT and MI for the FYE 31 December 2006 based on deviation of 5% to 10% on our Group's product pricing is set out below:

2006	Revenue (RM'000)	Variation (%)	PBT RM'000	Variation (%)	PAT And MI RM'000	Variation (%)
As forecasted	192,298		30,846		26,443	
Up 10%	211,528	10.00	36,308	17.71	30,421	15.04
Up 5%	201,913	5.00	33,584	8.88	28,439	7.55
Down 5%	182,683	-5.00	28,098	-8.91	24,385	-7.78
Down 10%	173,068	-10.00	25,327	-17.89	22,287	-15.72

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10. FINANCIAL INFORMATION (Cont'd)

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10.13 Reporting Accountants' Letter On The Proforma Consolidated Financial Information

(Prepared for inclusion in this Prospectus)



**BDO Binder** (AF 0206)  
Chartered Accountants

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1008 Jalan Sultan Ismail  
50250 Kuala Lumpur Malaysia  
Telephone : (603) 2616 2888  
Telefax : (603) 2616 3190, 2616 3191  
Website : www.bdo-malaysia.com

26 May 2006

**The Board of Directors**  
**Tomei Consolidated Berhad**  
13A-2, Menara Uni.Asia  
1008 Jalan Sultan Ismail  
50250 Kuala Lumpur

Dear Sirs

**TOMEI CONSOLIDATED BERHAD ("TCB" or "the Company")**  
**PROFORMA CONSOLIDATED FINANCIAL INFORMATION**

We have reviewed the presentation of the proforma consolidated financial information of TCB and its subsidiary companies (collectively referred to as "TCB Group" or "the Group") together with the notes thereon as set out in the accompanying statement which we have stamped for the purpose of identification. The proforma consolidated financial information for which the Directors of TCB are solely responsible have been prepared for illustrative purposes only and on the assumptions that the Revaluation/Disposal of Properties, Acquisitions and Disposals and Public Issue and utilisation of proceeds have been effected as of 31 December 2005.

The proforma financial information has been prepared for inclusion in the Prospectus dated 23 June 2006 in connection with the listing and quotation for the entire enlarged issued and paid-up share capital of TCB comprising 126,000,000 ordinary shares of RM0.50 each on the Second Board of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing"), and should not be relied on for any other purposes. The exercises in connection with the Listing are as follows:

**1 Revaluation/Disposal of Properties**

**1.1 Revaluation of Properties in TGJC**

As part of the listing scheme, the two (2) properties of TGJC with the addresses of Lot G 050, Ground Floor, Sungei Wang Plaza, Jalan Bukit Bintang, 55100 Kuala Lumpur and Nos 30, 30B and 30C, Jalan Walter Grenier, Off Jalan Imbi, 55100 Kuala Lumpur have been revalued by C H Williams Talhar & Wong Sdn Bhd and the market values are RM5,800,000 and RM900,000 respectively.

The revaluation surplus net of deferred taxation of RM3,547,840 has been incorporated in the accounts of TGJC for the financial year ended ("FYE") 31 December 2005.

**1.2 Revaluation/Disposal of Properties in Soon Hin and TGJ (KL)**

As part of the listing scheme, the two (2) properties situated at Lot G 049, Ground Floor, Sungei Wang Plaza, Jalan Bukit Bintang, 55100 Kuala Lumpur (owned by Soon Hin) and Lot G 051, Ground Floor, Sungei Wang Plaza, Jalan Bukit Bintang, 55100 Kuala Lumpur (owned by TGJ (KL)) have been revalued by C H Williams Talhar & Wong Sdn Bhd and the market values are RM3,200,000 and RM3,000,000 respectively.

**10. FINANCIAL INFORMATION (Cont'd)**

*Tomei Consolidated Berhad*  
*Proforma Consolidated Financial Information*

**1 Revaluation/Disposal of Properties (cont'd)****1.2 Revaluation/Disposal of Properties in Soon Hin and TGJ (KL) (cont'd)**

The revaluation surplus of RM3,740,000 has been incorporated in the accounts of Soon Hin and TGJ (KL) for the FYE 31 December 2005.

These two (2) properties were then disposed to Best Arcade Sdn Bhd ("BASB") via two (2) conditional sale and purchase agreements ("SPAs") dated 21 November 2005 between Soon Hin and TGJ (KL) with BASB for a total cash consideration of RM6,200,000 based on the market value of the properties.

The Disposal of Properties in Soon Hin and TGJ (KL) were completed on 26 May 2006.

Based on the valuation reports dated 11 October 2005 prepared by C H Williams Talhar & Wong Sdn Bhd, an independent registered firm of professional valuers, the combined market value of the properties is RM6,200,000. The total audited net book value of the properties is RM2,460,000 as at 31 December 2004.

