



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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 30 JUNE 2015**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2015**

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30/6/2015	30/6/2014	30/6/2015	30/6/2014
	RM'000	RM'000	RM'000	RM'000
Revenue	91,783	126,368	261,407	283,742
Cost of sales	(69,461)	(95,789)	(192,157)	(213,369)
Gross profit	22,322	30,579	69,250	70,373
Other income	948	1,000	2,168	2,116
Selling and distribution expenses	(20,717)	(22,222)	(46,882)	(46,106)
Administrative expenses	(6,104)	(5,324)	(12,539)	(11,253)
Other expenses	(894)	91	(4,479)	(2,166)
(Loss)/Profit from operations	(4,445)	4,124	7,518	12,964
Finance costs	(3,062)	(2,914)	(6,016)	(5,536)
(Loss)/Profit before tax	(7,507)	1,210	1,502	7,428
Tax income/(expenses)	2,154	(460)	(1,217)	(2,285)
(Loss)/Profit for the period	(5,353)	750	285	5,143
(Loss)/Profit attributable to:-				
Owners of the parent	(5,335)	620	126	4,717
Non-controlling interest	(18)	130	159	426
	(5,353)	750	285	5,143
(Loss)/Earnings per ordinary share attributable to equity holders of the parent (sen):-				
Basic (loss)/earnings per share	(3.85)	0.45	0.09	3.40
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
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(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2015 (Cont'd)**

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30/6/2015	30/6/2014	30/6/2015	30/6/2014
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the period	(5,353)	750	285	5,143
Foreign currency translations	(44)	(598)	798	(570)
Total comprehensive (loss)/income for the period	(5,397)	152	1,083	4,573
Total comprehensive (loss)/income attributable to:-				
Owners of the parent	(5,379)	22	924	4,147
Non-controlling interest	(18)	130	159	426
	(5,397)	152	1,083	4,573

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 2014. 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 2015****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015**

	As At 30/6/2015 RM'000	As At 31/12/2014 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	17,008	18,288
Prepaid lease payments for land	531	540
Deferred tax assets	870	870
	<u>18,409</u>	<u>20,910</u>
Current assets		
Inventories	360,899	354,820
Derivative assets	-	744
Trade and other receivables	27,183	24,582
Current tax assets	3,440	1,682
Cash and cash equivalents	7,752	13,171
	<u>399,274</u>	<u>394,999</u>
TOTAL ASSETS	<u>417,683</u>	<u>414,697</u>
EQUITY AND LIABILITIES		
Share capital	69,300	69,300
Share premium	4,036	4,036
Reserves	107,570	108,032
Equity attributable to owners of the parent	<u>180,906</u>	<u>181,368</u>
Non-controlling interest	3,465	3,306
TOTAL EQUITY	<u>184,371</u>	<u>184,674</u>
LIABILITIES		
Non-current liabilities		
Borrowings	11,445	12,320
Deferred tax liabilities	386	386
	<u>11,831</u>	<u>12,706</u>
Current Liabilities		
Derivative liabilities	272	-
Trade and other payables	39,532	48,996
Borrowings	180,407	168,161
Current tax liabilities	1,270	160
	<u>221,481</u>	<u>217,317</u>
TOTAL LIABILITIES	<u>233,312</u>	<u>230,023</u>
TOTAL EQUITY AND LIABILITIES	<u>417,683</u>	<u>414,697</u>
Net assets per share (RM)	1.33	1.33

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014. 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 2015**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER
ENDED 30 JUNE 2015**

	-----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
Total comprehensive income for the financial period	-	-	798	126	924	159	1,083
Transaction with owners:-							
- Dividends paid	-	-	-	(1,386)	(1,386)	-	(1,386)
Balance as at 30 June 2015	69,300	4,036	3,462	104,108	180,906	3,465	184,371

	-----Attributable To Owners Of The Parent-----						
	---Non Distributable---			Distributable			
	Share Capital RM'000	Share Premium RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
Balance as at 1 January 2014	69,300	4,036	1,749	105,323	180,408	6,082	186,490
Total comprehensive income for the financial period	-	-	(570)	4,717	4,147	426	4,573
Transaction with owners:-							
- Dividends paid	-	-	-	(1,386)	(1,386)	-	(1,386)
Balance as at 30 June 2014	69,300	4,036	1,179	108,654	183,169	6,508	189,677

