



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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2014**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30/9/2014 RM'000	30/9/2013 RM'000	30/9/2014 RM'000	30/9/2013 RM'000
Revenue	130,642	150,886	414,384	558,971
Cost of sales	(100,511)	(116,769)	(313,880)	(464,261)
Gross profit	30,131	34,117	100,504	94,710
Other income	1,035	271	3,151	2,082
Selling and distribution expenses	(22,793)	(23,201)	(68,899)	(73,109)
Administrative expenses	(5,579)	(6,100)	(16,832)	(17,155)
Other expenses	1,599	(436)	(567)	(1,860)
Profit from operations	4,393	4,651	17,357	4,668
Finance costs	(2,942)	(2,909)	(8,478)	(8,558)
Profit/(Loss) before tax	1,451	1,742	8,879	(3,890)
Tax expenses	(737)	(1,203)	(3,022)	(301)
Profit/(Loss) for the period	714	539	5,857	(4,191)
Profit/(Loss) attributable to:-				
Owners of the parent	649	637	5,366	(4,153)
Non-controlling interest	65	(98)	491	(38)
	714	539	5,857	(4,191)
Earnings per ordinary share attributable to equity holders of the parent (sen):-				
Basic earnings/(loss) per share	0.47	0.46	3.87	(3.00)
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 THIRD QUARTER
ENDED 30 SEPTEMBER 2014****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2014 (Cont'd)**

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30/9/2014	30/9/2013	30/9/2014	30/9/2013
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period	714	539	5,857	(4,191)
Foreign currency translations	419	662	(151)	1,449
Total comprehensive income/(loss) for the period	1,133	1,201	5,706	(2,742)
Total comprehensive income/(loss) attributable to:-				
Owners of the parent	1,068	1,299	5,215	(2,704)
Non-controlling interest	65	(98)	491	(38)
	1,133	1,201	5,706	(2,742)

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013. 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 2014****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2014**

	As At 30/9/2014 RM'000	As At 31/12/2013 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	17,625	19,004
Prepaid lease payments for land	545	558
Deferred tax assets	1,348	1,348
	<u>19,518</u>	<u>20,910</u>
Current assets		
Inventories	342,978	332,863
Derivative assets	410	1,092
Trade and other receivables	24,764	24,835
Current tax assets	2,649	3,324
Cash and cash equivalents	14,281	12,456
	<u>385,082</u>	<u>374,570</u>
Non-current assets classified as held for sale	<u>-</u>	<u>550</u>
TOTAL ASSETS	<u>404,600</u>	<u>396,030</u>
EQUITY AND LIABILITIES		
Share capital	69,300	69,300
Share premium	4,036	4,036
Reserves	110,901	107,072
Equity attributable to owners of the parent	<u>184,237</u>	<u>180,408</u>
Non-controlling interest	6,573	6,082
TOTAL EQUITY	<u>190,810</u>	<u>186,490</u>
LIABILITIES		
Non-current liabilities		
Borrowings	15,347	22,927
Deferred tax liabilities	229	206
	<u>15,576</u>	<u>23,133</u>
Current Liabilities		
Trade and other payables	30,122	39,431
Borrowings	165,650	146,048
Current tax liabilities	2,442	928
	<u>198,214</u>	<u>186,407</u>
TOTAL LIABILITIES	<u>213,790</u>	<u>209,540</u>
TOTAL EQUITY AND LIABILITIES	<u>404,600</u>	<u>396,030</u>
Net assets per share (RM)	1.38	1.35

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013. 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 2014**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER
ENDED 30 SEPTEMBER 2014**

	-----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 2014	69,300	4,036	1,749	105,323	180,408	6,082	186,490
Total comprehensive income for the financial period	-	-	(151)	5,366	5,215	491	5,706
Transaction with owners:-							
- Dividend paid	-	-	-	(1,386)	(1,386)	-	(1,386)
Balance as at 30 September 2014	<u>69,300</u>	<u>4,036</u>	<u>1,598</u>	<u>109,303</u>	<u>184,237</u>	<u>6,573</u>	<u>190,810</u>