**2 Acquisitions and Disposals****2.1 Disposal of TGJC by TGJH**

TGJH had on 21 November 2005 entered into a conditional SPA with BASB for the disposal of the entire equity interest in TGJC for a cash consideration of RM6,884,683.

The disposal consideration was arrived at based on the audited net tangible assets ("NTA") of TGJC as at 31 December 2004 of RM3,336,843 adjusted for the revaluation surplus of the two (2) properties which amounts to RM3,547,840.

**2.2 Acquisitions I by TR**

(a) TR had on 21 November 2005 entered into eight (8) conditional SPAs with the vendors of My Diamond, TGJ (SK), TGJ (RW), CP, TGJ (PT), TGJ (JB), TWF and TGJ (B) for the acquisitions of the following:

- (i) 100% equity interest in My Diamond;
- (ii) 100% equity interest in TGJ (SK);
- (iii) 100% equity interest in TGJ (RW);
- (iv) 100% equity interest in CP;
- (v) 100% equity interest in TGJ (PT);
- (vi) 100% equity interest in TGJ (JB);
- (vii) 100% equity interest in TWF; and
- (viii) 99.99% equity interest in TGJ (B)

for a total purchase consideration of RM2,059,818 satisfied by an issuance of a total of 4,119,636 new ordinary shares of RM0.50 each in TCB ("TCB Shares") at par value.

**10. FINANCIAL INFORMATION (Cont'd)**

*Tomei Consolidated Berhad*  
*Proforma Consolidated Financial Information*

**2 Acquisitions and Disposals (cont'd)****2.2 Acquisitions I by TR (cont'd)****(b) Basis of the Purchase Consideration**

The total purchase consideration of RM2,059,818 was arrived at based on the following:

- (i) the respective audited NTA of My Diamond, TGJ (SK), TGJ (RW), CP and TGJ (PT) as at 31 December 2004; and
- (ii) the par value of the existing issued and paid-up share capitals of TGJ (JB), TWF and TGJ (B) of RM1.00, RM1.00 and BND1.00 respectively.

**2.3 Acquisitions by TCB**

TCB had on 21 November 2005 entered into three (3) conditionals SPAs with the vendors of Soon Hin, TGJM and TR for the acquisitions of the entire equity interest in Soon Hin, TGJM and TR for a total purchase consideration of RM19,532,818 satisfied by the issuance of 39,065,636 new TCB Shares at par value.

**2.4 Acquisitions II by TR**

- (a) TR (which became a wholly-owned subsidiary of TCB upon the completion of the Acquisitions by TCB), had on 21 November 2005 entered into two (2) conditional SPAs with the vendors of TGJ (MJ) and SRT for the acquisitions of the entire equity interest in TGJ (MJ) and SRT for a total purchase consideration of RM6,671,949 satisfied by the issuance of 13,343,898 new TCB Shares at par value.

**(b) Basis of the Purchase Consideration**

The total purchase consideration of RM6,671,949 was arrived at based on the respective audited NTA of the acquiree companies as at 31 December 2004.

**2.5 Acquisitions by TGJ (MJ)**

- (a) TGJ (MJ) (which became a 100% owned subsidiary of TR upon the completion of Acquisitions II by TR), had on 21 November 2005 entered into three (3) conditional SPAs with the vendors of TGJ (SA), TGJ (Subang) and TGJ (IOI) for the acquisitions of the following:

- (i) 32% equity interest in TGJ (SA);
- (ii) 40% equity interest in TGJ (Subang); and
- (iii) 40% equity interest in TGJ (IOI)

The said acquisition was satisfied by a total cash consideration of RM1,405,155 in the form of amount owing by TGJ (MJ) to the vendors.

**10. FINANCIAL INFORMATION (Cont'd)**

*Tomei Consolidated Berhad*  
*Proforma Consolidated Financial Information*

**2 Acquisitions and Disposals (cont'd)****2.5 Acquisitions by TGJ (MJ) (cont'd)****(b) Basis of the Purchase Consideration**

The total purchase consideration of RM1,405,155 was arrived at based on the respective audited NTA of TGJ (SA), TGJ (Subang) and TGJ (IOI) as at 31 December 2004.

**2.6 Acquisition of TGJH**

(a) TR had on 21 November 2005 entered into a conditional SPA with the vendors of TGJH for the acquisition of 100% equity interest in TGJH for a purchase consideration of RM24,310,466 satisfied by the issuance of 48,620,932 new TCB Shares at par value.

**(b) Basis of the Purchase Consideration**

The total purchase consideration of RM24,310,466 was arrived at based on the adjusted NTA of the TGJH Group prior to the Acquisitions and Disposals which comprised TGJC, TGJ (TS), YXG, TGJ (Klang), TGJ (KLCC), TGJ (BU), TGJ (MV), TGJ (KP), TGJ (MK) and its associated companies GPML, TGJ (Sunway) and J&G, based on the audited NTA as at FYE 31 December 2004 after the Disposal of TGJC by TGJH.

