

TAMCO CORPORATE HOLDINGS BERHAD
(Incorporated in Malaysia)
(Company No : 6614-W)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED
THE FIGURES HAVE NOT BEEN AUDITED

	Individual Quarter		Cumulative 12 months ended	
	31.05.2009	31.05.2008	31.05.2009	31.05.2008
	RM'000	RM'000	RM'000	RM'000
Revenue	15,462	19,189	66,092	63,685
Cost of sales	(11,856)	(14,302)	(51,678)	(48,519)
Gross profit	3,606	4,887	14,414	15,166
Other income	566	3,622	3,711	4,250
Selling and distribution expenses	(852)	(1,831)	(6,010)	(7,643)
Administrative expenses	(713)	(1,916)	(6,590)	(5,030)
Other expenses	267	(7,839)	(1,725)	(10,866)
Profit / (loss) from operations	2,874	(3,077)	3,800	(4,123)
Finance costs	(120)	(3,883)	(1,235)	(4,303)
Profit / (loss) after finance costs	2,754	(6,960)	2,565	(8,426)
Share of results of associates	-	(1,046)	-	(1,077)
Profit / (loss) before taxation	2,754	(8,006)	2,565	(9,503)
Taxation	(2,319)	(253)	(3,102)	(843)
Net profit / (loss) for the period	435	(8,259)	(537)	(10,346)
(Loss) / Profit from discontinued operations (Part. (B) Note 1)	(25,498)	124,416	(25,498)	147,710
Net (loss) / profit for the quarter	(25,063)	116,157	(26,035)	137,364
Attributable to:				
Shareholders of the parent	(25,063)	116,157	(26,035)	137,489
Minority interest	-	-	-	(125)
	(25,063)	116,157	(26,035)	137,364
Profit / (loss) per share attributable to shareholders of the parent (sen):				
- basic - Continuing operation	0.17	(3.18)	(0.21)	(3.99)
- basic - Discontinued operation	(9.83)	47.95	(9.83)	56.92

The Condensed Consolidated Income Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2009 and the accompanying notes to the Interim Financial Report.

TAMCO CORPORATE HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No : 6614-W)

CONDENSED CONSOLIDATED BALANCE SHEET**AS AT 31 MAY 2009**

	31.05.2009	31.05.2008
	RM'000	RM'000
ASSETS	(Unaudited)	(Audited)
Non-current assets		
Property, plant and equipment	5,166	6,491
Prepaid lease payments	9,724	9,895
Investment in associates	4,128	8,744
Intangible assets	383	417
Deferred tax assets	383	353
	<u>19,784</u>	<u>25,900</u>
Current assets		
Inventories	9,729	11,394
Trade receivables	16,217	20,854
Other receivables	1,099	9,638
Tax recoverable	-	2,347
Amount due from associates	-	394
Short term deposits with licensed banks	2,758	148,048
Cash and bank balances	11,839	16,895
	<u>41,642</u>	<u>209,570</u>
TOTAL ASSETS	<u>61,426</u>	<u>235,470</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	51,898	129,744
Translation reserve	(3,082)	(2,517)
Retained profits	(19,251)	6,784
	<u>29,565</u>	<u>134,011</u>
Minority Interest	-	125
Total equity	<u>29,565</u>	<u>134,136</u>
Non-current liabilities		
Deferred tax liabilities	73	20
Retirement benefit obligations	-	86
Borrowings	60	666
	<u>134</u>	<u>772</u>
Current liabilities		
Trade payables	10,341	14,655
Other payables	5,875	10,371
Amount due to immediate holding company	10,114	-
Amount due to associates	123	-
Amount due to related companies	-	41
Borrowings	4,589	74,402
Provision for taxation	685	1,093
	<u>31,728</u>	<u>100,562</u>
Total liabilities	<u>31,862</u>	<u>101,334</u>
TOTAL EQUITY AND LIABILITIES	<u>61,426</u>	<u>235,470</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2009 and the accompanying notes to the Interim Financial Report.

