

**TAMCO CORPORATE HOLDINGS BERHAD**

(Incorporated in Malaysia)

(Company No : 6614-W)

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE FINANCIAL QUARTER ENDED 30 NOVEMBER 2005***THE FIGURES HAVE NOT BEEN AUDITED*

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>30.11.2005</b>	<b>30.11.2004</b>	<b>30.11.2005</b>	<b>30.11.2004</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Operating revenue	97,518	83,598	185,707	162,296
Cost of sales	<u>(73,746)</u>	<u>(70,103)</u>	<u>(145,607)</u>	<u>(131,477)</u>
Gross profit	23,772	13,495	40,100	30,819
Other operating income	326	432	1,548	676
Selling and distribution expenses	(7,625)	(8,394)	(15,968)	(15,120)
Administrative expenses	(6,591)	(4,226)	(13,356)	(8,416)
Other operating expenses	<u>(3,071)</u>	<u>(7,885)</u>	<u>(4,703)</u>	<u>(9,105)</u>
Profit/(loss) from operations	6,811	(6,578)	7,621	(1,146)
Finance costs	<u>(2,038)</u>	<u>(1,879)</u>	<u>(4,195)</u>	<u>(3,752)</u>
Operating profit/(loss)	4,773	(8,457)	3,426	(4,898)
Share of results of associates	<u>(520)</u>	<u>27</u>	<u>(520)</u>	<u>(2)</u>
Profit/(loss) before taxation	4,253	(8,430)	2,906	(4,900)
Taxation	<u>(1,755)</u>	<u>288</u>	<u>(2,303)</u>	<u>(1,056)</u>
Profit/(loss) after taxation	2,498	(8,142)	603	(5,956)
Minority interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net profit/(loss) for the period attributable to shareholders	<u>2,498</u>	<u>(8,142)</u>	<u>603</u>	<u>(5,956)</u>
Earnings per share				
- basic (sen)	0.96	(3.14)	0.23	(2.30)
- diluted (sen)	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the financial year ended 31 May 2005 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 2005

	As at 30.11.2005 RM'000 (Unaudited)	As at 31.05.2005 RM'000 (Audited)
<b>Non-current assets</b>		
Property, plant and equipment	57,378	58,526
Investment in associates	10,269	11,129
Intangible assets	8,977	10,023
Goodwill on consolidation	17,688	18,486
Deferred tax assets	758	1,040
<b>Current assets</b>		
Inventories	104,547	104,997
Trade receivables	148,803	134,031
Other receivables	15,507	11,696
Amount due from associates	1,007	183
Amount due from related companies	-	196
Short term deposits with licensed banks	17,430	13,355
Cash and bank balances	9,626	9,598
	296,920	274,056
<b>Current liabilities</b>		
Trade payables	78,423	62,409
Other payables	31,444	21,863
Amount due to immediate holding company	63	9
Amount due to associates	774	774
Amount due to related companies	228	484
Borrowings	82,989	71,293
Provision for taxation	40	48
	193,961	156,880
<b>Net current assets</b>	102,959	117,176
	198,029	216,380
<b>Financed by</b>		
Share capital	129,744	129,744
Reserves	3,630	1,635
Shareholders' funds	133,374	131,379
Minority Interest	47	47
Deferred tax liabilities	2,613	3,121
Retirement benefit obligations	1,128	1,100
Borrowings	60,867	80,733
	198,029	216,380
Net assets per share (RM)	0.51	0.51

The Condensed Consolidated Balance Sheet should be read in conjunction  
with the audited financial statements for the financial year ended 31 May 2005  
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 2005***THE FIGURES HAVE NOT BEEN AUDITED*

