

**TAMCO CORPORATE HOLDINGS BERHAD**

(Incorporated in Malaysia)

(Company No : 6614-W)

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE FINANCIAL QUARTER ENDED 31 MAY 2007***THE FIGURES HAVE NOT BEEN AUDITED*

	<b>Individual Quarter</b>		<b>Cummulative 12 months ended</b>	
	<b>31.05.2007</b>	<b>31.05.2006</b>	<b>31.05.2007</b>	<b>31.05.2006</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	110,536	103,398	428,665	387,285
Cost of sales	<u>(82,819)</u>	<u>(79,531)</u>	<u>(335,540)</u>	<u>(303,972)</u>
Gross profit	27,717	23,867	93,125	83,313
Other income	930	(413)	5,410	3,687
Selling and distribution expenses	(7,954)	(8,507)	(33,018)	(31,664)
Administrative expenses	(7,625)	(5,839)	(25,919)	(24,712)
Other expenses	<u>(5,537)</u>	<u>(2,589)</u>	<u>(11,170)</u>	<u>(11,560)</u>
Profit from operations	7,531	6,519	28,428	19,064
Finance costs	<u>(1,994)</u>	<u>(1,896)</u>	<u>(7,810)</u>	<u>(7,955)</u>
Profit after finance costs	5,537	4,623	20,618	11,109
Share of results of associates	<u>(198)</u>	<u>(203)</u>	<u>(731)</u>	<u>(287)</u>
Profit before taxation	5,339	4,420	19,887	10,822
Taxation	<u>976</u>	<u>(1,376)</u>	<u>(3,385)</u>	<u>(4,995)</u>
Profit after taxation	<u><u>6,315</u></u>	<u><u>3,044</u></u>	<u><u>16,502</u></u>	<u><u>5,827</u></u>
<b>Attributable to:</b>				
Shareholders of the parent	6,510	3,301	16,697	6,508
Minority interest	<u>(195)</u>	<u>(257)</u>	<u>(195)</u>	<u>(681)</u>
	<u><u>6,315</u></u>	<u><u>3,044</u></u>	<u><u>16,502</u></u>	<u><u>5,827</u></u>

**Earnings per share attributable to  
shareholders of the parent:**

- basic (sen)	2.51	1.27	6.43	2.51
- 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 31 MAY 2007**

	<b>31.05.2007</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	55,868	56,102
Investment in associates	10,254	10,350
Intangible assets	13,729	9,098
Goodwill on consolidation	16,891	16,891
Deferred tax assets	358	363
	<u>97,100</u>	<u>92,804</u>
<b>Current assets</b>		
Inventories	104,085	91,502
Trade receivables	198,432	158,833
Other receivables	10,389	13,905
Amount due from associates	399	495
Short term deposits with licensed banks	4,607	32,665
Cash and bank balances	11,960	16,381
	<u>329,872</u>	<u>313,781</u>
<b>TOTAL ASSETS</b>	<u>426,972</u>	<u>406,585</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	129,744	129,744
Translation reserve	(3,271)	(3,127)
Retained profits	28,263	11,566
	<u>154,736</u>	<u>138,183</u>
<b>Minority Interest</b>	-	49
<b>Total equity</b>	<u>154,736</u>	<u>138,232</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	484	2,001
Retirement benefit obligations	1,579	1,861
Borrowings	61,237	61,475
	<u>63,300</u>	<u>65,337</u>
<b>Current liabilities</b>		
Trade payables	100,720	81,981
Other payables	33,282	36,807
Amount due to immediate holding company	-	63
Amount due to associates	774	774
Amount due to related companies	45	146
Borrowings	73,323	81,337
Provision for taxation	792	1,908
	<u>208,936</u>	<u>203,016</u>
<b>Total liabilities</b>	<u>272,236</u>	<u>268,353</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>426,972</u>	<u>406,585</u>
<b>Net assets per share (RM)</b>	<b>0.60</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 31 MAY 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 31 May 2007</b>						
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	-	(144)	-	<b>(144)</b>	146	<b>2</b>
Net profit for the financial year	-	-	16,697	<b>16,697</b>	(195)	<b>16,502</b>
Total recognised income and expenses for the financial period	-	(144)	16,697	<b>16,553</b>	(49)	<b>16,504</b>
Balance as at 31 May 2007	129,744	(3,271)	28,263	<b>154,736</b>	-	<b>154,736</b>
<b>Financial quarter ended 31 May 2006</b>						
Balance as at 1 June 2005	129,744	(3,423)	5,058	<b>131,379</b>	-	<b>131,379</b>
Currency translation differences, representing net income recognised directly in equity	-	296	-	<b>296</b>	730	<b>1,026</b>
Net profit for the financial year	-	-	6,508	<b>6,508</b>	(681)	<b>5,827</b>
Total recognised income and expenses for the financial period	-	296	6,508	<b>6,804</b>	49	<b>6,853</b>
Balance as at 31 May 2006	129,744	(3,127)	11,566	<b>138,183</b>	49	<b>138,232</b>

