



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2011

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Revenue	137,117	93,710	505,387	356,286
Cost of sales	(98,916)	(61,536)	(354,874)	(241,970)
Gross profit	38,201	32,174	150,513	114,316
Other income	1,060	1,687	4,070	6,451
Selling and distribution expenses	(20,097)	(17,408)	(76,069)	(62,320)
Administrative expenses	(6,092)	(5,779)	(21,844)	(18,326)
Other expenses	40	(854)	(2,620)	(3,030)
Profit from operations	13,112	9,820	54,050	37,091
Finance costs	(2,395)	(1,799)	(8,345)	(6,645)
Profit before tax	10,717	8,021	45,705	30,446
Tax expense	(4,365)	(2,818)	(13,240)	(8,429)
Profit for the period/year	6,352	5,203	32,465	22,017
Profit attributable to:				
Owners of the parent	6,201	4,957	31,198	21,381
Non-controlling interest	151	246	1,267	636
	6,352	5,203	32,465	22,017
Earnings per ordinary share attributable to equity holders of the parent (sen):				
Basic earnings per share	4.47	3.58	22.51	15.63
Diluted earnings per share *	N/A	N/A	N/A	N/A

* Not applicable

TOMEI CONSOLIDATED BERHAD (692959-W)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH
QUARTER ENDED 31 DECEMBER 2011**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE
QUARTER ENDED 31 DECEMBER 2011 (Cont'd)**

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period/year	6,352	5,203	32,465	22,017
Foreign currency translations	318	(121)	678	(517)
Total comprehensive income for the period/year	<u>6,670</u>	<u>5,082</u>	<u>33,143</u>	<u>21,500</u>
Total comprehensive income attributable to:				
Owners of the parent	6,519	4,836	31,876	20,864
Non-controlling interest	151	246	1,267	636
	<u>6,670</u>	<u>5,082</u>	<u>33,143</u>	<u>21,500</u>

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 FOURTH QUARTER ENDED 31 DECEMBER 2011

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	As At 31/12/2011 RM'000	(Audited) As At 31/12/2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	17,596	15,035
Investment properties	324	324
Prepaid lease payments for land	597	-
Deferred tax assets	-	408
	18,517	15,767
Current assets		
Inventories	326,097	253,713
Derivative asset	-	11
Trade and other receivables	25,701	22,267
Current tax recoverable	2,950	2,179
Cash and cash equivalents	13,712	9,009
	368,460	287,179
TOTAL ASSETS	386,977	302,946
EQUITY AND LIABILITIES		
Share capital	69,300	69,300
Share premium	4,036	4,036
Reserves	103,787	76,485
Equity attributable to owners of the parent	177,123	149,821
Non-controlling interest	6,008	2,491
TOTAL EQUITY	183,131	152,312
LIABILITIES		
Non-current liabilities		
Borrowings	27,523	22,428
Deferred income	428	6
Deferred tax liabilities	743	615
	28,694	23,049
Current Liabilities		
Trade and other payables	31,946	30,658
Borrowings	138,718	94,474
Current tax payable	4,488	2,453
	175,152	127,585
TOTAL LIABILITIES	203,846	150,634
TOTAL EQUITY AND LIABILITIES	386,977	302,946
Net assets per share attributable to owners of the Company (RM)	1.28	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 FOURTH QUARTER ENDED 31 DECEMBER 2011

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 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
Balance as at 1 January 2011	69,300	4,036	(729)	77,214	149,821	2,491	152,312
Total comprehensive income for the financial year	-	-	678	31,198	31,876	1,267	33,143
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)
Balance as at 31 December 2011	69,300	4,036	(51)	103,838	177,123	6,008	183,131

	-----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
Balance as at 1 January 2010	63,000	4,078	(212)	59,991	126,857	1,855	128,712
Total comprehensive income for the financial year	-	-	(517)	21,381	20,864	636	21,500
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)
Balance as at 31 December 2010	69,300	4,036	(729)	77,214	149,821	2,491	152,312