**2.7 Disposals to TR**

(a) The vendors of TGJ (WM), TGJ (KL) and THJ had on 21 November 2005 entered into four (4) conditional SPAs with TR for the disposals of their equity interests in the aforesaid companies to TR.

**(b) Basis of the Disposal Consideration**

The total disposal consideration of approximately RM5,369,911 was arrived at based on the respective audited NTA of TGJ (WM) and THJ as at 31 December 2004 and the adjusted NTA of TGJ (KL) after the Revaluation/Disposal of Properties in Soon Hin and TGJ (KL) satisfied by the following:

- (i) cash of RM2;
- (ii) issuance of 3,659,625 new TCB Shares at par value; and
- (iii) amounts of RM2,872,610 and RM667,486 owing to Soon Hin and TGJM respectively.

**2.8 Disposal of J&G to TR**

(a) The vendors of J&G had on 21 November 2005 entered into a conditional SPA with TR for the disposal of their entire equity interest in J&G to TR for a disposal consideration of RM873,295 satisfied by the issuance of 873,295 new TCB Shares at par value and cash consideration of RM436,647.50.

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**10. FINANCIAL INFORMATION (Cont'd)**

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*Tomei Consolidated Berhad*  
*Proforma Consolidated Financial Information*

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**2 Acquisitions and Disposals (cont'd)**

**2.8 Disposal of J&G to TR (cont'd)**

(b) Basis of the Disposal Consideration

The disposal consideration was arrived at based on the audited NTA of J&G as at 31 December 2004.

**2.9 Disposals of YXG and GPMI to TCB**

(a) The vendors of YXG and GPMI had on 21 November 2005 entered into two (2) conditional SPAs with TCB for the disposals of the entire equity interest in YXG and 61% equity interest in GPMI respectively for a total cash consideration of RM5,398,199.

(b) Basis of the Disposal Consideration

The disposal consideration was arrived at based on the audited NTA of YXG and GPMI as at 31 December 2004.

**2.10 Acquisitions by TGJH**

(a) TGJH had on 21 November 2005 entered into three (3) conditional SPAs with the vendors of TGJ (Klang), TGJ (Sunway) and TGJ (KP) for the acquisitions as set out below:

(i) Acquisition of the balance of 36.84% equity interest in TGJ (Klang) which it did not already own, satisfied by a cash consideration of RM746,377;

(ii) Acquisition of the balance of 50% equity interest in TGJ (Sunway) which it did not already own, for a purchase consideration of RM780,017 satisfied by the issuance of 1,560,034 new TCB Shares at par value; and

(iii) Acquisition of the balance of 30% equity interest in TGJ (KP) which it did not already own for a purchase consideration of RM74,470, satisfied by the issuance of 148,940 new TCB Shares at par value.

(b) Basis of the Purchase Consideration

The total purchase consideration of RM1,600,864 was arrived at based on the respective audited NTA of TGJ (Klang), TGJ (Sunway) and TGJ (KP) as at 31 December 2004.



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**10. FINANCIAL INFORMATION (Cont'd)**

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*Tomei Consolidated Berhad*  
*Proforma Consolidated Financial Information*



**3 Acquisition of TCB Shares by Teck Fong Corporation Sdn. Bhd. ("TFC")**

(a) Upon completion of the Acquisitions and Disposals, TFC acquired 56.59% equity interest in TCB or 63,032,177 TCB Shares from Datuk Ng Teck Fong, Ng Yih Pyng, Ng Yih Chen, Ng Sheau Yuen, Ng Sheau Chyn and Datin Gan Sao Wah for a total purchase consideration of RM31,516,094.

(b) **Basis of the Purchase Consideration**

The total purchase consideration of RM31,516,094 was arrived at based on par value of TCB Shares of RM0.50 per share satisfied by the following:

- (i) cash consideration of RM30,674,314; and
- (ii) the issuance of 84,178 new TFC Shares at an issue price of RM10 each.

The Acquisitions and Disposals and Acquisition of TCB Shares by TFC were completed on 19 April 2006.

**4 Public Issue**

TCB is undertaking a Public Issue of 14,608,000 new TCB Shares ("Issue Shares"), representing approximately 11.59% of the enlarged issued and paid-up share capital of the Company upon listing, at the issue price of RM0.95 per new TCB Share ("Issue Price").

**4.1 Allocation of the Issue Shares**

The 14,608,000 new Issue Shares to be issued pursuant to the Public Issue will be allocated in the manner as follows:-

- 3,308,000 Issue Shares will be available for subscription by the eligible Executive Directors and employees of the TCB Group;
- 5,000,000 Issue Shares by way of private placement to investors to be identified by the placement agent; and
- 6,300,000 Issue Shares to the Malaysian public via balloting.