TAMCO CORPORATE HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No : 6614-W)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL QUARTER ENDED 31 MAY 2009

THE FIGURES HAVE NOT BEEN AUDITED

	Attributable to Equity Holders of the Parent					Total Equity RM'000
	Share capital RM'000	Non- distributable Translation reserve RM'000	Distributable Retained profits RM'000	Total RM'000	Minority Interest RM'000	
Financial quarter ended 31 May 2009						
Balance as at 1 June 2008	129,744	(2,517)	6,784	134,011	-	134,011
Currency translation differences, representing net income recognised directly in equity	-	(565)	-	(565)	-	(565)
Repayment of share capital	(77,846)			(77,846)	-	(77,846)
Loss on discontinued operations (Part (B) Note 1)			(25,498)	(25,498)	-	(25,498)
Net loss for the financial year	-	-	(537)	(537)	-	(537)
Total recognised income and expenses for the financial period	(77,846)	(565)	(26,035)	(104,446)	-	(104,446)
Balance as at 31 May 2009	<u>51,898</u>	<u>(3,082)</u>	<u>(19,251)</u>	<u>29,565</u>	-	<u>29,565</u>

Financial quarter ended 31 May 2008

Balance as at 1 June 2007	129,744	(3,504)	28,387	154,627	-	154,627
Currency translation differences, representing net income recognised directly in equity	-	987	-	987	-	987
Interim dividend paid				-		-
Net profit for the financial year	-	-	137,489	137,489	125	137,614
Total recognised income and expenses for the financial period	-	987	137,489	138,476	125	138,601
Dividend paid			(159,092)	(159,092)		(159,092)
Balance as at 31 May 2008	<u>129,744</u>	<u>(2,517)</u>	<u>6,784</u>	<u>134,011</u>	125	<u>134,136</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2009 and the accompanying notes to the Interim Financial Report.

TAMCO CORPORATE HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No : 6614-W)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL QUARTER ENDED 31 MAY 2009***THE FIGURES HAVE NOT BEEN AUDITED*

	Cumulative	
	12 months ended	
	31.05.2009	31.05.2008
	RM'000	RM'000
Cash flow from operating activities		
(Loss) / profit before taxation:		
Continuing operations	2,565	(9,503)
Discontinuing operations	(25,498)	146,224
	<u>(22,933)</u>	<u>136,721</u>
Adjustments for:		
Depreciation of property, plant and equipment	1,083	4,575
Impairment of property, plant and equipment	92	-
Amortisation of prepaid lease payments	171	216
Property, plant and equipment written off	39	-
Provision for retirement benefits	-	284
Amortisation of development expenditure	34	7,039
Impairment of goodwill	-	2,594
Deferred tax liabilities	23	-
Allowance for doubtful debts	-	5,716
Inventories written off	-	421
Interest expense	1,235	7,973
Interest income	(2,729)	(708)
Loss on disposal of Property, plant and equipment	37	86
Gain on disposal of subsidiaries	-	(139,977)
Loss on disposal of associates	569	-
Loss on foreign exchange	(8)	(632)
Share in results of associates	-	1,077
Minority interests	(125)	-
Operating (loss) / profit before working capital changes	<u>(22,512)</u>	<u>25,385</u>
Inventories	1,665	(22,929)
Receivables	13,176	9,074
Payables	(8,809)	6,006
Associates	517	(777)
Holding, subsidiaries and related companies	10,073	(5,652)
Cash (used in) / generated from operations	<u>(5,890)</u>	<u>11,107</u>
Income taxes paid	(1,164)	1,933
Retirement benefits paid	(86)	-
Development expenditure	-	(624)
Net cash (used in) / generated from operating activities	<u>(7,140)</u>	<u>12,416</u>

TAMCO CORPORATE HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No : 6614-W)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL QUARTER ENDED 31 MAY 2009****(continued)**

THE FIGURES HAVE NOT BEEN AUDITED

	Cumulative 12 months ended	
	31.05.2009	31.05.2008
	RM'000	RM'000
Cash flow from investing activities		
Interest received	2,729	708
Disposals of associates, net of cash received	4,047	-
Disposals of subsidiaries, net of cash received	-	291,712
Addition of prepaid lease payments	-	(17)
Proceeds from disposal of property, plant and equipment	208	248
Purchase of property, plant and equipment	(127)	(13,466)
Net cash generated from investing activities	6,857	279,185
Cash flow from financing activities		
Interest paid	(1,235)	(7,973)
Repayment of Bai' Bithaman Ajil Serial Bonds	(61,740)	-
(Repayment)/drawdown of hire purchase and finance lease	(7,520)	(1,663)
Drawdown of bank borrowings	-	35,855
Repayment of share capital	(77,846)	-
Dividend paid	-	(159,092)
Net cash used in financing activities	(148,341)	(132,873)
Net change in cash and cash equivalents	(148,623)	158,728
Cash and cash equivalents at beginning of financial period	162,902	4,479
Effects of exchange rate changes	(565)	(305)
Cash and cash equivalents at end of financial period	13,714	162,902
The cash and cash equivalents comprise:		
Cash and bank balances	11,839	16,895
Short term deposits with licensed banks	2,758	148,048
Bank overdrafts	(883)	(2,041)
	13,714	162,902

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2009 and the accompanying notes to the Interim Financial Report.

