

# TAMCO CORPORATE HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No : 6614-W)

## CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE FINANCIAL QUARTER ENDED 29 FEBRUARY 2008

THE FIGURES HAVE NOT BEEN AUDITED

	Individual Quarter		Cummulative 9 months ended	
	29.02.2008	28.02.2007	29.02.2008	28.02.2007
	RM'000	RM'000 (As restated)	RM'000	RM'000 (As restated)
Revenue	12,259	18,526	44,496	68,914
Cost of sales	(9,405)	(15,362)	(34,217)	(56,332)
Gross profit	2,854	3,164	10,279	12,582
Other income	(806)	137	628	481
Selling and distribution expenses	(1,621)	(2,020)	(5,812)	(6,522)
Administrative expenses	(839)	(1,720)	(3,114)	(4,695)
Other expenses	(1,651)	(499)	(3,027)	(1,366)
(Loss)/profit from operations	(2,063)	(938)	(1,046)	480
Finance costs	(137)	(265)	(420)	(708)
Loss after finance costs	(2,200)	(1,203)	(1,466)	(228)
Share of results of associates	-	(228)	(31)	(533)
Loss before taxation	(2,200)	(1,431)	(1,497)	(761)
Taxation	(101)	(47)	(590)	(605)
Loss for the period from continuing operations	(2,301)	(1,478)	(2,087)	(1,366)
Profit from discontinued operations (Note 12 of Part A)	10,101	4,101	23,295	11,553
Net profit for the period	7,800	2,623	21,208	10,187
<b>Attributable to:</b>				
Shareholders of the parent	7,800	2,623	21,333	10,187
Minority interest	-	-	(125)	-
	7,800	2,623	21,208	10,187
<b>Earnings per share attributable to shareholders of the parent (sen):</b>				
- basic, for continuing operations	(0.89)	(0.57)	(0.76)	(0.53)
- basic, for discontinued operations	3.89	1.58	8.98	4.45
- diluted, for continuing operations	N/A	N/A	N/A	N/A
- diluted, for discontinued operations	N/A	N/A	N/A	N/A

Subsequent to the balance sheet date, the proposed disposals of Tamco Systems Technology (Shanghai) Co Ltd and the Switchgear Business, which comprises the switchgear operations of the Company prior to the completion of the Proposed Internal Reorganisation, Tamco Switchgear (Malaysia) Sdn Bhd, Tamco Switchgear Shanghai Co Ltd, Tamco Electrical Industries Australia Pty Ltd and PT Tamco Indonesia, have been completed. Consequently, the results of these companies have been presented separately on the consolidated income statement as discontinued operations. The corresponding comparatives for the previous reporting quarter have been restated to reflect the change. On the consolidated balance sheet, the carrying amounts of the investments in these subsidiaries have also been presented as non-current assets held for sale.

The Condensed Consolidated Income Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 2007 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 29 FEBRUARY 2008**

	29.02.2008 RM'000 (Unaudited)	31.05.2007 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6,102	46,505
Prepaid lease payments	9,486	14,501
Investment in associates	9,981	9,987
Intangible assets	2,220	8,591
Goodwill on consolidation	7,653	17,016
Deferred tax assets	-	322
	<u>35,442</u>	<u>96,922</u>
<b>Current assets</b>		
Inventories	11,658	104,371
Trade receivables	17,049	198,363
Other receivables	3,039	8,270
Tax recoverable	2,499	1,653
Amount due from associates	216	400
Short term deposits with licensed banks	9,359	4,607
Cash and bank balances	10,193	11,983
Asset of disposal group/Non-current assets classified as held for sale (Note 12 of Part A)	357,434	-
	<u>411,447</u>	<u>329,647</u>
<b>TOTAL ASSETS</b>	<u><u>446,889</u></u>	<u><u>426,569</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	(3,065)	(3,504)
Retained profits	46,831	28,387
	<u>173,510</u>	<u>154,627</u>
<b>Minority Interest</b>	8	-
<b>Total equity</b>	<u>173,518</u>	<u>154,627</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	31	484
Retirement benefit obligations	85	1,579
Borrowings	615	61,313
	<u>731</u>	<u>63,376</u>
<b>Current liabilities</b>		
Trade payables	10,400	100,720
Other payables	2,923	33,284
Amount due to associates	-	774
Amount due to related companies	39	44
Borrowings	75,597	73,176
Provision for taxation	436	568
Liabilities directly associated with assets classified as held for sale (Note 12 of Part A)	183,245	-
	<u>272,640</u>	<u>208,566</u>
<b>Total liabilities</b>	<u>273,371</u>	<u>271,942</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>446,889</u></u>	<u><u>426,569</u></u>
<b>Net assets per share (RM)</b>	<b>0.67</b>	<b>0.60</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 2007 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 29 FEBRUARY 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 29 February 2008</b>						
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	-	430	-	<b>430</b>	-	<b>430</b>
Interim dividend paid	-	-	(2,880)	<b>(2,880)</b>	-	<b>(2,880)</b>
Net profit for the financial period	-	-	21,333	<b>21,333</b>	(125)	<b>21,208</b>
Total recognised income and expenses for the financial period	-	430	18,453	<b>18,883</b>	(125)	<b>18,758</b>
Balance as at 29 February 2008	<u>129,744</u>	<u>(3,074)</u>	<u>46,840</u>	<b><u>173,510</u></b>	<u>(125)</u>	<b><u>173,385</u></b>