**4.2 Status of Issue Shares**

The 14,608,000 new TCB Shares to be issued pursuant to the Public Issue shall, upon issue and allotment, rank *pari passu* in all respects with the existing issued and paid-up ordinary shares of TCB after the Acquisitions and Disposals.

**10. FINANCIAL INFORMATION (Cont'd)**



*Tomei Consolidated Berhad  
Proforma Consolidated Financial Information*

**5 Offer For Sale**

In conjunction with the Public Issue, the offeror will undertake an offer for sale of 37,800,000 TCB Shares at the offer price of RM0.95 per TCB Share to Bumiputera investors approved by MITI.

The 37,800,000 TCB Shares offered by the offeror pursuant to the Offer For Sale shall rank pari passu in all respects with the existing issued and paid-up ordinary shares of TCB.

**6 Listing**

Following the completion of the initial public offering of 52,408,000 TCB Shares, TCB shall seek approval for the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company comprising 126,000,000 TCB Shares on the Second Board of Bursa Securities.

In our opinion:-

- (i) the proforma consolidated financial information, which is prepared for illustrative purposes only, have been properly compiled on the basis set out in the notes thereto, and such basis is consistent with the accounting policies adopted and disclosed by the TCB Group in the respective audited financial statements for the financial year/period ended 31 December 2005; and
- (ii) the financial statements used in the preparation of the proforma consolidated financial statements have been prepared in accordance with applicable approved accounting standards in Malaysia; and
- (iii) each material adjustment made to the information used in the preparation of the proforma consolidated financial information is appropriate for the purposes of preparing the proforma consolidated financial information.

Yours faithfully

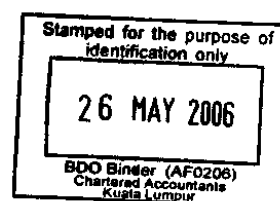
**BDO Binder**  
AF : 0206  
Chartered Accountants

**Tan Kim Leong, JP**  
235/06/07 (J/PH)  
Partner

**10. FINANCIAL INFORMATION (Cont'd)**Tomei Consolidated Berhad  
Proforma Consolidated Financial Information**PROFORMA CONSOLIDATED FINANCIAL INFORMATION OF TCB AND ITS SUBSIDIARY COMPANIES**

The proforma consolidated financial information of TCB Group is presented for illustrative purposes only to show the effects of the exercises in connection with the listing scheme had the listing scheme been completed on 31 December 2005 and is based on the audited financial statements of TCB and the following subsidiary companies for the financial years/period ended 31 December 2003 to 2005:

1. Tomei Gold & Jewellery Manufacturing Sdn. Bhd. ("TGJM")
2. Yi Xing Goldsmith Sdn Bhd ("YXG")
3. Gemas Precious Metals Industries Sdn. Bhd. ("GPMI")
4. Tomei Gold & Jewellery Holdings (M) Sdn. Bhd. ("TGJH")
5. Tomei Gold & Jewellery (B.U.) Sdn. Bhd. ("TGJ (BU)")
6. Tomei Gold & Jewellery Corp. (KLCC) Sdn. Bhd. ("TGJ (KLCC)")
7. Tomei Gold & Jewellery (MK) Sdn. Bhd. ("TGJ (MK)")  
(formerly known as Tomei Gold & Jewellery (G.E.) Sdn. Bhd.)
8. Tomei Gold & Jewellery (TS) Sdn. Bhd. ("TGJ (TS)")
9. Tomei Gold & Jewellery (K.P.) Sdn. Bhd. ("TGJ (KP)")
10. Tomei Gold & Jewellery (M.V.) Sdn. Bhd. ("TGJ (MV)")
11. Tomei Gold & Jewellery (Klang) Sdn. Bhd. ("TGJ (Klang)")
12. Tomei Gold & Jewellery Corp (Sunway) Sdn. Bhd. ("TGJ (Sunway)")
13. Tomei Gold & Jewellery (PT) Sdn. Bhd. ("TGJ (PT)")
14. Tomei Gold & Jewellery (JB) Sdn. Bhd. ("TGJ (JB)")  
(formerly known as Tomei Gold & Jewellery (Puchong) Sdn. Bhd.)
15. TH Jewellery Sdn. Bhd. ("THJ")
16. Cindai Permata Sdn. Bhd. ("CP")
17. My Diamond Sdn. Bhd. ("My Diamond")
18. Tomei Gold & Jewellery (MJ) Sdn. Bhd. ("TGJ (MJ)")
19. Tomei Gold & Jewellery (SA) Sdn. Bhd. ("TGJ (SA)")
20. Tomei Gold & Jewellery (Subang) Sdn. Bhd. ("TGJ (Subang)")
21. Tomei Gold & Jewellery (IOI) Sdn. Bhd. ("TGJ (IOI)")
22. Tomei Gold & Jewellery (WM) Sdn. Bhd. ("TGJ (WM)")
23. Tomei Gold & Jewellery (KL) Sdn. Bhd. ("TGJ (KL)")
24. Tomei Gold & Jewellery (SK) Sdn. Bhd. ("TGJ (SK)")
25. Tomei Gold & Jewellery (RW) Sdn. Bhd. ("TGJ (RW)")
26. Sinar Raya Trading Sdn. Bhd. ("SRT")
27. Soon Hin Enterprise Sdn. Bhd. ("Soon Hin")
28. J & G Collections Sdn. Bhd. ("J&G")
29. Tomei Worldwide Franchise Sdn. Bhd. ("TWF")
30. Tomei Retail Sdn. Bhd. ("TR")
31. Tomei Gold & Jewellery (B) Sdn. Bhd. ("TGJ (B) ")

