

**TAMCO CORPORATE HOLDINGS BERHAD**

(Incorporated in Malaysia)

(Company No : 6614-W)

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE FINANCIAL QUARTER ENDED 28 FEBRUARY 2007***THE FIGURES HAVE NOT BEEN AUDITED*

	Individual Quarter		Cumulative 9 months ended	
	28.02.2007	28.02.2006	28.02.2007	28.02.2006
	RM'000	RM'000	RM'000	RM'000
Revenue	97,490	98,180	318,129	283,887
Cost of sales	<u>(77,594)</u>	<u>(78,834)</u>	<u>(252,721)</u>	<u>(224,441)</u>
Gross profit	19,896	19,346	65,408	59,446
Other income	433	2,552	4,480	4,100
Selling and distribution expenses	(7,546)	(7,189)	(25,064)	(23,157)
Administrative expenses	(6,170)	(5,517)	(18,294)	(18,873)
Other expenses	<u>(1,888)</u>	<u>(4,268)</u>	<u>(5,633)</u>	<u>(8,971)</u>
Profit from operations	4,725	4,924	20,897	12,545
Finance costs	<u>(1,863)</u>	<u>(1,864)</u>	<u>(5,816)</u>	<u>(6,059)</u>
Profit after finance costs	2,862	3,060	15,081	6,486
Share of results of associates	<u>(228)</u>	<u>436</u>	<u>(533)</u>	<u>(84)</u>
Profit before taxation	2,634	3,496	14,548	6,402
Taxation	<u>(11)</u>	<u>(1,316)</u>	<u>(4,361)</u>	<u>(3,619)</u>
Profit after taxation	<u>2,623</u>	<u>2,180</u>	<u>10,187</u>	<u>2,783</u>
<b>Attributable to:</b>				
Shareholders of the parent	2,623	2,604	10,187	3,207
Minority interest	<u>-</u>	<u>(424)</u>	<u>-</u>	<u>(424)</u>
	<u>2,623</u>	<u>2,180</u>	<u>10,187</u>	<u>2,783</u>
<b>Earnings per share attributable to shareholders of the parent:</b>				
- basic (sen)	1.01	1.00	3.93	1.24
- 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 2006 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 28 FEBRUARY 2007**

	<b>28.02.2007</b>	<b>31.05.2006</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	58,587	56,102
Investment in associates	10,150	10,350
Intangible assets	6,858	9,098
Goodwill on consolidation	16,891	16,891
Deferred tax assets	292	363
	<u>92,778</u>	<u>92,804</u>
<b>Current assets</b>		
Inventories	93,299	91,502
Trade receivables	195,483	158,833
Other receivables	17,440	13,905
Amount due from associates	635	495
Short term deposits with licensed banks	3,552	32,665
Cash and bank balances	14,535	16,381
	<u>324,944</u>	<u>313,781</u>
<b>TOTAL ASSETS</b>	<u><u>417,722</u></u>	<u><u>406,585</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	(2,822)	(3,127)
Retained profits	21,753	11,566
	<u>148,675</u>	<u>138,183</u>
<b>Minority Interest</b>	43	49
<b>Total equity</b>	<u>148,718</u>	<u>138,232</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	1,435	2,001
Retirement benefit obligations	2,102	1,861
Borrowings	61,401	61,475
	<u>64,938</u>	<u>65,337</u>
<b>Current liabilities</b>		
Trade payables	97,889	81,981
Other payables	25,590	36,807
Amount due to immediate holding company	-	63
Amount due to associates	774	774
Amount due to related companies	4	146
Borrowings	77,822	81,337
Provision for taxation	1,987	1,908
	<u>204,066</u>	<u>203,016</u>
<b>Total liabilities</b>	<u>269,004</u>	<u>268,353</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>417,722</u></u>	<u><u>406,585</u></u>
<b>Net assets per share (RM)</b>	<b>0.57</b>	<b>0.53</b>

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 May 2006 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 28 FEBRUARY 2007

