



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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 2010**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE  
QUARTER ENDED 30 SEPTEMBER 2010**

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30/9/2010	30/9/2009	30/9/2010	30/9/2009
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	95,865	84,865	262,576	217,545
<b>Cost of sales</b>	(68,759)	(56,353)	(180,434)	(141,791)
<b>Gross profit</b>	27,106	28,512	82,142	75,754
<b>Other income</b>	1,505	514	4,764	922
<b>Selling and distribution expenses</b>	(15,210)	(13,149)	(44,912)	(38,292)
<b>Administrative expenses</b>	(4,361)	(4,056)	(12,547)	(12,553)
<b>Other expenses</b>	(445)	(1,392)	(2,176)	(2,696)
<b>Profit from operations</b>	8,595	10,429	27,271	23,135
<b>Finance costs</b>	(1,791)	(1,610)	(4,846)	(4,767)
<b>Profit before tax</b>	6,804	8,819	22,425	18,368
<b>Income tax expense</b>	(1,500)	(2,352)	(5,611)	(4,741)
<b>Profit for the period</b>	5,304	6,467	16,814	13,627
<b>Profit attributable to:</b>				
<b>Owners of the Company</b>	5,155	6,230	16,424	13,084
<b>Non-Controlling Interest</b>	149	237	390	543
	5,304	6,467	16,814	13,627
<b>Earnings per ordinary share attributable to equity owners of the Company (sen):</b>				
<b>Basic earnings per share</b>	3.72	4.94	12.06	10.38
<b>Diluted earnings per share *</b>	N/A	N/A	N/A	N/A

\* Not applicable

**TOMEI CONSOLIDATED BERHAD (692959–W)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2010 (Cont'd)**

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30/9/2010	30/9/2009	30/9/2010	30/9/2009
	RM'000	RM'000	RM'000	RM'000
Profit for the period	5,304	6,467	16,814	13,627
Currency translation differences arising from consolidation	(140)	(135)	(396)	47
<b>Total comprehensive income for the period</b>	<b>5,164</b>	<b>6,332</b>	<b>16,418</b>	<b>13,674</b>
<b>Total comprehensive income attributable to:</b>				
<b>Owners of the Company</b>	5,015	6,095	16,028	13,131
<b>Non-Controlling Interest</b>	149	237	390	543
	<b>5,164</b>	<b>6,332</b>	<b>16,418</b>	<b>13,674</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009. The accompanying notes form an integral part of this statement.

**TOMEI CONSOLIDATED BERHAD (692959–W)****QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2010**

	As At 30/9/2010 RM'000	(Audited) As At 31/12/2009 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	17,321	15,340
Investment properties	1,792	1,792
Deferred tax assets	479	479
	<u>19,592</u>	<u>17,611</u>
<b>Current assets</b>		
Inventories	246,248	216,420
Trade and other receivables	16,427	17,982
Current tax assets	1,904	1,778
Cash and cash equivalents	8,408	8,292
	<u>272,987</u>	<u>244,472</u>
<b>TOTAL ASSETS</b>	<u>292,579</u>	<u>262,083</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital</b>	69,300	63,000
<b>Share premium</b>	4,036	4,078
<b>Reserves</b>	71,649	59,779
<b>Equity attributable to owners of the Company</b>	<u>144,985</u>	<u>126,857</u>
<b>Non-controlling interest</b>	2,245	1,855
<b>TOTAL EQUITY</b>	<u>147,230</u>	<u>128,712</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	6,033	10,841
Deferred income	7	9
Deferred tax liabilities	345	446
	<u>6,385</u>	<u>11,296</u>
<b>Current Liabilities</b>		
Trade and other payables	25,565	27,658
Borrowings	110,913	90,813
Current tax payables	2,486	3,604
	<u>138,964</u>	<u>122,075</u>
<b>TOTAL LIABILITIES</b>	<u>145,349</u>	<u>133,371</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>292,579</u>	<u>262,083</u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	1.06	1.02

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009. The accompanying notes form an integral part of this statement.