	-----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 2013	69,300	4,036	138	112,500	185,974	6,423	192,397
Total comprehensive income for the financial period	-	-	1,449	(4,153)	(2,704)	(38)	(2,742)
Transaction with owners:-							
- Dividend paid	-	-	-	(2,772)	(2,772)	-	(2,772)
Balance as at 30 September 2013	<u>69,300</u>	<u>4,036</u>	<u>1,587</u>	<u>105,575</u>	<u>180,498</u>	<u>6,385</u>	<u>186,883</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013. 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 2014****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER
ENDED 30 SEPTEMBER 2014**

	9 months ended 30/9/2014 RM'000	9 months ended 30/9/2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	8,879	(3,890)
Adjustments for:-		
Amortisation of prepaid lease payments for land	13	14
Depreciation of property, plant and equipment	4,668	4,460
Fair value gain on financial instrument	(216)	-
Inventories written down to net realisable value	-	816
Property, plant and equipment written off	272	152
Reversal of impairment loss on trade and other receivables	-	(3)
Gain on disposal of property, plant and equipment	(147)	(8)
Unrealised (gain)/ loss on gold price fluctuation and foreign exchange	(326)	1,471
Finance costs	8,478	8,558
Interest income	(52)	(11)
	<hr/>	<hr/>
Profit before working capital changes	21,569	11,559
(Increase)/Decrease in inventories	(10,115)	10,305
Decrease/(Increase) in receivables	810	(2,351)
Decrease in payables	(9,163)	(7,621)
	<hr/>	<hr/>
Cash from operations	3,101	11,892
Interest paid	(6,727)	(6,303)
Tax paid	(1,946)	(4,484)
Tax refunded	1,135	1,043
	<hr/>	<hr/>
Net cash (used in)/from operating activities	(4,437)	2,148
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	52	11
Purchase of property, plant and equipment	(621)	(1,883)
Proceeds from disposal of investment property	495	-
Proceeds from disposal of property, plant and equipment	220	14
Increase in pledged deposits with licensed banks	(43)	(42)
	<hr/>	<hr/>
Net cash from/(used in) investing activities	103	(1,900)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(1,386)	(2,772)
Net finance costs paid	(1,751)	(2,255)
Net repayments of term loans	(15,148)	(14,270)
Drawdown of short term borrowings	3,054	4,696
Repayments of hire-purchase liabilities	(2,827)	(2,818)
	<hr/>	<hr/>
Net cash used in financing activities	(18,058)	(17,419)
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TOMEI CONSOLIDATED BERHAD (692959–W)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2014**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED
30 SEPTEMBER 2014 (Cont'd)**

	9 months ended 30/9/2014 RM'000	9 months ended 30/9/2013 RM'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(22,392)	(17,171)
CASH & CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	(11,378)	(17,880)
EFFECT OF EXCHANGE RATES CHANGES	256	3
CASH & CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>(33,514)</u>	<u>(35,048)</u>

Represented by:-

CASH AND CASH EQUIVALENTS

Cash and bank balances	9,303	10,228
Fixed deposits with licensed banks	4,978	1,742
Bank overdrafts	<u>(46,010)</u>	<u>(45,276)</u>
	(31,729)	(33,306)
Less: Fixed deposits pledged to a licenced bank	<u>(1,785)</u>	<u>(1,742)</u>
	<u>(33,514)</u>	<u>(35,048)</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013. 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 2014

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

This interim financial report is unaudited and is prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 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 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

At the date of authorisation of these interim financial statements, the following MFRSs, Amendment to MFRSs and IC Interpretation were issued but not yet effective and have yet to be applied by the Group.

	Effective for annual period beginning on or after
MFRSs, Amendments to MFRSs and IC Interpretation	
Defined Benefit Plans: Employee Contributions (Amendments to MFRS 119)	1 July 2014
Amendments to MFRSs Annual Improvements 2010-2012 Cycle	1 July 2014
Amendments to MFRSs Annual Improvements 2011-2013 Cycle	1 July 2014
Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants	1 January 2016
Mandatory Effective Date of MFRS 9 and Transition Disclosures	Deferred
MFRS 9 Financial Instruments (2009)	Deferred
MFRS 9 Financial Instruments (2010)	Deferred
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139)	Deferred
MFRS 15 Revenue from Contracts with Customers	1 January 2017

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report for the preceding financial year ended 31 December 2013 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 2014.

