



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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2016**

(The figures have not been audited)

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	RM'000	RM'000	RM'000	RM'000
Revenue	114,033	118,060	344,411	379,467
Cost of sales	(81,808)	(90,518)	(246,633)	(282,675)
Gross profit	32,225	27,542	97,778	96,792
Other income	720	789	4,405	2,957
Selling and distribution expenses	(21,795)	(22,048)	(64,961)	(67,930)
Administrative expenses	(6,372)	(5,849)	(19,255)	(19,388)
Other expenses	(248)	(2,541)	(2,563)	(7,020)
Profit/(Loss) from operations	4,530	(2,107)	15,404	5,411
Finance costs	(2,944)	(3,061)	(8,863)	(9,077)
Profit/(Loss) before tax	1,586	(5,168)	6,541	(3,666)
Tax(expenses)/income	(1,139)	607	(2,377)	(610)
Profit/(Loss) for the period	447	(4,561)	4,164	(4,276)
Profit/(Loss) attributable to:-				
Owners of the parent	578	(4,573)	4,461	(4,447)
Non-controlling interest	(131)	12	(297)	171
	447	(4,561)	4,164	(4,276)
Earnings/(Loss) per ordinary share attributable to equity holders of the parent (sen):-				
Basic earnings/(loss) per share	0.42	(3.30)	3.22	(3.21)
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 THIRD QUARTER
ENDED 30 SEPTEMBER 2016**

(The figures have not been audited)

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period	447	(4,561)	4,164	(4,276)
Foreign currency translations	239	1,730	(488)	2,528
Total comprehensive income/(loss) for the period	686	(2,831)	3,676	(1,748)
Total comprehensive income/(loss) attributable to:-				
Owners of the parent	817	(2,843)	3,973	(1,919)
Non-controlling interest	(131)	12	(297)	171
	686	(2,831)	3,676	(1,748)

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015. The accompanying notes form an integral part of this statement.

TOMEI CONSOLIDATED BERHAD (692959–W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2016****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30
SEPTEMBER 2016**

	As At 30/9/2016 RM'000	As At 31/12/2015 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	17,783	18,461
Prepaid lease payments for land	507	521
Deferred tax assets	1,513	1,513
	<u>19,803</u>	<u>20,495</u>
Current assets		
Inventories	345,019	337,334
Derivative assets	-	107
Trade and other receivables	25,514	26,159
Current tax assets	625	1,674
Cash and cash equivalents	8,098	8,576
	<u>379,256</u>	<u>373,850</u>
TOTAL ASSETS	<u><u>399,059</u></u>	<u><u>394,345</u></u>
EQUITY AND LIABILITIES		
Share capital		
	69,300	69,300
Share premium		
	4,036	4,036
Reserves		
	110,967	106,864
Equity attributable to owners of the parent	<u>184,303</u>	<u>180,200</u>
Non-controlling interest	5,146	5,573
TOTAL EQUITY	<u>189,449</u>	<u>185,773</u>
LIABILITIES		
Non-current liabilities		
Borrowings	5,740	7,654
Deferred tax liabilities	735	735
	<u>6,475</u>	<u>8,389</u>
Current Liabilities		
Derivative liabilities	29	-
Trade and other payables	28,819	31,875
Borrowings	172,292	166,623
Current tax liabilities	1,995	1,685
	<u>203,135</u>	<u>200,183</u>
TOTAL LIABILITIES	<u>209,610</u>	<u>208,572</u>
TOTAL EQUITY AND LIABILITIES	<u><u>399,059</u></u>	<u><u>394,345</u></u>
Net assets per share (RM)	1.37	1.34

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015. The accompanying notes form an integral part of this statement.

