



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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2017**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2017**

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	RM'000	RM'000	RM'000	RM'000
Revenue	150,106	127,798	617,020	472,209
Cost of sales	(114,792)	(94,377)	(469,923)	(341,010)
Gross profit	35,314	33,421	147,097	131,199
Other income	2,280	(683)	6,771	3,722
Selling and distribution expenses	(21,396)	(20,323)	(92,780)	(85,285)
Administrative expenses	(7,242)	(7,088)	(25,544)	(26,342)
Other expenses	(860)	(903)	(3,081)	(3,466)
Profit from operations	8,096	4,424	32,463	19,828
Finance costs	(3,190)	(2,912)	(11,023)	(11,775)
Profit before tax	4,906	1,512	21,440	8,053
Tax expense	(757)	(1,410)	(5,151)	(3,787)
Profit for the financial year	4,149	102	16,289	4,266
Profit attributable to:-				
Owners of the parent	4,401	226	16,203	4,687
Non-controlling interests	(252)	(124)	86	(421)
	4,149	102	16,289	4,266
Earnings per ordinary share attributable to equity holders of the parent (sen):-				
Basic earnings per share	3.18	0.16	11.69	3.38
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 2017**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2017
(Cont'd)**

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	RM'000	RM'000	RM'000	RM'000
Profit for the financial year	4,149	102	16,289	4,266
Foreign currency translations	1,511	455	(501)	(33)
Total comprehensive income	<u>5,660</u>	<u>557</u>	<u>15,788</u>	<u>4,233</u>
Profit attributable to:-				
Owners of the parent	5,912	681	15,702	4,729
Non-controlling interests	<u>(252)</u>	<u>(124)</u>	<u>86</u>	<u>(496)</u>
	<u>5,660</u>	<u>557</u>	<u>15,788</u>	<u>4,233</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 FOURTH QUARTER ENDED
31 DECEMBER 2017****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
31 DECEMBER 2017**

	As At 31/12/2017 RM'000	As At 31/12/2016 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	17,632	17,285
Prepaid lease payments for land	485	503
Investment	471	-
Deferred tax assets	2,290	2,782
	<u>20,878</u>	<u>20,570</u>
Current assets		
Inventories	348,415	334,941
Derivative assets	-	20
Trade and other receivables	35,432	31,523
Current tax assets	664	22
Cash and bank balances	12,048	8,620
	<u>396,559</u>	<u>375,126</u>
TOTAL ASSETS	<u><u>417,437</u></u>	<u><u>395,696</u></u>
EQUITY AND LIABILITIES		
Share capital	73,336	69,300
Share premium	-	4,036
Reserves	126,357	111,593
Equity attributable to owners of the parent	<u>199,693</u>	<u>184,929</u>
Non-controlling interests	4,029	5,077
TOTAL EQUITY	<u>203,722</u>	<u>190,006</u>
LIABILITIES		
Non-current liabilities		
Borrowings	4,494	4,777
Deferred tax liabilities	331	461
Other liabilities	582	-
	<u>5,407</u>	<u>5,238</u>
Current Liabilities		
Trade and other payables	32,739	29,401
Borrowings	175,569	169,909
Current tax liabilities	-	1,142
	<u>208,308</u>	<u>200,452</u>
TOTAL LIABILITIES	<u>213,715</u>	<u>205,690</u>
TOTAL EQUITY AND LIABILITIES	<u><u>417,437</u></u>	<u><u>395,696</u></u>
Net assets per share (RM)	1.47	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 FOURTH QUARTER ENDED 31 DECEMBER 2017

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 2017

-----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 2017	69,300	4,036	3,299	108,294	184,929	5,077	190,006
Profit for the financial year	-	-	-	16,203	16,203	86	16,289
Transaction with owners:-							
- Foreign currency translations, net of tax	-	-	(501)	-	(501)	-	(501)
- Disposal of a subsidiary company	-	-	(938)	-	(938)	(1,134)	(2,072)
- Transfer pursuant to Companies Act 2016 (Note a)	4,036	(4,036)	-	-	-	-	-
Balance as at 31 December 2017	73,336	-	1,860	124,497	199,693	4,029	203,722

-----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 year	-	-	-	4,687	4,687	(421)	4,266
Transaction with owners:-							
- Foreign currency translations, net of tax	-	-	42	-	42	(75)	(33)
Balance as at 31 December 2016	69,300	4,036	3,299	108,294	184,929	5,077	190,006

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 FOURTH QUARTER ENDED 31 DECEMBER 2017****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 DECEMBER 2017**

