



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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2011**

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30/6/2011	30/6/2010	30/6/2011	30/6/2010
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	117,747	79,047	232,991	166,711
<b>Cost of sales</b>	(83,037)	(52,497)	(164,714)	(111,675)
<b>Gross profit</b>	34,710	26,550	68,277	55,036
<b>Other income</b>	1,576	1,692	2,983	3,259
<b>Selling and distribution expenses</b>	(19,021)	(15,306)	(36,173)	(29,702)
<b>Administrative expenses</b>	(5,347)	(3,839)	(10,221)	(8,186)
<b>Other expenses</b>	(772)	(1,535)	(909)	(1,731)
<b>Profit from operations</b>	11,146	7,562	23,957	18,676
<b>Finance costs</b>	(1,980)	(1,529)	(3,710)	(3,055)
<b>Profit before tax</b>	9,166	6,033	20,247	15,621
<b>Tax expense</b>	(2,440)	(1,705)	(5,167)	(4,111)
<b>Profit for the period</b>	6,726	4,328	15,080	11,510
<b>Profit attributable to:</b>				
<b>Owners of the parent</b>	6,350	4,182	14,552	11,269
<b>Non-controlling interest</b>	376	146	528	241
	6,726	4,328	15,080	11,510
<b>Earnings per ordinary share attributable to equity holders of the Company (sen):</b>				
<b>Basic earnings per share</b>	4.58	3.02	10.50	8.35
<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 SECOND QUARTER ENDED 30 JUNE 2011**

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2011 (Cont'd)**

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30/6/2011	30/6/2010	30/6/2011	30/6/2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	6,726	4,328	15,080	11,510
Foreign currency translations	148	1	(159)	(256)
<b>Total comprehensive income for the period</b>	<b>6,874</b>	<b>4,329</b>	<b>14,921</b>	<b>11,254</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	6,498	4,183	14,393	11,013
Non-controlling interest	376	146	528	241
	<b>6,874</b>	<b>4,329</b>	<b>14,921</b>	<b>11,254</b>

**The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010. The accompanying notes form an integral part of this statement.**

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011**

	As At 30/6/2011 RM'000	(Audited) As At 31/12/2010 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	15,315	15,035
Investment properties	324	324
Deferred tax assets	408	408
	16,047	15,767
<b>Current assets</b>		
Inventories	300,463	253,713
Derivative asset	-	11
Trade and other receivables	20,735	22,267
Current tax assets	2,878	2,179
Cash and cash equivalents	5,295	9,009
	329,371	287,179
<b>TOTAL ASSETS</b>	345,418	302,946
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital</b>	69,300	69,300
<b>Share premium</b>	4,036	4,036
<b>Reserves</b>	86,304	76,485
<b>Equity attributable to owners of the parent</b>	159,640	149,821
<b>Non-controlling interest</b>	5,269	2,491
<b>TOTAL EQUITY</b>	164,909	152,312
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	29,930	22,428
Deferred income	5	6
Deferred tax liabilities	615	615
	30,550	23,049
<b>Current Liabilities</b>		
Trade and other payables	35,212	30,658
Borrowings	110,055	94,474
Current tax payables	4,692	2,453
	149,959	127,585
<b>TOTAL LIABILITIES</b>	180,509	150,634
<b>TOTAL EQUITY AND LIABILITIES</b>	345,418	302,946
<b>Net assets per share attributable to owners of the Company (RM)</b>	1.15	1.08

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010. The accompanying notes form an integral part of this statement.

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2011**

	-----Attributable To Owners Of The Parent-----						
	----Non Distributable-----			Distributable			
	Share Capital RM'000	Share Premium RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
<b>Balance as at 1 January 2011</b>	69,300	4,036	(729)	77,214	149,821	2,491	152,312
Total comprehensive income for the financial period	-	-	(159)	14,552	14,393	528	14,921
Transaction with owners:							
-Ordinary shares contributed by a minority shareholder of a subsidiary	-	-	-	-	-	2,250	2,250
-Dividends paid	-	-	-	(4,574)	(4,574)	-	(4,574)
<b>Balance as at 30 June 2011</b>	<b>69,300</b>	<b>4,036</b>	<b>(888)</b>	<b>87,192</b>	<b>159,640</b>	<b>5,269</b>	<b>164,909</b>

	-----Attributable To Owners Of The Parent-----						
	----Non Distributable-----			Distributable			
	Share Capital RM'000	Share Premium RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total 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 financial period	-	-	(256)	11,269	11,013	241	11,254
Transaction with 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 June 2010</b>	<b>69,300</b>	<b>4,036</b>	<b>(468)</b>	<b>67,102</b>	<b>139,970</b>	<b>2,096</b>	<b>142,066</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 2010. The accompanying notes form an integral part of this statement.

