



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2018

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2018

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
	RM'000	RM'000	RM'000	RM'000
Revenue	129,580	169,174	279,533	334,852
Cost of sales	(99,052)	(129,165)	(214,043)	(254,329)
Gross profit	30,528	40,009	65,490	80,523
Other income	1,447	1,912	3,045	3,331
Selling and distribution expenses	(22,091)	(25,691)	(45,964)	(51,239)
Administrative expenses	(6,159)	(5,819)	(12,298)	(12,201)
Other expenses	(207)	(517)	(459)	(1,623)
Profit from operations	3,518	9,894	9,814	18,791
Finance costs	(2,852)	(2,562)	(5,709)	(5,140)
Profit before tax	666	7,332	4,105	13,651
Tax expense	(259)	(1,671)	(1,194)	(3,641)
Profit for the financial period	407	5,661	2,911	10,010
Profit attributable to:-				
Owners of the parent	394	5,639	2,892	9,958
Non-controlling interests	13	22	19	52
	407	5,661	2,911	10,010
Earnings per ordinary share attributable to equity holders of the parent (sen):-				
Basic earnings per share	0.28	4.07	2.09	7.18
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 2018**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2018 (Cont'd)**

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	407	5,661	2,911	10,010
Foreign currency translations	141	217	(161)	903
Total comprehensive income	<u>548</u>	<u>5,878</u>	<u>2,750</u>	<u>10,913</u>
Profit attributable to:-				
Owners of the parent	535	5,856	2,731	10,861
Non-controlling interests	13	22	19	52
	<u>548</u>	<u>5,878</u>	<u>2,750</u>	<u>10,913</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 2017. 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 2018****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2018**

	As At 30/6/2018 RM'000	As At 31/12/2017 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	18,640	17,632
Prepaid lease payments for land	475	485
Investment	471	471
Deferred tax assets	2,290	2,290
	<u>21,876</u>	<u>20,878</u>
Current assets		
Inventories	342,100	348,415
Trade and other receivables	34,845	35,435
Current tax assets	2,566	664
Cash and bank balances	8,527	12,048
	<u>388,038</u>	<u>396,562</u>
TOTAL ASSETS	<u>409,914</u>	<u>417,440</u>
EQUITY AND LIABILITIES		
Share capital	73,336	73,336
Reserves	127,546	126,201
Equity attributable to owners of the parent	<u>200,882</u>	<u>199,537</u>
Non-controlling interests	4,048	4,029
TOTAL EQUITY	<u>204,930</u>	<u>203,566</u>
LIABILITIES		
Non-current liabilities		
Borrowings	2,606	3,597
Deferred tax liabilities	331	331
Other liabilities	600	582
	<u>3,537</u>	<u>4,510</u>
Current Liabilities		
Trade and other payables	23,246	32,898
Borrowings	178,201	176,466
	<u>201,447</u>	<u>209,364</u>
TOTAL LIABILITIES	<u>204,984</u>	<u>213,874</u>
TOTAL EQUITY AND LIABILITIES	<u>409,914</u>	<u>417,440</u>
Net assets per share (RM)	1.48	1.47

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017. 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 2018

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2018

-----Attributable To Owners Of The Parent-----

---Non Distributable--- Distributable

	Share Capital 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 2018	73,336	1,862	124,339	199,537	4,029	203,566
Profit for the financial period	-	-	2,892	2,892	19	2,911
Transaction with owners:-						
- Dividend paid	-	-	(1,386)	(1,386)	-	(1,386)
- Foreign currency translations, net of tax	-	(161)	-	(161)	-	(161)
Balance as at 30 June 2018	73,336	1,701	125,845	200,882	4,048	204,930

-----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 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	73,336	-	4,202	118,252	195,790	3,982	199,772

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 2017. 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 2018****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 JUNE 2018**