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 28 February 2007</b>						
Balance as at 1 June 2006	129,744	(3,127)	11,566	138,183	49	138,232
Currency translation differences, representing net income recognised directly in equity	-	305	-	305	(6)	299
Net profit for the financial period	-	-	10,187	10,187	-	10,187
Total recognised income and expenses for the financial period	-	305	10,187	10,492	(6)	10,486
Balance as at 28 February 2007	129,744	(2,822)	21,753	148,675	43	148,718
<b>Financial quarter ended 28 February 2006</b>						
Balance as at 1 June 2005	129,744	(3,423)	5,058	131,379	-	131,379
Currency translation differences, representing net income recognised directly in equity	-	940	-	940	-	940
Net profit for the financial period	-	-	3,207	3,207	-	3,207
Total recognised income and expenses for the financial period	-	940	3,207	4,147	-	4,147
Balance as at 28 February 2006	129,744	(2,483)	8,265	135,526	-	135,526

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 2006 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 28 FEBRUARY 2007***THE FIGURES HAVE NOT BEEN AUDITED*

	Cumulative	
	28.02.2007	28.02.2006
	RM'000	RM'000
<b>Cash flow from operating activities</b>		
Profit/(loss) before taxation	14,548	6,402
Adjustments for:		
Depreciation of property, plant and equipment	5,042	4,599
Provision for retirement benefits	547	(85)
Amortisation of development expenditure	4,555	3,808
Amortisation of goodwill	-	1,196
Allowance for doubtful debts	2,033	2
Inventories written off	21	-
Interest expense	5,816	6,059
Interest income	(375)	-
(Gain)/loss on disposal of property, plant and equipment	88	-
Gain on dilution of interest in a subsidiary	-	673
Foreign exchange difference / translation adjustment	-	866
Share in results of associates	533	84
Operating profit before working capital changes	<u>32,808</u>	<u>23,604</u>
Inventories	(1,818)	6,816
Receivables	(42,375)	(39,973)
Payables	4,692	34,627
Associates	(140)	(318)
Holding, subsidiaries and related companies	<u>(205)</u>	<u>(636)</u>
Cash (used in)/generated from operations	<u>(7,038)</u>	<u>24,120</u>
Income taxes paid	(4,619)	(2,466)
Retirement benefits paid	(292)	-
Development expenditure	<u>(2,992)</u>	<u>(2,786)</u>
Net cash (used in)/generated from operating activities	<u>(14,941)</u>	<u>18,868</u>

**TAMCO CORPORATE HOLDINGS BERHAD**

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(Company No : 6614-W)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL QUARTER ENDED 28 FEBRUARY 2007****(continued)**

THE FIGURES HAVE NOT BEEN AUDITED

	Cumulative 9 months ended	
	28.02.2007	28.02.2006
	RM'000	RM'000
<b>Cash flow from investing activities</b>		
Interest received	375	-
Proceeds from disposal of property, plant and equipment	626	-
Purchase of property, plant and equipment	(8,212)	(2,339)
Net cash used in investing activities	(7,211)	(2,339)
<b>Cash flow from financing activities</b>		
Interest paid	(5,816)	(6,059)
Proceeds from Bai' Bithaman Ajil Serial Bonds	(20,000)	-
Repayment of hire purchase and finance lease (Repayment)/drawdown of bank borrowings	825	(105)
Net cash used in financing activities	6,040	(2,481)
	(18,951)	(8,645)
<b>Net change in cash and cash equivalents</b>	(41,103)	7,884
<b>Cash and cash equivalents at beginning of financial period</b>	42,922	12,122
<b>Effects of exchange rate changes</b>	(151)	417
<b>Cash and cash equivalents at end of financial period</b>	1,668	20,423
<b>The cash and cash equivalents comprise:</b>		
Cash and bank balances	14,535	21,011
Short term deposits with licensed banks	3,552	8,413
Bank overdrafts	(16,419)	(9,001)
	1,668	20,423

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 May 2006 and the accompanying notes to the interim financial report



**TAMCO CORPORATE HOLDINGS BERHAD**

(Incorporated in Malaysia)

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**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL QUARTER ENDED 28 FEBRUARY 2007**

**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 audited financial statements for the financial year ended 31 May 2006. 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 2006.