### Financial quarter ended 28 February 2007

Balance as at 1 June 2006	129,744	(3,127)	11,566	<b>138,183</b>	49	<b>138,232</b>
Currency translation differences, representing net income recognised directly in equity	-	305	-	<b>305</b>	(6)	<b>299</b>
Net profit for the financial period	-	-	10,187	<b>10,187</b>	-	<b>10,187</b>
Total recognised income and expenses for the financial period	-	305	10,187	<b>10,492</b>	(6)	<b>10,486</b>
Balance as at 28 February 2007	<u>129,744</u>	<u>(2,822)</u>	<u>21,753</u>	<b><u>148,675</u></b>	<u>43</u>	<b><u>148,718</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 2007 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 29 FEBRUARY 2008***THE FIGURES HAVE NOT BEEN AUDITED*

	Cumulative 9 months ended	
	29.02.2008	28.02.2007
	RM'000	RM'000
<b>Cash flow from operating activities</b>		
Profit before taxation:		
Continuing operations	(1,497)	(761)
Discontinued operations	26,255	15,309
	<u>24,758</u>	<u>14,548</u>
Adjustments for:		
Depreciation of property, plant and equipment	4,668	5,042
Provision for retirement benefits	254	547
Amortisation of development expenditure	5,321	4,555
Allowance for doubtful debts	47	2,033
Bad debts recovered	6	-
Inventories written off	-	21
Interest expense	5,650	5,816
Interest income	(259)	(375)
(Gain)/loss on disposal of property, plant and equipment	(85)	88
Gain on foreign exchange	(7,050)	-
Share in results of associates	31	533
Operating profit before working capital changes	<u>33,341</u>	<u>32,808</u>
Inventories	(28,293)	(1,818)
Receivables	24,535	(42,375)
Payables	(10,930)	4,692
Associates	(349)	(140)
Holding, subsidiaries and related companies	319	(205)
Cash generated from/(used in) operations	<u>18,623</u>	<u>(7,038)</u>
Income taxes paid	(2,838)	(4,619)
Retirement benefits paid	(316)	(292)
Development expenditure	(591)	(2,992)
Net cash generated from/(used in) operating activities	<u>14,878</u>	<u>(14,941)</u>

**TAMCO CORPORATE HOLDINGS BERHAD**

(Incorporated in Malaysia)

(Company No : 6614-W)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL QUARTER ENDED 29 FEBRUARY 2008****(continued)***THE FIGURES HAVE NOT BEEN AUDITED*

	<b>Cumulative 9 months ended</b>	
	<b>29.02.2008</b>	<b>28.02.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flow from investing activities</b>		
Interest received	259	375
Proceeds from disposal of property, plant and equipment	166	626
Purchase of property, plant and equipment	(11,415)	(8,212)
Net cash used in investing activities	(10,990)	(7,211)
<b>Cash flow from financing activities</b>		
Interest paid	(5,650)	(5,816)
Repayment of Bai' Bithaman Ajil Serial Bonds	-	(20,000)
(Repayment)/drawdown of hire purchase and finance lease	(732)	825
Drawdown of bank borrowings	17,838	6,040
Interim dividend paid	(2,880)	-
Net cash used in financing activities	8,576	(18,951)
<b>Net change in cash and cash equivalents</b>	12,464	(41,103)
<b>Cash and cash equivalents at beginning of financial period</b>	4,479	42,922
<b>Effects of exchange rate changes</b>	306	(151)
<b>Cash and cash equivalents at end of financial period</b>	<u>17,249</u>	<u>1,668</u>
<b>The cash and cash equivalents comprise:</b>		
Cash and bank balances	10,193	14,535
Short term deposits with licensed banks	9,359	3,552
Bank overdrafts	(2,303)	(16,419)
	<u>17,249</u>	<u>1,668</u>

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 2007 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 29 FEBRUARY 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 2007. 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 2007.

