



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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 30 JUNE 2016**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2016**

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30/6/2016	30/6/2015	30/6/2016	30/6/2015
	RM'000	RM'000	RM'000	RM'000
Revenue	107,143	91,783	230,378	261,407
Cost of sales	(77,197)	(69,461)	(164,825)	(192,157)
Gross profit	29,946	22,322	65,553	69,250
Other income	1,660	948	3,685	2,168
Selling and distribution expenses	(21,445)	(20,717)	(43,166)	(46,882)
Administrative expenses	(6,450)	(6,104)	(12,883)	(12,539)
Other expenses	(508)	(894)	(2,315)	(4,479)
Profit/(Loss) from operations	3,203	(4,445)	10,874	7,518
Finance costs	(3,000)	(3,062)	(5,919)	(6,016)
Profit/(Loss) before tax	203	(7,507)	4,955	1,502
Tax income/(expenses)	204	2,154	(1,238)	(1,217)
Profit/(Loss) for the period	407	(5,353)	3,717	285
Profit/(Loss) attributable to:-				
Owners of the parent	485	(5,335)	3,883	126
Non-controlling interest	(78)	(18)	(166)	159
	407	(5,353)	3,717	285
Earnings/(Loss) per ordinary share attributable to equity holders of the parent (sen):-				
Basic earnings/(loss) per share	0.35	(3.85)	2.80	0.09
Diluted earnings per share *	N/A	N/A	N/A	N/A

* Not applicable

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 30 JUNE 2016**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2016 (Cont'd)**

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30/6/2016	30/6/2015	30/6/2016	30/6/2015
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period	407	(5,353)	3,717	285
Foreign currency translations	192	(44)	(727)	798
Total comprehensive income/(loss) for the period	<u>599</u>	<u>(5,397)</u>	<u>2,990</u>	<u>1,083</u>
Total comprehensive income/(loss) attributable to:-				
Owners of the parent	677	(5,379)	3,156	924
Non-controlling interest	(78)	(18)	(166)	159
	<u>599</u>	<u>(5,397)</u>	<u>2,990</u>	<u>1,083</u>

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 2015. 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 2016****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016**

	As At 30/6/2016 RM'000	As At 31/12/2015 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	17,917	18,461
Prepaid lease payments for land	512	521
Deferred tax assets	1,513	1,513
	<u>19,942</u>	<u>20,495</u>
Current assets		
Inventories	354,839	337,334
Derivative assets	-	107
Trade and other receivables	26,574	26,159
Current tax assets	1,259	1,674
Cash and cash equivalents	8,980	8,576
	<u>391,652</u>	<u>373,850</u>
TOTAL ASSETS	<u>411,594</u>	<u>394,345</u>
EQUITY AND LIABILITIES		
Share capital	69,300	69,300
Share premium	4,036	4,036
Reserves	110,177	106,864
Equity attributable to owners of the parent	<u>183,513</u>	<u>180,200</u>
Non-controlling interest	5,250	5,573
TOTAL EQUITY	<u>188,763</u>	<u>185,773</u>
LIABILITIES		
Non-current liabilities		
Borrowings	5,969	7,654
Deferred tax liabilities	735	735
	<u>6,704</u>	<u>8,389</u>
Current Liabilities		
Derivative liabilities	17	-
Trade and other payables	31,638	31,875
Borrowings	181,986	166,623
Current tax liabilities	2,486	1,685
	<u>216,127</u>	<u>200,183</u>
TOTAL LIABILITIES	<u>222,831</u>	<u>208,572</u>
TOTAL EQUITY AND LIABILITIES	<u>411,594</u>	<u>394,345</u>
Net assets per share (RM)	1.36	1.34

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015. 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 2016**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER
ENDED 30 JUNE 2016**

	-----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 2016	69,300	4,036	3,257	103,607	180,200	5,573	185,773
Profit for the financial period	-	-	-	3,883	3,883	(166)	3,717
Foreign currency translations, net of tax	-	-	(570)	-	(570)	(157)	(727)
Total comprehensive income	-	-	(570)	3,883	3,313	(323)	2,990
Balance as at 30 June 2016	<u>69,300</u>	<u>4,036</u>	<u>2,687</u>	<u>107,490</u>	<u>183,513</u>	<u>5,250</u>	<u>188,763</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 2015	69,300	4,036	2,664	105,368	181,368	3,306	184,674
Profit for the financial period	-	-	-	126	126	159	285
Foreign currency translations, net of tax	-	-	798	-	798	-	798
Total comprehensive income	-	-	798	126	924	159	1,083
Transaction with owners:-							
- Dividends paid	-	-	-	(1,386)	(1,386)	-	(1,386)
Balance as at 30 June 2015	<u>69,300</u>	<u>4,036</u>	<u>3,462</u>	<u>104,108</u>	<u>180,906</u>	<u>3,465</u>	<u>184,371</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 2015. 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 2016****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER
ENDED 30 JUNE 2016**