TAMCO CORPORATE HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No : 6614-W)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 MAY 2009

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134

1 Basis of preparation

The Interim Financial Report of Tamco Corporate Holdings Berhad ("Tamco") and its subsidiaries ("Group") is unaudited and has been prepared in accordance with the Financial Reporting Standards ("FRS") 134: Interim Financial Reporting and Rule 9.22(b) of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market ("MESDAQ Listing Requirements").

The Interim Financial Report of the Group should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 31 May 2008. These explanatory notes attached to the Interim Financial Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2008.

The significant accounting policies adopted by the Group in this Report are consistent with those used in the Audited Financial Statements of the Group for the financial year ended 31 May 2008 except for the adoption of the following new/revised FRS effective for the financial year beginning 1 June 2008:

FRSs

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
FRS 119/2004	Employee Benefits

Amendments to

FRS 121	The Effect of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
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2 Changes in accounting policies

The significant accounting policies adopted by the Group in this Interim Financial Report are consistent with those adopted in the Group's most recent Audited Financial Statements for the financial year ended 31 May 2008.

3 Auditors' report on preceding annual financial statements

The auditors did not qualify the Group's Audited Financial Statements for the financial year ended 31 May 2008.

4 Seasonality or cyclicity of interim operations

During the financial quarter ended 31 May 2009, the operations of the Group were not significantly affected by any seasonal and cyclical factors.

5 Items of unusual nature and amount

During the financial quarter ended 31 May 2009, there were no items affecting the assets, liabilities, equity, net income or cash flows of the Group that are unusual by reason of their nature, size or incidence except for the loss from discontinued operation which is explained in Note 1 Part B.

6 Changes in estimates

There were no changes in estimates that have a material effect on the results for the financial quarter ended 31 May 2009.

7 Debt and equity securities

There were no issuances, cancellations, repurchases and resale of debt securities and equity securities during the financial quarter ended 31 May 2009.

8 Dividends paid

There was no dividend paid during the financial period and quarter ended 31 May 2009.

Tamco Corporate Holdings Berhad (6614-W)

Notes to the Interim Financial Report for the financial quarter ended 31 May 2009

9 Segmental information

The consolidated result of the group for the financial year ended 31 May 2009, analysed by business segment, are as follow:

	Continuing operations System integration		Discontinued operations System integration		Elimination RM'000	Consolidated RM'000
	Switchgear RM'000	& trading RM'000	Switchgear RM'000	& trading RM'000		
<u>Financial period ended 31 May 2009</u>						
External sales	-	66,092	-	-	-	66,092
Inter-segment sales	-	-	-	-	-	-
Total revenue	-	66,092	-	-	-	66,092
Segment results	-	1,071	-	-	-	1,071
Amortisation of goodwill						-
Finance costs						(1,235)
Interest income						2,729
Share of results of associates						-
Profit before taxation						2,565
Taxation						(3,102)
Loss after taxation before minority interest						(537)
Loss from discontinued operations						(25,498)
Minority interest						-
Net loss attributable to shareholders						(26,035)

9 Segmental information (Cont'd)

	Continuing operations System integration		Discontinued operations System integration		Elimination RM'000	Consolidated RM'000
	Switchgear RM'000	& trading RM'000	Switchgear RM'000	& trading RM'000		
<u>Financial period ended 31 May 2008</u>						
External sales	3,814	59,870	346,441	811	-	410,936
Inter-segment sales	-	145	22,184	66	(22,935)	(540)
Total revenue	<u>3,814</u>	<u>60,015</u>	<u>368,625</u>	<u>877</u>	<u>(22,935)</u>	<u>410,396</u>
Segment results	(538)	(1,868)	140,508	2,100	7,454	147,656
Impairment of goodwill						(2,594)
Finance costs						(7,973)
Interest income						709
Share of results of associates						(1,077)
Profit before taxation						<u>136,721</u>
Taxation						<u>643</u>
Profit after taxation before minority interest						<u>137,364</u>

10 Carrying amount of revalued assets

The valuations of property, plant and equipment have been brought forward, without amendments, from the Group's Audited Financial Statements for the financial year ended 31 May 2008.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

11 Subsequent events

There were no material events subsequent to the end of the financial quarter ended 31 May 2009 up to the date of the Interim Financial Report.