**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 most recent audited financial statements for the financial year ended 31 May 2006 except for the adoption of the following applicable new/revised FRS effective for financial period beginning 1 January 2006:

FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets

The adoption of FRS 102, 108, 110, 116, 124, 127, 128, 132, 133 and 138 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are discussed below:

**(a) FRS 3: Business Combinations and FRS 136: Impairment of Assets**

The new FRS 3 has resulted in consequential amendments to FRS136. The adoption of these new FRSs has resulted in the Group ceasing annual goodwill amortisation. Goodwill is carried at cost less accumulated impairment losses and is now tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment loss is recognised in profit or loss and subsequent reversal is not allowed.

Prior to 1 June 2006, goodwill was amortised on a straight-line basis over its estimated useful life of not more than 20 years. This change in accounting policy has been accounted for prospectively for business combinations where the agreement date is on or after 1 June 2006.

The carrying amount of goodwill as at 1 June 2006 of RM16,891,000 ceased to be amortised. This has the effect of reducing the amortisation charges by RM1,196,250 for the nine months ended 28 February 2007.

**(b) FRS 101: Presentation of Financial Statements**

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period.

A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

**(c) FRS 121: The Effects of Changes in Foreign Exchange Rates**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

As of 1 June 2006, any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are now treated as assets and liabilities of the foreign operation and translated at the closing rate. In accordance with the transitional provisions of FRS 121, this change is applied prospectively.

Goodwill acquired in business combinations prior to 1 June 2006 and fair value adjustments arising on those acquisitions are deemed to be assets and liabilities of the parent company and were translated using the exchange rate at the dates of acquisitions.

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

The auditors did not qualify the financial statements for the financial year ended 31 May 2006.

**4 Seasonality or cyclicity of interim operations**

During the financial period and quarter ended 28 February 2007, 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 period and quarter ended 28 February 2007, 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.

**6 Changes in estimates**

There were no changes in estimates that have a material effect on the financial period and quarter ended 28 February 2007.

**7 Debt and equity securities**

On 28 August 2006, the Company repaid the first tranche of its Bai' Bithaman Ajil Serial Bonds amounting to RM20 million. There were no issuances, cancellations, repurchases and resale of debt securities and equity securities during the financial period and quarter ended 28 February 2007.

**8 Dividends paid**

There was no dividend paid during the financial period and quarter ended 28 February 2007.



**9 Segmental information**

The consolidated revenue and results of the Group for the nine months ended 28 February 2007, analysed by business segments are as follows:

	Switchgear RM'000	System integration & trading RM'000	Elimination RM'000	Consolidated RM'000
<u>Financial period ended 28 February 2007</u>				
External sales	250,198	67,931	-	318,129
Inter-segment sales	19,281	5,657	(24,938)	-
Total revenue	<u>269,479</u>	<u>73,588</u>	<u>(24,938)</u>	<u>318,129</u>
Segment results	18,928	2,562	(968)	20,522
Amortisation of goodwill				-
Finance costs				(5,816)
Interest income				375
Share of results of associates				(533)
Profit before taxation				<u>14,548</u>
Taxation				<u>(4,361)</u>
Profit after taxation before minority interest				<u>10,187</u>
<u>Financial period ended 28 February 2006</u>				
External sales	240,023	43,864	-	283,887
Inter-segment sales	22,480	1,896	(24,376)	-
Total revenue	<u>262,503</u>	<u>45,760</u>	<u>(24,376)</u>	<u>283,887</u>
Segment results	14,312	(903)	-	13,409
Amortisation of goodwill				(1,196)
Finance costs				(6,059)
Interest income				332
Share of results of associates				(84)
Profit before taxation				<u>6,402</u>
Taxation				<u>(3,619)</u>
Profit after taxation before minority interest				<u>2,783</u>

Note: During the financial period, the business segments of the Group have been renamed as follows:

- (a) Switchgear segment was formerly known as the Manufacturing segment;
- (b) Systems Integration & Trading segment was formerly known as Trading segment.

**10 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 2006.

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 28 February 2007 up to the date of this report.