	6 months ended 30/6/2016 RM'000	6 months ended 30/6/2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,955	1,502
Adjustments for:-		
Amortisation of prepaid lease payments for land	9	9
Depreciation of property, plant and equipment	3,309	3,110
Fair value loss/(gain) on financial instrument	124	(110)
Inventories written off	429	881
Property, plant and equipment written off	39	335
Gain on disposal of property, plant and equipment	(2)	(200)
Reversal of impairment loss on trade receivables	(36)	-
Unrealised gain on gold price fluctuation and foreign exchange	(677)	(487)
Finance costs	5,919	6,016
Interest income	(1)	(64)
	<hr/>	<hr/>
Profit before working capital changes	14,068	10,992
Increase in inventories	(17,933)	(6,960)
Increase in trade and other receivables	(1,370)	(959)
Decrease/(Increase) in trade and other payables	1,688	(8,113)
	<hr/>	<hr/>
Cash used in operations	(3,547)	(5,040)
Interest paid	(5,276)	(5,101)
Tax paid	(985)	(1,917)
Tax refunded	962	51
	<hr/>	<hr/>
Net cash used in operating activities	(8,846)	(12,007)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1	64
Purchase of property, plant and equipment	(1,445)	(1,484)
Proceeds from disposal of property, plant and equipment	2	200
	<hr/>	<hr/>
Net cash used in investing activities	(1,442)	(1,220)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	-	(1,386)
Interest paid	(643)	(915)
Net repayments of term loans	(4,898)	(5,717)
Drawdown of short term borrowings	12,573	8,233
Repayments of hire-purchase liabilities	(1,881)	(1,883)
	<hr/>	<hr/>
Net cash from/(used in) financing activities	5,151	(1,668)
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TOMEI CONSOLIDATED BERHAD (692959–W)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 30 JUNE 2016**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED
30 JUNE 2016 (Cont'd)**

	6 months ended 30/6/2016 RM'000	6 months ended 30/6/2015 RM'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,137)	(14,895)
CASH & CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	(39,581)	(29,626)
EFFECT OF EXCHANGE RATES CHANGES	92	225
CASH & CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>(44,626)</u>	<u>(44,296)</u>
Represented by:-		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	8,980	7,752
Bank overdrafts	(53,606)	(52,048)
	<u>(44,626)</u>	<u>(44,296)</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015. 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 2016

(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 2015.

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	
Amendments to MFRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to MFRS 107 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
MFRS 9 <i>Financial instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
MFRS 16 <i>Leases</i>	1 January 2019

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report for the preceding financial year ended 31 December 2015 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 June 2016.

TOMEI CONSOLIDATED BERHAD (692959-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2016

(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 June 2016 and 30 June 2015, which are within the Group's objectives for capital management, are as follows:-

	30/6/2016	30/6/2015
	RM'000	RM'000
Total debt net of cash and cash equivalents	178,975	184,100
Total equity	188,763	184,371
Net gearing ratio	0.95	1.00

The Group reported net gearing ratio of 0.95 as at 30 June 2016, decreased by 0.05 compared to 30 June 2015.

8. DIVIDEND PAID

No dividend was paid during the current quarter.

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 SECOND QUARTER ENDED 30 JUNE 2016**

(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 June 2016	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Revenue			
Total sales	65,372	180,365	245,737
Inter-segment sales	(9,460)	(5,899)	(15,359)
External sales	55,912	174,466	230,378
Results			
Profit before tax	2,186	2,769	4,955
Tax expense	(437)	(801)	(1,238)
Profit for the period	1,749	1,968	3,717
Non-controlling interest			166
Profit attributable to owners of the parent			3,883
Assets and liabilities as at 30 June 2016			
Assets			
Segment assets	63,245	345,577	408,822
Unallocated assets	-	-	2,772
Total assets	-	-	411,594
Liabilities			
Segment liabilities	25,874	193,736	219,610
Unallocated liabilities	-	-	3,221
Total liabilities	-	-	222,831
Results for financial period ended 30 June 2015			
Results for financial period ended 30 June 2015	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Revenue			
Total sales	66,152	202,820	268,972
Inter-segment sales	(6,495)	(1,070)	(7,565)
External sales	59,657	201,750	261,407
Results			
Profit before tax	3,202	(1,700)	1,502
Tax expense	(776)	(441)	(1,217)
Profit for the period	2,426	(2,141)	285
Non-controlling interest			(159)
Profit attributable to owners of the parent			126