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 FOURTH QUARTER ENDED 31 DECEMBER 2011****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2011**

	12 months ended 31/12/2011 RM'000	12 months ended 31/12/2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	45,705	30,446
Adjustments for:-		
Amortisation of deferred income	(3)	(3)
Amortisation of prepaid lease payments for land	13	-
Depreciation of property, plant and equipment	5,506	5,203
Fair value gain on derivative asset	-	(11)
Gain on disposal of investment properties	-	(82)
Gain on disposal of property, plant and equipment	(61)	(1,257)
Impairment loss on trade and other receivables	13	269
Inventories written off	81	-
Reversal of impairment loss on trade and other receivables	(193)	(129)
Property, plant and equipment written off	588	1,134
Unrealised loss/(gain) on gold price fluctuation and foreign exchange	15	(1,631)
Finance costs	8,345	6,645
Interest income	(97)	(67)
	<hr/>	<hr/>
Profit before working capital changes	59,912	40,517
Increase in inventories	(71,787)	(37,779)
Increase in receivables	(3,442)	(17)
Increase in payables	1,712	4,317
	<hr/>	<hr/>
Cash (used in)/from operations	(13,605)	7,038
Interest paid	(6,016)	(4,908)
Tax paid	(11,447)	(10,517)
Tax refunded	7	778
	<hr/>	<hr/>
Net cash used in operating activities	(31,061)	(7,609)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	97	67
Ordinary share capital contributed by a minority shareholder of a subsidiary	2,250	-
Payments of prepaid lease	(610)	-
Purchase of property, plant and equipment	(5,659)	(4,538)
Proceeds from disposal of property, plant and equipment	73	353
Proceed from disposal of subsidiaries, net of cash and cash equivalent disposed	-	(1)
Decrease/(increase) in pledged deposits with licensed banks	5,189	(1)
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Net cash from/(used in) investing activities	1,340	(4,120)
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TOMEI CONSOLIDATED BERHAD (692959-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2011 (Cont'd)

	12 months ended 31/12/2011 RM'000	12 months ended 31/12/2010 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(4,574)	(4,158)
Net finance costs paid	(2,144)	(1,423)
Net drawdown/(repayments) of term loans	10,161	(5,116)
Net drawdown of short term borrowings	48,841	6,233
Repayments of hire-purchase liabilities	(1,641)	(768)
Proceeds from issuance of share capital, net of share issue expenses	-	6,258
Net cash from financing activities	<u>50,643</u>	<u>1,026</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	20,922	(10,703)
CASH & CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	(22,814)	(12,094)
EFFECT OF EXCHANGE RATES CHANGES	1	(17)
CASH & CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>(1,891)</u>	<u>(22,814)</u>
Represented by:		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	13,712	3,573
Fixed deposits with licensed banks	-	5,436
Bank overdrafts	(15,603)	(26,634)
	<u>(1,891)</u>	<u>(17,625)</u>
Fixed deposits pledged to licensed banks	-	(5,189)
	<u>(1,891)</u>	<u>(22,814)</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 FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 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 financial year ended 31 December 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 31 December 2011 and 31 December 2010, which are within the Group’s objectives for capital management, are as follows:-

	31/12/2011	31/12/2010
	RM’000	RM’000
Total debt net of cash and cash equivalents	152,529	107,893
Total equity	183,131	152,312
Net gearing ratio	0.83	0.71

The Group reported net gearing ratio of 0.83 as at 31 December 2011, increased by 0.12 compared to 31 December 2010. The increase in gearing is due to higher requirement for working capital arising from business expansion.

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 Programme was subsequently cancelled on 23 March 2011.

