



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2017

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2017

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
	RM'000	RM'000	RM'000	RM'000
Revenue	169,174	107,143	334,852	230,378
Cost of sales	(129,165)	(77,197)	(254,329)	(164,825)
Gross profit	40,010	29,946	80,523	65,553
Other income	1,912	1,660	3,331	3,685
Selling and distribution expenses	(25,691)	(21,445)	(51,239)	(43,166)
Administrative expenses	(5,820)	(6,450)	(12,201)	(12,883)
Other expenses	(517)	(508)	(1,623)	(2,315)
Profit from operations	9,894	3,203	18,791	10,874
Finance costs	(2,562)	(3,000)	(5,140)	(5,919)
Profit before tax	7,332	203	13,651	4,955
Tax expense	(1,671)	204	(3,641)	(1,238)
Profit for the financial period	5,661	407	10,010	3,717
Profit attributable to:-				
Owners of the parent	5,639	485	9,958	3,883
Non-controlling interests	22	(78)	52	(166)
	5,661	407	10,010	3,717
Earnings per ordinary share attributable to equity holders of the parent (sen):-				
Basic earnings per share	4.07	0.35	7.18	2.80
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 SECOND QUARTER ENDED
30 JUNE 2017**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2017 (Cont'd)**

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	5,661	407	10,010	3,717
Foreign currency translations	217	192	903	(727)
Total comprehensive income	<u>5,878</u>	<u>599</u>	<u>10,913</u>	<u>2,990</u>
Total comprehensive income attributable to:-				
Owners of the parent	5,856	677	10,861	3,156
Non-controlling interests	22	(78)	52	(166)
	<u>5,878</u>	<u>599</u>	<u>10,913</u>	<u>2,990</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 2016. 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 2017****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2017**

	As At 30/6/2017 RM'000	As At 31/12/2016 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	15,732	17,285
Prepaid lease payments for land	494	503
Investment	1,244	-
Deferred tax assets	2,782	2,782
	<u>20,252</u>	<u>20,570</u>
Current assets		
Inventories	362,579	334,941
Derivative assets	-	20
Trade and other receivables	32,848	31,523
Current tax assets	2	22
Cash and bank balances	11,157	8,620
	<u>406,586</u>	<u>375,126</u>
TOTAL ASSETS	<u>426,838</u>	<u>395,696</u>
EQUITY AND LIABILITIES		
Share capital	73,336	69,300
Share premium	-	4,036
Reserves	122,454	111,593
Equity attributable to owners of the parent	<u>195,790</u>	<u>184,929</u>
Non-controlling interests	3,982	5,077
TOTAL EQUITY	<u>199,772</u>	<u>190,006</u>
LIABILITIES		
Non-current liabilities		
Borrowings	3,403	4,777
Deferred tax liabilities	461	461
	<u>3,864</u>	<u>5,238</u>
Current Liabilities		
Trade and other payables	41,202	29,401
Borrowings	179,938	169,909
Current tax liabilities	2,062	1,142
	<u>223,202</u>	<u>200,452</u>
TOTAL LIABILITIES	<u>227,066</u>	<u>205,690</u>
TOTAL EQUITY AND LIABILITIES	<u>426,838</u>	<u>395,696</u>
Net assets per share (RM)	1.44	1.37

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016. 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 2017

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2017

	-----Attributable To Owners Of The Parent-----						Total Equity RM'000
	---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	
Balance as at 1 January 2017	69,300	4,036	3,299	108,294	184,929	5,077	190,006
Profit for the financial period	-	-	-	9,958	9,958	52	10,010
Transaction with owners:-							
- Foreign currency translations, net of tax	-	-	903	-	903	-	903
- Disposal of a subsidiary company	-	-	-	-	-	(1,147)	(1,147)
- Transfer pursuant to Companies Act 2016 (Note a)	4,036	(4,036)	-	-	-	-	-
Balance as at 30 June 2017	<u>73,336</u>	<u>-</u>	<u>4,202</u>	<u>118,252</u>	<u>195,790</u>	<u>3,982</u>	<u>199,772</u>

	-----Attributable To Owners Of The Parent-----						Total Equity RM'000
	---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	
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
Transaction with owners:-							
- Foreign currency translations, net of tax	-	-	(570)	-	(570)	(157)	(727)
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>