	12 months ended 31/12/2017	12 months ended 31/12/2016 (Audited)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	21,440	8,053
Adjustments for:-		
Amortisation of prepaid lease payments for land	18	18
Depreciation of property, plant and equipment	6,156	6,420
Fair value gain on derivative assets	-	(20)
Inventories written down	1,002	-
Inventories written off	16	652
Property, plant and equipment written off	605	560
Gain on disposal of property, plant and equipment	(160)	(99)
Gain on disposal of subsidiary	(160)	-
Impairment loss on trade receivables	63	96
Reversal of impairment loss on trade and other receivables	-	(36)
Unrealised gain on gold price fluctuation and foreign exchange	(1,122)	(227)
Finance costs	11,023	11,775
Interest income	(2)	(1)
	<hr/>	<hr/>
Operating profit before changes in working capital	38,879	27,191
Inventories	(14,493)	1,741
Trade and other receivables	(5,709)	(6,381)
Trade and other payables	4,326	(519)
	<hr/>	<hr/>
Cash generated from operations	23,003	22,032
Interest paid	(10,275)	(10,719)
Tax paid	(7,017)	(5,183)
Tax refunded	-	962
	<hr/>	<hr/>
Net cash generated from operating activities	5,711	7,092
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	2	1
Purchase of property, plant and equipment	(7,013)	(2,871)
Proceeds from disposal of property, plant and equipment	166	99
	<hr/>	<hr/>
Net cash used in investing activities	(6,845)	(2,771)
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TOMEI CONSOLIDATED BERHAD (692959–W)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2017**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER
ENDED 31 DECEMBER 2017 (Cont'd)**

	12 months ended 31/12/2017 RM'000	12 months ended 31/12/2016 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(559)	(1,056)
Net repayments of term loans	(259)	(8,931)
Net drawdown of short term borrowings	12,210	16,406
Net repayments of hire-purchase liabilities	(3,339)	(3,940)
Net cash generated from financing activities	<u>8,053</u>	<u>2,479</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,919	6,800
CASH & CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	(32,590)	(39,581)
EFFECT OF EXCHANGE RATES CHANGES	461	191
CASH & CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u><u>(25,210)</u></u>	<u><u>(32,590)</u></u>
Represented by:-		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	12,048	8,620
Bank overdrafts	(37,258)	(41,210)
	<u><u>(25,210)</u></u>	<u><u>(32,590)</u></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 FOURTH QUARTER ENDED 31 DECEMBER 2017

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

The 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 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 have been issued but have yet to be adopted by the Group in this interim financial statement. The Group does not foresee any material impact to its profitability upon its adoption in the financial year ending 31 December 2018.

Title	Effective Date
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarification 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 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48

The following MFRSs, Amendment to MFRSs and IC Interpretation have been issued but only come into effect from 1 January 2019 and therefore have yet to be adopted by the Group.

MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

(The figures have not been audited)

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

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 31 December 2017.

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 31 December 2017 and 31 December 2016, which are within the Group's objectives for capital management, are as follows:-

	31/12/2017	31/12/2016
	<u>RM'000</u>	<u>RM'000</u>
Total debt net of cash and cash equivalents	168,015	166,066
Total equity	203,722	190,006
Net gearing ratio	0.82	0.87

The Group reported net gearing ratio of 0.82 as at 31 December 2017, decreased by 0.05 compared to 31 December 2016.

8. DIVIDEND PAID

No dividend was paid during the current quarter.

TOMEI CONSOLIDATED BERHAD (692959-W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2017**

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)**9. OPERATING SEGMENTAL INFORMATION – MFRS 8**

The Group has 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 financial year is as follows:-

Results for financial year ended 31 December 2017	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Revenue			
Total sales	193,273	538,220	731,493
Inter-segment sales	(26,590)	(87,883)	(114,473)
External sales	166,683	450,337	617,020
Results			
Profit before tax	3,206	18,234	21,440
Tax expense	(727)	(4,424)	(5,151)
Profit for the year	2,479	13,810	16,289
Non-controlling interest			(86)
Profit attributable to owners of the parent			16,203
Assets and liabilities as at 31 December 2017			
Assets			
Segment assets	73,693	340,790	414,483
Unallocated assets	-	-	2,954
Total assets	-	-	417,437
Liabilities			
Segment liabilities	28,658	184,726	213,384
Unallocated liabilities	-	-	331
Total liabilities	-	-	213,715
Results for financial year ended 31 December 2016	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Revenue			
Total sales	136,606	359,375	495,981
Inter-segment sales	(19,914)	(3,858)	(23,772)
External sales	116,692	355,517	472,209
Results			
Profit before tax	3,590	4,463	8,053
Tax expense	(1,258)	(2,529)	(3,787)
Profit for the year	2,332	1,934	4,266
Non-controlling interest			421
Profit attributable to owners of the parent			4,687