TOMEI CONSOLIDATED BERHAD (692959-W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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:-

Results for financial year ended 31 December 2011	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Revenue			
Total sales	122,212	392,538	514,750
Inter-segment sales	(8,667)	(696)	(9,363)
External sales	113,545	391,842	505,387
Results			
Profit before tax	11,287	34,418	45,705
Tax expense	(3,009)	(10,231)	(13,240)
Profit for the year	8,278	24,187	32,465
Non-controlling interest			(1,267)
Profit attributable to owners of the parent			31,198
Assets and liabilities as at 31 December 2011			
Assets			
Segment assets	69,265	314,762	384,027
Unallocated assets	-	-	2,950
Total assets	-	-	386,977
Liabilities			
Segment liabilities	27,342	171,273	198,615
Unallocated liabilities	-	-	5,231
Total liabilities	-	-	203,846

TOMEI CONSOLIDATED BERHAD (692959–W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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)**

Results for financial year ended 31 December 2010	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Revenue			
Total sales	77,771	282,214	359,985
Inter-segment sales	(3,424)	(275)	(3,699)
External sales	74,347	281,939	356,286
Results			
Profit before tax	6,068	24,378	30,446
Tax expense	(1,204)	(7,225)	(8,429)
Profit for the year	4,864	17,153	22,017
Non-controlling interest			(636)
Profit attributable to owners of the parent			21,381
Assets and Liabilities as at 31 December 2010			
Assets			
Segment assets	42,495	257,864	300,359
Unallocated assets	-	-	2,587
Total assets	-	-	302,946
Liabilities			
Segment liabilities	11,163	136,403	147,566
Unallocated liabilities	-	-	3,068
Total liabilities	-	-	150,634

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.

TOMEI CONSOLIDATED BERHAD (692959-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

(The figures have not been audited)

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

11. SIGNIFICANT EVENTS DURING THE CURRENT QUARTER

On 6 October 2011, the Company as part of its internal group restructuring plan acquired 500,000 ordinary shares of RM 1.00 each in its indirect subsidiary company, Tomei Gold & Jewellery (Subang) Sdn. Bhd., for a total cash consideration of RM 3,585,259.96 from its subsidiary company, Tomei Gold & Jewellery (MJ) Sdn. Bhd..

On 23 November 2011, the Company has subscribed for an additional 1,990,000 ordinary shares of RM 1.00 each in its wholly owned subsidiary company, Tomei Gold & Jewellery Manufacturing Sdn. Bhd. by way of cash of RM 1,990,000.00.

12. CHANGES IN COMPOSITION OF THE GROUP

Except for the following, there were no changes to the composition of the Group for the current financial year:

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., has 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.

The Company had on 6 September 2011 subscribed for an additional 3,998,974 ordinary shares of RM 1.00 each in its wholly owned subsidiary company, Yi Xing Goldsmith Sdn. Bhd. by way of cash of RM 3,998,974.00.

On 6 October 2011, the Company as part of its internal group restructuring plan acquired 500,000 ordinary shares of RM 1.00 each in its indirect subsidiary company, Tomei Gold & Jewellery (Subang) Sdn. Bhd., for a total cash consideration of RM 3,585,259.96 from its subsidiary company, Tomei Gold & Jewellery (MJ) Sdn. Bhd..

On 23 November 2011, the Company has subscribed for an additional 1,990,000 ordinary shares of RM 1.00 each in its wholly owned subsidiary company, Tomei Gold & Jewellery Manufacturing Sdn. Bhd. by way of cash of RM 1,990,000.00.

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 FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 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>28,860</u>

ii) Capital commitments

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

	RM'000
Approved but not contracted for	<u>4,418</u>

15. PERFORMANCE REVIEW

	Individual quarter		Year to-date	
	3 months ended		12 months ended	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Sales				
Retail	102,127	75,552	391,842	281,939
Manufacturing & wholesales	34,990	18,158	113,545	74,347
Total	<u>137,117</u>	<u>93,710</u>	<u>505,387</u>	<u>356,286</u>
Profit before tax				
Retail	7,617	5,779	34,418	24,378
Manufacturing & wholesales	3,100	2,242	11,287	6,068
Total	<u>10,717</u>	<u>8,021</u>	<u>45,705</u>	<u>30,446</u>

The retail segment which made up of 74.5% of total revenue and 71.1 % of total profit before tax remained the largest contributor to the Group's performance during the quarter. For financial year to date, the retail segment contributed for 77.5% of total revenue and 75.3% of total profit before tax.