**12 Changes in composition of the Group**

There were no material changes in the composition of the Group for the financial period and quarter ended 28 February 2007, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations.

**13 Contingent liabilities**

	<b>Company</b>	
	<b>28-02-2007</b>	<b>31-05-2006</b>
	<b>RM'000</b>	<b>RM'000</b>
Unsecured:		
Potential performance-based consideration of acquisition	<b>16,700</b>	16,700
Corporate guarantees given to financial institutions for facilities granted to subsidiaries	<b>42,810</b>	39,809
	<hr/> <b>42,810</b>	<hr/> 39,809

The potential performance-based consideration of RM16.7 million is dependent on achievement of minimum profit requirements in accordance to the Sale and Purchase Agreement ("SPA") on the acquisition of Decom Limited. The Directors are of the opinion that this contingent liability is unlikely to be payable as the Company and the minority shareholders of Decom Limited are in discussion to review the SPA. The discussion will involve revising certain terms and conditions of the SPA to better reflect the current business environment of 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**

The Group continued to report a profit in the quarter ended 28 February 2007. Group revenue for the nine months ended 28 February 2007 rose to RM318.1 million, or 12.0% from RM283.9 million same period last year. Correspondingly, the Group posted a higher profit before taxation of RM14.5 million from RM6.4 million last year.

The Switchgear business recorded marginal increase in revenue of 2.7% to RM269.5 million from RM262.5 million in the corresponding period last year. Among the major factors affecting the sales were the relocation of factory in China, which was completed in February 2007, and capacity constraints in the Malaysian manufacturing facilities. New capacity has been planned for and will come on stream in the next financial year to meet the increasing demand for our products worldwide. Nevertheless, segmental profits were much higher at RM18.9 million in the current period compared to RM14.3 million in the same period last year. This was largely due to continuing proactive cost management and stringent selection of higher margin projects. The increase in capacity will allow the Group to take in more projects and this will further boost our revenue.

The performance of the System Integration & Trading business segment is much better in the current financial period. The business posted a segmental profit of RM2.6 million from a segment loss of RM0.9 million in the corresponding period last year. Higher revenue of RM73.6 million compared to RM45.8 million a year ago has contributed favourably to the results of the business.

The Group posted RM97.5 million revenue for the current quarter ended 28 February 2007, or 0.7% marginally lower than RM98.2 million for the same quarter last year. Profit before taxation was lower at RM2.6 million compared to RM3.5 million for the same quarter last year. The lower profit before taxation reported for the current quarter was mainly due to decrease in foreign exchange gain and interest income.

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

On a quarterly basis, revenue declined to RM97.5 million from RM111.4 million in the preceding quarter. Extended festivities in the current quarter have interrupted the Group operations. Consequently, profit before taxation decrease to RM2.6 million from RM6.2 million in the immediate preceding quarter.

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

The increase in electricity demand worldwide has fuelled an extensive expansion of electricity transmission infrastructure. The Group has benefited from this growth as reflected in the continuous strong results from the Switchgear Segment in the current financial year-to-date. With a positive outlook for the Switchgear Segment, the Group will embark to expand its switchgear business aggressively while rationalising its Systems Integration & Trading businesses to enhance profitability.

Barring any unforeseen circumstances, the Directors are of the opinion that the Group's performance for the current financial year ending 31 May 2007 will remain satisfactory.

In a reply to Bursa Securities' query letter dated 2 November 2006 by its holding company, Ancom Berhad, the Group informed Bursa Securities that it has projected a revenue growth of 15% for the current financial year ending 31 May 2007, which is approximately RM445 million. Based on the Group revenue for the nine months ended 28 February 2007 of RM318.1 million, the Group has already achieved 71.5% of the projected full year revenue. The Board of Directors believes that, barring unforeseen circumstances, the projected revenue of RM445 million will be achievable.