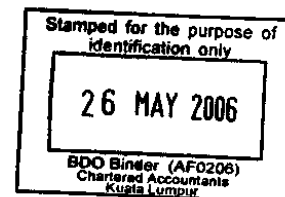


## 10. FINANCIAL INFORMATION (Cont'd)

Tomei Consolidated Berhad  
Proforma Consolidated Financial Information**I PROFORMA CONSOLIDATED INCOME STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2003 TO 2005**

The proforma consolidated income statements of TCB Group for the financial years ended 31 December 2003 to 2005, for which the Directors of TCB are solely responsible, are prepared for illustrative purposes only and on the basis as set out below:-

	Financial years ended 31 December		
	2003 RM'000	2004 RM'000	2005 RM'000
Revenue	124,188	146,985	161,659
Gross profit	38,109	48,361	54,607
Earnings before interest, depreciation and tax	14,008	17,733	20,198
Interest expense	(2,008)	(2,622)	(3,178)
Depreciation	(1,465)	(1,765)	(2,065)
Profit before tax	10,535	13,346	14,955
Tax expense	(3,282)	(3,362)	(3,779)
Profit after tax	7,253	9,984	11,176
Minority interest	-	-	(120)
Profit after tax and minority interest	7,253	9,984	11,056
Number of ordinary shares assumed in issue after the Acquisitions and Disposals and Public Issue	126,000	126,000	126,000
Basic earnings per share:-			
Gross earnings per ordinary share (Sen)	8.36	10.59	11.77
Net earnings per ordinary share (Sen)	5.76	7.92	8.77
Diluted earnings per share*	-	-	-
Gross profit margin (%)	30.69	32.90	33.78
Net profit margin (%)	5.84	6.79	6.91
* No diluted earnings per ordinary share is disclosed for the financial years ended 31 December 2003 to 2005 as there are no potential dilutive ordinary shares issued during the financial years under review.			



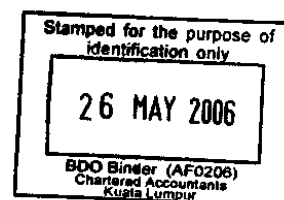
10. FINANCIAL INFORMATION (Cont'd)

Tomei Consolidated Berhad  
Proforma Consolidated Financial Information

**I PROFORMA CONSOLIDATED INCOME STATEMENTS FOR THE FINANCIAL YEARS  
ENDED 31 DECEMBER 2003 TO 2005 (cont'd)**

**NOTES TO THE PROFORMA CONSOLIDATED INCOME STATEMENTS:-**

- (a) The proforma consolidated income statements of TCB Group for the financial years ended 31 December 2003 to 2005 have been prepared for illustrative purposes only and are based on the audited financial statements of the Company and the subsidiary companies after making such adjustments considered necessary assuming that the TCB Group has been in existence throughout the financial years under review.
- (b) The proforma consolidated income statements of TCB Group have been prepared on a basis consistent with those bases and accounting policies previously adopted in the preparation of the financial statements of the TCB Group and disclosed in the respective audited financial statements for the financial year/period ended 31 December 2005.
- (c) There were no amortisation, share of profits of associated companies and joint ventures, exceptional items and extraordinary items during the financial years under review.
- (d) Tax expense has been adjusted for any under or overprovision of tax in the respective financial years, where relevant.
- (e) The gross profit margin is computed by dividing the gross profit by revenue earned in the respective financial years.
- (f) The net profit margin is computed by dividing the profit after tax by revenue earned in the respective financial years.
- (g) The proforma gross earnings per share is computed by dividing the profit before tax and after minority interest by the number of ordinary shares assumed in issue of 126,000,000 ordinary shares of RM0.50 each in TCB.
- (h) The proforma net earnings per share is computed by dividing the profit after tax and minority interest by the number of ordinary shares assumed in issue of 126,000,000 ordinary shares of RM0.50 each in TCB.
- (i) All significant inter-company transactions are eliminated on consolidation and the consolidated results reflect external transactions only.