TOMEI CONSOLIDATED BERHAD (692959-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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)

15. PERFORMANCE REVIEW (Cont'd)

Comparison with corresponding quarter in the previous year

The Group's revenue for the current quarter ended 31 December 2011 was RM 137.117 million, an increase of 46.32% from RM 93.71 million achieved in the preceding year's corresponding quarter. The increase was mainly due to improved consumers spending especially on gold investment products and higher retail gold price.

As a result, the Group's profit before tax ("PBT") has increased to RM 10.717 million from RM 8.021 million recorded in the preceding year's corresponding quarter.

The retail segment reported a 35.17% increase in revenue to RM102.127 million mainly due to increase in retail gold prices and increase consumers' demand for gold investment products. The acquisition of the brand "Goldheart" with 4 additional retail outlets also contributed positively to this segment's revenue. In tandem with the increase in revenue, PBT during the quarter increased 31.80% to RM7.617 million.

The manufacturing and wholesales segment reported increased in revenue of 92.70% compared to the corresponding quarter last year. The improvement was mainly due to better sales volume to other jewellery retailers and higher gold price. The acquisition of O M Design also contributed positively to the Group's wholesales segment. In tandem with the increase in revenue, PBT during the quarter increased 38.27% to RM3.100 million.

Comparison with previous year financial year to date

The Group's revenue for the current financial year to date increased by 41.85% to RM 505.387 million as compared to RM 356.286 million in the preceding year's corresponding period. The increase was mainly due to higher sales volume arising from better consumer spending and higher retail gold price.

In tandem with the increase in revenue, the Group's PBT also increased by 50.12% to RM 45.705 million.

The retail segment recorded a growth of 38.98% in revenue to RM 391.842 million during the period under review, largely due to improved consumer spending and higher retail gold price. The increase in revenue has resulted in the PBT to grow 41.18% to RM 34.418 million compared to corresponding period last year.

The manufacturing and wholesales segment recorded revenue of RM 113.545 million for the 12 months period compared to RM 74.347 million recorded in the corresponding period last year, an increase of 52.72%. The increase is mainly due to higher sales volume and higher gold price. The acquisition of O M Design also contributed positively to the increase in this segment's revenue. As a result, PBT increased by 86.01% from RM 6.068 million to RM 11.287 million.

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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)

15. PERFORMANCE REVIEW (Cont'd)

Comparison with preceding quarter

	Revenue		Profit before tax	
	3 months ended		3 months ended	
	31/12/2011	30/09/2011	31/12/2011	30/09/2011
	RM'000	RM'000	RM'000	RM'000
Retail	102,127	107,479	7,617	10,616
Manufacturing & wholesales	34,990	27,800	3,100	4,125
Total	137,117	135,279	10,717	14,741

The Group's revenue for the current quarter under review increased marginally by 1.36% to RM 137.117 million as compared to the immediate preceding quarter mainly due to higher sales volumes during the year end festivities.

However, due to the fluctuation in market gold price, sales of gold ornaments and investment products reported lower profit margin, thus causing the Group's PBT to decrease by 27.30% to RM 10.717 million from RM 14.741 million recorded in the immediate preceding quarter.

The retail segment's revenue for the current quarter decreased by 4.98% to RM 102.127 million as compared to the immediate preceding quarter mainly due to Hari Raya holidays falling into third quarter of the year. As a result and coupled with the fluctuation in retail gold price, PBT has decreased 28.25% to RM 7.617 million from RM 10.616 million recorded in the preceding quarter.