TOMEI CONSOLIDATED BERHAD (692959-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

(The figures have not been audited)

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

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 September 2014 and 30 September 2013, which are within the Group's objectives for capital management, are as follows:-

	30/9/2014	30/9/2013
	RM'000	RM'000
Total debt net of cash and cash equivalents	166,716	183,012
Total equity	190,810	186,883
Net gearing ratio	0.87	0.98

The Group reported net gearing ratio of 0.87 as at 30 September 2014, decreased by 0.11 compared to 30 September 2013.

8. DIVIDEND PAID

On 5 June 2014, the Company paid a first and final single tier dividend of 1.0 sen per ordinary share amounting to RM1.386 million in respect of financial year ended 31 December 2013.

9. OPERATING SEGMENTAL INFORMATION

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

TOMEI CONSOLIDATED BERHAD (692959-W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2014****(The figures have not been audited)****PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)****9. OPERATING SEGMENTAL INFORMATION (Cont'd)**

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

Results for financial period ended 30 September 2014	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Revenue			
Total sales	107,363	312,973	420,336
Inter-segment sales	(5,577)	(375)	(5,952)
External sales	101,786	312,598	414,384
Results			
Profit before tax	4,915	3,964	8,879
Tax expense	(1,184)	(1,838)	(3,022)
Profit for the period	3,731	2,126	5,857
Non-controlling interest			(491)
Profit attributable to owners of the parent			5,366
Assets and liabilities as at 30 September 2014			
Assets			
Segment assets	63,100	337,503	400,603
Unallocated assets	-	-	3,997
Total assets	-	-	404,600
Liabilities			
Segment liabilities	26,329	184,790	211,119
Unallocated liabilities	-	-	2,671
Total liabilities	-	-	213,790
Results for financial period ended 30 September 2013			
Revenue			
Total sales	149,277	414,324	563,601
Inter-segment sales	(4,624)	(6)	(4,630)
External sales	144,653	414,318	558,971
Results			
Loss before tax	(3,081)	(809)	(3,890)
Tax expense	803	(1,104)	(301)
Loss for the period	(2,278)	(1,913)	(4,191)
Non-controlling interest			38
Loss attributable to owners of the parent			(4,153)

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

(The figures have not been audited)

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

9. OPERATING SEGMENTAL INFORMATION (Cont’d)

Assets and Liabilities as at 30 September 2013	Manufacturing & Wholesales RM’000	Retail RM’000	Total RM’000
Assets			
Segment assets	64,524	338,186	402,710
Unallocated assets	-	-	5,026
Total assets	-	-	407,736
Liabilities			
Segment liabilities	29,363	190,618	219,981
Unallocated liabilities	-	-	872
Total liabilities	-	-	220,853

10. CARRYING AMOUNT OF REVALUED ASSETS

The valuation of property, plant and equipment 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.

12. CHANGES IN COMPOSITION OF THE GROUP

On 29 August 2014, the Company has announced that applications have been made to the Registrar of the Companies Commission of Malaysia to strike off its indirect subsidiary companies, Goldheart (M) Sdn. Bhd. and Goldheart Jewelry (M) Sdn. Bhd. pursuant to Section 308 of the Companies Act, 1965.

On 10 September 2014, the Company had entered into an agreement to acquire the remaining 39% equity interest in Gemas Precious Metals Industries Sdn. Bhd. representing 1,950,000 ordinary shares of RM1.00 each for a cash consideration of RM2,955,000 from Schofer Germany- the Chain Company GMBH & Co., KG (“The Acquisition”). The Acquisition is subject to the approval from Ministry of International Trade and Industries, Malaysia.

On 11 September 2014, the Company had acquired 2 ordinary share of RM1.00 each representing 100% of the paid up capital of Flawless Skin Care Sdn. Bhd. for a total cash consideration RM2.00. The intended activity of Flawless Skin Care Sdn. Bhd. is retailing of skin care products.

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 2013.