12 Changes in composition of the Group

On 27 February 2008, the Tamco PTX Technology (Singapore) Pte Ltd, a 70% subsidiary of the Company, has entered into a conditional share sale and purchase agreement with Shanghai ShenAo Electronic Technology Co Ltd to dispose its entire interest in Tamco Systems Technology (Shanghai) Co Ltd for a total cash consideration of Renminbi 150,000 (approximately RM67,245 at the exchange rate of Renminbi 1.00 : RM0.4483 as at 29 February 2008). The disposal is pending completion of condition precedent.

13 Contingent liabilities

	Company	
	31-05-2009	31-05-2008
	RM'000	RM'000
Unsecured: Potential performance-based consideration of acquisition	-	5,100
Guarantees given to financial institutions for facilities granted to a subsidiary	3,000	17,470
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B. ADDITIONAL INFORMATION REQUIRED BY THE MESDAQ LISTING REQUIREMENTS

1 Performance review for the current financial quarter against previous financial year corresponding quarter

For the quarter period ended 31 May 2009, revenue decreased by 19% from RM19.2 million to RM15.5 million due to lower delivery recorded in the trading division. Gross margin was also decreased by 2% due to lower average margin in the executed jobs.

In addition, pursuant to :

- (a) The Share Sale Agreement dated 11 October 2007 in relation to the disposal by the Company of Tamco Switchgear Malaysia Sdn Bhd ("TSM") to Larsen and Toubro Limited ("L & T"), and the two Share Sale Agreements each dated 10 December 2007 in relation to the disposal by the Company of PT Tamco Indonesia and Tamco Electrical Industries Australia Pte Ltd respectively to L & T; and
- (b) The Share Sales Agreement dated 10 December 2007 in relation to the disposal by the Company of Tamco Shanghai Switchgear Co. Ltd to Larsen & Toubro International FZE ("LTI"),

(TSM, PT Tamco Indonesia, Tamco Electrical Industries Australia Pte Ltd and Tamco Shanghai Switchgear Co. Ltd shall collectively be referred to as the ("Disposed Companies"))

Completion Accounts (as defined in the respective Share Sale Agreements) was required to be drawn up and audited by PricewaterhouseCoopers ("PwC") in the manner described in Schedule 3 of the relevant Share Sale Agreements.

The disposal exercise was completed on 23 April 2008.

Pursuant to each of the Share Sale Agreements, in the event that the Completion Net Asset value (as defined therein) of the Disposed Companies as at the Completion Date ("Completion NAV") is less than the net asset value of the Disposed Companies as at 31 May 2007 respectively ("Agreed NAV"), then Tamco shall pay L & T an amount equivalent to the shortfall ("Shortfall"). Conversely, if the Completion NAV exceeds the Agreed NAV, then L & T shall pay an amount equivalent to the excess to Tamco.

The audit report on the Completion Net Asset Value was issued by PwC on 19 February 2009 ("the PwC Report"). Based on the PwC Report and the determination by PwC of the Completion Net Asset Value, there is a Shortfall. After detailed discussions and negotiations with L & T on the computation of the Completion Net Asset Value that resulted in the Shortfall, a settlement agreement was signed by Tamco, L & T, LTI and TSM on 28 April 2009 ("Settlement Agreement"). Accordingly, Tamco is to:-

- (a) Pay to L & T the sum of RM 10.0 million as a result of the Shortfall ("the L & T Sum"); and
- (b) Pay to TSM the sum of RM 5.4 million, being the net amount after setting off outstanding inter-company balance and proposed adjustments to assets and liabilities to be made under the Business Transfer Agreement ("BTA") signed between the Company and TSM on 29 July 2007 ("the TSM Sum"). Total proposed adjustment pursuant to this is RM 15.5 million.

As a result of the shortfall in the relation to L & T Sum and proposed adjustments in relation to BTA, the total impact to the Company is approximately RM 25.5 million (equivalent to approximately RM0.10 per share.) The impact was shown in the current quarter financial statements.

Pursuant to the Settlement Agreement, the parties thereto have agreed that no further claims will be made in respect of any of the matters which have been considered as part of or in the course of the above mentioned audit or in respect of any covenants, warranties or representations or undertakings relating to or connected with the audited accounts of the Company. However, the general warranties period given to the purchaser in relation to statutory liabilities of the disposed companies will only expire on 22 April 2010.