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2016

(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 June 2015	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Assets			
Segment assets	62,573	350,800	413,373
Unallocated assets	-	-	4,310
Total assets	-	-	417,683
Liabilities			
Segment liabilities	27,537	204,119	231,656
Unallocated liabilities	-	-	1,656
Total liabilities	-	-	233,312

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

There were no changes to the composition of the Group for the current quarter.

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 2015.

TOMEI CONSOLIDATED BERHAD (692959-W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2016****(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 2016:-

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>26,218</u>

ii) Capital commitments

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

	RM'000
Approved but not contracted for	<u>2,176</u>

15. PERFORMANCE REVIEW

	Individual Quarter		Year to-date	
	3 months ended		6 months ended	
	30/6/2016	30/6/2015	30/6/2016	30/6/2015
	RM'000	RM'000	RM'000	RM'000
Sales				
Retail	79,151	71,680	174,466	201,750
Manufacturing & wholesales	27,992	20,103	55,912	59,657
Total	<u>107,143</u>	<u>91,783</u>	<u>230,378</u>	<u>261,407</u>
Profit/(Loss) before tax				
Retail	(893)	(7,905)	2,769	(1,700)
Manufacturing & wholesales	1,096	398	2,186	3,202
Total	<u>203</u>	<u>(7,507)</u>	<u>4,955</u>	<u>1,502</u>

Comparison with previous year's corresponding quarter

The Group's revenue for current quarter increased by 16.74% to RM107.143 million compared to last year which experienced a slowdown in sales due to enforcement of the Goods and Services Tax ("GST") from 1 April 2015. Sales have since normalized with the GST regime in place.

(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 RM0.203 million during the current quarter as compared a loss before tax (“LBT”) of RM7.507 million recorded in the preceding year’s corresponding quarter. The improved sales have contributed to the current quarter’s profitability. In addition, gold price has increased compared to last year which has resulted in the Group enjoying better gross profit margin.

Retail Segment

The retail segment reported revenue of RM79.151 million for the current quarter compared to RM71.680 million in the previous year’s corresponding quarter, an increase of 10.42% as sales have normalized with the GST regime in place. The higher sales volume and better gold price have managed to reduce the segment’s LBT significantly from RM7.905 million reported last year to RM0.893 million recorded in this quarter.

Manufacturing & Wholesales segment (“M&W”)

During the current quarter, the M&W’s revenue increased by 39.24% to RM27.992 million compared to previous year’s corresponding quarter. As a result, it reported better PBT of RM1.096 million as compared to RM0.398 million recorded in the previous year’s corresponding quarter.

Comparison with previous year’s corresponding financial year to date

The Group’s revenue for the 6 months period ended 30 June 2016 reduced by 11.87% to RM230.378 million as compared to RM261.407 million recorded in the corresponding period last year. The retail sentiment in Malaysia remained weak due to higher cost of living resulting in less disposable income. Despite the lower sales, the Group managed to report a higher PBT of RM4.955 million as compared to RM1.502 million achieved in the previous year’s corresponding period. The better profitability was mainly due to higher profit margin arising from improved gold price and ongoing cost rationalization exercise undertaken by the Group.

Retail Segment

The retail segment reported sales of RM174.466 million as compared to RM201.750 million recorded in the same period last year, a drop of 13.52%. Despite lower sales volume, it managed to reverse its loss last year to report a PBT of RM2.769 million this year. The profitability was mainly contributed by higher profit margin earned and lower operating cost.

Manufacturing & Wholesales segment (“M&W”)

The M&W reported slightly lower sales of RM55.912 million compared to RM59.657 million recorded in the same period last year. As a result, it reported a lower PBT of RM2.186 million compared to RM3.202 million achieved in the same period last year.