**TOMEI CONSOLIDATED BERHAD (692959-W)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	Attributable To Equity Owners Of The Company						
	Share Capital RM'000	Non Distributable			Distributable		Total RM'000
		Share Premium RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Non-controlling Interest RM'000	Total Equity RM'000	
<b>Balance as at 1 January 2010</b>	63,000	4,078	(212)	59,991	126,857	1,855	128,712
Total comprehensive income for the period	-	-	(396)	16,424	16,028	390	16,418
Transaction with owners in their capacity as owners:-							
-Issuance of ordinary shares pursuant to placement to selected investors	6,300	-	-	-	6,300	-	6,300
-Share issue expenses	-	(42)	-	-	(42)	-	(42)
-Dividends paid	-	-	-	(4,158)	(4,158)	-	(4,158)
<b>Balance as at 30 September 2010</b>	<b>69,300</b>	<b>4,036</b>	<b>(608)</b>	<b>72,257</b>	<b>144,985</b>	<b>2,245</b>	<b>147,230</b>

	Attributable To Equity Owners Of The Company						
	Share Capital RM'000	Non Distributable			Distributable		Total RM'000
		Share Premium RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Non-controlling Interest RM'000	Total Equity RM'000	
<b>Balance as at 1 January 2009</b>	63,000	4,078	(211)	44,599	111,466	1,535	113,001
Total comprehensive income for the period	-	-	47	13,084	13,131	543	13,674
Transaction with owners in their capacity as owners:-							
-Acquisition of the remaining interest in a subsidiary company	-	-	-	-	-	(364)	(364)
-Dividends paid	-	-	-	(2,362)	(2,362)	-	(2,362)
<b>Balance as at 30 September 2009</b>	<b>63,000</b>	<b>4,078</b>	<b>(164)</b>	<b>55,321</b>	<b>122,235</b>	<b>1,714</b>	<b>123,949</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009. The accompanying notes form an integral part of this statement.

**TOMEI CONSOLIDATED BERHAD (692959-W)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**

**(The figures have not been audited)**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	Cumulative quarter	
	9 months ended 30/9/2010 RM'000	9 months ended 30/9/2009 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	22,425	18,368
Adjustments for:-		
Allowance for doubtful debts	-	322
Allowance for doubtful debts no longer required	(108)	-
Amortisation of deferred income	(2)	(2)
Depreciation of property, plant and equipment	3,856	3,705
Goodwill on business combination written off	-	468
(Gain)/Loss on disposal of property, plant and equipment	(306)	58
Loss on fair value adjustment of investment property	-	201
Property, plant and equipment written off	888	402
Unrealised (gain)/loss on gold price fluctuation and foreign exchange	(985)	135
Finance costs	4,846	4,775
Interest income	(65)	(8)
Profit before working capital changes	30,549	28,424
Increase in inventories	(29,828)	(14,634)
Decrease in receivables	1,186	1,427
Decrease in payables	(478)	(1,442)
Cash generated from operations	1,429	13,775
Interest paid	(3,690)	(3,949)
Tax paid	(7,718)	(3,993)
Tax refunded	764	1,225
Net cash (used in)/generated from operating activities	(9,215)	7,058
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of a subsidiary company, net of cash and cash equivalent acquired	-	(796)
Interest received	65	8
Purchase of property, plant and equipment	(4,767)	(1,737)
Proceeds from disposal of property, plant and equipment	341	16
Proceed from disposal of subsidiaries, net of cash and cash equivalent disposed	(1)	-
Decrease in pledged deposits with licensed banks	188	370
Net cash used in investing activities	(4,174)	(2,139)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(4,158)	(2,362)
Net finance costs paid	(1,099)	(1,221)
Net drawdown/(repayments) of term loans	5,275	(232)
Net repayments of short term borrowings	(4,883)	(14,937)
Repayment of hire-purchase liabilities	(468)	(434)
Proceeds from issuance of share capital, net of share issue expenses	6,258	-
Net cash generated from/(used in) financing activities	925	(19,186)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(12,464)	(14,267)
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	(12,094)	1,805
<b>EFFECT OF EXCHANGE RATES CHANGES</b>	(382)	10
<b>CASH &amp; CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	(24,940)	(12,452)