The manufacturing & wholesales segment recorded an increase of revenue by 25.86% to RM 34.990 million as compared to the preceding quarter due to higher sales to other jewellery retailers who were stocking up for the Christmas and Chinese New Year celebrations. However, the PBT in the current quarter decreased by 24.85% to RM 3.100 million as compared to the preceding quarter mainly due to the fluctuation of gold price.

16. COMMENTARY ON PROSPECTS

There are signs that the US economy is recovering. However this is negated by the ongoing debt crisis of Greece and the potential contagion to other EU countries such as Spain and Italy if this crisis is not satisfactorily resolved. Should this happen the global economy will be negatively impacted again. At home, the Malaysian government is intensifying its effort in the implementation of its economic transformation programme which will have a positive effect to our economy. At the back of this and barring unforeseen development in the EU debt crisis and world gold price, the Directors expect the Group to sustain its profitability for the coming financial year 2012.

17. PROFIT FORECAST OR PROFIT GUARANTEE

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

TOMEI CONSOLIDATED BERHAD (692959-W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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)**18. TAX EXPENSE**

	Individual Quarter		Year to-date	
	3 months ended		12 months ended	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Current taxation	3,823	2,438	12,473	8,095
Under provision in prior years	6	40	231	94
Deferred taxation				
- current	154	215	154	215
- under provision in prior years	382	125	382	25
	4,365	2,818	13,240	8,429

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

19. CORPORATE PROPOSALS

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

20. BORROWINGS AND DEBT SECURITIES

As at 31 December 2011, the Group has total borrowings of RM 166.241 million, all of which are denominated in Ringgit Malaysia.

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Current	1,888	136,830	138,718
Non-current	3,162	24,361	27,523
	5,050	161,191	166,241

21. CHANGES IN MATERIAL LITIGATIONS

No material litigation has arisen since 31 December 2010.

22. DIVIDEND PAYABLE

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

TOMEI CONSOLIDATED BERHAD (692959-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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)

23. EARNINGS PER SHARE

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

	Individual quarter		Year to-date	
	3 months ended		12 months ended	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Consolidated profit for the financial period/year attributable to equity holders of the parent	6,201	4,957	31,198	21,381
Weighted average number of ordinary shares in issue ('000)	138,600	138,600	138,600	136,770
Basic earnings per share (sen)	4.47	3.58	22.51	15.63
Diluted earnings per share	N/A	N/A	N/A	N/A

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

24. PROFIT BEFORE TAX

	Individual quarter		Year to-date	
	3 months ended		12 months ended	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):-				
Armortisation and depreciation	1,408	1,346	5,516	5,200
Impairment loss on trade and other receivables	1	269	13	269
Interest expense	2,395	1,799	8,345	6,645
Inventories written off	81	-	81	-
Property, plant and equipment written off	232	246	588	1,134
Fair value gain on derivative asset	-	(11)	-	(11)
Gain on gold price fluctuation and foreign exchange	(847)	(300)	(1,500)	(2,448)
Gain on disposal of investment properties	-	(82)	-	(82)
Gain on disposal of property, plant and equipment	(10)	(1,257)	(61)	(1,257)
Interest income	-	(2)	(97)	(67)
Reversal of impairment loss on trade and other receivables	(83)	(21)	(193)	(129)

TOMEI CONSOLIDATED BERHAD (692959–W)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH
QUARTER ENDED 31 DECEMBER 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)**

25. REALISED AND UNREALISED RETAINED EARNINGS

	Year to date ended	
	31/12/2011	31/12/2010
	RM'000	RM'000
Total retained earnings:		
- realised	120,644	91,130
- unrealised	(552)	1,402
	<hr/>	<hr/>
	120,092	92,532
Less: Consolidation adjustments	(16,254)	(15,318)
	<hr/>	<hr/>
Total Group retained earnings	<u>103,838</u>	<u>77,214</u>

By Order of the Board

Secretary
Teoh Kok Jong (LS 04719)
Dated : 23 February 2012