#### 4 Forecast profit and profit guarantee

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

#### 5 Taxation

	Individual Quarter		Cumulative 9 months ended	
	28.02.2007 RM'000	28.02.2006 RM'000	28.02.2007 RM'000	28.02.2006 RM'000
Income tax:				
Malaysian	30	1,763	4,379	4,277
Foreign	(147)	(14)	69	-
Over/(under) provision in prior years				
Malaysian	293	38	478	38
Foreign	4	-	(343)	-
Deferred taxation:				
Relating to originating and reversal of temporary differences	(182)	(716)	(571)	(1,289)
Under provision in prior years	13	245	349	593
	<u>11</u>	<u>1,316</u>	<u>4,361</u>	<u>3,619</u>

The Group's effective tax rate for the quarter ended 28 February 2007 was lower than the statutory rate due to over provision of taxation in the previous quarters and prior years.

For the nine months ended 28 February 2007, 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.

#### 6 Sale of unquoted investments and properties

There were no disposals of unquoted investments and properties for the current financial period and quarter ended 28 February 2007.

## Tamco Corporate Holdings Berhad (6614-W)

Notes to the Interim Financial Report for the financial quarter ended 28 February 2007

### 7 Quoted securities

There were no purchases of quoted securities for the financial period and quarter ended 28 February 2007. 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 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:

Purpose/ Explanation	Proposed Utilisation RM 000	Actual Utilisation RM 000	Intended Timeframe for Utilisation	Deviation RM 000	%
(i) Acquisition of additional businesses in switchgear and power technology to expand the range of product offerings of Tamco Group	16,000	<sup>(1),(2)</sup> 5,600	29 June 2007	<sup>(3),(4)</sup> (10,400)	65.0
(ii) Estimated listing expenses	1,500	1,500		-	-
<b>Total</b>	<b>17,500</b>	<b>7,100</b>		<b>(10,400)</b>	<b>59.4</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.

(3) The balance of the gross proceeds amounting to RM10.4 million will be utilised to part finance the balance of the Decom Acquisition based on milestones stipulated in the SPA.

(4) Tamco had disclosed in its Prospectus dated 1 July 2004 ("Prospectus") that they expect to utilise the proceeds from the Bumiputera Placement by mid-2007 (i.e. over the next three (3) years from the date such proceeds are received). Where applicable, the Company will seek an extension of time to fully utilise the proceeds from the Bumiputera Placement, from the relevant authorities.

### 9 Status of corporate proposals

There is no corporate proposal announced by Tamco, which is not completed as at the date of this report.

**10 Group borrowings**

Group borrowings denominated in their functional currencies are as follows:

	<b>As at 28.02.2007 RM'000</b>	<b>As at 31.05.2006 RM'000</b>
<b>Short term borrowings</b>		
Secured:		
Ringgit Malaysia	-	20,000
Unsecured:		
Ringgit Malaysia	49,544	31,660
US Dollar	17,856	10,151
Hong Kong Dollar	5,972	6,715
Singapore Dollar	34	39
Australia Dollar	4,416	7,076
Euro Dollar	-	5,696
	<u>77,822</u>	<u>81,337</u>
<b>Long term borrowings</b>		
Secured:		
Ringgit Malaysia	60,000	60,000
Unsecured:		
Ringgit Malaysia	1,199	1,243
Singapore Dollar	202	232
	<u>61,401</u>	<u>61,475</u>
	<u>139,223</u>	<u>142,812</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.

**11 Off balance sheet financial instruments**

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

**12 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 Third Defendant has been made a bankrupt.

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

Notes to the Interim Financial Report for the financial quarter ended 28 February 2007

There is no material impact on the results of the Group as the amount has been fully provided for in prior year.

**13 Dividends payable**

The Directors do not recommend the payment of any dividend for the current financial period and quarter ended 28 February 2007. There is no dividend declared/recommended for the previous corresponding quarter.

**14 Earnings per share**(a) Basic earnings per share

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

	Individual Quarter		Cumulative 9 months ended	
	28.02.2007	28.02.2006	28.02.2007	28.02.2006
Number of ordinary shares ('000)	259,488	259,488	259,488	259,488
Net profit attributable to shareholders of the parent (RM'000)	2,623	2,604	10,187	3,207
Basic earnings per share (sen)	1.01	1.00	3.93	1.24

(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

30 April 2007