**TOMEI CONSOLIDATED BERHAD (692959–W)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2010**

**(The figures have not been audited)**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED  
30 SEPTEMBER 2010 (Cont'd)**

	Cumulative quarter	
	9 months ended	9 months ended
	30/9/2010	30/9/2009
	RM'000	RM'000
<b>Represented by:</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	3,162	2,269
Fixed deposits with licensed banks	5,246	524
Bank overdrafts	(28,348)	(15,044)
	<u>(19,940)</u>	<u>(12,251)</u>
Fixed deposits pledged to licensed banks	(5,000)	(201)
	<u>(24,940)</u>	<u>(12,452)</u>

**The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009. The accompanying notes form an integral part of this statement.**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2010**

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**(The figures have not been audited)**

**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134**

**1. BASIS OF PREPARATION**

This interim financial report is unaudited and is prepared in accordance with Financial Reporting Standards ("FRS") No 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read together with the Group's Audited Financial Statement for the year ended 31 December 2009.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted for the interim financial statements are consistent with those adopted for the Group's annual Audited Financial Statements for the year ended 31 December 2009, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2010.

On 1 January 2010, the Group adopted the following FRSs:-

**FRSs, Amendments to FRSs and Interpretations**

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101 (revised)	Presentation of Financial Statements
FRS 123	Borrowing Costs
FRS 132	Financial Instruments: Presentation
FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Impairment and Interim Financial Reporting.
Amendment to IC Interpretation 9	Reassessment of Embedded Derivatives
Amendment to FRS 5	Non-Current Assets Held for Sale and Discontinued Operations
Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 8	Operating Segments
Amendment to FRS 107	Statement of Cash Flows
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events after the Reporting Period
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 118	Revenue
Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 127	Consolidated and Separate Financial Statements
Amendment to FRS 128	Investments in Associates
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets
Amendment to FRS 138	Intangible Assets
Amendment to FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 140	Investment Property

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2010**

(The figures have not been audited)

**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134 (Cont’d)**
**2. SIGNIFICANT ACCOUNTING POLICIES (Cont’d)**

The principal effects of the changes in presentation, changes in methods of computation and in accounting policies resulting from the adoption of the new and revised FRSs, IC Interpretations and Amendments are set out below:

*FRS 101(revised), Presentation of Financial Statements*

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the interim financial statements presented consist of a statement of comprehensive income, a statement of financial position, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

The effects of the change in presentation are as follows:

The gains and losses that were recognised directly in equity in the preceding year corresponding period are presented as components in other comprehensive income in the statement of comprehensive income. The total comprehensive income for preceding year corresponding period is presented separately and allocation is made to show the amount attributable to owners of the Company and to non-controlling interests. The effects on the comparatives to the Group on adoption of FRS 101 are as follows:

	<b>Income statement as previously reported RM’000</b>	<b>Effects of adopting FRS 101 RM’000</b>	<b>Statement of comprehensive income as restated RM’000</b>
For the period ended 30 September 2009			
Profit for the period	13,627	-	13,627
Other comprehensive income	-	47	47
Total comprehensive income	-	-	13,674
Total comprehensive income attributable to:			
Owners of the Company	-	-	13,131
Non-controlling interest	-	-	543
			13,674

The total comprehensive income for the period is presented as a one-line item in the statement of changes in equity.

With the adoption of the revised FRS 101, a new capital disclosure is made to explain the Group’s capital management objectives, policies and strategies; how it manages capital and whether the objectives for capital management have been achieved. The details of the capital management disclosures are provided in note 7.