#### 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 2007 except for the adoption of the following applicable new/revised FRS:

<u>FRSs and Amendments to FRSs</u>	<u>Effective for financial periods beginning on or after</u>
FRS 117: Leases	1 October 2006
FRS 124: Related Party Disclosures	1 October 2006

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight line basis over the lease term. Prior to 1 July 2007, leasehold land of RM14,501,000 was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses.

The adoption of 124 does not have significant financial impact on the Group except for additional disclosure requirements.

**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 2007.

**4 Seasonality or cyclicity of interim operations**

During the financial quarter ended 29 February 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 29 February 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 29 February 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 29 February 2008.

**8 Dividends paid**

The amount of dividend paid by the Company since 31 May 2007 was as follow:

	RM
Interim dividend of 1.5% less 26% tax declared on 7 December 2007 and paid on 8 January 2008	<u>2,880,313</u>

## Tamco Corporate Holdings Berhad (6614-W)

Notes to the Interim Financial Report for the financial quarter ended 29 February 2008

### 9 Segmental information

The consolidated revenue and results of the Group for the financial period ended 29 February 2008, analysed by business segments, are as follows:

	Continuing operations			Discontinued operations			Elimination	Consolidated
	Switchgear RM'000	Integration & Trading RM'000	Total RM'000	Switchgear RM'000	Integration & Trading RM'000	Total RM'000		
<u>Financial period ended 29 February 2008</u>								
External sales	2,514	41,982	44,496	281,496	810	282,306	-	326,802
Inter-segment sales	-	145	145	20,149	66	20,215	(20,360)	-
Total revenue	<u>2,514</u>	<u>42,127</u>	<u>44,641</u>	<u>301,645</u>	<u>876</u>	<u>302,521</u>	<u>(20,360)</u>	<u>326,802</u>
<u>Financial period ended 28 February 2007</u>								
Segment results	(1,648)	602	(1,046)	32,133	(908)	31,225	125	30,304
Finance costs			(420)			(5,230)		(5,650)
Interest income			-			259		259
Share of results of associates			(31)			-		(31)
Profit before taxation			(1,497)			26,254		24,882
Taxation			(590)			(2,959)		(3,549)
Profit after taxation before minority interest			<u>(2,087)</u>			<u>23,295</u>		<u>21,333</u>
<u>Financial period ended 28 February 2007</u>								
(As restated)								
External sales	2,503	66,411	68,914	247,695	1,520	249,215		318,129
Inter-segment sales	950	5,471	6,421	18,331	186	18,517	(24,938)	-
Total revenue	<u>3,453</u>	<u>71,882</u>	<u>75,335</u>	<u>266,026</u>	<u>1,706</u>	<u>267,732</u>	<u>(24,938)</u>	<u>318,129</u>
<u>Financial period ended 29 February 2008</u>								
Segment results	(2,634)	3,113	479	20,273	(230)	20,043	-	20,522
Finance costs			(708)			(5,108)		(5,816)
Interest income			1			374		375
Share of results of associates			(533)			-		(533)
Profit before taxation			(761)			15,309		14,548
Taxation			(605)			(3,756)		(4,361)
Profit after taxation before minority interest			<u>(1,366)</u>			<u>11,553</u>		<u>10,187</u>

The corresponding comparatives for the previous reporting quarter have been restated to reflect the effects of discontinued operations.

**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 2007.

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 29 February 2008 up to the date of the Interim Financial Report except as disclose in Note 12 of Part A.

**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).

On 7 March 2008, the Company announced the completion of the Proposed Internal Reorganisation, which involved the transfer of switchgear business from the Company to its wholly-owned subsidiary, Tamco Switchgear (Malaysia) Sdn Bhd.

On 23 April 2008, the Company announced that the proposed disposals of Tamco Switchgear (Malaysia) Sdn Bhd, Tamco Shanghai Switchgear Co Ltd, Tamco Electrical Industries Australia Pty Ltd and PT Tamco Indonesia have been completed.