TOMEI CONSOLIDATED BERHAD (692959-W)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2016**

(The figures have not been audited)

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

	-----Attributable To Owners Of The Parent-----						
	--Non Distributable---			Distributable			
	Share Capital RM'000	Share Premium RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
Balance as at 1 January 2016	69,300	4,036	3,257	103,607	180,200	5,573	185,773
Profit for the financial period	-	-	-	4,461	4,461	(297)	4,164
Foreign currency translations, net of tax	-	-	(358)	-	(358)	(130)	(488)
Total comprehensive income	-	-	(358)	4,461	4,103	(427)	3,676
Balance as at 30 September 2016	69,300	4,036	2,899	108,068	184,303	5,146	189,449

	-----Attributable To Owners Of The Parent-----						
	---Non Distributable---			Distributable			
	Share Capital RM'000	Share Premium RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
Balance as at 1 January 2015	69,300	4,036	2,664	105,368	181,368	3,306	184,674
Profit for the financial period	-	-	-	(4,447)	(4,447)	171	(4,276)
Foreign currency translations, net of tax	-	-	2,528	-	2,528	-	2,528
Total comprehensive income	-	-	2,528	(4,447)	(1,919)	171	(1,748)
Transaction with owners:-							
- Dividends paid	-	-	-	(1,386)	(1,386)	-	(1,386)
Balance as at 30 September 2015	69,300	4,036	5,192	99,535	178,063	3,477	181,540

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015. The accompanying notes form an integral part of this statement.

TOMEI CONSOLIDATED BERHAD (692959-W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2016****(The figures have not been audited)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER
ENDED 30 SEPTEMBER 2016**

	9 months ended 30/9/2016 RM'000	9 months ended 30/9/2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,541	(3,666)
Adjustments for:-		
Amortisation of prepaid lease payments for land	14	14
Depreciation of property, plant and equipment	4,988	4,629
Fair value loss/(gain) on financial instrument	135	(493)
Inventories written off	429	881
Property, plant and equipment written off	109	572
Gain on disposal of property, plant and equipment	(96)	(356)
Reversal of impairment loss on trade receivables	(36)	-
Unrealised (gain)/loss on gold price fluctuation and foreign exchange	(747)	792
Finance costs	8,863	9,077
Interest income	(1)	(69)
Profit before working capital changes	20,199	11,381
(Increase)/Decrease in inventories	(8,113)	7,838
Increase in trade and other receivables	(132)	(1,063)
Decrease in trade and other payables	(1,156)	(15,821)
Cash from operations	10,798	2,335
Interest paid	(7,952)	(7,740)
Tax paid	(1,979)	(1,916)
Tax refunded	962	127
Net cash from/(used in) operating activities	1,829	(7,194)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1	69
Purchase of property, plant and equipment	(1,643)	(1,521)
Proceeds from disposal of property, plant and equipment	96	356
Net cash used in investing activities	(1,546)	(1,096)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	-	(1,386)
Interest paid	(911)	(1,337)
Net repayments of term loans	(7,120)	(3,594)
Net drawdown of short term borrowings	6,064	5,590
Repayments of hire-purchase liabilities	(2,949)	(2,717)
Net cash used in financing activities	(4,916)	(3,444)

TOMEI CONSOLIDATED BERHAD (692959–W)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2016**

(The figures have not been audited)

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

	9 months ended 30/9/2016 RM'000	9 months ended 30/9/2015 RM'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,633)	(11,734)
CASH & CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	(39,581)	(29,626)
EFFECT OF EXCHANGE RATES CHANGES	217	402
CASH & CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>(43,997)</u>	<u>(40,958)</u>
Represented by:-		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	8,098	9,217
Bank overdrafts	(52,095)	(50,175)
	<u>(43,997)</u>	<u>(40,958)</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015. The accompanying notes form an integral part of this statement.

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

This interim financial report is unaudited and is prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") No 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read together with the Group's Audited Financial Statement for the year ended 31 December 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

At the date of authorisation of these interim financial statements, the following MFRSs, Amendment to MFRSs and IC Interpretation were issued but not yet effective and have yet to be applied by the Group.

	Effective for annual period beginning on or after
MFRSs, Amendments to MFRSs and IC Interpretation	
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to MFRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
MFRS 9 <i>Financial instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
MFRS 16 <i>Leases</i>	1 January 2019

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report for the preceding financial year ended 31 December 2015 was issued without any qualification.