	6 months ended 30/6/2018	6 months ended 30/6/2017
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,105	13,651
Adjustments for:-		
Amortisation of prepaid lease payments for land	10	9
Depreciation of property, plant and equipment	3,148	3,366
Property, plant and equipment written off	1	37
Gain on disposal of property, plant and equipment	(158)	(133)
Gain on dissolution of a subsidiary company	(20)	-
Unrealised loss/(gain) on gold price fluctuation and foreign exchange	235	(1,047)
Finance costs	5,709	5,140
Interest income	-	(1)
	<hr/>	<hr/>
Operating profit before changes in working capital	13,030	21,022
Inventories	6,315	(29,871)
Trade and other receivables	402	(260)
Trade and other payables	(9,993)	12,586
	<hr/>	<hr/>
Cash generated from operations	9,754	3,477
Interest paid	(5,473)	(4,817)
Tax paid	(3,104)	(2,805)
Tax refunded	2	-
	<hr/>	<hr/>
Net cash generated from/(used in) operating activities	1,179	(4,145)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	-	1
Purchase of property, plant and equipment	(4,082)	(1,479)
Proceeds from disposal of property, plant and equipment	418	138
	<hr/>	<hr/>
Net cash used in investing activities	(3,664)	(1,340)
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TOMEI CONSOLIDATED BERHAD (692959–W)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2018**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER
ENDED 30 JUNE 2018 (Cont'd)**

	6 months ended 30/6/2018 RM'000	6 months ended 30/6/2017 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(221)	(323)
Dividend paid	(1,386)	-
Net repayments of term loans	(896)	(1,998)
Net drawdown of short term borrowings	3,805	11,477
Net repayments of hire-purchase liabilities	(1,324)	(1,704)
Net cash generated from financing activities	<u>(22)</u>	<u>7,452</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,507)	1,967
CASH & CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	(25,210)	(32,590)
EFFECT OF EXCHANGE RATES CHANGES	162	251
CASH & CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>(27,555)</u>	<u>(30,372)</u>
Represented by:-		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	8,527	11,157
Bank overdrafts	(36,082)	(41,529)
	<u>(27,555)</u>	<u>(30,372)</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017. 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 2018

(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 2017.

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 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

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report for the preceding financial year ended 31 December 2017 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 2018.

6. CHANGES IN ESTIMATES

There were no material changes in the estimates used for the preparation of this interim financial report.

(The figures have not been audited)

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

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 2018 and 30 June 2017, which are within the Group’s objectives for capital management, are as follows:-

	30/6/2018	30/6/2017
	<u>RM’000</u>	<u>RM’000</u>
Total debt net of cash and cash equivalents	172,280	172,184
Total equity	204,930	199,772
Net gearing ratio	0.84	0.86

The Group reported net gearing ratio of 0.84 as at 30 June 2018, decreased by 0.02 compared to 30 June 2017.

8. DIVIDEND PAID

During the current quarter, the Company paid a first and final single tier dividend of 1.0sen per ordinary share in respect of the financial year ended 31 December 2017 on 8 June 2018.

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 period is as follows:-

Results for financial period ended 30 June 2018	Manufacturing & Wholesales RM’000	Retail RM’000	Total RM’000
Revenue			
Total sales	91,350	232,976	324,326
Inter-segment sales	(25,336)	(19,457)	(44,793)
External sales	<u>66,014</u>	<u>213,519</u>	<u>279,533</u>

TOMEI CONSOLIDATED BERHAD (692959–W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2018**

(The figures have not been audited)

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

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

Results for financial period ended 30 June 2018	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Results			
Profit/(Loss) before tax	(577)	4,682	4,105
Tax expense	66	(1,260)	(1,194)
Profit/(Loss) for the period	<u>(511)</u>	<u>3,422</u>	<u>2,911</u>
Non-controlling interest			<u>(19)</u>
Profit attributable to owners of the parent			<u><u>2,892</u></u>
Assets and liabilities as at 30 June 2018			
Assets			
Segment assets	68,649	336,409	405,058
Unallocated assets	-	-	<u>4,856</u>
Total assets	<u>-</u>	<u>-</u>	<u><u>409,914</u></u>
Liabilities			
Segment liabilities	27,374	177,279	204,653
Unallocated liabilities	-	-	<u>331</u>
Total liabilities	<u>-</u>	<u>-</u>	<u><u>204,984</u></u>
Results for financial period ended 30 June 2017			
Revenue			
Total sales	106,189	286,623	392,812
Inter-segment sales	(14,427)	(43,533)	(57,960)
External sales	<u>91,762</u>	<u>243,090</u>	<u>334,852</u>
Results			
Profit before tax	4,284	9,367	13,651
Tax expense	(867)	(2,774)	(3,641)
Profit for the period	<u>3,417</u>	<u>6,593</u>	<u>10,010</u>
Non-controlling interest			<u>(52)</u>
Profit attributable to owners of the parent			<u><u>9,958</u></u>