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014. 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 2015****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER
ENDED 30 JUNE 2015**

	6 months ended 30/6/2015 RM'000	6 months ended 30/6/2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,502	7,428
Adjustments for:-		
Amortisation of prepaid lease payments for land	9	9
Depreciation of property, plant and equipment	3,110	3,077
Fair value (gain)/loss on financial instrument	(110)	1,360
Inventories written off	881	-
Property, plant and equipment written off	335	214
Gain on disposal of property, plant and equipment	(200)	(60)
Unrealised gain on gold price fluctuation and foreign exchange	(487)	(740)
Finance costs	6,016	5,536
Interest income	(64)	(32)
Profit before working capital changes	10,992	16,792
Increase in inventories	(6,960)	(24,406)
(Increase)/Decrease in trade and other receivables	(959)	558
Decrease in trade and other payables	(8,113)	(6,239)
Cash used in operations	(5,040)	(13,295)
Interest paid	(5,101)	(4,324)
Tax paid	(1,917)	(1,236)
Tax refunded	51	1,135
Net cash used in operating activities	(12,007)	(17,720)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	64	32
Purchase of property, plant and equipment	(1,484)	(630)
Proceeds from disposal of property, plant and equipment	200	60
Placement of pledged deposits with licensed banks	-	(43)
Net cash used in investing activities	(1,220)	(581)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(1,386)	(1,386)
Interest paid	(915)	(1,212)
Net repayments of term loans	(5,717)	(10,290)
Drawdown of short term borrowings	8,233	5,007
Repayments of hire-purchase liabilities	(1,883)	(1,833)
Net cash used in financing activities	(1,668)	(9,714)

TOMEI CONSOLIDATED BERHAD (692959–W)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 30 JUNE 2015**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED
30 JUNE 2015 (Cont'd)**

	6 months ended 30/6/2015 RM'000	6 months ended 30/6/2014 RM'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(14,895)	(28,015)
CASH & CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	(29,626)	(11,378)
EFFECT OF EXCHANGE RATES CHANGES	225	161
CASH & CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>(44,296)</u>	<u>(39,232)</u>
Represented by:-		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	7,752	8,448
Fixed deposits with licensed banks	-	4,374
Bank overdrafts	(52,048)	(50,269)
	<u>(44,296)</u>	<u>(37,447)</u>
Less: Fixed deposits pledged to a licenced bank	-	(1,785)
	<u>(44,296)</u>	<u>(39,232)</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014. 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 2015

(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 2014.

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 MFRSs <i>Annual Improvements 2012-2014 Cycle</i>	1 January 2016
MRFS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to MFRS 10 and MRFS 128 <i>Sale or Contribution of Assets between an investor and its Associates or Joint Venture</i>	1 January 2016
Amendments to MFRS 116 and MRFS 138 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to MFRS 11 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to MFRS 116 and MRFS 141 <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to MFRS 127 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to MFRS 101 <i>Disclosure Initiative</i>	1 January 2016
Amendments to MFRS 10, MRFS 12 and MFRS 128 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
MRFS 15 <i>Revenue from Contracts with Customers</i>	1 January 2017
MRFS 9 <i>Financial instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report for the preceding financial year ended 31 December 2014 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 2015.

TOMEI CONSOLIDATED BERHAD (692959-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

(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 2015 and 30 June 2014, which are within the Group's objectives for capital management, are as follows:-

	30/6/2015	30/6/2014
	RM'000	RM'000
Total debt net of cash and cash equivalents	184,100	179,164
Total equity	184,371	189,677
Net gearing ratio	1.00	0.94

The Group reported net gearing ratio of 1.00 as at 30 June 2015, increased by 0.06 compared to 30 June 2014 mainly due to additional financing for its working capital.

8. DIVIDEND PAID

On 5 June 2015, the Company paid a first and final single tier dividend of 1.0 sen per ordinary share amounting to RM1.386 million in respect of financial year ended 31 December 2014.