**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**

(The figures have not been audited)

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

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont’d)**

*FRS 139, Financial Instruments: Recognition and Measurement*

Prior to the adoption of FRS 139, financial derivatives are recognised on their settlement dates. Outstanding derivatives at the balance sheet date were not recognised. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognised at contract dates when, and only when, the Company or any subsidiary becomes a party to the contractual provisions of the instruments.

With the adoption of FRS 139, financial assets and financial liabilities, if any, recognised and unrecognised in the prior financial year are classed into the following categories:

	Pre-FRS 139	Post-FRS 139
1	Long-term equity investments	Available-for-sale investments
2	Long-term quoted debt instruments	Held-to-maturity investments
3	Private-debt instruments	Loans and receivables
4	Current investments	Financial assets at fair value through profit or loss
5	Unrecognised derivative assets	Financial assets at fair value through profit or loss
6	Long-term borrowings and bonds	Financial liabilities at amortised cost
7	Unrecognised derivative liabilities	Financial liabilities at fair value through profit or loss

The measurement bases applied to the financial assets and financial liabilities in the prior financial year were changed to conform to the measurement standards of FRS 139 in the current quarter. At initial recognition, all financial assets and financial liabilities are measured at their fair value plus in the case of financial instruments not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the instruments. Subsequent to their initial recognition, the financial assets and financial liabilities are measured as follows:

	Category	Measurement basis
1	Financial instruments at fair value through profit or loss	At fair value through profit or loss
2	Held-to-maturity investments	At amortised cost using effective interest method
3	Loans and receivables	At amortised cost using effective interest method
4	Available-for-sale investments	At fair value through other comprehensive income, unless fair value cannot be reliably measured, in which case, they are measured at cost
5	Loans and other financial liabilities	At amortised cost using effective interest method

Financial assets and financial liabilities designated as hedged items and hedging financial derivatives, if any are accounted for using the specified hedge accounting as per requirements in FRS 139. All financial assets other than those classified as at fair value through profit or loss are subject to impairment test as per requirements in FRS 139.

In accordance with FRS 139, the recognition, derecognition, measurement and hedge accounting requirements are applied prospectively from 1 January 2010. The effects of the remeasurement on 1 January 2010 of the financial assets and financial liabilities brought forward from the previous financial year are adjusted to the opening retained profits and other opening reserves as disclosed in the statement of changes in equity.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2010**

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**(The figures have not been audited)**

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

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

*FRS 132, Financial Instruments: Presentation*

Prior to the adoption of the revised FRS 132, the Group allocated the proceeds of a compound financial instrument, if any using the relative fair value method. With the adoption of the revised FRS 132, this basis has been changed to the residual valuation of equity method, whereby the fair value of the liability component is measured first and the balance of the proceeds is then allocated to the equity component. This change in basis has no material effect on the compound instruments recognised in the financial statements.

*FRS 7, Financial Instruments: Disclosures*

Prior to the adoption of FRS 7, the disclosures for financial instruments were based on the requirements of the original FRS 132, *Financial Instruments: Disclosure and Presentation*. With the adoption of FRS 7, financial assets and financial liabilities are disclosed in the statement of financial position based on their respective classifications.

*FRS 8, Operating Segments*

Prior to the adoption of FRS 8, the Group's segment reporting was based on a primary reporting format of business segments and a secondary reporting format of geographical segments. With the adoption of FRS 8, the Group's segment reporting has been changed to operating segments based on the segment information provided to the Management and the Board of Directors. This change has resulted in realignment of the Group's operating segment into 2 reportable segments; Manufacturing and Wholesales segment and Retail segment.

*FRS 123(revised), Borrowing Costs*

Prior to the adoption of the revised FRS 123, the Group expensed all borrowing costs as and when they were incurred. With the adoption of the revised FRS 123, this policy has been changed to capitalising borrowing costs that are directly attributable to the acquisition or construction of qualifying assets that take a substantial period of time to get them ready for their intended sale or use. All other borrowing costs are recognised as an expense as and when they are incurred. The new policy is applied prospectively to borrowing costs for which the commencement date of capitalisation is on or after 1 January 2010.