## 10. FINANCIAL INFORMATION (Cont'd)

Tomei Consolidated Berhad  
Proforma Consolidated Financial Information

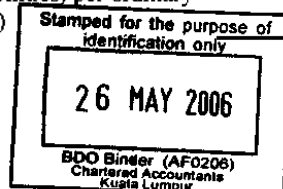
## II PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2005

The proforma consolidated balance sheets of TCB Group as at 31 December 2005, for which the Directors of TCB are solely responsible, are prepared for illustrative purposes only, and on the basis as set out below:-

	TCB as at 31 December 2005 RM'000	Proforma I RM'000	Proforma II RM'000	Proforma III RM'000
Property, plant and equipment	-	15,950	15,950	16,950
Investment properties	-	1,981	1,981	1,981
Investment properties under development	-	420	420	420
Deferred tax assets	-	276	276	276
Goodwill on consolidation	-	252	252	252
Deferred expenditure	821	821	821	-
<b>CURRENT ASSETS</b>				
Inventories	-	97,284	97,284	97,284
Trade receivables	-	9,714	9,714	9,714
Other receivables, deposits and prepayments	8	8,125	8,125	8,125
Tax recoverable	-	488	488	488
Fixed deposits with licensed banks	-	8,180	8,180	8,180
Cash and bank balances	*	14,197	28,075	24,575
	8	137,988	151,866	148,366
<b>CURRENT LIABILITIES</b>				
Trade payables	-	18,987	18,987	18,987
Other payables and accruals	843	5,408	5,408	4,587
Amounts owing to Directors	-	2,439	2,439	2,439
Borrowings	-	55,841	55,841	55,841
Taxation	-	818	818	818
	843	83,493	83,493	82,672
<b>NET CURRENT (LIABILITIES)/ASSETS</b>	(835)	54,495	68,373	65,694
	(14)	74,195	88,073	85,573
<b>SHARE CAPITAL</b>	*	55,696	63,000	63,000
<b>SHARE PREMIUM</b>	-	-	6,574	4,074
<b>RESERVE ON CONSOLIDATION</b>	-	11,567	11,567	11,567
<b>ACCUMULATED LOSS</b>	(14)	(14)	(14)	(14)
<b>SHARE CAPITAL AND RESERVES</b>	(14)	67,249	81,127	78,627
<b>MINORITY INTEREST</b>	-	206	206	206
<b>NON CURRENT AND DEFERRED LIABILITIES AND INCOME</b>				
Borrowings	-	5,848	5,848	5,848
Deferred taxation	-	871	871	871
Deferred income	-	21	21	21
	(14)	74,195	88,073	85,573
Net tangible assets/(Net liabilities) (RM'000)	(14)	66,997	80,875	78,375
Number of ordinary shares of RM0.50 each	4	111,392,000	126,000,000	126,000,000
Net tangible assets/(Net liabilities) per ordinary share of RM0.50 each (RM)	(3,475.50)	0.60	0.64	0.62

Note:-

\*Represents RM2.00



## 10. FINANCIAL INFORMATION (Cont'd)

Tomei Consolidated Berhad  
Proforma Consolidated Financial Information

## NOTES TO PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2005

**(a) Basis of preparation**

The proforma consolidated balance sheets of TCB Group are presented for illustrative purposes only to show the effects of the exercises in connection with the listing scheme, had the listing scheme been completed on 31 December 2005.

The proforma consolidated balance sheets of TCB group have been prepared on a basis consistent with those bases and accounting policies previously adopted in the preparation of the financial statements of the TCB Group and disclosed in the respective audited financial statements for the financial year/period ended 31 December 2005 after incorporating the transactions referred to in (b) to (d) as though they were effected on 31 December 2005.

**(b) Proforma I****Acquisitions and Disposals**

Proforma I incorporates the effects of the Revaluation/Disposal of Properties and Acquisitions and Disposals which are summarised as follows:

**1 Revaluation/Disposal of Properties****1.1 Revaluation of Properties in TGJC**

As part of the listing scheme, the two (2) properties of TGJC with the addresses of Lot G 050, Ground Floor, Sungei Wang Plaza, Jalan Bukit Bintang, 55100 Kuala Lumpur and Nos 30, 30B and 30C, Jalan Walter Grenier, Off Jalan Imbi, 55100 Kuala Lumpur have been revalued by C H Williams Talhar & Wong Sdn Bhd and the market values are RM5,800,000 and RM900,000 respectively.

The revaluation surplus net of deferred taxation of RM3,547,840 has been incorporated in the accounts of TGJC for the financial year ended ("FYE") 31 December 2005.