4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's business traditionally picks up during the major festive seasons in Malaysia.

5. UNSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no extraordinary or exceptional items for the current quarter ended 30 September 2016.

TOMEI CONSOLIDATED BERHAD (692959-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

(The figures have not been audited)

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

6. CHANGES IN ESTIMATES

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

7. CAPITAL MANAGEMENT, ISSUANCES, REPURCHASES AND REPAYMENTS OF DEBTS AND EQUITY INSTRUMENTS

The Group's objectives of managing capital are to safeguard the Group's ability to continue in operations as a going concern in order to provide fair returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain the optimal capital structure, the Group may, from time to time, adjust the dividend payout to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

For capital management purposes, the Group considers shareholders' equity, non-controlling interests and total debt to be the key components in the Group's capital structure. The Group monitors capital on the basis of the net gearing ratio. The ratio is calculated as the total debt net of cash and cash equivalents to total equity. Total equity is the sum of total equity attributable to shareholders and non-controlling interests. The net gearing ratios as at 30 September 2016 and 30 September 2015, which are within the Group's objectives for capital management, are as follows:-

	30/9/2016	30/9/2015
	RM'000	RM'000
Total debt net of cash and cash equivalents	169,934	180,887
Total equity	189,449	181,540
Net gearing ratio	0.90	1.00

The Group reported net gearing ratio of 0.90 as at 30 September 2016, decreased by 0.10 compared to 30 September 2015.

8. DIVIDEND PAID

No dividend was paid during the current quarter.

9. OPERATING SEGMENTAL INFORMATION

The Group has arrived at two reportable segments that are based on information reported internally to the Group Managing Director. The reportable segments are summarised as follows:-

- Manufacturing & Wholesales
- Retail

TOMEI CONSOLIDATED BERHAD (692959–W)**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016****(The figures have not been audited)****PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)****9. OPERATING SEGMENTAL INFORMATION (Cont'd)**

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

Results for financial period ended 30 September 2016	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Revenue			
Total sales	99,681	269,624	369,305
Inter-segment sales	(11,801)	(13,093)	(24,894)
External sales	87,880	256,531	344,411
Results			
Profit before tax	4,798	1,743	6,541
Tax expense	(1,029)	(1,348)	(2,377)
Profit for the period	3,769	395	4,164
Non-controlling interest			297
Profit attributable to owners of the parent			4,461
Assets and liabilities as at 30 September 2016			
Assets			
Segment assets	67,450	329,471	396,921
Unallocated assets	-	-	2,138
Total assets	-	-	399,059
Liabilities			
Segment liabilities	25,278	181,602	206,880
Unallocated liabilities	-	-	2,730
Total liabilities	-	-	209,610
Results for financial period ended 30 September 2015			
Results for financial period ended 30 September 2015	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Revenue			
Total sales	92,342	297,508	389,850
Inter-segment sales	(7,273)	(3,110)	(10,383)
External sales	85,069	294,398	379,467
Results			
Profit/(Loss) before tax	4,005	(7,671)	(3,666)
Tax expense	(995)	385	(610)
Profit for the period	3,010	(7,286)	(4,276)
Non-controlling interest			(171)
Profit attributable to owners of the parent			(4,447)

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

(The figures have not been audited)

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

9. OPERATING SEGMENTAL INFORMATION (Cont'd)

Assets and Liabilities as at 30 September 2015	Manufacturing & Wholesales RM'000	Retail RM'000	Total RM'000
Assets			
Segment assets	61,543	340,797	402,340
Unallocated assets	-	-	5,104
Total assets	-	-	407,444
Liabilities			
Segment liabilities	25,395	198,590	223,985
Unallocated liabilities	-	-	1,919
Total liabilities	-	-	225,904

10. CARRYING AMOUNT OF REVALUED ASSETS

The valuation of property, plant and equipment has been brought forward without any amendments from the previous Audited Financial Statements of the Group.