	<b>Share capital RM'000</b>	<b>Non- distributable Translation reserve RM'000</b>	<b>Distributable Retained profits RM'000</b>	<b>Total RM'000</b>
<b>Financial period ended 30 November 2005</b>				
Balance as at 1 June 2005	129,744	(3,423)	5,058	131,379
Issued of shares	-	-	-	-
Currency translation differences	-	1,392	-	1,392
Net loss for the financial quarter	-	-	603	603
Balance as at 30 November 2005	<u>129,744</u>	<u>(2,031)</u>	<u>5,661</u>	<u>133,374</u>
<b>Financial period ended 30 November 2004</b>				
Balance as at 1 June 2004	112,244	(3,996)	22,337	130,585
Issued of shares	17,500	-	-	17,500
Currency translation differences	-	543	-	543
Net profit for the financial quarter	-	-	(5,956)	(5,956)
Balance as at 30 November 2004	<u>129,744</u>	<u>(3,453)</u>	<u>16,381</u>	<u>142,672</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 May 2005 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 30 NOVEMBER 2005

*THE FIGURES HAVE NOT BEEN AUDITED*

	Cumulative Quarter	
	30.11.2005	30.11.2004
	RM'000	RM'000
Net cash generated from / (used in) operating activities	17,706	(12,955)
Net cash used in investing activities	(1,755)	(3,890)
Net cash (used in) / generated from financing activities	(9,107)	3,020
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>6,844</b>	<b>(13,825)</b>
Cash and cash equivalents at beginning of financial year	12,122	29,837
Effects of exchange rate changes	517	(937)
<b>Cash and cash equivalents at end of financial year</b>	<b>19,483</b>	<b>15,075</b>
<b>The cash and cash equivalents comprise:</b>		
Cash and bank balances	9,626	6,789
Short term deposits with licensed banks	17,430	14,336
Bank overdrafts	(7,573)	(6,050)
	<b>19,483</b>	<b>15,075</b>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 May 2005 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 2005**

**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134<sub>2004</sub>**

**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<sub>2004</sub>: Interim Financial Reporting and Chapter 7 Part VI 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 audited financial statements for the financial year ended 31 May 2005. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2005.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 May 2005.

**2 Auditors' report on preceding annual financial statements**

The auditors did not qualify the financial statements for the financial year ended 31 May 2005.

**3 Seasonality or cyclicity of interim operations**

The operations of the Group were not significantly affected by any seasonal and cyclical factors.

**4 Items of unusual nature and amount**

During the financial period and quarter ended 30 November 2005, 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.

**5 Changes in estimates**

There were no changes in estimates that have a material effect on the financial period and quarter ended 30 November 2005.

**6 Debts and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period and quarter ended 30 November 2005.

**7 Dividends paid**

There was no dividend paid during the financial period and quarter ended 30 November 2005.

**8 Segmental information**

The consolidated revenue and results of the Group for the financial period ended 30 November 2005, analysed by business segments are as follows:

	<b>Manufacturing &amp; Design RM'000</b>	<b>Distribution RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<u>Financial period ended 30 November 2005</u>				
External sales	156,215	29,492	-	185,707
Inter-segment sales	17,244	1,262	(18,506)	-
Total revenue	<u>173,459</u>	<u>30,754</u>	<u>(18,506)</u>	<u>185,707</u>
Segment results	8,699	(471)	-	8,228
Amortisation of goodwill				(798)
Finance costs				(4,195)
Interest income				191
Share of results of associates				(520)
Profit before taxation				<u>2,906</u>
Taxation				(2,303)
Profit after taxation				<u>603</u>
Minority interest				-
Net profit attributable to shareholders				<u><u>603</u></u>

**8 Segmental information (continued)**

	<b>Manufacturing &amp; Design RM'000</b>	<b>Distribution RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<u>Financial period ended 30 November 2004</u>				
External sales	132,704	29,592	-	162,296
Inter-segment sales	20,429	607	(21,036)	-
Total revenue	<u>153,133</u>	<u>30,199</u>	<u>(21,036)</u>	<u>162,296</u>
Segment results	(294)	(134)	(202)	(630)
Amortisation of goodwill				(656)
Finance costs				(3,752)
Interest income				140
Share of results of associates				(2)
Loss before taxation				<u>(4,900)</u>
Taxation				(1,056)
Loss after taxation				<u>(5,956)</u>
Minority interest				-
Net loss attributable to shareholders				<u>(5,956)</u>

**9 Carrying amount of revalued assets**

The valuations of property, plant and equipment have been brought forward, without amendments, from the audited financial statements for the financial year ended 31 May 2005.

