

**TAMCO CORPORATE HOLDINGS BERHAD**

(Incorporated in Malaysia)

(Company No : 6614-W)

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2008**

THE FIGURES HAVE NOT BEEN AUDITED

	Individual Quarter		Cumulative 6 months ended	
	30.11.2008	30.11.2007 (As restated)	30.11.2008	30.11.2007 (As restated)
	RM'000	RM'000	RM'000	RM'000
Revenue	18,171	16,094	33,492	32,237
Cost of sales	(14,458)	(12,329)	(26,003)	(24,812)
Gross profit	3,713	3,765	7,489	7,425
Other income	813	17	2,496	1,434
Selling and distribution expenses	(1,733)	(1,872)	(3,512)	(4,191)
Administrative expenses	(1,534)	(1,049)	(4,069)	(2,275)
Other expenses	(1,003)	(531)	(1,042)	(1,376)
Profit from operations	257	330	1,363	1,017
Finance costs	(95)	(31)	(1,048)	(283)
Profit after finance costs	162	299	315	734
Share of results of associates	-	239	-	(31)
Profit before taxation	162	538	315	703
Taxation	(287)	(314)	(629)	(489)
Net (loss) / profit for the period	(125)	224	(314)	214
Profit from discontinued operations	-	9,046	-	13,319
Net (loss) / profit for the quarter	(125)	9,270	(314)	13,533
<b>Attributable to:</b>				
Shareholders of the parent	(125)	9,270	(314)	13,533
Minority interest	-	(125)	-	(125)
	(125)	9,145	(314)	13,408
<b>Loss per share attributable to shareholders of the parent (sen):</b>				
- basic	(0.05)	3.52	(0.12)	5.16
- diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2008 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 30 NOVEMBER 2008**

	<b>30.11.2008</b>	<b>31.5.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Non-current assets</b>		
Property, plant and equipment	5,761	6,491
Prepaid lease payments	9,809	9,895
Investment in associates	8,744	8,744
Intangible assets	401	417
Goodwill on consolidation	-	-
Deferred tax assets	439	353
	<u>25,153</u>	<u>25,900</u>
<b>Current assets</b>		
Inventories	11,500	11,394
Trade receivables	15,556	20,854
Other receivables	8,519	9,638
Tax recoverable	2,288	2,347
Amount due from associates	291	394
Short term deposits with licensed banks	88,038	148,048
Cash and bank balances	10,645	16,895
	<u>136,836</u>	<u>209,570</u>
<b>TOTAL ASSETS</b>	<u><u>161,989</u></u>	<u><u>235,470</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	129,744	129,744
Translation reserve	(2,167)	(2,517)
Retained profits	6,470	6,784
	<u>134,047</u>	<u>134,011</u>
<b>Minority Interest</b>	-	125
<b>Total equity</b>	<u>134,047</u>	<u>134,136</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	93	20
Retirement benefit obligations	-	86
Borrowings	160	666
	<u>253</u>	<u>772</u>
<b>Current liabilities</b>		
Trade payables	9,302	14,655
Other payables	7,050	10,371
Amount due to associates	-	-
Amount due to related companies	-	41
Borrowings	9,684	74,402
Provision for taxation	1,652	1,093
	<u>27,689</u>	<u>100,562</u>
<b>Total liabilities</b>	<u>27,942</u>	<u>101,334</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>161,989</u></u>	<u><u>235,470</u></u>
<b>Net assets per share (RM)</b>	<b>0.52</b>	<b>0.52</b>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2008 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 30 NOVEMBER 2008

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	
<b>Financial quarter ended 30 November 2008</b>						
Balance as at 1 June 2008	129,744	(2,517)	6,784	<b>134,011</b>	-	<b>134,011</b>
Currency translation differences, representing net income recognised directly in equity	-	350	-	<b>350</b>	-	<b>350</b>
Net loss for the financial year	-	-	(314)	<b>(314)</b>	-	<b>(314)</b>
Total recognised income and expenses for the financial period	-	350	(314)	<b>36</b>	-	<b>36</b>
Balance as at 30 November 2008	<u>129,744</u>	<u>(2,167)</u>	<u>6,470</u>	<b><u>134,047</u></b>	-	<b><u>134,047</u></b>

### Financial quarter ended 30 November 2007

Balance as at 1 June 2007	129,744	(3,504)	28,387	<b>154,627</b>	-	<b>154,627</b>
Currency translation differences, representing net income recognised directly in equity	-	757	-	<b>757</b>	-	<b>757</b>
Net profit for the financial year	-	-	13,533	<b>13,533</b>	(125)	<b>13,408</b>
Total recognised income and expenses for the financial period	-	757	13,533	<b>14,290</b>	(125)	<b>14,165</b>
Balance as at 30 November 2007	<u>129,744</u>	<u>(2,747)</u>	<u>41,920</u>	<b><u>168,917</u></b>	<u>(125)</u>	<b><u>168,792</u></b>

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 2008 and the accompanying notes to the Interim Financial Report.