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 31 MAY 2007***THE FIGURES HAVE NOT BEEN AUDITED*

	<b>Cumulative</b>	
	<b>12 months ended</b>	
	<b>31.05.2007</b>	<b>31.05.2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flow from operating activities</b>		
Profit/(loss) before taxation	19,887	10,822
Adjustments for:		
Depreciation of property, plant and equipment	6,707	6,127
Provision for retirement benefits	98	1,458
Amortisation of development expenditure	3,802	5,771
Amortisation of goodwill	-	1,595
Allowance for doubtful debts	5,036	(202)
Bad debts (recovered)/written off	(384)	-
Inventories written off	767	1,069
Interest expense	7,810	7,955
Interest income	(465)	(515)
(Gain)/loss on disposal of property, plant and equipment	240	(30)
Gain on dilution of interest in a subsidiary	-	694
Loss on foreign exchange	2,729	1,833
Foreign exchange difference / translation adjustment	-	259
Share in results of associates	731	287
Operating profit before working capital changes	46,958	37,123
Inventories	(13,349)	12,122
Receivables	(42,146)	(29,633)
Payables	13,670	34,827
Associates	96	280
Holding, subsidiaries and related companies	(164)	(678)
Cash (used in)/generated from operations	5,065	54,041
Income taxes paid	(7,331)	(2,574)
Retirement benefits paid	(373)	(677)
Development expenditure	(9,277)	(4,661)
Net cash (used in)/generated from operating activities	(11,916)	46,129

**TAMCO CORPORATE HOLDINGS BERHAD**

(Incorporated in Malaysia)

(Company No : 6614-W)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL QUARTER ENDED 31 MAY 2007****(continued)***THE FIGURES HAVE NOT BEEN AUDITED*

	<b>Cumulative 12 months ended</b>	
	<b>31.05.2007</b>	<b>31.05.2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flow from investing activities</b>		
Interest received	465	515
Acquisition of a subsidiary, net of cash acquired	(9)	-
Investment in associates	-	616
Proceeds from disposal of property, plant and equipment	1,208	52
Purchase of property, plant and equipment	(6,606)	(3,554)
Net cash used in investing activities	(4,942)	(2,371)
<b>Cash flow from financing activities</b>		
Interest paid	(7,810)	(7,955)
Proceeds from issuance of shares	-	-
Proceeds from Bai' Bithaman Ajil Serial Bonds	(20,000)	-
Repayment of hire purchase and finance lease (Repayment)/drawdown of bank borrowings	709	(704)
	5,800	(4,182)
Net cash used in financing activities	(21,301)	(12,841)
<b>Net change in cash and cash equivalents</b>	(38,159)	30,917
<b>Cash and cash equivalents at beginning of financial year</b>	42,922	12,122
<b>Effects of exchange rate changes</b>	(307)	(117)
<b>Cash and cash equivalents at end of financial year</b>	<u>4,456</u>	<u>42,922</u>
<b>The cash and cash equivalents comprise:</b>		
Cash and bank balances	11,960	16,381
Short term deposits with licensed banks	4,607	32,665
Bank overdrafts	(12,111)	(6,124)
	<u>4,456</u>	<u>42,922</u>

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)

(Company No : 6614-W)

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL QUARTER ENDED 31 MAY 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 RM1,595,000 for the financial year months ended 31 May 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 cyclically of interim operations**

During the financial quarter and year ended 31 May 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 quarter and year ended 31 May 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 quarter and year ended 31 May 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 quarter and year ended 31 May 2007.