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2016

(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	
	30/6/2016	31/3/2016	30/6/2016	31/3/2016
	RM'000	RM'000	RM'000	RM'000
Retail	79,151	95,315	(893)	3,662
Manufacturing & wholesales	27,992	27,920	1,096	1,090
Total	<u>107,143</u>	<u>123,235</u>	<u>203</u>	<u>4,752</u>

The Group reported lower sales for the current quarter in the absence of any major festivities during this period. As a result, it reported a PBT of RM0.203 million compared to PBT of RM4.752 million recorded in the preceding quarter.

16. COMMENTARY ON PROSPECTS

The retail sentiment in Malaysia remains weak affected by both internal and external factors. The prolonged depressed commodity prices especially oil and high household debts coupled with high cost of living have affected consumers' spending.

BNM has recently revised downward interest rate as a measure to stimulate the economy. The Government too has temporarily reduced the employee's EPF contribution to increase disposable income among the working group. These measures are expected to have a positive impact to our economy particularly the retail industry. The Group is vigilantly monitoring the situation and takes proactive measures to sustain and improve on its business.

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.

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2016

(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	
	30/6/2016 RM'000	30/6/2015 RM'000	30/6/2016 RM'000	30/6/2015 RM'000
Current taxation	204	2,154	(1,238)	(1,217)

The effective tax rate of the Group approximate the statutory tax rate of twenty-four percent (24%).

19. CORPORATE PROPOSALS

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

20. BORROWINGS AND DEBT SECURITIES

As at 30 June 2016, the Group has total borrowings of RM 187.955 million, all of which are denominated in Ringgit Malaysia.

	Secured RM'000	Unsecured RM'000	Total RM'000
Current	3,347	178,639	181,986
Non-current	3,614	2,355	5,969
	6,961	180,994	187,955

21. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract amount RM'000	Derivative Assets/(Liabilities) RM'000
Gold loan contracts	496	(20)
Gold futures contracts	546	3
	1,042	(17)

These gold loan contracts and gold future 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.

TOMEI CONSOLIDATED BERHAD (692959–W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2016**

(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. DERIVATIVE FINANCIAL INSTRUMENTS (Cont'd)**

The above derivatives are initially recognised 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 recognised in profit or loss.

During the financial period, the Group recognized a net loss of RM0.124 million arising from fair value changes of derivative financial instruments.

22. CHANGES IN MATERIAL LITIGATIONS

No material litigation has arisen since 31 December 2015.

23. DIVIDEND PAYABLE

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

24. EARNINGS/(LOSS) PER SHARE

The basic earnings 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		Year to-date	
	3 months ended		6 months ended	
	30/6/2016	30/6/2015	30/6/2016	30/6/2015
	RM'000	RM'000	RM'000	RM'000
Consolidated profit/(loss) for the financial period attributable to equity holders of the parent	48	(5,335)	3,88	126
Weighted average number of ordinary shares in issue ('000)	138,60	138,600	138,60	138,600
Basic earnings/(loss) per share (sen)	0.35	(3.85)	2.80	0.09
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.

TOMEI CONSOLIDATED BERHAD (692959-W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2016****(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. PROFIT/(LOSS) BEFORE TAX**

	Individual Quarter		Year to-date	
	3 months ended		6 months ended	
	30/6/2016	30/6/2015	30/6/2016	30/6/2015
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is arrived at after charging/(crediting):-				
Amortisation and depreciation	1,669	1,538	3,318	3,119
Finance costs	3,000	3,062	5,919	6,016
Inventories written off	429	-	429	881
Property, plant and equipment written off	1	21	39	335
(Gain)/Loss on gold price fluctuation and foreign exchange	(598)	608	(694)	1,660
Fair value loss/(gain) on financial instrument	44	(488)	124	(110)
Gain on disposal of property, plant and equipment	-	-	(2)	(200)
Reversal of impairment loss on trade receivables	-	-	(36)	-
Interest income	(1)	(33)	(1)	(64)

26. REALISED AND UNREALISED RETAINED EARNINGS

	As at	
	30/6/2016	30/6/2015
	RM'000	RM'000
Total retained earnings:-		
- realized	118,058	122,210
- unrealized	553	487
	<u>118,611</u>	<u>122,697</u>
Less: Consolidation adjustments	(11,121)	(18,589)
Total Group retained earnings	<u>107,490</u>	<u>104,108</u>

By Order of the Board

Secretary

Teoh Kok Jong (LS 04719)

Dated : 15 August 2016