Consequently to the events above, the results of Tamco Systems Technology (Shanghai) Co Ltd and the Switchgear Business, which comprises the switchgear operations of the Company prior to the completion of the Proposed Internal Reorganisation, Tamco Switchgear (Malaysia) Sdn Bhd, Tamco Switchgear Shanghai Co Ltd, Tamco Electrical Industries Australia Pty Ltd and PT Tamco Indonesia, have been presented separately on the consolidated income statement as discontinued operations. The corresponding comparatives for the previous reporting quarter have been restated to reflect the change. On the consolidated balance sheet, the carrying amounts of the investments in these subsidiaries have also been presented as non-current assets held for sale.

**Tamco Corporate Holdings Berhad (6614-W)**

Notes to the Interim Financial Report for the financial quarter ended 29 February 2008

The analysis of the results of discontinued operations and the results recognised on the re-measurement of the assets of disposal group is as follows:

	Individual Quarter		Cumulative 9 months ended	
	29.02.2008 RM'000	28.02.2007 RM'000	29.02.2008 RM'000	28.02.2007 RM'000
Revenue	99,409	78,964	282,306	249,215
Expenses	<u>(86,989)</u>	<u>(74,899)</u>	<u>(256,052)</u>	<u>(233,906)</u>
Profit before taxation from discontinued operations	12,420	4,065	26,254	15,309
Taxation	<u>(2,319)</u>	<u>36</u>	<u>(2,959)</u>	<u>(3,756)</u>
Net profit from discontinued operations	<u>10,101</u>	<u>4,101</u>	<u>23,295</u>	<u>11,553</u>

The major classes of assets and liabilities of the disposal group classified as held for sale on the consolidated balance sheet as at 29 February 2008 are as follows:

	RM'000
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	37,705
Prepaid lease payments	14,622
Goodwill on consolidation	9,363
Intangible assets	1,435
Deferred tax assets	230
	<u>63,355</u>
<b>Current assets</b>	
Inventories	121,008
Trade and other receivables	170,847
Cash and bank balances	2,224
	<u>294,079</u>
Asset of disposal group/Non-current assets classified as held for sale	<u>357,434</u>
<b>LIABILITIES</b>	
<b>Non-current liabilities</b>	
Deferred tax liabilities	398
Retirement benefit obligations	1,207
	<u>1,605</u>
<b>Current liabilities</b>	
Trade and other payables	110,293
Amount due to associated companies	774
Borrowings	70,089
Provision for taxation	484
	<u>181,640</u>
Liabilities directly associated with assets classified as held for sale	<u>183,245</u>

There were no other material changes in the composition of the Group for the financial quarter ended 29 February 2008, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations.

**13 Contingent liabilities**

	<b>Company</b>	
	<b>29-02-2008</b>	<b>31-05-2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Unsecured:		
Potential performance-based consideration of acquisition	<b>5,100</b>	16,700
Guarantees given to financial institutions for facilities granted to subsidiaries:		
- Continuing operations	<b>17,470</b>	17,470
- Discontinued operations	<b>31,508</b>	21,540

The potential performance-based consideration of RM5.1 million is dependent on achievement of minimum profit requirements by Decom Limited ("Decom") in accordance with the sale and purchase agreement entered into between the Company and the vendors of Decom as mentioned in Note 8 of Section B. The contingent liability is unlikely to be payable as the Directors are of the reasonable view that the stipulated profit requirements will not be met.

The guarantees given to financial institutions for facilities to subsidiaries of discontinued operations would be released upon completion of the Proposed Disposals.

## **B. ADDITIONAL INFORMATION REQUIRED BY THE MESDAQ LISTING REQUIREMENTS**

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

With the completion of the Proposed Disposals as disclosed in Note 12 of Part A, there is a substantial change in the structure of the Group. The remaining business of the Group comprise mainly of the assembly, trading and distribution of electrical components. The Board and management will continue to evaluate various new businesses for the Group.

For the nine months and quarter ended 29 February 2008, revenue decreased to RM44.5 million from RM68.9 million and RM12.3 million from RM18.5 million in the corresponding period last year. The decrease in revenue was mainly caused by lower number of projected secured in the systems integration business. Consequently, the Group incurred a higher loss before taxation compared to the same period last year.