TOMEI CONSOLIDATED BERHAD (692959-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2018

(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 30 June 2017	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
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

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 19 January 2018, the Company's subsidiary company, Tomei International Limited was dissolved after being placed under members' voluntary winding up.

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

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 2017.

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 35,260
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TOMEI CONSOLIDATED BERHAD (692959–W)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2018**

(The figures have not been audited)

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

14. COMMITMENTS (continued)

Except as disclosed below, there were no other material commitments as at 31 December 2017:-
(continued)

ii) Capital commitments

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

Approved but not contracted for

RM'000

6,484

TOMEI CONSOLIDATED BERHAD (692959-W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2018****(The figures have not been audited)****PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****15. PERFORMANCE REVIEW***Comparison with previous year's corresponding quarter and financial year-to-date*

	Individual Quarter			
	3 months ended		Variance	
	30/6/2018 RM'000	30/6/2017 RM'000	RM'000	Percentage
Sales				
Retail	96,141	125,560	(29,419)	-23%
Manufacturing & wholesales	33,439	43,614	(10,175)	-23%
Total	129,580	169,174	(39,594)	-23%
Profit/(Loss) before tax				
Retail	882	4,946	(4,064)	-82%
Manufacturing & wholesales	(216)	2,386	(2,602)	N/A
Total	666	7,332	(6,666)	-91%

	Year-to-date			
	6 months ended		Variance	
	30/6/2018 RM'000	30/6/2017 RM'000	RM'000	Percentage
Sales				
Retail	213,519	243,090	(29,571)	-12%
Manufacturing & wholesales	66,014	91,762	(25,748)	-28%
Total	279,533	334,852	(55,319)	-17%
Profit/(Loss) before tax				
Retail	4,682	9,367	(4,685)	-50%
Manufacturing & wholesales	(577)	4,284	(4,861)	N/A
Total	4,105	13,651	(9,546)	-70%

The Group reported revenue of RM129.580 million for the current quarter ended 30 June 2018 in comparison to RM169.174 million recorded in the previous year's corresponding quarter, a decrease of 23%. As a result, the Group reported a lower profit before tax ("PBT") of RM0.666 million during the current quarter compared to RM7.332 million reported in previous year's corresponding quarter.

For the financial year to-date, the Group reported lower revenue and profitability of RM279.533 million and RM4.105 million respectively compared to RM334.852 million and RM13.651 million last year.

TOMEI CONSOLIDATED BERHAD (692959-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2018

(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 (cont'd)

Retail Segment

The retail segment reported revenue of RM96.141 million for the current quarter compared to RM125.560 million in the previous year corresponding quarter mainly due to lower sales volume. As a result, the retail segment reported lower PBT of RM0.882 million compared to RM4.946 million reported in the previous year corresponding quarter. For the financial year to-date, the retail segment reported decrease in both revenue and profitability to RM213.519 million and RM4.682 million respectively from RM243.090 million and RM9.367 million recorded last year.

Manufacturing & Wholesales segment ("M&W")

During the current quarter, the M&W reported revenue of RM33.439 million compared to RM43.614 million recorded in the previous year's corresponding quarter mainly due to lower sales volume. As a result, it reported a loss before tax ("LBT") of RM0.216 million compared to PBT of RM2.386 million recorded last year the softening of international gold price has further depleted its gross margin. For the financial year to-date, the M&W division reported decrease in revenue to RM66.014 million from RM91.762 million last year. It reported LBT of RM0.577 million for the six months period compared to PBT of RM4.284 million reported last year.