**8 Dividends paid**

There was no dividend paid during the financial quarter and year ended 31 May 2007.



**9 Segmental information**

The consolidated revenue and results of the Group for the financial year ended 31 May 2007, analysed by business segments are as follows:

	<b>Switchgear RM'000</b>	<b>System integration &amp; trading RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<u>Financial period ended 31 May 2007</u>				
External sales	344,940	83,725		428,665
Inter-segment sales	28,123	5,890	(34,013)	-
Total revenue	<u>373,063</u>	<u>89,615</u>	<u>(34,013)</u>	<u>428,665</u>
Segment results	26,483	3,688	(2,208)	27,963
Amortisation of goodwill				-
Finance costs				(7,810)
Interest income				465
Share of results of associates				(731)
Profit before taxation				<u>19,887</u>
Taxation				<u>(3,385)</u>
Profit after taxation before minority interest				<u>16,502</u>
<u>Financial period ended 31 May 2006</u>				
External sales	327,873	59,412	-	387,285
Inter-segment sales	31,909	2,932	(34,841)	-
Total revenue	<u>359,782</u>	<u>62,344</u>	<u>(34,841)</u>	<u>387,285</u>
Segment results	21,491	(1,347)	-	20,144
Amortisation of goodwill				(1,595)
Finance costs				(7,955)
Interest income				515
Share of results of associates				(287)
Profit before taxation				<u>10,822</u>
Taxation				<u>(4,995)</u>
Profit after taxation before minority interest				<u>5,827</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 31 May 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 quarter and year ended 31 May 2007, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations.

**13 Contingent liabilities**

	<b>Company</b>	
	<b>31-05-2007</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>39,010</b>	39,809
	<b><u>39,010</u></b>	<u>39,809</u>

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 revenue of the Group for the financial year ended 31 May 2007 rose to RM428.7 million, or 10.7% from RM387.3 million in the previous financial year. Profit before taxation increase two fold to RM19.9 million from RM10.8 million last year.

On a quarter-to-quarter basis, the Group posted RM110.5 million revenue for the current quarter ended 31 May 2007, an increase of 7% from RM103.4 million in the previous financial year. Profit before taxation was higher at RM5.3 million compared to RM4.4 million last year. This is largely due to more proactive cost management and stringent selection of projects with better margins.

The Switchgear business remained robust with strong demand for switchgear related products across the world. Despite capacity constraints, as highlighted in the previous quarter, the Switchgear business continued to post higher revenue of RM344.9 million compared to RM327.9 million in the previous financial year. Segmental profit grew by 25% to RM26.5 million from RM21.5 million a year ago.

The System Integration & Trading business segment enjoyed a profitable year. The business posted a segmental profit of RM3.7 million from a segment loss of RM1.3 million in the previous financial year. Revenue was higher at RM83.7 million compared to RM59.4 million a year ago. The favourable results were achieved after the division refocus back on its core traditional strength to turnaround the business.

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

On a quarterly basis, the revenue increased to RM110.5 million from RM97.5 million in the preceding quarter, an increase of 13.4%. The increased in revenue is mainly attributed to the same reasons mentioned above. Profit before taxation was higher at RM5.3 million in the current quarter compared to RM2.6 million in the immediate preceding quarter, an increase of more than 100%. Higher revenue coupled better operational efficiency in during the quarter have contributed to the more favourable results.

**3 Prospects for the next 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 business in the current financial year as illustrated below:

	Current financial year ended 31-05-2007 RM'000	Previous financial year ended 31-05-2006 RM'000
Segment profit/(loss):		
Switchgear	26,483	21,491
Systems Integration & Trading	3,688	(1,347)

The favourable outlook on the power industry would continue to drive the Switchgear Business to greater heights. Meanwhile, recent developments in the regional construction industry should have a positive impact on the recovery of the Systems Integration & Trading Segment. The Group will embark to expand its switchgear business aggressively while rationalising its Systems Integration & Trading businesses to further enhance profitability.

