

**TAMCO CORPORATE HOLDINGS BERHAD**

(Incorporated in Malaysia)

(Company No : 6614-W)

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE FINANCIAL QUARTER ENDED**

*THE FIGURES HAVE NOT BEEN AUDITED*

	Individual Quarter		Cumulative 3 months ended	
	31.8.2008	31.8.2007 (As restated)	31.8.2008	31.8.2007 (As restated)
	RM'000	RM'000	RM'000	RM'000
Revenue	15,321	16,143	15,321	16,143
Cost of sales	(11,545)	(12,483)	(11,545)	(12,483)
Gross profit	3,776	3,660	3,776	3,660
Other income	1,683	1,417	1,683	1,417
Selling and distribution expenses	(1,779)	(2,319)	(1,779)	(2,319)
Administrative expenses	(2,535)	(1,226)	(2,535)	(1,226)
Other expenses	(39)	(845)	(39)	(845)
Profit from operations	1,106	687	1,106	687
Finance costs	(953)	(252)	(953)	(252)
Profit after finance costs	153	435	153	435
Share of results of associates	-	(270)	-	(270)
Profit before taxation	153	165	153	165
Taxation	(342)	(175)	(342)	(175)
Net loss for the period	(189)	(10)	(189)	(10)
<b>Attributable to:</b>				
Shareholders of the parent	(189)	(10)	(189)	(10)
Minority interest	-	-	-	-
	(189)	(10)	(189)	(10)
<b>Loss per share attributable to shareholders of the parent (sen):</b>				
- basic	(0.07)	(0.00)	(0.07)	(0.00)
- diluted	N/A	N/A	N/A	N/A

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

The Condensed Consolidated Income Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 August 2008 and the accompanying notes to the Interim Financial Report.

**TAMCO CORPORATE HOLDINGS BERHAD**  
(Incorporated in Malaysia)  
(Company No : 6614-W)  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2008**

	<b>31.08.2008</b>	<b>31.5,2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Non-current assets</b>		
Property, plant and equipment	6,247	6,491
Prepaid lease payments	9,851	9,895
Investment in associates	8,744	8,744
Intangible assets	408	417
Goodwill on consolidation	-	-
Deferred tax assets	439	353
	<u>25,689</u>	<u>25,900</u>
<b>Current assets</b>		
Inventories	10,775	11,394
Trade receivables	18,861	20,854
Other receivables	9,741	9,638
Tax recoverable	2,287	2,347
Amount due from associates	394	394
Short term deposits with licensed banks	86,105	148,048
Cash and bank balances	9,530	16,895
	<u>137,693</u>	<u>209,570</u>
<b>TOTAL ASSETS</b>	<u>163,382</u>	<u>235,470</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	129,744	129,744
Translation reserve	(2,783)	(2,517)
Retained profits	6,595	6,784
	<u>133,556</u>	<u>134,011</u>
<b>Minority Interest</b>	-	125
<b>Total equity</b>	<u>133,556</u>	<u>134,136</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	91	20
Retirement benefit obligations	86	86
Borrowings	209	666
	<u>386</u>	<u>772</u>
<b>Current liabilities</b>		
Trade payables	8,675	14,655
Other payables	8,754	10,371
Amount due to associates	-	-
Amount due to related companies	102	41
Borrowings	10,546	74,402
Provision for taxation	1,363	1,093
	<u>29,440</u>	<u>100,562</u>
<b>Total liabilities</b>	<u>29,826</u>	<u>101,334</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>163,382</u>	<u>235,470</u>
<b>Net assets per share (RM)</b>	<b>0.51</b>	<b>0.52</b>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 August 2008 and the accompanying notes to the Interim Financial Report.

# TAMCO CORPORATE HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No : 6614-W)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 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 31 August 2008</b>						
Balance as at 1 June 2008	129,744	(2,517)	6,784	<b>134,011</b>	125	<b>134,136</b>
Currency translation differences, representing net income recognised directly in equity	-	(266)	-	<b>(266)</b>	-	<b>(266)</b>
Net loss for the financial year	-	-	(189)	<b>(189)</b>	(125)	<b>(314)</b>
Total recognised income and expenses for the financial period	-	(266)	(189)	<b>(455)</b>	(125)	<b>(580)</b>
Balance as at 31 August 2008	<u>129,744</u>	<u>(2,783)</u>	<u>6,595</u>	<b><u>133,556</u></b>	-	<b><u>133,556</u></b>