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

(The figures have not been audited)

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

9. OPERATING SEGMENTAL INFORMATION – MFRS 8 (Cont'd)

Assets and liabilities as at 31 December 2016	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Assets			
Segment assets	66,445	326,447	392,892
Unallocated assets	-	-	2,804
Total assets	-	-	395,696
Liabilities			
Segment liabilities	27,821	176,266	204,087
Unallocated liabilities	-	-	1,603
Total liabilities	-	-	205,690

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 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, for HKD1,621,000.00. The transaction was completed on 30 June 2017.

On 12 December 2017, the Company's indirect subsidiary company, J&G Collections Sdn Bhd was dissolved after being placed under members' voluntary winding up since 25 November 2015.

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

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.

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

(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 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.

Future rental commitments	RM'000 32,332
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ii) Capital commitments

Capital expenditure in respect of purchase of property, plant and equipment.

Approved but not contracted for	RM'000 10,900
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15. PERFORMANCE REVIEW

Comparison with previous year's corresponding quarter and financial year to-date

	Individual Quarter			
	3 months ended		Variance	
	31/12/2017 RM'000	31/12/2016 RM'000	RM'000	Percentage
Sales				
Retail	114,096	98,986	+15,110	+15%
Manufacturing & wholesales	36,010	28,812	+7,198	+25%
Total	<u>150,106</u>	<u>127,798</u>	+22,308	+17%
Profit/(Loss) before tax				
Retail	5,905	2,720	+3,185	+117%
Manufacturing & wholesales	(999)	(1,208)	+209	N/A
Total	<u>4,906</u>	<u>1,512</u>	+3,394	+224%
	Year to-date			
	12 months ended		Variance	
	31/12/2017 RM'000	31/12/2016 RM'000	RM'000	Percentage
Sales				
Retail	450,337	355,517	+94,820	+27%
Manufacturing & wholesales	166,683	116,692	+49,991	+43%
Total	<u>617,020</u>	<u>472,209</u>	+144,811	+31%
Profit before tax				
Retail	18,234	4,463	+13,771	+309%
Manufacturing & wholesales	3,206	3,590	-384	-11%
Total	<u>21,440</u>	<u>8,053</u>	+13,387	+166%

TOMEI CONSOLIDATED BERHAD (692959-W)

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

The Group reported increase in revenue to RM150.106 million for the current quarter ended 31 December 2017 in comparison to RM127.798 million recorded in the previous year's corresponding quarter. The improvement in revenue is contributed positively by both the retail and manufacturing & wholesales segment. As a result, the Group reported a stronger profit before tax ("PBT") of RM4.906 million compared to RM1.512 million reported in previous year's corresponding quarter.

For the financial year, the Group reported increased in revenue to RM617.020 million compared to RM472.209 million last year due mainly to increase in demand. In line with this improvement, PBT increased to RM21.440 million compared to RM8.053 million last year.

Retail Segment

The retail segment reported revenue of RM114.096 million for the current quarter compared to RM98.986 million in the previous year's corresponding quarter, an increase of 15% due to higher consumers' demand. As a result, it reported higher PBT of RM5.905 million compared to RM2.720 million recorded in the previous year's corresponding quarter.

For the financial year, the retail segment reported a 27% increase in revenue to RM450.337 million compared to last year. Following the increase in sales, its PBT grew from RM4.463 million last year to RM18.234 million for the current financial year.

Manufacturing & Wholesales segment ("M&W")

During the current quarter, the M&W reported revenue of RM36.010 million compared to RM28.812 million in the previous year's corresponding quarter mainly due to higher sales volume. As a result, it reported a lower loss before tax ("LBT") of RM0.999 million as compared to LBT of RM1.208 million recorded in the previous year's corresponding quarter.

For the financial year, the M&W reported a 43% increase in revenue to RM166.683 million compared to last year. However, due to the written down of certain inventories, it reported a lower PBT of RM3.206 million for the financial year compared to RM3.590 million recorded in the last financial year.