**TOMEI CONSOLIDATED BERHAD (692959-W)****QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2011****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2011**

	<b>6 months ended 30/6/2011 RM'000</b>	<b>6 months ended 30/6/2010 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	20,247	15,621
Adjustments for:-		
Amortisation of deferred income	(1)	(1)
Depreciation of property, plant and equipment	2,697	2,510
Gain on disposal of investment properties	-	(306)
Gain on disposal of property, plant and equipment	(51)	-
Impairment loss on trade and other receivables	12	-
Inventories written off	-	200
Reversal of impairment loss on trade and other receivables	(66)	(21)
Property, plant and equipment written off	345	458
Unrealised gain on gold price fluctuation and foreign exchange	(1,288)	(668)
Finance costs	3,710	3,055
Interest income	(94)	(62)
Profit before working capital changes	25,511	20,786
Increase in inventories	(46,887)	(26,372)
Decrease in receivables	1,631	1,862
Increase in payables	5,812	1,461
Cash used in operations	(13,933)	(2,263)
Interest paid	(2,592)	(2,233)
Tax paid	(3,630)	(1,984)
Tax refunded	2	25
Net cash used in operating activities	(20,153)	(6,455)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	94	62
Ordinary share capital contributed by a minority shareholder of a subsidiary	2,250	-
Purchase of property, plant and equipment	(2,479)	(3,210)
Proceeds from disposal of property, plant and equipment	63	339
Increase in pledged deposits with licensed banks	5,189	5,000
Net cash from investing activities	5,117	2,191

**TOMEI CONSOLIDATED BERHAD (692959-W)****QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2011****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2011 (Cont'd)**

	<b>6 months ended 30/6/2011 RM'000</b>	<b>6 months ended 30/6/2010 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(4,574)	(4,158)
Net finance costs paid	(1,118)	(784)
Net drawdown of term loans	10,328	5,610
Net drawdown/(repayments) of short term borrowings	652	(2,679)
Repayments of hire-purchase liabilities	(766)	(296)
Proceeds from issuance of share capital, net of share issue expenses	-	6,258
Net cash from financing activities	<u>4,522</u>	<u>3,951</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(10,514)	(313)
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	(22,814)	(12,094)
<b>EFFECT OF EXCHANGE RATES CHANGES</b>	(4)	(248)
<b>CASH &amp; CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<u>(33,332)</u>	<u>(12,655)</u>
<b>Represented by:</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	5,045	5,195
Fixed deposits with licensed banks	250	433
Bank overdrafts	(38,627)	(18,095)
	<u>(33,332)</u>	<u>(12,467)</u>
Fixed deposits pledged to licensed banks	-	(188)
	<u>(33,332)</u>	<u>(12,655)</u>

**The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010. The accompanying notes form an integral part of this statement.**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

**(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 2010.

**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 2010, except for the adoption of the following new/revised Financial Reporting Standards (FRSs):-

**Effective for financial periods beginning on or after 1 March 2010:-**

Amendments to FRS 132 Classification of Rights Issues

**Effective for financial periods beginning on or after 1 July 2010:-**

FRS 1	First-time Adoption of Financial Reporting Standards (Revised)
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements (Revised)
Amendments to FRS 2	Share-based Payments
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments to IC Interpretation 9)
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

**Effective for financial periods beginning on or after 1 January 2011:-**

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Group Cash-settle Share based Payment Transactions
Amendments to FRS 3	Business Combination
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 101	Presentation of Financial Statements
Amendments to FRS 121	The Effect of Changes in Foreign Exchange Rates
Amendments to FRS 128	Investments in Associates
Amendments to FRS 131	Interests in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 18	Transfer of Assets from Customers

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

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

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

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

The auditors’ report for the preceding financial year ended 31 December 2010 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 period ended 30 June 2011.