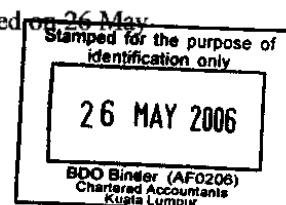
**1.2 Revaluation/Disposal of Properties in Soon Hin and TGJ (KL)**

As part of the listing scheme, the two (2) properties situated at Lot G 049, Ground Floor, Sungei Wang Plaza, Jalan Bukit Bintang, 55100 Kuala Lumpur (owned by Soon Hin) and Lot G 051, Ground Floor, Sungei Wang Plaza, Jalan Bukit Bintang, 55100 Kuala Lumpur (owned by TGJ (KL)) have been revalued by C H Williams Talhar & Wong Sdn Bhd and the market values are RM3,200,000 and RM3,000,000 respectively.

The revaluation surplus of RM3,740,000 has been incorporated in the accounts of Soon Hin and TGJ (KL) for the FYE 31 December 2005.

These two (2) properties were then disposed to Best Arcade Sdn Bhd ("BASB") via two (2) conditional sale and purchase agreements ("SPAs") dated 21 November 2005 between Soon Hin and TGJ (KL) with BASB for a total cash consideration of RM6,200,000 based on the market value of the properties.

The Disposal of Properties in Soon Hin and TGJ (KL) were completed on 26 May 2006.



## 10. FINANCIAL INFORMATION (Cont'd)

Tomei Consolidated Berhad  
Proforma Consolidated Financial InformationNOTES TO PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2005  
(cont'd)

## (b) Proforma I (cont'd)

## 1 Revaluation/Disposal of Properties (cont'd)

## 1.2 Revaluation/Disposal of Properties in Soon Hin and TGJ (KL) (cont'd)

Based on the valuation reports dated 11 October 2005 prepared by C H Williams Talhar & Wong Sdn Bhd, an independent registered firm of professional valuers, the combined market value of the properties is RM6,200,000. The total audited net book value of the properties is RM2,460,000 as at 31 December 2004.

## 2 Acquisitions and Disposals

## 2.1 Disposal of TGJC by TGJH

TGJH had on 21 November 2005 entered into a conditional SPA with BASB for the disposal of the entire equity interest in TGJC for a cash consideration of RM6,884,683.

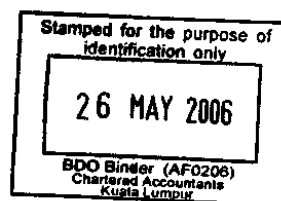
The disposal consideration was arrived at based on the audited net tangible assets ("NTA") of TGJC as at 31 December 2004 of RM3,336,843 adjusted for the revaluation surplus of the two (2) properties which amounts to RM3,547,840.

## 2.2 Acquisitions I by TR

(a) TR had on 21 November 2005 entered into eight (8) conditional SPAs with the vendors of My Diamond, TGJ (SK), TGJ (RW), CP, TGJ (PT), TGJ (JB), TWF and TGJ (B) for the acquisitions of the following:

- (i) 100% equity interest in My Diamond;
- (ii) 100% equity interest in TGJ (SK);
- (iii) 100% equity interest in TGJ (RW);
- (iv) 100% equity interest in CP;
- (v) 100% equity interest in TGJ (PT);
- (vi) 100% equity interest in TGJ (JB);
- (vii) 100% equity interest in TWF; and
- (viii) 99.99% equity interest in TGJ (B)

for a total purchase consideration of RM2,059,818 satisfied by an issuance of a total of 4,119,636 new ordinary shares of RM0.50 each in TCB ("TCB Shares") at par value.





## 10. FINANCIAL INFORMATION (Cont'd)

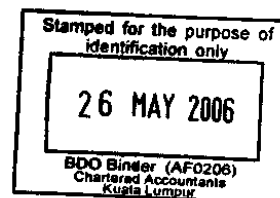
Tomei Consolidated Berhad  
Proforma Consolidated Financial InformationNOTES TO PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2005  
(CONT'D)

## (b) Proforma I (cont'd)

## 2 Acquisitions and Disposals (cont'd)

## 2.2 Acquisitions I by TR (cont'd)

## (b) Basis of the Purchase Consideration



The total purchase consideration of RM2,059,818 was arrived at based on the following:

- (i) the respective audited NTA of My Diamond, TGJ (SK), TGJ (RW), CP and TGJ (PT) as at 31 December 2004; and
- (ii) the par value of the existing issued and paid-up share capitals of TGJ (JB), TWF and TGJ (B) of RM1.00, RM1.00 and BND1.00 respectively.

## 2.3 Acquisitions by TCB

TCB had on 21 November 2005 entered into three (3) conditionals SPAs with the vendors of Soon Hin, TGJM and TR for the acquisitions of the entire equity interest in Soon Hin, TGJM and TR for a total purchase consideration of RM19,532,818 satisfied by the issuance of 39,065,636 new TCB Shares at par value.