Barring any unforeseen circumstances, the Directors are of the opinion that the Group's performance for the financial year ending 31 May 2008 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 unaudited Group results for the financial year ended 31 May 2007, the Group revenue of RM428.7 million is only 3.7% below the projection.

**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.

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

Notes to the Interim Financial Report for the financial quarter ended 31 May 2007

**5 Taxation**

	<b>Individual Quarter</b>		<b>Cummulative 12 months ended</b>	
	<b>31.05.2007</b>	<b>31.05.2006</b>	<b>31.05.2007</b>	<b>31.05.2006</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income tax:				
Malaysian	(196)	1,133	4,183	5,410
Foreign	151	269	220	269
Over/(under) provision in prior years				
Malaysian	-	-	478	38
Foreign	3	-	(340)	-
Deferred taxation:				
Relating to originating and reversal of temporary differences	(833)	189	(1,404)	(1,100)
Relating to reduction in foreign income tax rate	(5)	-	(5)	-
Under provision in prior years	(96)	(215)	253	378
	<u>(976)</u>	<u>1,376</u>	<u>3,385</u>	<u>4,995</u>

The Group's effective tax rate for the financial quarter and year ended 31 May 2007 was lower than the statutory rate due to over provision of taxation in prior years.

**6 Sale of unquoted investments and properties**

There were no disposals of unquoted investments and properties for the current financial quarter and year ended 31 May 2007.

**7 Quoted securities**

There were no purchases of quoted securities for the financial quarter and year ended 31 May 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:

<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	(1),(2)5,600		-	-
(ii) Estimated listing expenses	1,500	1,500		-	-
(iii) Part finance of construction cost for factory in Bukit Raja	10,400	-	31 December 2009	(10,400)	(100.0)
<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 Bodenstern, Heinz Dieter Max Franz Juetter 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 through Tamco's IPO 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 Proposed Revision was approved by the Securities Commission on 26 July 2007.

The manufacturing operations in Malaysia are currently located in two locations, i.e. Bukit Raja And Petaling Jaya. The Management will consolidate the two manufacturing operations into a single location in Bukit Raja to address the inefficiencies of double-handling and to reduce transportation costs. This exercise is expected to contribute positively to the business.

This project is now scheduled for completion by August 2008 with an investment of approximately RM16 million. The preliminary construction work for the factory construction has begun.

**9 Status of corporate proposals**

On 9 May 2007, the Company announced that, in its continuing effort to create values for its shareholders, the Company has appointed Credit Suisse (Singapore) Limited and ECM Libra Avenue Securities Sdn Bhd as the Company's advisors to look for prospective strategic partner(s)/investor(s) for the core medium voltage switchgear business of the Company.

At the moment, the Company is still exploring the options that have been made available to us by the advisors. Further announcements on the selection of such partner(s)/investor(s) will be made in due course once the transaction details are presented by the advisors and are approved by the Board of Directors.

There is no other 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 31.05.2007 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	43,290	31,660
US Dollar	13,184	10,151
Hong Kong Dollar	12,301	6,715
Singapore Dollar	80	39
Australia Dollar	4,468	7,076
Euro Dollar	-	5,696
	<u>73,323</u>	<u>81,337</u>
<b>Long term borrowings</b>		
Secured:		
Ringgit Malaysia	60,000	60,000
Unsecured:		
Ringgit Malaysia	1,051	1,243
Singapore Dollar	186	232
	<u>61,237</u>	<u>61,475</u>
	<u>134,560</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**

There were no material litigations as at the end of the financial quarter ended 31 May 2007.

**13 Dividends payable**

The Directors do not recommend the payment of any dividend for the current financial quarter and year ended 31 May 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.

	<b>Individual Quarter</b>		<b>Cummulative 12 months ended</b>	
	<b>31.05.2007</b>	<b>31.05.2006</b>	<b>31.05.2007</b>	<b>31.05.2006</b>
Number of ordinary shares ('000)	259,488	259,488	259,488	259,488
Net profit attributable to shareholders of the parent (RM'000)	6,510	3,301	16,697	6,508
Basic earnings per share (sen)	2.51	1.27	6.43	2.51

**(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

31 July 2007