**6. CHANGES IN ESTIMATES**

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

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

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

For capital management purposes, the Group considers shareholders’ equity, non-controlling interests and 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 June 2011 and 31 December 2010, which are within the Group’s objectives for capital management, are as follows:-

	30/6/2011	31/12/2010
	RM’000	RM’000
Total debt net of cash and cash equivalents	134,690	107,893
Total equity	164,909	152,312
Net gearing ratio	0.82	0.71

The Group reported net gearing ratio of 0.82 in the current quarter ended 30 June 2011, increased by 0.11 compared to 31 December 2010. The Group views the increase of gearing as temporary and necessary to improve business operation in the coming festival season.

On 4 February 2011, the Company has redeemed RM 10.0 million of Islamic Medium Term Notes which was matured on the same date. On 18 March 2011, the Company also made a full redemption of all the outstanding Islamic Commercial Papers which was matured on the same date. The Islamic Commercial Papers & Islamic Medium Term Notes was subsequently cancelled on 23 March 2011.



**TOMEI CONSOLIDATED BERHAD (692959-W)****QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2011****(The figures have not been audited)****PART A – EXPLANATORY NOTES PURSUANT TO FRS 134 (Cont'd)****8. DIVIDEND PAID**

On 6 June 2011, the Company paid a first and final single tier dividend of 3.3 sen per ordinary share amounting to RM 4.574 million in respect of financial year ended 31 December 2010.

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

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

- Manufacturing & Wholesales
- Retail

The segment information for the current quarter is as follows:-

<b>Results for financial period ended 30 June 2011</b>	<b>Manufacturing &amp; Wholesales RM'000</b>	<b>Retail RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>			
Total sales	47,636	182,056	229,692
Inter-segment sales	3,119	180	3,299
External sales	50,755	182,236	232,991
<b>Results</b>			
Profit before tax	4,062	16,185	20,247
Tax expense	(740)	(4,427)	(5,167)
Profit for the period	3,322	11,758	15,080
Non-controlling interest			(528)
Profit attributable to owners of the parent			14,552
<b>Assets and liabilities as at 30 June 2011</b>			
<b>Assets</b>			
Segment assets	55,856	286,276	342,132
Unallocated assets	-	-	3,286
Total assets	-	-	345,418
<b>Liabilities</b>			
Segment liabilities	17,202	158,000	175,202
Unallocated liabilities	-	-	5,307
Total liabilities	-	-	180,509

**TOMEI CONSOLIDATED BERHAD (692959–W)****QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2011****(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 June 2010</b>	<b>Manufacturing &amp; Wholesales RM'000</b>	<b>Retail RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>			
Total sales	37,039	132,242	169,281
Inter-segment sales	(2,477)	(93)	(2,570)
External sales	34,562	132,149	166,711
<b>Results</b>			
Profit before tax	2,561	13,060	15,261
Tax expense	(491)	(3,620)	(4,111)
Profit for the period	2,070	9,440	11,510
Non-controlling interest			(241)
Profit attributable to owners of the parent			11,269
<b>Assets and Liabilities as at 30 June 2010</b>			
<b>Assets</b>			
Segment assets	39,421	242,966	282,387
Unallocated assets	-	-	2,050
Total assets	-	-	284,437
<b>Liabilities</b>			
Segment liabilities	11,203	125,174	136,377
Unallocated liabilities	-	-	5,994
Total liabilities	-	-	142,371

**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.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

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

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

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

On 19 May 2011, the Company via its wholly owned subsidiary company, Tomei Retail Sdn. Bhd. had acquired 100 ordinary shares of RM 1.00 each representing 100% equity interest in Goldheart (M) Sdn. Bhd. and Goldheart Jewelry (M) Sdn. Bhd., both companies incorporated in Malaysia for a total cash consideration of RM 100.00 for each Company.

**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.

On 2 March 2011, the Company had acquired 1 ordinary share of RM 1.00 each representing 50% equity interest in O M Design Sdn. Bhd. (“OM Design”) for a total cash consideration RM 1.00. The principal activity of OM Design is wholesaling of jewellery.

On 7 March 2011, the Company subscribed for an additional 2,749,999 ordinary share of RM 1.00 each in OM Design at par for cash. Upon the completion of the share subscription, OM Design became a 55% owned subsidiary of the Company..

On 19 May 2011, the Company via its wholly owned subsidiary company, Tomei Retail Sdn. Bhd. had acquired 100 ordinary shares of RM 1.00 each representing 100% equity interest in Goldheart (M) Sdn. Bhd. and Goldheart Jewelry (M) Sdn. Bhd., both companies incorporated in Malaysia for a total cash consideration of RM 100.00 for each Company.