11. SIGNIFICANT EVENTS DURING THE CURRENT QUARTER

There were no significant events during the current quarter.

12. CHANGES IN COMPOSITION OF THE GROUP

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

13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets which have arisen since the last annual reporting date as at 31 December 2015.

TOMEI CONSOLIDATED BERHAD (692959-W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

(The figures have not been audited)

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

14. COMMITMENTS

Except as disclosed below, there were no other material commitments as at 30 September 2016:-

i) Rental commitments

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

	RM'000
Future rental commitments	40,141

ii) Capital commitments

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

	RM'000
Approved but not contracted for	592

15. PERFORMANCE REVIEW

	Individual Quarter		Year to-date	
	3 months ended		9 months ended	
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	RM'000	RM'000	RM'000	RM'000
Sales				
Retail	82,065	92,648	256,531	294,398
Manufacturing & wholesales	31,968	25,412	87,880	85,069
Total	114,033	118,060	344,411	379,467
Profit/(Loss) before tax				
Retail	(1,026)	(5,971)	1,743	(7,671)
Manufacturing & wholesales	2,612	803	4,798	4,005
Total	1,586	(5,168)	6,541	(3,666)

Comparison with previous year's corresponding quarter

The Group reported revenue of RM114.033 million for the current quarter ended 30 September 2016 as compared to RM118.060 million last year. Despite a slight drop in revenue, the Group reversed its loss reported last year and turned into a profit before tax ("PBT") of RM1.586 million for the current quarter mainly due to the extensive rationalization effort taken.

TOMEI CONSOLIDATED BERHAD (692959–W)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

(The figures have not been audited)

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

15. PERFORMANCE REVIEW (Cont'd)

Comparison with previous year's corresponding quarter (Cont'd)

Retail Segment

The retail segment reported revenue of RM82.065 million for the current quarter compared to RM92.648 million in the previous year's corresponding quarter mainly due to lower sales volume. As part of the Group's rationalization programme, the Group has closed few retail outlets that do not fit into its brand positioning. Despite the drop in revenue, the retail segment managed to narrow its loss before tax to RM1.026 million compared to RM5.971 million reported last year.

Manufacturing & Wholesales segment ("M&W")

During the current quarter, the M&W's revenue increased by 25.80% to RM31.968 million compared to previous year's corresponding quarter. As a result, it reported better PBT of RM2.612 million as compared to RM0.803 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 9 months period ended 30 September 2016 reduced by 9.24% to RM344.411 million as compared to RM379.467 million recorded in the corresponding period last year. The retail sentiment in Malaysia remained weak as consumers are affected by the increasing cost of living. Despite of the lower sales, the Group managed to reverse its loss last year to report a PBT of RM6.541 million for the financial period mainly due to rationalization effort taken.

Retail Segment

The retail division reported sales of RM256.531 million as compared to RM294.398 million recorded in the same period last year, a drop of 12.86%. Despite reported lower sales volume, it managed to reverse its loss last year to report a PBT of RM1.743 million mainly contributed by the extensive rationalization effort taken.

Manufacturing & Wholesales segment ("M&W")

The M&W reported increase in revenue of 3.3% to RM87.880 million compared to the same period last year. The better sales volume coupled with higher gross profit margin has resulted the M&W to report higher PBT of RM4.798 million compared to RM4.005 million reported in the preceding year's corresponding period.

TOMEI CONSOLIDATED BERHAD (692959–W)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2016**

(The figures have not been audited)

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)**

15. PERFORMANCE REVIEW (Cont'd)

Comparison with preceding quarter

	Revenue		Profit before tax	
	3 months ended		3 months ended	
	30/9/2016	30/6/2016	30/9/2016	30/6/2016
	RM'000	RM'000	RM'000	RM'000
Retail	82,065	79,151	(1,026)	(893)
Manufacturing & wholesales	31,968	27,992	2,612	1,096
Total	<u>114,033</u>	<u>107,143</u>	<u>1,586</u>	<u>203</u>

The Group's revenue for the current quarter increased by 6.43% to RM114.033 million as compared to its preceding quarter mainly due to better sales volume generated during festivities period such as the Hari Raya. As a result, the Group reported higher PBT of RM1.586 million compared to RM0.203 million recorded in the preceding quarter.