Comparison with preceding quarter

	Revenue			
	3 months ended		Variance	
	30/6/2018 RM'000	31/3/2018 RM'000	RM'000	Percentage
Retail	96,141	117,378	(21,237)	-18%
Manufacturing & wholesales	33,439	32,575	864	3%
Total	129,580	149,953	(20,373)	-14%

	Profit before tax			
	3 months ended		Variance	
	30/6/2018 RM'000	31/3/2018 RM'000	RM'000	Percentage
Retail	882	3,800	(2,918)	-77%
Manufacturing & wholesales	(216)	(361)	145	N/A
Total	666	3,439	(2,773)	-81%

The Group reported lower revenue of RM129.580 million for the current quarter compared to RM149.953 million recorded in its preceding quarter. As a result, it reported a lower PBT of RM0.666 million compared to RM3.439 million recorded in the preceding quarter.

TOMEI CONSOLIDATED BERHAD (692959-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2018

(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 revenue decreased by 18% to RM96.141 million compared to RM117.378 million in the preceding quarter mainly due to lower sales volume. As a result, it reported a lower PBT of RM0.882 million for the current quarter compared to RM3.800 million recorded in the preceding quarter.

Manufacturing & Wholesales segment ("M&W")

The M&W's revenue for the current quarter of RM33.439 million was slightly higher compared to RM32.575 million recorded in the preceding quarter. As a result, it has narrowed its loss to RM0.216 million for the current quarter compared to RM0.361 million last quarter.

16. COMMENTARY ON PROSPECTS

The escalating tension created from the supposedly trade war between the US and China has resulted much volatility in the market in particularly its impact on the international gold price and movement of foreign direct investments into the emerging market. Malaysia, being a country that relies heavily on international trade is not spared of this development. Its effect has trickled down to the consumer market and led to a subdued retail environment. On the local front, our government's initiative to replace the Goods & Services Tax with the Sales & Services Tax is seen as a move that could put more money into consumers' pocket and could spur spending.

The Group will vigilantly monitor these latest development and will take necessary actions to improve sales and sustain its profitability for the remaining part of the 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 period.

18. TAX EXPENSE

	Individual Quarter		Year-to-date	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
	RM'000	RM'000	RM'000	RM'000
Current taxation	259	1,671	1,194	3,641

The effective tax rate of the Group for the current financial period is higher than 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.

(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 2018, the Group has total borrowings of RM180.807 million, all of which are denominated in Ringgit Malaysia.

	Secured RM'000	Unsecured RM'000	Total RM'000
Current	1,543	176,658	178,201
Non-current	1,132	1,474	2,606
	<u>2,675</u>	<u>178,132</u>	<u>180,807</u>

21. DERIVATIVE ASSETS

As at 30 June 2018, the Group does not have any outstanding derivative assets or liabilities.

22. CHANGES IN MATERIAL LITIGATIONS

No material litigation has arisen since 31 December 2017.

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	
	30/6/2018 RM'000	30/6/2017 RM'000	30/6/2018 RM'000	30/6/2017 RM'000
Consolidated profit for the financial period attributable to equity holders of the parent	394	5,639	2,892	9,958
Weighted average number of ordinary shares in issue ('000)	138,600	138,600	138,600	138,600
Basic earnings per share (sen)	0.28	4.07	2.09	7.18
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 SECOND QUARTER ENDED 30 JUNE 2018**

(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 6 months ended	
	30/6/2018 RM'000	30/6/2017 RM'000	30/6/2018 RM'000	30/6/2017 RM'000
Amortisation and depreciation	1,660	1,742	3,158	3,375
Finance costs	2,852	2,562	5,709	5,140
Property, plant and equipment written off	1	36	1	37
Gain on gold price fluctuation and foreign exchange	(276)	(1,470)	(235)	(1,491)
Gain on dissolution of a subsidiary company	(20)	-	(20)	-
Gain on disposal of property, plant and equipment	(97)	(10)	(158)	(133)
Interest income	-	-	-	(1)

By Order of the Board

Secretary

Teoh Kok Jong (LS 04719)

Dated :20 August 2018