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

There were no contingent liabilities or contingent assets which have arisen since the last annual reporting date as at 31 December 2010.

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

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

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

**14. COMMITMENTS**

Except as disclosed below, there were no other material commitments as at 30 June 2011.

i) Rental commitments

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>25,661</u>

ii) Capital commitments

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

	RM'000
Approved but not contracted for	<u>4,116</u>

**15. PERFORMANCE REVIEW**

The Group's revenue for the current quarter ended 30 June 2011 was RM 117.747 million, an increase of 48.96% from RM 79.047 million achieved in the preceding year's corresponding quarter. The increase was mainly due to the improved consumers spending especially on gold investment products and higher retail gold price. The acquisition of the brand "Goldheart" with 4 additional retail outlets also contributed positively to the Group turnover.

As a result, the Group's profit before tax ("PBT") has increased to RM 9.166 million from RM 6.033 million recorded in the preceding year's corresponding quarter.

The Group's revenue for the current financial year to-date also increased by 39.76% to RM 232.991 million as compared to RM 166.711 million in the preceding year's corresponding period. As a result, the Group's PBT has increased by 29.61% to RM 20.247 million.

**16. QUARTERLY RESULTS COMPARISON**

The Group's revenue for the current quarter under review increased slightly by 2.17% to RM 117.747 million as compared to the immediate preceding quarter.

However, due to the increase in operational expenses brought about by additional new retail outlets, the Group's PBT has decreased by 17.28% to RM 9.166 million from RM 11.081 million recorded in the immediate preceding quarter.

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

**(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)**

**17. COMMENTARY ON PROSPECTS**

The recent downgrade of credit rating in the United States and the ongoing sovereign debt problem of certain EU countries remained a major concern to many countries including Malaysia. The anti-inflationary measures taken by various major high growth countries may also curb consumers spending. In the face of these uncertainties, the Group remains cautious with its business plan and keeps a close watch on the latest development in executing its business strategy. Notwithstanding and barring any unforeseen circumstances, the Directors expect the Group to remain profitable for the last two quarters 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.

**19. TAX EXPENSE**

	<b>Individual Quarter</b>		<b>Year to-date</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30/6/2011</b>	<b>30/6/2010</b>	<b>30/6/2011</b>	<b>30/6/2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current taxation	2,214	1,581	4,941	3,987
Under provision in prior years	226	124	226	124
	<u>2,440</u>	<u>1,705</u>	<u>5,167</u>	<u>4,111</u>

The effective tax rates of the Group for the current quarter and financial year to date is slightly higher than its statutory tax rate 25% mainly due to under provision of tax in prior years.

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

There were no disposals of unquoted investments and properties during the financial quarter under review.

**21. MARKETABLE SECURITIES**

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

**22. CORPORATE PROPOSALS**

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

**23. BORROWINGS AND DEBT SECURITIES**

As at 30 June 2011, the Group has total borrowings of RM 139.985 million, all of which are denominated in Ringgit Malaysia.

	<b>Unsecured</b>
	<b>RM'000</b>
Current	110,055
Non-current	29,930
	<u>139,985</u>

**TOMEI CONSOLIDATED BERHAD (692959-W)****QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

(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)****24. DERIVATIVE FINANCIAL INSTRUMENTS**

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

**25. CHANGES IN MATERIAL LITIGATIONS**

No material litigation has arisen since 31 December 2010.

**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>Year to-date</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30/6/2011</b>	<b>30/6/2010</b>	<b>30/6/2011</b>	<b>30/6/2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Consolidated profit for the financial period attributable to equity holders of the parent	6,350	4,182	14,552	11,269
Weighted average number of ordinary shares in issue ('000)	138,600	138,600	138,600	134,910
Basic earnings per share (sen)	4.58	3.02	10.50	8.35
Diluted earnings per share	N/A	N/A	N/A	N/A

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

**28. REALISED AND UNREALISED RETAINED EARNINGS**

	<b>Year to date ended</b>	
	<b>30/6/2011</b>	<b>30/6/2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings:		
- realised	102,129	81,834
- unrealised	1,288	668
	<hr/>	<hr/>
	103,417	82,502
Less: Consolidation adjustments	(16,225)	(15,400)
	<hr/>	<hr/>
Total Group retained earnings	87,192	67,102

By Order of the Board

Secretary

Teoh Kok Jong (LS 04719)

Dated : 25 August 2011