TOMEI CONSOLIDATED BERHAD (692959-W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014****(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 September 2014:-

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>31,885</u>

ii) Capital commitments

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

	RM'000
Approved but not contracted for	<u>1,234</u>

15. PERFORMANCE REVIEW

	Individual Quarter		Year to-date	
	3 months ended		9 months ended	
	30/9/2014	30/9/2013	30/9/2014	30/9/2013
	RM'000	RM'000	RM'000	RM'000
Sales				
Retail	100,011	107,471	312,598	414,318
Manufacturing & wholesales	<u>30,631</u>	<u>43,415</u>	<u>101,786</u>	<u>144,653</u>
Total	<u>130,642</u>	<u>150,886</u>	<u>414,384</u>	<u>558,971</u>
Profit/(Loss) before tax				
Retail	153	(3,030)	3,964	(809)
Manufacturing & wholesales	<u>1,298</u>	<u>4,772</u>	<u>4,915</u>	<u>(3,081)</u>
Total	<u>1,451</u>	<u>1,742</u>	<u>8,879</u>	<u>(3,890)</u>

Comparison with previous year's corresponding quarter

The Group reported revenue of RM130.642 million for the current quarter ended 30 September 2014 as compared to RM150.886 million recorded in the preceding year's corresponding quarter.

(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 previous year's corresponding quarter (Cont'd)

The Group reported a profit before tax ("PBT") of RM1.451 million during the current quarter in comparison to RM1.742 million recorded in the preceding year's corresponding quarter. The lower PBT was in line with lower sales generated.

Retail Segment

The retail segment reported a revenue of RM100.011 million for the current quarter compared to RM107.471 million in the preceding year's corresponding quarter. Despite lower sales, it reported a PBT of RM0.153 million compared to loss before tax ("LBT") of RM3.030 million reported in the preceding year's corresponding quarter. The lower gold selling price in the preceding year's corresponding quarter has resulted in the retail segment reporting a loss during that period.

Manufacturing & Wholesales segment ("M&W")

During the current quarter, the M&W reported a revenue of RM30.631 million compared to RM43.415 million reported in the previous year's corresponding quarter. This segment reported a PBT of RM1.298 million as compared to PBT of RM4.772 million in the preceding year's corresponding quarter. During the previous year corresponding quarter, the M&W has reversed its earlier write down of inventories and this has increased its profitability for that period. As a result, the current quarter reported a lower PBT in comparison to the previous year corresponding quarter.

Comparison with previous year's corresponding financial year to date

The Group's revenue for the 9 months period ended 30 September 2014 reduced by 25.87% to RM414.384 million as compared to RM558.971 million recorded in the corresponding period last year. The reduction was due to the surge in demand for gold and gold products in the corresponding period last year when there was a significant drop in world gold price. Despite the reduction, the Group reported PBT of RM8.879 million compared to LBT of RM3.890 million in the preceding year's corresponding period.

Retail Segment

The retail division reported sales of RM312.598 million as compared to RM414.318 million recorded in the same period last year. It reported a PBT of RM3.964 million as compared to a LBT of RM0.809 million reported in the same period last year. The profit turnaround is due to the stabilization of world gold price which gives a better gross profit margin.

Manufacturing & Wholesales segment ("M&W")

The W&M division reported sales of RM101.786 million as compared to RM144.653 million recorded in the same period last year. It reported a PBT of RM4.915 million as compared to a LBT of RM3.081 million in the same period last year. The profit turnaround is due to the stabilization of world gold price which gives a better gross profit margin.

TOMEI CONSOLIDATED BERHAD (692959–W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2014****(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	
	30/9/2014	30/6/2014	30/9/2014	30/6/2014
	RM'000	RM'000	RM'000	RM'000
Retail	100,011	91,452	153	637
Manufacturing & wholesales	30,631	34,916	1,298	573
Total	130,642	126,368	1,451	1,210

The Group's revenue for current quarter increased slightly compared to the preceding quarter mainly contributed by the increase in the retail segment. Following with the increase in revenue, the Group's PBT increased from RM1.210 million in the preceding quarter to RM1.451 million during the current quarter.

Retail Segment

The retail segment reported an increase of 9.36% in revenue mainly due to the Hari Raya festivities. However it reported a lower PBT of RM0.153 million compared to RM0.637 million reported in preceding quarter due to lower gross profit margin.

Manufacturing & Wholesales segment ("M&W")

The M&W segment reported a decrease in revenue to RM30.631 million compared to RM34.916 million in the preceding quarter. Nevertheless, it reported a higher PBT of RM1.298 million compared to preceding quarter of RM0.573 million due to improved gross margin and lower overhead.