Note a: Pursuant to Section 74 of the Companies Act 2016 ("Act") which came into effect on 31 January 2017, the Company's shares no longer have a par or nominal value. In accordance to the transitional provision set out in Section 618(3) of the Act, the amount in the share premium account has been transferred to the share capital account.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016. 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 2017****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 JUNE 2017**

	6 months ended 30/6/2017 RM'000	6 months ended 30/6/2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	13,651	4,955
Adjustments for:-		
Amortisation of prepaid lease payments for land	9	9
Depreciation of property, plant and equipment	3,366	3,309
Fair value loss on derivative assets	-	124
Inventories written off	-	429
Property, plant and equipment written off	37	39
Gain on disposal of property, plant and equipment	(133)	(2)
Reversal of impairment loss on trade receivables	-	(36)
Unrealised gain on gold price fluctuation and foreign exchange	(1,047)	(677)
Finance costs	5,140	5,919
Interest income	(1)	(1)
Operating profit before changes in working capital	21,022	14,068
Inventories	(29,871)	(17,933)
Trade and other receivables	(260)	(1,370)
Trade and other payables	12,586	1,688
Cash generated from/(used in) operations	3,477	(3,547)
Interest paid	(4,817)	(5,276)
Tax paid	(2,805)	(985)
Tax refunded	-	962
Net cash generated used in operating activities	(4,145)	(8,846)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1	1
Purchase of property, plant and equipment	(1,479)	(1,445)
Proceeds from disposal of property, plant and equipment	138	2
Net cash used in investing activities	(1,340)	(1,442)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(323)	(643)
Net repayments of term loans	(1,998)	(4,898)
Drawdown of short term borrowings	11,477	12,573
Repayments of hire-purchase liabilities	(1,704)	(1,881)
Net cash from financing activities	7,452	5,151

TOMEI CONSOLIDATED BERHAD (692959–W)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2017**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED
30 JUNE 2017 (Cont'd)**

	6 months ended 30/6/2017 RM'000	6 months ended 30/6/2016 RM'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,967	(5,137)
CASH & CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	(32,590)	(39,581)
EFFECT OF EXCHANGE RATES CHANGES	251	92
CASH & CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>(30,372)</u>	<u>(44,626)</u>
Represented by:-		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	11,157	8,980
Bank overdrafts	(41,529)	(53,606)
	<u>(30,372)</u>	<u>(44,626)</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016. 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 2017

(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 2016.

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 1 <i>Annual Improvements to MFRS Standards 2014-2016 Cycle</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarifications to MFRS 15	1 January 2018
MFRS 9 <i>Financial instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014-2016 Cycle</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraph 46 and 48
MFRS 16 <i>Leases</i>	1 January 2019
Amendments to MFRS 10 and MFRS 128 <i>Sales or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report for the preceding financial year ended 31 December 2016 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 2017.

TOMEI CONSOLIDATED BERHAD (692959-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2017

(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 net debt to be the key components in the Group's capital structure. The Group monitors capital on the basis of 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 2017 and 30 June 2016, which are within the Group's objectives for capital management, are as follows:-

	30/6/2017	30/6/2016
	RM'000	RM'000
Total debt net of cash and cash equivalents	172,184	178,975
Total equity	199,772	188,763
Net gearing ratio	0.86	0.95

The Group reported net gearing ratio of 0.86 as at 30 June 2017, decreased by 0.09 compared to 30 June 2016.

8. DIVIDEND PAID

No dividend was paid during the current quarter.

9. OPERATING SEGMENTAL INFORMATION – MFRS 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

TOMEI CONSOLIDATED BERHAD (692959-W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

(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 2017	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Revenue			
Total sales	106,189	286,623	392,812
Inter-segment sales	(14,427)	(43,533)	(57,960)
External sales	91,762	243,090	334,852
Results			
Profit before tax	4,284	9,367	13,651
Tax expense	(867)	(2,774)	(3,641)
Profit for the period	3,417	6,593	10,010
Non-controlling interest			(52)
Profit attributable to owners of the parent			9,958
Assets and liabilities as at 30 June 2017			
Assets			
Segment assets	70,590	353,464	424,054
Unallocated assets	-	-	2,784
Total assets	-	-	426,838
Liabilities			
Segment liabilities	27,247	197,296	224,543
Unallocated liabilities	-	-	2,523
Total liabilities	-	-	227,066
Results for financial period ended 30 June 2016			
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

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2017

(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 2016	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
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

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

On 18 April 2017, the Company's subsidiary company, Tomei Gold & Jewellery Holdings (M) Sdn Bhd has entered into a distribution agreement with Shenzhen Harmony Batar Jewellery Co Ltd for an exclusive right to distribute and retail the Xifu jewellery collections in Malaysia.