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

Revenue from the continuing operations in the current quarter decreased to RM12.3 million from RM16.1 million in the immediate preceding quarter ended 30 November 2007. This was mainly attributed to the slow down in deliveries during the month. As a result, the Group reported higher loss before taxation of RM2.3 million. The loss before taxation in the preceding quarter was negligible.

### **3 Prospects for the financial year**

As mentioned in Note 12 of Part A, the Conditional Share Sale Agreement to dispose off its switchgear business ("Proposed Disposals") was been completed on 23 April 2008.

The Disposals are expected to result in a one-time gain on disposal of approximately RM149 million to the Group after netting off estimated expenses relating to the Proposed Disposals of RM12 million which would significantly impact the earnings per share of the Tamco group for the financial year ending 31 May 2008.

The companies that have been disposed would cease to be subsidiaries of Tamco and Tamco would not consolidate the earnings of these companies. However, the loss of future earnings contribution from these companies will be offset by the one-time gain on disposal of approximately RM149 million mentioned above. In addition, Tamco would benefit from interest savings arising from the repayment of Bonds, if part of the proceeds are utilised to repay the Bonds, and interest income earned on surplus funds placed in interest bearing deposits.

The Company has effectively ceased its major operations. Therefore, the Company is classified as an affected listed issuer based on Paragraph 2.1 of GN3 ("Affected Listed Issuer"). In addition, the Company may be classified by Bursa Malaysia Securities Berhad as a "Cash Company" under Guidance Note No. 2/2006 of MESDAQ Listing Requirements.

**Tamco Corporate Holdings Berhad (6614-W)**

Notes to the Interim Financial Report for the financial quarter ended 29 February 2008

**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 9 months ended	
	29.02.2008 RM'000	28.02.2007 RM'000	29.02.2008 RM'000	28.02.2007 RM'000
<b>Continuing operations</b>				
Income tax:				
Malaysian	81	(2)	438	344
Foreign	22	32	127	69
Over/(under) provision in prior years				
Malaysian	-	-	-	185
Foreign	-	-	-	-
Deferred taxation:				
Relating to originating and reversal of temporary differences	(2)	1	25	1
Under provision in prior years	-	16	-	6
	<u>101</u>	<u>47</u>	<u>590</u>	<u>605</u>
<b>Discontinued operations</b>				
Income tax:				
Malaysian	2,211	32	2,706	4,035
Foreign	108	(179)	253	-
Over/(under) provision in prior years				
Malaysian	-	294	-	294
Foreign	-	3	-	(343)
Deferred taxation:				
Relating to originating and reversal of temporary differences	-	(184)	-	(573)
Under provision in prior years	-	(3)	-	343
	<u>2,319</u>	<u>(37)</u>	<u>2,959</u>	<u>3,756</u>
	<u>2,420</u>	<u>10</u>	<u>3,549</u>	<u>4,361</u>

The Group's effective tax rate for the financial quarter ended 29 February 2008 was lower than the statutory rate due to certain non-taxable income in the overseas subsidiary.

**6 Sale of unquoted investments and properties**

There were no disposals of unquoted investments and properties for the current financial quarter ended 29 February 2008 and financial year to date.

**7 Quoted securities**

There were no purchases of quoted securities for the financial quarter ended 29 February 2008 and financial year to date. As at balance sheet date, the Group has no investment in quoted securities.

**8 Utilisation of proceeds**

On 29 June 2004, the Company had issued 35,000,000 new ordinary shares of RM0.50 each in the Company ("Tamco Shares") to certain Bumiputera investors approved by the Ministry of International Trade and Industry at an issue price of RM0.50 per Tamco Share ("Bumiputera Placement"). The Company has utilised/ plans to utilise the gross proceeds of RM17.5 million from its Bumiputera Placement in the following manner:

<b>Purpose/ Explanation</b>	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Intended Timeframe for Utilisation</b>	<b>Deviation RM'000</b>	<b>%</b>
(i) Acquisition of additional businesses in switchgear and power technology to expand the range of product offerings of Tamco Group	5,600	<sup>(1),(2)</sup> 5,600	N/A	-	-
(ii) Part finance of construction cost for new factory in Bukit Raja	10,400	9,160	31 December 2009	(1,240)	7.1
(iii) Estimated listing expenses	1,500	1,500		-	-
<b>Total</b>	<b>17,500</b>	<b>16,250</b>		<b>(1,240)</b>	<b>7.1</b>

**Notes:**

(1) On 6 September 2004, the Company had entered into a conditional sale and purchase agreement ("SPA") with Klaus Bodenstein, Heinz Dieter Max Franz Juette and Guenter Leonhardt to acquire 600,000 ordinary shares of HKD 1.00 each in Decom representing 60% equity interest of the issued and fully paid-up share capital of Decom for a total cash consideration of up to EUR4.6 million (approximately RM21.5 million based on the exchange rate of RM4.67:EUR1.00), subject to the terms and conditions of the SPA ("Decom Acquisition"). The first tranche of the transaction was completed on 18 November 2004.