*IC Interpretation 9, Reassessment of Embedded Derivatives*

Prior to the adoption of FRS 139, embedded derivatives, if any were not separated from their host instruments. With the adoption of FRS 139 on 1 January 2010, the assessment of embedded derivative is made at the later of:

- (a) the date the Company or any subsidiary first became a party to the hybrid instrument, and
- (b) the date the terms were changed to modify the cash flows of the hybrid contracts.

*IC Interpretation 10, Impairment and Interim Financial Reporting*

Prior to the adoption of IC Interpretation 10, impairment losses for equity investments recognised in an earlier interim period were reversed in a later interim period when tests reveal that the losses have reversed. With the adoption of IC Interpretation 10 and FRS 139 on 1 January 2010, the policy has been changed to conform to the impairment requirements of FRS 139. Impairment losses recognised for available-for-sale equity investments in an interim period are not reversed in a subsequent interim period. This change in basis has no effect to the profit or loss of the current period ended 30 September 2010.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2010**

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**(The figures have not been audited)**

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

**2. SIGNIFICANT ACCOUNTING POLICIES (Con’t)**

*Amendment to FRS 117, Leases*

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as prepaid lease payments on the statement of financial position. With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incident to ownership lie. In making this judgement, the Directors have concluded that lands with an initial lease period of 50 years or more are finance leases because the present value of the minimum lease payments (i.e. the consideration paid or payable) is substantially equal to the fair value of the land. This change in classification has no effect to the profit or loss of the current period ended 30 September 2010 or the comparative prior period.

*Amendment to FRS 116 and Amendment to FRS 140*

Prior to the adoption of the Amendment to FRS 116 and the Amendment to FRS 140, properties that are being constructed or developed for use as investment properties were treated as capital work-in-progress and classified as property, plant and equipment. With the adoption of the Amendment to FRS 116 and the Amendment to FRS 140, such properties are treated as investment property in accordance with FRS 140. This change in basis of recognition has no effect to the profit or loss in the current period ended 30 September 2010 or the comparative prior period.

**3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors’ report for the preceding financial year ended 31 December 2009 was issued without any qualification.

**4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

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

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

There were no extraordinary or exceptional items for the current quarter ended 30 September 2010.

**6. CHANGES IN ESTIMATES**

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**

(The figures have not been audited)

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

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

For capital management purposes, the Group considers shareholders’ equity, non-controlling interests and total debt to be the key components in the group’s capital structure. The Group monitors capital on the basis of the net gearing ratio. The ratio is calculated as the total debt net of cash and cash equivalents to total equity. Total equity is the sum of total equity attributable to shareholders and non-controlling interests. The net gearing ratios as at 30 September 2010 and 31 December 2009, which are within the Group’s objectives for capital management, are as follows:-

	30/9/2010	31/12/2009
	RM’000	RM’000
Total debt net of cash and cash equivalents	108,538	93,362
Total equity	147,230	128,712
Net gearing ratio	0.74	0.73

The Group reported net gearing ratio of 0.74 in the current quarter ended 30 September 2010, approximate its net gearing ratio reported during financial year ended 31 December 2009.

On 23 February 2010, the Company has placed out 12,600,000 ordinary shares of RM 0.50 each at an issue price of RM 0.50 per share for a cash consideration of RM 6,300,000. The placement shares were subsequently listed on the Main Market of Bursa Malaysia on 1 March 2010.

On 22 June 2010 and 20 October 2010, the Company has redeemed RM 10.0 million of Islamic Medium Term Notes and RM 20.0 million of Islamic Commercial Papers respectively which matured on the same date.