Comparison with preceding quarter

	Revenue			
	3 months ended		Variance	
	31/12/2017	30/09/2017	RM'000	Percentage
	RM'000	RM'000	RM'000	Percentage
Retail	114,096	96,127	+17,969	+19%
Manufacturing & wholesales	36,010	35,935	+75	+0.2%
Total	150,106	132,062	+18,044	+14%

	Profit before tax			
	3 months ended		Variance	
	31/12/2017	30/09/2017	RM'000	Percentage
	RM'000	RM'000	RM'000	Percentage
Retail	5,905	2,562	+3,343	+130%
Manufacturing & wholesales	(999)	321	-1,320	N/A
Total	4,906	2,883	+2,023	+70%

TOMEI CONSOLIDATED BERHAD (692959–W)

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

The Group reported revenue of RM150.106 million for the current quarter compared to RM132.062 million in the preceding quarter mainly due to year end festivities. As a result, it managed to report higher PBT of RM4.906 million compared to RM2.883 million recorded in the preceding quarter.

Retail Segment

The retail segment's revenue increased by 19% to RM114.096 million compared to RM96.127 million in the preceding quarter mainly due to higher sales volume. As a result, its PBT increased to RM5.905 million from RM2.562 million recorded in its preceding quarter.

Manufacturing & Wholesales segment ("M&W")

The M&W's revenue for the current quarter approximates its revenue for its preceding quarter. However, due to the write down of certain inventories, it reported LBT of RM0.999 million compared to a PBT of RM0.321 million recorded in its preceding quarter.

16. COMMENTARY ON PROSPECTS

Financial year 2017 has been very challenging for the retail industry as consumers' sentiment remained weak. Despite of this, the Group managed to report a healthy growth to its revenue and profitability as a result of its continued efforts to reach its customers with more product offerings.

The Board of Directors is of the opinion that the Group will continue to remain profitable for the new financial year 2018.

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.

18. TAX EXPENSE

	Individual Quarter		Year to-date	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	RM'000	RM'000	RM'000	RM'000
Current taxation	1,379	2,929	4,790	5,174
(Over)/Under provision in prior year	(984)	-	(1)	132
Deferred taxation				
- Current	362	(1,519)	362	(1,519)
	<u>757</u>	<u>1,410</u>	<u>5,151</u>	<u>3,787</u>

The effective tax rate of the Group for the current financial year approximates is statutory tax rate.

TOMEI CONSOLIDATED BERHAD (692959–W)

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

19. CORPORATE PROPOSALS

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

20. BORROWINGS AND DEBT SECURITIES

As at 31 December 2017, the Group has total borrowings of RM180.063 million, all of which are denominated in Ringgit Malaysia.

	Secured RM'000	Unsecured RM'000	Total RM'000
Current	1,442	174,127	175,569
Non-current	3,067	1,427	4,494
	<u>4,509</u>	<u>175,554</u>	<u>180,063</u>

21. DERIVATIVE ASSETS

As at financial year end, the Group does not have any outstanding derivative assets or liabilities.

22. CHANGES IN MATERIAL LITIGATIONS

No material litigation has arisen since 31 December 2016.

23. DIVIDEND PAYABLE

The Directors has recommended a first and final single tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2017 for the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

24. EARNINGS PER ORDINARY SHARE

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

	Individual Quarter 3 months ended		Year to-date 12 months ended	
	31/12/2017 RM'000	31/12/2016 RM'000	31/12/2017 RM'000	31/12/2016 RM'000
Consolidated profit for the financial year attributable to equity holders of the parent	4,401	226	16,203	4,687
Weighted average number of ordinary shares in issue ('000)	138,600	138,600	138,600	138,600
Basic earnings per share (sen)	3.18	0.16	11.69	3.38
Diluted earnings per share	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

There is no diluted earnings 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 FOURTH QUARTER ENDED
31 DECEMBER 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**

Profit before tax is arrived at after charging/(crediting):-

	Individual Quarter 3 months ended		Year to-date 12 months ended	
	31/12/2017 RM'000	31/12/2016 RM'000	31/12/2017 RM'000	31/12/2016 RM'000
Amortisation and depreciation	1,633	1,436	6,174	6,438
Impairment in trade receivables	63	96	63	96
Finance costs	3,190	2,912	11,023	11,775
Inventories written off	16	223	16	652
Inventories written down	1,002	-	227	-
Property, plant and equipment written off	(9)	451	605	560
Loss/(Gain) on gold price fluctuation and foreign exchange	(229)	502	(1,122)	(230)
Fair value loss/(gain) on financial instrument	-	(20)	-	(20)
Gain on disposal of property, plant and equipment	-	(3)	(160)	(99)
Gain on disposal of subsidiary	(160)	-	(160)	-
Reversal of impairment loss on trade receivables	-	-	-	(36)
Interest income	(1)	-	(2)	(1)

By Order of the Board

Secretary

Teoh Kok Jong (LS 04719)

Dated : 09 February 2018