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

**10 Subsequent events**

There were no material events subsequent to the end of the financial quarter ended 30 November 2005 up to the date of this report.

**11 Changes in composition of the Group**

There were no material changes in the composition of the Group for the financial period and quarter ended 30 November 2005, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations.

**12 Contingent liabilities**

The contingent liabilities of the Group as at 30 November 2005 are as follows:

Potential performance-based consideration of acquisitions (unsecured)	RM'000
	<u>16,700</u>

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

**13 Performance review for the current financial period against previous financial year corresponding period**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>Period ended</b>		<b>Period ended</b>	
	<b>30-11-2005</b>	<b>30-11-2004</b>	<b>30-11-2005</b>	<b>30-11-2004</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Operating revenue	185,707	162,296	125,381	102,447
Profit/(loss) from operations	7,621	(1,146)	9,075	5,654
Finance costs	(4,195)	(3,752)	(3,196)	(2,981)
Operating profit/(loss)	3,426	(4,898)	5,879	2,673
Share of results of associates	(520)	(2)	-	-
Profit/(loss) before taxation	2,906	(4,900)	5,879	2,673
Taxation	(2,303)	(1,056)	(1,869)	(792)
Profit/(loss) after taxation	603	(5,956)	4,010	1,881

During the current financial period ended 30 November 2005, the Group operating revenue increased by 14.4% to RM185.7 million from RM162.3 million in the previous financial year corresponding period. The Group also recorded a profit after taxation of RM0.6 million compared to loss after taxation of RM5.9 million in the previous financial year corresponding period.

The Group results in the previous financial year corresponding period were mainly impaired by a one-time write-off of RM5.6 million related to a railway project in Hong Kong.

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

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>Quarter ended</b>		<b>Quarter ended</b>	
	<b>30-11-2005</b>	<b>31-08-2005</b>	<b>30-11-2005</b>	<b>31-08-2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Operating revenue	97,518	88,189	67,869	57,512
Profit from operations	6,811	810	5,848	3,227
Finance costs	(2,038)	(2,157)	(1,582)	(1,614)
Operating profit/(loss)	4,773	(1,347)	4,266	1,613
Share of results of associates	(520)	-	-	-
Profit/(loss) before taxation	4,253	(1,347)	4,266	1,613
Taxation	(1,755)	(548)	(1,366)	(503)
Profit/(loss) after taxation	2,498	(1,895)	2,900	1,110

During the current financial quarter ended 30 November 2005, the Group operating revenue increased by 10.6% to RM97.5 million from RM88.2 million in the immediate preceding financial quarter. The Group also recorded a profit after taxation of RM2.5 million compared to loss after taxation of RM1.9 million in the preceding quarter. Strong order bank coupled with better profit margins have contributed positively to the Group results in the current financial quarter.



**15 Prospects for the financial year**

The Board remains confident of the long-term prospects of the power industry and that of the Company. The Group has secured several major contracts from Malaysia, the Middle East & Australia and the order book as at the date of this report is approximately RM290 million.

**16 Forecast profit and profit guarantee**

The Group has not entered into any scheme that requires it to present forecast results or guarantee any profits.

**17 Taxation**

	Individual Quarter		Cumulative Quarter	
	30.11.2005	30.11.2004	30.11.2005	30.11.2004
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Malaysian	1,374	(400)	2,514	965
Foreign	14	152	14	152
Deferred taxation:				
Relating to originating and reversal of temporary differences	77	(47)	(573)	(72)
Under provision in prior years	290	7	348	11
	<u>1,755</u>	<u>(288)</u>	<u>2,303</u>	<u>1,056</u>

The effective tax rates of the Group are disproportionate to the statutory tax rate mainly due to the absence of group relief for losses suffered by certain subsidiaries.