During the financial period to date, the Group has issued Islamic Commercial Papers (“ICP”) and their maturity dates are as follows:-

Type of Debt	Issue Date	Maturity Date	Amount RM million	Purposes
ICP	18/01/2010	18/02/2010	30.0	Working capital requirement
ICP	18/02/2010	18/03/2010	30.0	Working capital requirement
ICP	18/03/2010	19/04/2010	30.0	Working capital requirement
ICP	19/04/2010	19/05/2010	30.0	Working capital requirement
ICP	19/05/2010	18/06/2010	30.0	Working capital requirement
ICP	18/06/2010	19/07/2010	30.0	Working capital requirement
ICP	19/07/2010	19/08/2010	30.0	Working capital requirement
ICP	19/08/2010	20/09/2010	30.0	Working capital requirement
ICP	20/09/2010	20/10/2010	20.0	Working capital requirement
ICP	20/09/2010	18/03/2011	10.0	Working capital requirement

All the above ICPs issued were fully subscribed by the investors.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2010**

(The figures have not been audited)

**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134 (Cont'd)**
**8. DIVIDEND PAID**

On 4 June 2010, the Company paid a first and final dividend of 3.0 sen per ordinary share amounting to RM 4.158 million in respect of financial year ended 31 December 2009.

**9. OPERATING SEGMENTAL INFORMATION – FRS 8**

In the prior year's audited consolidated financial statements, the basis of segmentation was on a primary format of business segments and a secondary format of geographical segment. In the current financial period ended 30 September 2010 and for the current financial year ending 31 December 2010, the basis of segmentation has been changed to operating segments based on information reported internally to the Management and the Board of Directors. In the prior financial year, the Group has three reportable segments: manufacturing, retail and distribution and other business. With the adoption of FRS 8, *Operating Segments*, the Group has segregated its operating segment into two separate reportable segments in the current financial year to date ended 30 September 2010 as follow:-

- Manufacturing & Wholesales
- Retail

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

<b>Results for financial period ended 30 September 2010</b>	<b>Manufacturing &amp; Wholesales RM'000</b>	<b>Retail RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>			
Total sales	59,112	206,596	265,708
Inter-segment sales	(2,923)	(209)	(3,132)
External sales	56,189	206,387	262,576
<b>Results</b>			
Profit before tax	3,826	18,599	22,425
Income tax expense	(727)	(4,884)	(5,611)
Profit for the period	3,099	13,715	16,814
Non-controlling interest			(390)
Profit attributable to owners of the Company			16,424
<b>Assets and liabilities as at 30 September 2010</b>			
<b>Assets</b>			
Segment assets	39,465	250,731	290,196
Unallocated assets	-	-	2,383
Total assets	-	-	292,579
<b>Liabilities</b>			
Segment liabilities	10,924	131,594	142,518
Unallocated liabilities	-	-	2,831
Total liabilities	-	-	145,349

**TOMEI CONSOLIDATED BERHAD (692959-W)****QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**

(The figures have not been audited)

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

<b>Results for financial period ended 30 September 2009</b>	<b>Manufacturing &amp; Wholesales RM'000</b>	<b>Retail RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>			
Total sales	41,296	179,633	220,929
Inter-segment sales	(3,176)	(208)	(3,384)
External sales	38,120	179,425	217,545
<b>Results</b>			
Profit before tax	4,354	14,014	18,368
Income tax expense	(753)	(3,988)	(4,741)
Profit for the period	3,601	10,026	13,627
Non-controlling interest			(543)
Profit attributable to owners of the Company			13,084
<b>Assets and Liabilities as at 30 September 2009</b>			
<b>Assets</b>			
Segment assets	33,495	214,972	248,467
Unallocated assets	-	-	2,173
Total assets	-	-	250,640
<b>Liabilities</b>			
Segment liabilities	8,735	113,764	122,499
Unallocated liabilities	-	-	4,192
Total liabilities	-	-	126,691

**10. CARRYING AMOUNT OF REVALUED ASSETS**

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

**11. SIGNIFICANT EVENTS DURING THE CURRENT QUARTER**

There were no significant events during the current quarter.

**TOMEI CONSOLIDATED BERHAD (692959-W)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2010**

**(The figures have not been audited)**

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

**12. CHANGES IN COMPOSITION OF THE GROUP**

Except for the following, there were no changes to the composition of the Group for the current quarter and financial year to date.