Other than the above, there were no significant events during the current quarter.

12. CHANGES IN COMPOSITION OF THE GROUP

On 1 March 2017, the Company's indirect subsidiary company, Tomei Gold & Jewellery (MJ) Sdn Bhd was dissolved after being placed under members' voluntary winding up since 29 December 2015.

On 14 March 2017, the Company had subscribed for additional 100,000 of ordinary shares in its wholly owned subsidiary company, Tomei Gold & Jewellery Holdings (M) Sdn Bhd for a cash consideration of RM100,000.

On 30 May 2017, the Company has disposed of 36% of its shareholding in its 55% owned subsidiary company, Wealthy Concept Limited HKD1,621,000.00. The transaction was completed on 30 June 2017.

Other than the above, there were no changes to the composition of the Group for the financial period.

TOMEI CONSOLIDATED BERHAD (692959–W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2017**

(The figures have not been audited)

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****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 2016.

14. COMMITMENTS

Except as disclosed below, there were no other material commitments as at 30 June 2017:-

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>40,181</u>

ii) Capital commitments

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

	RM'000
Approved but not contracted for	<u>2,539</u>

15. PERFORMANCE REVIEW

	Individual Quarter		Year to-date	
	3 months ended		6 months ended	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
	RM'000	RM'000	RM'000	RM'000
Sales				
Retail	125,560	79,151	243,090	174,466
Manufacturing & wholesales	43,614	27,992	91,762	55,912
Total	<u>169,174</u>	<u>107,143</u>	<u>334,852</u>	<u>230,378</u>
Profit before tax				
Retail	4,946	(893)	9,367	2,769
Manufacturing & wholesales	2,386	1,096	4,284	2,186
Total	<u>7,332</u>	<u>203</u>	<u>13,651</u>	<u>4,955</u>

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2017

(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 and financial year to-date

The Group reported increase in revenue to RM169.174 million for the current quarter ended 30 June 2017 in comparison to RM107.143 million recorded in the previous year's corresponding quarter. The improvement in revenue is contributed by both the retail and manufacturing & wholesales segment. As a result, the Group reported higher profit before tax ("PBT") of RM7.332 million compared to RM0.203 million reported in previous year's corresponding quarter.

For the financial year to-date, the Group reported increase in revenue to RM334.852 million compared to RM230.378 million last year. In line with this improvement, PBT increased to RM13.651 million compared to RM4.955 million last year.

Retail Segment

The retail segment reported revenue of RM125.560 million for the current quarter compared to RM79.151 million in the previous year's corresponding quarter, an increase of 58.63% due to higher consumer's demand during the period. As a result, it managed to turnaround to report profit of RM4.946 million during the current quarter. For the financial year to-date, the retail division also reported increase in both revenue and profitability to RM243.090 million and RM9.367 million from RM174.466 million and RM2.769 million respectively.

Manufacturing & Wholesales segment ("M&W")

During the current quarter, the M&W reported revenue of RM43.614 million compared to RM27.992 million in the previous year's corresponding quarter due to higher consumer's demand. As a result, the M&W reported PBT of RM2.386 million as compared to RM1.096 million recorded in the previous year's corresponding quarter. For the financial year to-date, the M&W division also reported increase in both revenue and profitability to RM91.762 million and RM4.284 million from RM55.912 million and RM2.186 million respectively.