(Note : Changes in equity for 30 November 2007 has not been restated.)

**TAMCO CORPORATE HOLDINGS BERHAD**

(Incorporated in Malaysia)

(Company No : 6614-W)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2008***THE FIGURES HAVE NOT BEEN AUDITED*

	Cumulative quarter ended	
	30.11.2008 RM'000	30.11.2007 RM'000
<b>Cash flow from operating activities</b>		
Profit / (loss) before taxation:	315	703
Adjustments for:		
Depreciation of property, plant and equipment	564	3,254
Amortisation of prepaid lease payments	86	-
Provision for retirement benefits	-	511
Amortisation of development expenditure	16	2,940
Bad debts recovered	-	6
Interest expense	1,048	4,017
Interest income	(2,063)	(120)
Loss on disposal of Property, plant and equipment	15	(86)
Gain on foreign exchange	-	(3,428)
Share in results of associates	-	31
Minority interests	-	125
Operating profit before working capital changes	(18)	7,953
Inventories	(106)	(21,567)
Receivables	6,418	17,377
Payables	(8,798)	(7,487)
Associates	103	1
Holding, subsidiaries and related companies	(41)	(4)
Cash used in operations	(2,443)	(3,727)
Income taxes paid	(24)	(1,866)
Retirement benefits paid	(86)	(247)
Development expenditure	-	(442)
Net cash used in operating activities	(2,553)	(6,282)

**TAMCO CORPORATE HOLDINGS BERHAD**

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2008****(continued)**

THE FIGURES HAVE NOT BEEN AUDITED

	Cumulative quarter ended	
	30.11.2008	30.11.2007
	RM'000	RM'000
<b>Cash flow from investing activities</b>		
Interest received	2,063	120
Proceeds from disposal of property, plant and equipment	208	164
Purchase of property, plant and equipment	(57)	(5,466)
Net cash generated from / (used in) investing activities	2,214	(5,182)
<b>Cash flow from financing activities</b>		
Interest paid	(1,048)	(4,017)
Repayment of Bai' Bithaman Ajil Serial Bonds	(61,740)	-
(Repayment)/drawdown of hire purchase and finance lease	(275)	(516)
Drawdown of bank borrowings	(2,096)	16,500
Net cash (used in) / generated from financing activities	(65,159)	11,967
<b>Net change in cash and cash equivalents</b>	(65,498)	503
<b>Cash and cash equivalents at beginning of financial</b>	162,902	4,479
<b>Effects of exchange rate changes</b>	350	436
<b>Cash and cash equivalents at end of financial</b>	97,754	5,418
<b>The cash and cash equivalents comprise:</b>		
Cash and bank balances	10,644	3,495
Short term deposits with licensed banks	88,038	7,905
Bank overdrafts	(928)	(5,982)
	97,754	5,418

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 2008 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 30 November 2008

### 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 30 November 2008, 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 30 November 2008, 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 changes in the composition of the Group as disclosed in Note 12 of Part A.

**6 Changes in estimates**

There were no changes in estimates that have a material effect on the results for the financial quarter ended 30 November 2008.

**7 Debt and equity securities**

There were no issuances, cancellations, repurchases and resale of debt securities and equity securities during the financial quarter ended 30 November 2008.

**8 Dividends paid**

There was no dividend paid during the financial period and quarter ended 30 November 2008.

**9 Segmental information**

The Group has only one business segment that is the System Integration and Trading operation after the disposal of its Switchgear Business in the last financial year. As such, segmental information is not applicable.