**18 Sale of unquoted investments and properties**

There were no disposals of unquoted investments and properties for the current financial period and quarter ended 30 November 2005.

**19 Quoted securities**

There were no purchases or disposals of quoted securities for the financial period and quarter ended 30 November 2005. As at balance sheet date, the Group has no investment in quoted securities.

**20 Utilisation of proceeds**

On 29 June 2004, Tamco had issued 35,000,000 new ordinary shares of RM0.50 each ("Tamco Shares") to certain Bumiputera investors at an issue price of RM0.50 per Tamco Share ("Bumiputera Placement"). Tamco has utilised part of the proceeds of RM17.5 million from its Bumiputera Placement as follows:

	RM'million
Expenses incurred in relation to its listing exercise	1.5
Decom Acquisition <sup>(1)</sup>	<u>5.6 <sup>(2)</sup></u>
	<u>7.1</u>

## 20 Utilisation of proceeds (continued)

Notes:

- (1) 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 the said acquisition to the vendors of Decom and on 2 February 2005, the Company paid the balance 20% of EUR200,000 (RM1.0 million).
- (2) Inclusive of the expenses incurred in the Decom Acquisition amounting to RM0.548 million.

## 21 Status of corporate proposals

There were no corporate proposals announced by Tamco which are not completed as at the date of this report other than the discussion with a group of potential foreign strategic partners ("Strategic Partners") to subscribe for new ordinary shares in the Company as announced by the Company on 12 April 2005. As at the date of this report, the discussion is still in progress.

## 22 Group borrowings

Group borrowings denominated in their functional currencies are as follows:

	As at 30.11.2005 RM'000	As at 31.05.2005 RM'000
<b>Short term borrowings</b>		
Secured:		
Ringgit Malaysia	20,000	-
Unsecured:		
Ringgit Malaysia	31,210	36,384
US Dollar	9,531	13,294
Hong Kong Dollar	5,884	3,837
Singapore Dollar	38	1,806
Australia Dollar	10,853	11,190
Euro Dollar	5,473	4,782
	<u>82,989</u>	<u>71,293</u>
<b>Long term borrowings</b>		
Secured:		
Ringgit Malaysia	60,000	80,000
Unsecured:		
Ringgit Malaysia	623	463
Singapore Dollar	244	270
	<u>60,867</u>	<u>80,733</u>
	<u>143,856</u>	<u>152,026</u>

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

The Group is confident that it will be able to meet its financial obligations as and when they fall due.

## 23 Off balance sheet financial instruments

The Group does not have any off balance sheet financial instruments as at 30 November 2005.

**24 Material litigation**

**Tamco v 1. Sinaran Takhta Sdn Bhd 2. Zamri Bin Rahmat 3. Rashidah Binti Abd. Jalil (“Defendants”)**

This case relates to the recovery of debts due for goods delivered by Tamco amounting to RM4,027,612. Summary judgment was obtained against all the Defendants on 30 September 2002 for RM4,027,612 together with interest thereon at 1.5% per month from 16 January 2002.

Bankruptcy notices were filed against the Second and Third Defendants. The application by Second Defendant to set aside the bankruptcy notice against him was subsequently withdrawn with no order as to cost. An Application for Substituted Service was filed on 28 June 2005. The hearing for the Creditors’ Petition is fixed on 14 February 2006 against the Third Defendant.

**25 Dividends payable**

The Directors do not recommend the payment of any dividend for the current financial quarter ended 30 November 2005.

**26 Earnings per share**

(a) Basic earnings per share

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

	Individual Quarter		Cumulative Quarter	
	30.11.2005	30.11.2004	30.11.2005	30.11.2004
	RM’000	RM’000	RM’000	RM’000
Weighted average number of ordinary shares	259,488	259,488	259,488	259,488
Net profit/(loss) attributable to shareholders of the Company	2,498	(8,142)	603	(5,956)
Basic earnings/(loss) per share (sen)	0.96	(3.14)	0.23	(2.30)

(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

26 January 2006