On 13 January 2010, the Company announced a proposed private placement of up to 10% of the issued and paid up share capital of the Company.

The Company had obtained the approval of the Company's shareholders at the Company's Annual General Meeting held on 27 May 2009 pursuant to Section 132D of the Companies Act, 1965, that empowered the Board to allot and issue new shares from time to time and upon such terms and conditions and for such purpose as the Board deem fit provided the aggregate number of the shares to be issued shall not exceed ten percent (10%) of the issued and paid up share capital of the Company.

The proposed private placement was approved in principle by Bursa Malaysia vide its letter dated 26 January 2010.

On 10 February 2010, the Board has fixed the issue price for the placement of 12,600,000 new ordinary shares of RM 0.50 each in the Company at RM 0.50 per share. The said shares were fully allotted to all the placees on 23 February 2010. The newly issued shares rank pari passu in all respects with the existing shares of the Company.

The said shares were listed on the Main Market of Bursa Malaysia on 1 March 2010.

On 28 July 2010, Tomei Retail Sdn Bhd, a wholly owned subsidiary of the Company had entered into a Sale and Purchase Agreement to dispose of 300,000 ordinary shares of RM 1.00 each representing 100% equity interest in Tomei Gold & Jewellery Corp. (KL) Sdn Bhd ("Tomei KL") to Yumay Sdn Bhd for a cash consideration of RM 300,000.00.

On 28 July 2010, Tomei Retail Sdn Bhd, a wholly owned subsidiary of the Company had entered into a Sale and Purchase Agreement to dispose of 345,000 ordinary shares of RM 1.00 each representing 100% equity interest in Sinar Raya Trading Sdn Bhd ("SRT") to Yumay Sdn Bhd for a cash consideration of RM 345,000.00.

The disposal considerations are based on net assets of the respective subsidiaries as at 30 June 2010. Both Tomei KL and SRT are dormant at the date of disposal.

**13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent liabilities or contingent assets since the last annual balance sheet date as at 31 December 2009.

**14. COMMITMENTS**

Except as disclosed below, there were no undisclosed material capital commitments as at 30 September 2010.

The Group had entered into several tenancy agreements for the rental of retail space, office blocks and staff housing, resulting in future rental commitments which may, subject to certain terms in the agreements, be revised accordingly or upon its maturity based on prevailing market rates.

	RM'000
Future rental commitments	<u>18,414</u>

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**

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**(The figures have not been audited)**

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

**15. PERFORMANCE REVIEW**

The Group's revenue for the current quarter ended 30 September 2010 was RM 95.865 million, an increase of 12.96% from RM 84.865 million achieved in the preceding year's corresponding quarter. The increase was mainly due to the improved consumers spending and higher retail gold price.

However, the Group Profit Before Tax ("PBT") decrease to RM 6.804 million from RM 8.819 million recorded in the preceding year corresponding quarter due to higher sales of gold jewellery products in this quarter.

The Group's revenue for the current financial year to-date also increased by 20.70% to RM 262.576 million as compared to RM 217.545 million in the preceding year's corresponding period. During the same period, the Group's PBT has increased by 22.09% to RM 22.425 million.

**16. QUARTERLY RESULTS COMPARISON**

The Group's revenue for the current quarter under review has increased by 21.28% to RM 95.865 million as compared to the immediate preceding quarter. During this quarter, the Group reported a revenue growth mainly due to better sales during the Hari Raya season which coincidentally fell in September 2010.

Accordingly, the Group's PBT has increased by 12.78% to RM 6.804 million from RM 6.033 million recorded in the immediate preceding quarter.

**17. COMMENTARY ON PROSPECTS**

The gradual recovery of Malaysian economy has improved consumer's sentiments and barring any unforeseen circumstances, the Group will be able to sustain its profitability for the remaining period of the financial year.

**18. PROFIT FORECAST OR PROFIT GUARANTEE**

The Group has not provided any profit forecast or profit guarantee in any public document during this quarter.