16. COMMENTARY ON PROSPECTS

The Group does not see an improvement in the local economy in the last quarter of the financial year. Consumers' spending has been impacted by the high cost of living which has reduced disposable income. This has posed a big challenge to the retail industry. The Group will continue with its rationalization plan to achieve better result.

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 THIRD QUARTER ENDED 30 SEPTEMBER 2016****(The figures have not been audited)****PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)****18. TAX EXPENSE**

	Individual Quarter		Year to-date	
	30/9/2016 RM'000	30/9/2015 RM'000	30/9/2016 RM'000	30/9/2015 RM'000
Current taxation	1,007	(785)	2,245	432
Under provision in prior year	132	178	132	178
	<u>1,139</u>	<u>(607)</u>	<u>2,377</u>	<u>610</u>

The effective tax rate of the Group for the current quarter and financial year to date was higher than its 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 September 2016, the Group has total borrowings of RM178.032 million, all of which are denominated in Ringgit Malaysia.

	Secured RM'000	Unsecured RM'000	Total RM'000
Current	3,474	168,818	172,292
Non-current	3,805	1,935	5,740
	<u>7,279</u>	<u>170,753</u>	<u>178,032</u>

21. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract amount RM'000	Derivative Assets/(Liabilities) RM'000
Gold loan contracts	<u>496</u>	<u>(29)</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 THIRD QUARTER
ENDED 30 SEPTEMBER 2016**

(The figures have not been audited)

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)**

21. DERIVATIVE FINANCIAL INSTRUMENTS (Cont'd)

The above derivatives are initially 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 loss of RM0.135 million arising from fair value changes of derivative financial instruments.

22. CHANGES IN MATERIAL LITIGATIONS

No material litigation has arisen since 31 December 2015.

23. DIVIDEND PAYABLE

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

24. EARNINGS/(LOSS) PER SHARE

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

	Individual Quarter		Year to-date	
	3 months ended		9 months ended	
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	RM'000	RM'000	RM'000	RM'000
Consolidated profit/(loss) for the financial period attributable to equity holders of the parent	578	(4,573)	4,461	(4,447)
Weighted average number of ordinary shares in issue ('000)	138,600	138,600	138,600	138,600
Basic earnings/(loss) per share (sen)	0.42	(3.30)	3.22	(3.21)
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 THIRD QUARTER
ENDED 30 SEPTEMBER 2016****(The figures have not been audited)****PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)****25. PROFIT/(LOSS) BEFORE TAX**

	Individual Quarter		Year to-date	
	3 months ended		9 months ended	
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is arrived at after charging/(crediting):-				
Amortisation and depreciation	1,684	1,524	5,002	4,643
Finance costs	2,944	3,061	8,863	9,077
Inventories written off	-	-	429	881
Property, plant and equipment written off	70	237	109	572
(Gain)/Loss on gold price fluctuation and foreign exchange	(38)	2,048	(732)	3,708
Fair value loss/(gain) on financial instrument	11	(383)	135	(493)
Gain on disposal of property, plant and equipment	(94)	(156)	(96)	(356)
Reversal of impairment loss on trade receivables	-	-	(36)	-
Interest income	-	(5)	(1)	(69)

26. REALISED AND UNREALISED RETAINED EARNINGS

	As at	
	30/9/2016	30/9/2015
	RM'000	RM'000
Total retained earnings:-		
- realised	119,033	119,101
- unrealised	747	(792)
	119,780	118,309
Less: Consolidation adjustments	(11,712)	(18,774)
Total Group retained earnings	108,068	99,535

By Order of the Board

Secretary

Teoh Kok Jong (LS 04719)

Dated : 21 November 2016