## 2.4 Acquisitions II by TR

- (a) TR (which became a wholly-owned subsidiary of TCB upon the completion of the Acquisitions by TCB), had on 21 November 2005 entered into two (2) conditional SPAs with the vendors of TGJ (MJ) and SRT for the acquisitions of the entire equity interest in TGJ (MJ) and SRT for a total purchase consideration of RM6,671,949 satisfied by the issuance of 13,343,898 new TCB Shares at par value.

## (b) Basis of the Purchase Consideration

The total purchase consideration of RM6,671,949 was arrived at based on the respective audited NTA of the acquiree companies as at 31 December 2004.

## 2.5 Acquisitions by TGJ (MJ)

- (a) TGJ (MJ) (which became a 100% owned subsidiary of TR upon the completion of Acquisitions II by TR), had on 21 November 2005 entered into three (3) conditional SPAs with the vendors of TGJ (SA), TGJ (Subang) and TGJ (IOI) for the acquisitions of the following:
  - (i) 32% equity interest in TGJ (SA);
  - (ii) 40% equity interest in TGJ (Subang); and
  - (iii) 40% equity interest in TGJ (IOI)

The said acquisition was satisfied by a total cash consideration of RM1,405,155 in the form of amount owing by TGJ (MJ) to the vendors.

## 10. FINANCIAL INFORMATION (Cont'd)

Tomei Consolidated Berhad  
Proforma Consolidated Financial InformationNOTES TO PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2005  
(CONT'D)

## (b) Proforma I (cont'd)

## 2 Acquisitions and Disposals (cont'd)

## 2.5 Acquisitions by TGJ (MJ) (cont'd)

## (b) Basis of the Purchase Consideration

The total purchase consideration of RM1,405,155 was arrived at based on the respective audited NTA of TGJ (SA), TGJ (Subang) and TGJ (IOI) as at 31 December 2004.

## 2.6 Acquisition of TGJH

(a) TR had on 21 November 2005 entered into a conditional SPA with the vendors of TGJH for the acquisition of 100% equity interest in TGJH for a purchase consideration of RM24,310,466 satisfied by the issuance of 48,620,932 new TCB Shares at par value.

## (b) Basis of the Purchase Consideration

The total purchase consideration of RM24,310,466 was arrived at based on the adjusted NTA of the TGJH Group prior to the Acquisitions and Disposals which comprised TGJC, TGJ (TS), YXG, TGJ (Klang), TGJ (KLCC), TGJ (BU), TGJ (MV), TGJ (KP), TGJ (MK) and its associated companies GPMI, TGJ (Sunway) and J&G, based on the audited NTA as at FYE 31 December 2004 after the Disposal of TGJC by TGJH.

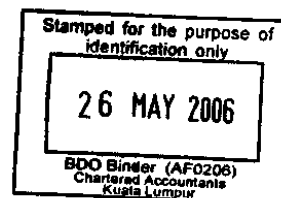
## 2.7 Disposals to TR

(a) The vendors of TGJ (WM), TGJ (KL) and THJ had on 21 November 2005 entered into four (4) conditional SPAs with TR for the disposals of their equity interests in the aforesaid companies to TR.

## (b) Basis of the Disposal Consideration

The total disposal consideration of approximately RM5,369,911 was arrived at based on the respective audited NTA of TGJ (WM) and THJ as at 31 December 2004 and the adjusted NTA of TGJ (KL) after the Revaluation/Disposal of Properties in Soon Hin and TGJ (KL) satisfied by the following:

- (i) cash of RM2;
- (ii) issuance of 3,659,625 new TCB Shares at par value; and
- (iii) amounts of RM2,872,610 and RM667,486 owing to Soon Hin and TGJM respectively.



10. FINANCIAL INFORMATION (Cont'd)

Tomei Consolidated Berhad  
Proforma Consolidated Financial Information

NOTES TO PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2005  
(CONT'D)

(b) Proforma I (cont'd)

2 Acquisitions and Disposals (cont'd)

2.8 Disposal of J&G to TR

(a) The vendors of J&G had on 21 November 2005 entered into a conditional SPA with TR for the disposal of their entire equity interest in J&G to TR for a disposal consideration of RM873,295 satisfied by the issuance of 873,295 new TCB Shares at par value and cash consideration of RM436,647.50.

(b) Basis of the Disposal Consideration

The disposal consideration was arrived at based on the audited NTA of J&G as at 31 December 2004.

2.9 Disposals of YXG and GPMI to TCB

(a) The vendors of YXG and GPMI had on 21 November 2005 entered into two (2) conditional SPAs with TCB for the disposals of the entire equity interest in YXG and 61% equity interest in GPMI respectively for a total cash consideration of RM5,398,199.

(b) Basis of the Disposal Consideration

The disposal consideration was arrived at based on the audited NTA of YXG and GPMI as at 31 December 2004.

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