On 18 November 2004, the Company paid a sum of EUR800,000 (RM4.052 million), being 80% of the initial purchase price of EUR1.0 million upon the conditional completion of Decom Acquisition to the vendors of Decom and on 2 February 2005, the Company paid the balance of EUR200,000 (RM1.0 million), being 20% of the initial purchase price of EUR1.0 million.

(2) Inclusive of the expenses incurred in the Decom Acquisition amounting to RM0.548 million.

The Company had on 28 June 2007 announced that the Company proposes to undertake a variation to the utilisation of RM10.4 million in proceeds raised from the Bumiputera Placement to part finance the construction cost of the Bukit Raja factory in Klang, Selangor and the extension of time for the said utilisation of proceeds to 31 December 2009. The variation of proceeds and extension of time was approved by the Securities Commission on 29 July 2007.

**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

## Tamco Corporate Holdings Berhad (6614-W)

Notes to the Interim Financial Report for the financial quarter ended 29 February 2008

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 is subject to the approvals of the relevant authorities and the High Court in Malaysia.

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:

	As at 29 February 2008			31.05.2007 RM'000
	Continuing operations RM'000	Discontinued operations RM'000	Total RM'000	
<b>Short term borrowings</b>				
Secured:				
Ringgit Malaysia	60,588	-	<b>60,588</b>	572
Unsecured:				
Ringgit Malaysia	2,523	52,667	<b>55,190</b>	42,571
US Dollar	6,561	7,968	<b>14,529</b>	13,184
Hong Kong Dollar	5,851	-	<b>5,851</b>	12,301
Singapore Dollar	74	-	<b>74</b>	80
Chinese Renminbi	-	4,733	<b>4,733</b>	-
Australia Dollar	-	4,721	<b>4,721</b>	4,468
	<u>75,597</u>	<u>70,089</u>	<u><b>145,686</b></u>	<u>73,176</u>
<b>Long term borrowings</b>				
Secured:				
Ringgit Malaysia	270	-	<b>270</b>	60,000
Unsecured:				
Ringgit Malaysia	345	-	<b>345</b>	1,127
Singapore Dollar	-	-	<b>-</b>	186
	<u>615</u>	<u>-</u>	<u><b>615</b></u>	<u>61,313</u>
	<u>76,212</u>	<u>70,089</u>	<u><b>146,301</b></u>	<u>134,489</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**

During the financial quarter, the Directors have proposed and paid the first interim dividend of 1.5 sen per share less tax at 26% amounted to RM2,880,313.

Subsequent to the financial quarter, the Directors have proposed a Special Dividend comprising of 30 sen per share less 26% tax and a Tax-exempt Dividend of 38 sen per share amounting to RM57,606,274 and RM98,605,333 respectively.

**14 Earnings per share**

(a) Basic earnings per share

The basic earnings per share is calculated by dividing the net profit attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the financial period as follows:

	<b>Individual Quarter</b>		<b>Cummulative 9 months ended</b>	
	<b>29.02.2008</b>	<b>28.02.2007</b>	<b>29.02.2008</b>	<b>28.02.2007</b>
Number of ordinary shares ('000)	259,488	259,488	259,488	259,488
Net profit/(loss) attributable to shareholders of the parent (RM'000)				
- from continuing operations	(2,301)	(1,478)	(1,962)	(1,366)
- from discontinued operations	10,101	4,101	23,295	11,553
	<u>7,800</u>	<u>2,623</u>	<u>21,333</u>	<u>10,187</u>
<b>Earnings per share attributable to shareholders of the parent (sen):</b>				
- basic, for continuing operations	(0.89)	(0.57)	(0.76)	(0.53)
- basic, for discontinued operations	3.89	1.58	8.98	4.45

(b) Fully diluted earnings per share

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

**BY ORDER OF THE BOARD**

Choo Se Eng  
Stephen Geh Sim Whye  
Secretaries  
Petaling Jaya

29 April 2008