2 Material change in the profit after taxation for the current financial quarter as compared with immediate preceding financial quarter

The Group reported a loss after tax of RM25.0 million, which is much higher compare to previous financial quarter of RM0.66 million. This is mainly due to adjustment mentioned in Note 1.

3 Prospects for next financial year

Barring unforeseen circumstances, the Directors are of the opinion that the Group's trading operations will continue to operate in a satisfactory manner.

The Directors and management will continue to assess and evaluate new business opportunities for the Group to enhance the Group's financial performance in future.

4 Forecast profit, profit guarantee and internal targets

The Group did not provide any profit forecast, profit guarantee and internal targets in any publicly available documents or announcements.

Tamco Corporate Holdings Berhad (6614-W)

Notes to the Interim Financial Report for the financial quarter ended 31 May 2009

5 Taxation

	Individual Quarter		Cummulative 6 months ended	
	31.05.2009	31.05.2008	31.05.2009	31.05.2008
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Income tax:				
Malaysian	2,319	697	3,017	1,135
Foreign	-	45	-	172
Over/(under) provision in prior years				
Malaysian	-	95	70	95
Foreign	-	-	-	-
Deferred taxation:				
Relating to originating and reversal of temporary differences	-	(325)	-	(300)
Relating to rduction in income tax rate	-	5	-	5
Under provision in prior years	-	(264)	15	(264)
	<u>2,319</u>	<u>253</u>	<u>3,102</u>	<u>843</u>

	Individual Quarter		Cummulative 12 months ended	
	31.05.2009	31.05.2008	31.05.2009	31.05.2008
	RM'000	RM'000	RM'000	RM'000
Discontinued operations				
Income tax:				
Malaysian	-	(2,550)	-	156
Foreign	-	(253)	-	-
Over/(under) provision in prior years				
Malaysian	-	(1,456)	-	(1,456)
Foreign	-	-	-	-
Deferred taxation:				
Relating to originating and reversal of temporary differences	-	-	-	-
Relating to rduction in income tax rate	-	-	-	-
Under provision in prior years	-	(186)	-	(186)
	<u>-</u>	<u>(4,445)</u>	<u>-</u>	<u>(1,486)</u>

6 Sale of unquoted investments and properties

There were no disposals of unquoted investments and properties for the current financial quarter ended 31 May 2009 and at the date of this Interim Financial Report..

7 Quoted securities

There were no purchases of quoted securities for the financial quarter ended 31 May 2009 and at the date of this Interim Financial Report. As at balance sheet date, the Group has no investment in quoted securities.

8 Utilisation of proceeds

The utilisation of proceeds from the issuance of shares to certain Bumiputera investors approved by Ministry of International Trade and Industry in June 2004 have been fully utilized and complied with as disclosed in the previous quarter announcement and also in the annual report.

10 Group borrowings

Group borrowings denominated in their functional currencies are as follows:

	As at 31.05.2009 RM'000	As at 31.05.2008 RM'000
Short term borrowings		
Secured:		
Ringgit Malaysia	312	60,309
US Dollar	-	-
Unsecured:		
Ringgit Malaysia	4,278	2,240
US Dollar	-	6,232
Hong Kong Dollar	-	5,545
Singapore Dollar	-	76
Chinese Renminbi	-	-
Australia Dollar	-	-
	<u>4,590</u>	<u>74,402</u>
Long term borrowings		
Secured:		
Ringgit Malaysia	60	426
Unsecured:		
Ringgit Malaysia	-	240
Singapore Dollar	-	-
	<u>60</u>	<u>666</u>
	<u>4,650</u>	<u>75,068</u>

Note: Foreign currencies denominated borrowings are stated at Ringgit Malaysia equivalent as at the reporting dates stated above.

11 Off balance sheet financial instruments

The Group does not have any off balance sheet financial instruments as at the date of this Interim Financial Report.

Tamco Corporate Holdings Berhad (6614-W)

Notes to the Interim Financial Report for the financial quarter ended 31 May 2009

12 Material litigation

The Group does not have any material litigation as at the date of this Interim Financial Report.

13 Dividends payable

The Directors do not propose and pay any dividend for the quarter period ended 31 May 2009.

14 Loss per share

(a) Basic loss per share

The basic loss per share is calculated by dividing the net loss attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the financial period of 259,487,720 shares (2008 : 259,487,720).

(b) Fully diluted loss per share

The Company has no potential ordinary shares in issue as at balance sheet date and therefore, diluted loss per share has not been presented.

BY ORDER OF THE BOARD

Choo Se Eng
Stephen Geh Sim Whye
Secretaries
Petaling Jaya

31 July 2009