TOMEI CONSOLIDATED BERHAD (692959–W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2014**

(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)****16. COMMENTARY ON PROSPECTS**

The Group expects to sustain its business in the last quarter of the year due to the Christmas and year end season and therefore will perform better in this financial year.

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 period.

18. TAX EXPENSE

	Individual Quarter		Year to-date	
	30/9/2014	30/9/2013	30/9/2014	30/9/2013
	RM'000	RM'000	RM'000	RM'000
Current taxation	649	828	2,934	(74)
Under provision in prior years	88	375	88	375
	<u>737</u>	<u>1,203</u>	<u>3,022</u>	<u>301</u>

The effective tax rate of the Group for the current quarter and financial year to date is higher than the statutory tax rate as some of its subsidiary companies are in loss making position.

19. CORPORATE PROPOSALS

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

20. BORROWINGS AND DEBT SECURITIES

As at 30 September 2014, the Group has total borrowings of RM 180.997 million, all of which are denominated in Ringgit Malaysia.

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Current	3,150	162,500	165,650
Non-current	2,861	12,486	15,347
	<u>6,011</u>	<u>174,986</u>	<u>180,997</u>

TOMEI CONSOLIDATED BERHAD (692959-W)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2014**

(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)**

21.

	Contract amount RM'000	Derivative Assets RM'000
Gold contract	<u>26,471</u>	<u>410</u>

These gold contracts were entered into with the objective of managing and hedging the Group's exposure to adverse price movements in gold bullions. The fair values of the components have been determined based on counter parties' quotes as at the end of each reporting period.

The above derivatives are initially recognized at fair value on the date the derivative contracts are entered into and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss from the re-measurement is recognized as profit or loss.

During the financial period, the Group recognized a net gain of RM0.216 million arising from fair value changes of derivative assets.

22. CHANGES IN MATERIAL LITIGATIONS

No material litigation has arisen since 31 December 2013.

23. 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 THIRD QUARTER
ENDED 30 SEPTEMBER 2014****(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. EARNINGS/(LOSS) PER SHARE**

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

	Individual Quarter 3 months ended		Year to-date 9 months ended	
	30/9/2014 RM'000	30/9/2013 RM'000	30/9/2014 RM'000	30/9/2013 RM'000
Consolidated profit/(loss) for the financial period attributable to equity holders of the parent	649	637	5,366	(4,153)
Weighted average number of ordinary shares in issue ('000)	138,600	138,600	138,600	138,600
Basic earnings/(loss) per share (sen)	0.47	0.46	3.87	(3.00)
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.

25. PROFIT/(LOSS) BEFORE TAX

	Individual Quarter 3 months ended		Year to-date 9 months ended	
	30/9/2014 RM'000	30/9/2013 RM'000	30/9/2014 RM'000	30/9/2013 RM'000
Profit/(loss) before tax is arrived at after charging/(crediting):-				
Amortisation and depreciation	1,596	1,502	4,681	4,474
Finance costs	2,942	2,909	8,478	8,558
(Reversal of)/Inventories written down to net realisable value	-	(3,974)	-	816
Property, plant and equipment written off	58	5	272	152
(Gain)/ loss on gold price fluctuation and foreign exchange	(984)	508	(2,350)	96
Reversal of impairment loss on trade and other receivables	-	-	-	(3)
Fair value gain on financial instrument	(1,576)	-	(216)	-
Gain on disposal of property, plant and equipment	(87)	(8)	(147)	(8)
Interest income	(20)	(1)	(52)	(11)

TOMEI CONSOLIDATED BERHAD (692959–W)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2014**

(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)**

26. REALISED AND UNREALISED RETAINED EARNINGS

	As at	
	30/9/2014	30/9/2013
	RM'000	RM'000
Total retained earnings:-		
- realised	124,694	127,843
- unrealised	326	(1,471)
	<hr/>	<hr/>
	125,020	126,372
Less: Consolidation adjustments	(15,717)	(20,797)
	<hr/>	<hr/>
Total Group retained earnings	109,303	105,575

By Order of the Board

Secretary

Teoh Kok Jong (LS 04719)

Dated : 25 November 2014