**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 30 November 2008 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**

	<b>Company</b>	
	<b>30-11-2008</b>	<b>31-08-2007</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(reinstated)</b>
Unsecured:		
Potential performance-based consideration of acquisition	-	5,100
Guarantees given to financial institutions for facilities granted to a subsidiary	<b>11,970</b>	17,470

In April 2008, the Group has completed the sale of its switchgear business and has recognised the gain on this disposal based on the cash consideration received and the estimated difference between the Completion Net Asset Value as at 30 April 2008 over the Proforma Net Asset Value of the switchgear business as at 31 May 2007.

The Group is currently in negotiation with the buyer to determine the actual amount of difference and this could result in the contingent liability to the Group.



**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 30 November 2008, revenue increased by 13% from RM16.1 million to RM18.3 million due to higher delivery recorded in the trading division. Gross margin however decreased by 3% due to lower average margin in the executed jobs. Other income increase significantly due to interest earned from fixed deposit placement.

**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 RM0.13 million, a slightly improved results compare to previous financial quarter of RM0.19 million.

**3 Prospects for this financial year**

Given the current global financial turmoil and the challenging economic and trading conditions worldwide, the Board is cautious about the performance for the rest of the Financial year ended May 2009. The Board will continue to monitor closely.

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.

**5 Taxation**

	Individual Quarter		Cumulative 6 months ended	
	30.11.2008 RM'000	30.11.2007 RM'000	30.11.2008 RM'000	30.11.2007 RM'000
<b>Continuing operations</b>				
Income tax:				
Malaysian	287	236	544	357
Foreign	-	51	-	105
Over/(under) provision in prior years				
Malaysian	-	-	70	-
Foreign	-	-	-	-
Deferred taxation:				
Relating to originating and reversal of temporary differences	-	27	-	27
Under provision in prior years	-	-	15	-
	<u>287</u>	<u>314</u>	<u>629</u>	<u>489</u>

**6 Sale of unquoted investments and properties**

There were no disposals of unquoted investments and properties for the current financial quarter ended 30 November 2008 and at the date of this Interim Financial Report..

**7 Quoted securities**

There were no purchases of quoted securities for the financial quarter ended 30 November 2008 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.

**9 Status of corporate proposals**

On 28 April 2008, the Company announced that it is proposing to undertake a capital repayment involving a cash distribution of RM0.30 for every one (1) existing ordinary share in Tamco ("Tamco Share") held to entitled shareholders at a date to be determined later ("Proposed Capital Repayment") and thereafter by cancelling the par value of each Tamco Share by RM0.30 in accordance with Section 64 of the Companies Act, 1965.

The amount of cash to be distributed to entitled shareholders under the Proposed Capital Repayment is approximately RM77.846 million based on the number of issued and paid-up share capital of Tamco as at 24 April 2008 of 259,487,720 Tamco Shares.

Upon the completion of the Proposed Capital Repayment, the par value of the Tamco Shares will be reduced from RM0.50 to RM0.20 each and the share capital of Tamco will be reduced by approximately RM77.846 million.

The Proposed Capital Repayment will be funded entirely by the net proceeds received from the disposal of the Switchgear Business, which was completed on 23 April 2008.

The Proposed Capital Repayment has been approved by the Securities Commission and on 9 January 2008 the High Court of Malaya at Kuala Lumpur has confirmed and sanctioned the Company's petition for an order for reduction of Company's share capital pursuant to Section 64 of the Companies Act, 1965 in respect of the Proposed Capital Repayment.

The Proposed Capital Repayment is now pending the lodgement of the sealed copy of the Court Order to the Companies Commission of Malaysia.

Other than the above, there are no other corporate proposals announced but not completed as at the date of this Interim Financial Report.

## 10 Group borrowings

Group borrowings denominated in their functional currencies are as follows:

	<b>30.11.2008</b>	<b>30.11.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Short term borrowings</b>		
Secured:		
Ringgit Malaysia	-	60,673
US Dollar	4,974	15,628
Unsecured:		
Ringgit Malaysia	4,710	53,225
Hong Kong Dollar	-	6,776
Singapore Dollar	-	45
Chinese Renminbi	-	3,805
Australia Dollar	-	4,581
	<u>9,684</u>	<u>144,733</u>
<b>Long term borrowings</b>		
Secured:		
Ringgit Malaysia	160	551
Unsecured:		
Ringgit Malaysia	-	362
Singapore Dollar	-	-
	<u>160</u>	<u>913</u>
	<u>9,844</u>	<u>145,646</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.

**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 30 November 2008.

**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

22 January 2009