Comparison with preceding quarter

	Revenue		Profit before tax	
	3 months ended		3 months ended	
	30/6/2017	31/3/2017	30/6/2017	31/3/2017
	RM'000	RM'000	RM'000	RM'000
Retail	125,560	117,530	4,946	4,421
Manufacturing & wholesales	43,614	48,148	2,386	1,898
Total	169,174	165,678	7,332	6,319

The Group revenue for the current quarter increased slightly to RM169.174 million compared to RM165.678 million recorded in its preceding quarter. As a result, the Group reported a slightly higher PBT of RM7.332 million compared to RM6.319 million recorded in the preceding quarter.

TOMEI CONSOLIDATED BERHAD (692959–W)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2017**

(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 (Cont'd)

Retail Segment

The retail segment's reported higher revenue of RM125.560 million compared to RM117.530 million recorded in the last quarter mainly due to higher sales volume. In line with the improved revenue, its PBT also increased to RM4.946 million compared to RM4.421 million compared to its preceding quarter.

Manufacturing & Wholesales segment ("M&W")

The M&W segment reported lower revenue of RM43.614 million during the current quarter compared to RM48.148 million in the preceding quarter due to lower export sales. Its PBT increased from RM1.898 million to RM2.386 million compared to its preceding quarter.

16. COMMENTARY ON PROSPECTS

Despite a soft retail environment, the Group's retail operation continues to improve. As part of our strategy, we have introduced many new products range to the market in serving our customer. We expect this effort to sustain the profitability of the Group for the remaining part of the 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	
	30/6/2017 RM'000	30/6/2016 RM'000	30/6/2017 RM'000	30/6/2016 RM'000
Current taxation	(1,671)	204	(3,641)	(1,238)

The effective tax rate of the Group for the financial period approximates the statutory tax rate.

19. CORPORATE PROPOSALS

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

TOMEI CONSOLIDATED BERHAD (692959–W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

(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)**20. BORROWINGS AND DEBT SECURITIES**

As at 30 June 2017, the Group has total borrowings of RM183.341 million, all of which are denominated in Ringgit Malaysia.

	Secured RM'000	Unsecured RM'000	Total RM'000
Current	2,680	177,258	179,938
Non-current	2,464	939	3,403
	<u>5,144</u>	<u>178,197</u>	<u>183,341</u>

21. DERIVATIVE ASSETS

During the financial period, the Group does not have any derivative assets or liabilities.

22. CHANGES IN MATERIAL LITIGATIONS

No material litigation has arisen since 31 December 2016.

23. DIVIDEND PAYABLE

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

24. EARNINGS PER ORDINARY SHARE

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

	Individual Quarter 3 months ended		Year to-date 6 months ended	
	30/6/2017 RM'000	30/6/2016 RM'000	30/6/2017 RM'000	30/6/2016 RM'000
Consolidated profit/(loss) for the financial period attributable to equity holders of the parent	5,639	485	9,958	3,883
Weighted average number of ordinary shares in issue ('000)	138,600	138,600	138,600	138,600
Basic earnings/(loss) per share (sen)	4.07	0.35	7.18	2.80
Diluted earnings per share	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

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

TOMEI CONSOLIDATED BERHAD (692959-W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2017****(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 BEFORE TAX**

	Individual Quarter		Year to-date	
	3 months ended		6 months ended	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is arrived at after charging/(crediting):-				
Amortisation and depreciation	1,742	1,669	3,375	3,318
Finance costs	2,562	3,000	5,140	5,919
Inventories written off	-	429	-	429
Property, plant and equipment written off	36	1	37	39
(Gain)/Loss on gold price fluctuation and foreign exchange	(1,470)	(598)	(1,491)	(694)
Fair value loss/(gain) on financial instrument	-	44	-	124
Gain on disposal of property, plant and equipment	(10)	-	(133)	(2)
Reversal of impairment loss on trade receivables	-	-	-	(36)
Interest income	-	(1)	(1)	(1)

26. REALISED AND UNREALISED RETAINED EARNINGS

	As at	
	30/6/2017	30/6/2016
	RM'000	RM'000
Total retained earnings:-		
- realized	130,130	118,058
- unrealized	3,368	553
	<u>133,498</u>	<u>118,611</u>
Less: Consolidation adjustments	<u>(15,246)</u>	<u>(11,121)</u>
Total Group retained earnings	<u>118,252</u>	<u>107,490</u>

By Order of the Board

Secretary

Teoh Kok Jong (LS 04719)

Dated : 17 August 2017