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 2015****(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 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/(loss) for the period	2,426	(2,141)	285
Non-controlling interest			(159)
Profit attributable to owners of the parent			126
Assets and liabilities as at 30 June 2015			
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
Results for financial period ended 30 June 2014			
Results for financial period ended 30 June 2014	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Revenue			
Total sales	75,344	212,875	288,219
Inter-segment sales	(4,189)	(288)	(4,477)
External sales	71,155	212,587	283,742
Results			
Profit before tax	3,617	3,811	7,428
Tax expense	(886)	(1,399)	(2,285)
Profit for the period	2,731	2,412	5,143
Non-controlling interest			(426)
Profit attributable to owners of the parent			4,717

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

(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 2014	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Assets			
Segment assets	65,245	347,592	412,837
Unallocated assets	-	-	3,577
Total assets	-	-	416,414
Liabilities			
Segment liabilities	30,328	194,185	224,513
Unallocated liabilities	-	-	2,224
Total liabilities	-	-	226,737

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

Subsequent to the financial quarter, on 31 July 2015, Tomei Gold & Jewellery Holdings (M) Sdn Bhd, a wholly owned subsidiary company of the Company had entered into a Distribution Agreement with Goldcorp Australia to distribute the Perth Mint Australia products throughout Asia

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

12. CHANGES IN COMPOSITION OF THE GROUP

On 26 March 2015, the Company subscribed for additional 399,998 ordinary shares of RM1.00 each in its wholly owned subsidiary company, Flawless Skin Care Sdn. Bhd., for a total cash consideration of RM399,998.00.

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 2014.

TOMEI CONSOLIDATED BERHAD (692959-W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015****(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 2015:-

i) Rental commitments

The Group had entered into several tenancy agreements for the rental of retail space, office blocks and staff housing, resulting in future rental commitments which may, subject to certain terms in the agreements, be revised accordingly or upon its maturity based on prevailing market rates.

	RM'000
Future rental commitments	<u>31,771</u>

ii) Capital commitments

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

	RM'000
Approved but not contracted for	<u>3,871</u>

15. PERFORMANCE REVIEW

	Individual Quarter		Year to-date	
	3 months ended		6 months ended	
	30/6/2015	30/6/2014	30/6/2015	30/6/2014
	RM'000	RM'000	RM'000	RM'000
Sales				
Retail	71,680	91,452	201,750	212,587
Manufacturing & wholesales	20,103	34,916	59,657	71,155
Total	<u>91,783</u>	<u>126,368</u>	<u>261,407</u>	<u>283,742</u>
(Loss)/Profit before tax				
Retail	(7,905)	637	(1,700)	3,811
Manufacturing & wholesales	398	573	3,202	3,617
Total	<u>(7,507)</u>	<u>1,210</u>	<u>1,502</u>	<u>7,428</u>

Comparison with previous year's corresponding quarter

The Group reported revenue of RM91.783 million for the current quarter ended 30 June 2015 in comparison to RM126.368 million recorded in the previous year's corresponding quarter, a drop of 27.37%. The drop in revenue was mainly due to the implementation of the Goods and Services Tax ("GST") since 1 April 2015 which has a negative impact on consumer sentiment.

(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)

Due to the drop in revenue coupled with exchange loss incurred, the Group reported a loss before tax (“LBT”) of RM7.507 million during the current quarter in comparison to profit before tax (“PBT”) of RM1.210 million recorded in the previous year’s corresponding quarter.

Retail Segment

The retail segment reported revenue of RM71.680 million for the current quarter compared to RM91.452 million in the previous year’s corresponding quarter, a drop of 21.62%. The lower sales volume has resulted in the retail segment to report a LBT of RM7.905 million as compared to PBT of RM0.637 million in the previous year’s corresponding quarter. In addition, it also incurred exchange losses due to the weakening of the Ringgit.

Manufacturing & Wholesales segment (“M&W”)

During the current quarter, the M&W reported revenue of RM20.103 million compared to RM34.916 million reported in the previous year’s corresponding quarter, a drop of 42.42%. As a result, it reported a lower PBT of RM0.398 million as compared to RM0.573 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 ended 30 June 2015 reduced by 7.87% to RM261.407 million as compared to RM283.742 million recorded in the corresponding period last year mainly due to unfavourable consumer sentiment after the implementation of GST on 1 April 2015. Consequently, the Group reported a lower PBT of RM1.502 million as compared to RM7.428 million achieved in the previous year’s corresponding period.