**TOMEI CONSOLIDATED BERHAD (692959-W)****QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**

(The figures have not been audited)

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)****19. TAX EXPENSE**

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30/9/2010	30/9/2009	30/9/2010	30/9/2009
	RM'000	RM'000	RM'000	RM'000
Current taxation	1,670	2,411	5,657	4,859
(Over)/Under provision in prior years	(70)	(59)	54	(118)
Deferred taxation				
- over provision in prior years	(100)	-	(100)	-
	<u>1,500</u>	<u>2,352</u>	<u>5,611</u>	<u>4,741</u>

The effective tax rate of the Group for the current quarter is lower than its statutory tax rate of 25% mainly due to reversal of over provision of tax and deferred tax in prior years. The effective tax rate of the Group for the financial year to date approximates its statutory tax rate of 25 %.

**20. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES**

The Group has on 28 July 2010 disposed off two of its subsidiary companies, Tomei Gold & Jewellery Corp. (KL) Sdn Bhd and Sinar Raya Trading Sdn Bhd, details of the disposal are disclosed in Notes 12 to this Quarterly Report.

**21. MARKETABLE SECURITIES**

The Group did not deal in any quoted investments and marketable securities during the current financial quarter.

**22. CORPORATE PROPOSALS****a) Status of corporate Proposal**

On 13 January 2010, the Company announced a proposed Private Placement of up to 10% of the issued and paid up share capital of the Company.

The Company had obtained the approval of the Company's shareholders at the Company's Annual General Meeting held on 27 May 2009 pursuant to Section 132D of the Companies Act, 1965, that empowered the Board to allot and issue new shares from time to time and upon such terms and conditions and for such purpose as the Board deem fit provided the aggregate number of the shares to be issued shall not exceed ten percent (10%) of the issued and paid up share capital of the Company.

The proposed Private Placement was approved in principle by Bursa Malaysia vide its letter dated 26 January 2010.

On 10 February 2010, the Board has fixed the issue price for the placement of 12,600,000 new ordinary shares of RM 0.50 each in the Company at RM 0.50 per share. The said shares were fully allotted to all the places on 23 February 2010. The newly issued shares rank pari passu in all respects with the existing shares of the Company.

The said shares were listed on the Main Market of Bursa Malaysia on 1 March 2010.

**TOMEI CONSOLIDATED BERHAD (692959-W)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010**

**(The figures have not been audited)**

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

**22. CORPORATE PROPOSALS (Cont'd)**

b) Status of utilization of proceeds

Total proceeds from the issuance of new ordinary shares of RM 6,300,000 has been fully utilized by the Group as working capital after deducting share issue expenses of RM 41,811.

**23. BORROWINGS AND DEBT SECURITIES**

As at 30 September 2010, the Group has total borrowings of RM 116.946 million, all of which are denominated in Ringgit Malaysia.

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
Current	13,562	97,351	110,913
Non-current	1,662	4,371	6,033
	<u>15,224</u>	<u>101,722</u>	<u>116,946</u>

**24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

As at the date of this report, the Group does not have any off balance sheet financial instruments.

**25. CHANGES IN MATERIAL LITIGATIONS**

No material litigation has arisen since 31 December 2009.

**26. DIVIDEND PAYABLE**

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

**27. EARNINGS PER SHARE**

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30/9/2010 RM'000</b>	<b>30/9/2009 RM'000</b>	<b>30/9/2010 RM'000</b>	<b>30/9/2009 RM'000</b>
Profit attributable to owners of the Company	5,155	6,230	16,424	13,084
Weighted average number of ordinary shares in issue ('000)	138,600	126,000	136,154	126,000
Basic earnings per share (sen)	3.72	4.94	12.06	10.38
Diluted earnings per share	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

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

**TOMEI CONSOLIDATED BERHAD (692959-W)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2010**

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**(The figures have not been audited)**

By Order of the Board

Secretary

Teoh Kok Jong (LS 04719)

Dated : 25 November 2010