Retail Segment

The retail division reported sales of RM201.750 million as compared to RM212.587 million recorded in the same period last year. The implementation of GST on 1 April 2015 has resulted in a more cautious spending pattern among consumers. As a result of lower sales coupled with exchange loss arising from the weakening of the Ringgit, the retail division has reported a LBT of RM1.700 million as compared to a PBT of RM3.811 million reported in the same period last year.

Manufacturing & Wholesales segment (“M&W”)

The W&M reported sales of RM59.657 million as compared to RM71.155 million recorded in the same period last year. In line with the lower sales, it reported a lower PBT of RM3.202 million as compared to RM3.617 million in the same period last year.

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

(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	
	30/6/2015	31/3/2015	30/6/2015	31/3/2015
	RM'000	RM'000	RM'000	RM'000
Retail	71,680	130,070	(7,905)	6,205
Manufacturing & wholesales	20,103	39,554	398	2,804
Total	91,783	169,624	(7,507)	9,009

The significant drop in sales in this quarter is primarily due to the step up purchase by customers in the preceding quarter prior to the implementation of GST on 1 April 2015. Consequently and coupled with the exchange loss, the Group reported a LBT of RM7.507 million as compared to PBT of RM9.009 million recorded in the preceding quarter.

16. COMMENTARY ON PROSPECTS

The economic slowdown in China and elsewhere and the weakening of the Ringgit have affected our revenue. The Group is mindful of these challenges and will take the necessary measures to sustain its business for the remaining two quarters.

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 2015

(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	
	30/6/2015	30/6/2014	30/6/2015	30/6/2014
	RM'000	RM'000	RM'000	RM'000
Current taxation	<u>2,154</u>	<u>(460)</u>	<u>(1,271)</u>	<u>(2,285)</u>

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

19. CORPORATE PROPOSALS

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

20. BORROWINGS AND DEBT SECURITIES

As at 30 June 2015, the Group has total borrowings of RM 191.852 million, all of which are denominated in Ringgit Malaysia.

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Current	2,705	177,702	180,407
Non-current	2,646	8,799	11,445
	<u>5,351</u>	<u>186,501</u>	<u>191,852</u>

21. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract amount	Derivative Liabilities
	RM'000	RM'000
Gold loan contracts	<u>5,739</u>	<u>272</u>

These gold loan 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 2015**

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

During the financial period, the Group recognized a net gain of RM0.11 million arising from fair value changes of derivative assets.

22. CHANGES IN MATERIAL LITIGATIONS

No material litigation has arisen since 31 December 2014.

23. DIVIDEND PAYABLE

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

24. (LOSS)/EARNINGS 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	
	30/6/2015	30/6/2014	30/6/2015	30/6/2014
	RM'000	RM'000	RM'000	RM'000
Consolidated (loss)/profit for the financial period attributable to equity holders of the parent	(5,335)	620	126	4,717
Weighted average number of ordinary shares in issue ('000)	138,600	138,600	138,600	138,600
Basic (loss)/earnings per share (sen)	(3.85)	0.45	0.09	3.40
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 2015****(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. (LOSS)/PROFIT BEFORE TAX**

	Individual Quarter		Year to-date	
	3 months ended		6 months ended	
	30/6/2015	30/6/2014	30/6/2015	30/6/2014
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit before tax is arrived at after charging/(crediting):-				
Amortisation and depreciation	1,538	1,563	3,119	3,086
Finance costs	3,062	2,914	6,016	5,536
Inventories written off	-	-	881	-
Property, plant and equipment written off	21	158	335	214
Loss/(Gain) on gold price fluctuation and foreign exchange	608	(1,084)	1,660	(1,366)
Fair value (gain)/loss on financial instrument	(488)	(134)	(110)	1,360
Gain on disposal of property, plant and equipment	-	-	(200)	(60)
Interest income	(33)	(16)	(64)	(32)

26. REALISED AND UNREALISED RETAINED EARNINGS

	As at	
	30/6/2015	30/6/2014
	RM'000	RM'000
Total retained earnings:-		
- realised	122,210	123,946
- unrealised	487	740
	<u>122,697</u>	<u>124,686</u>
Less: Consolidation adjustments	(18,589)	(16,032)
Total Group retained earnings	<u>104,108</u>	<u>108,654</u>

By Order of the Board

Secretary

Teoh Kok Jong (LS 04719)

Dated : 20 August 2015