### Financial quarter ended 31 August 2007

Balance as at 1 June 2007	129,744	(3,504)	28,387	<b>154,627</b>	-	<b>154,627</b>
Currency translation differences, representing net income recognised directly in equity	-	1,164	-	<b>1,164</b>	-	<b>1,164</b>
Net profit for the financial year	-	-	4,136	<b>4,136</b>	-	<b>4,136</b>
Total recognised income and expenses for the financial period	-	1,164	4,136	<b>5,300</b>	-	<b>5,300</b>
Balance as at 31 August 2007	<u>129,744</u>	<u>(2,340)</u>	<u>32,523</u>	<b><u>159,927</u></b>	-	<b><u>159,927</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 August 2008 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 AUGUST 2008***THE FIGURES HAVE NOT BEEN AUDITED*

	Cumulative quarter ended	
	31.08.2008 RM'000	31.08.2007 RM'000
<b>Cash flow from operating activities</b>		
Profit before taxation:	153	165
Adjustments for:		
Depreciation of property, plant and equipment	302	1,623
Amortisation of prepaid lease payments	44	-
Provision for retirement benefits	-	161
Amortisation of development expenditure	8	2,038
Allowance for doubtful debts	-	1
Bad debts recovered	-	(11)
Interest expense	952	2,093
Interest income	(1,233)	(39)
Loss on foreign exchange	(71)	(1,927)
Share in results of associates	-	270
Operating profit before working capital changes	155	4,374
Inventories	619	(18,081)
Receivables	1,948	14,148
Payables	(7,597)	(2,500)
Associates	-	(5)
Holding, subsidiaries and related companies	62	(4)
Cash used in operations	(4,813)	(2,068)
Income taxes paid	(30)	(1,684)
Retirement benefits paid	-	(80)
Development expenditure	-	(200)
Net cash used in operating activities	(4,843)	(4,032)

**TAMCO CORPORATE HOLDINGS BERHAD**

(Incorporated in Malaysia)

(Company No : 6614-W)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL QUARTER ENDED 31 AUGUST 2008****(continued)**

THE FIGURES HAVE NOT BEEN AUDITED

	Cumulative quarter ended	
	31.08.2008	31.08.2007
	RM'000	RM'000
<b>Cash flow from investing activities</b>		
Interest received	1,233	39
Proceeds from disposal of property, plant and equipment	-	4
Purchase of property, plant and equipment	(58)	(604)
Net cash generated from / (used in) investing activities	1,175	(561)
<b>Cash flow from financing activities</b>		
Interest paid	(952)	(2,093)
Repayment of Bai' Bithaman Ajil Serial Bonds	(61,740)	-
(Repayment)/drawdown of hire purchase and finance lease	(456)	(381)
Drawdown of bank borrowings	(1,659)	12,186
Net cash (used in) / generated from financing activities	(64,807)	9,712
<b>Net change in cash and cash equivalents</b>	(68,475)	5,119
<b>Cash and cash equivalents at beginning of financial</b>	162,902	4,479
<b>Effects of exchange rate changes</b>	96	(211)
<b>Cash and cash equivalents at end of financial</b>	<u>94,523</u>	<u>9,387</u>
<b>The cash and cash equivalents comprise:</b>		
Cash and bank balances	86,105	8,213
Short term deposits with licensed banks	9,530	12,947
Bank overdrafts	(1,112)	(11,773)
	<u>94,523</u>	<u>9,387</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 August 2008 and the accompanying notes to the Interim Financial Report.

# **TAMCO CORPORATE HOLDINGS BERHAD**

(Incorporated in Malaysia)

(Company No : 6614-W)

## **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 31 August 2008**

### **A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134**

#### **1 Basis of preparation**

The Interim Financial Report of Tamco Corporate Holdings Berhad ("Tamco") and its subsidiaries ("Group") is unaudited and has been prepared in accordance with the Financial Reporting Standards ("FRS") 134: Interim Financial Reporting and Rule 9.22(b) of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market ("MESDAQ Listing Requirements").

The Interim Financial Report of the Group should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 31 May 2008. These explanatory notes attached to the Interim Financial Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2008.

The significant accounting policies adopted by the Group in this Report are consistent with those used in the Audited Financial Statements of the Group for the financial year ended 31 May 2008 except for the adoption of the following new/revised FRS effective for the financial year beginning 1 June 2008:

#### FRSs

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
FRS 119/2004	Employee Benefits

#### Amendments to

FRS 121	The Effect of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
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#### **2 Changes in accounting policies**

The significant accounting policies adopted by the Group in this Interim Financial Report are consistent with those adopted in the Group's most recent Audited Financial Statements for the financial year ended 31 May 2008.

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

The auditors did not qualify the Group's Audited Financial Statements for the financial year ended 31 August 2008.

**4 Seasonality or cyclicity of interim operations**

During the financial quarter ended 31 August 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 31 August 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 31 August 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 31 August 2008.

**8 Dividends paid**

There was no dividend paid during the financial period and quarter ended 31 August 2008.

**9 Segmental information**

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

**10 Carrying amount of revalued assets**

The valuations of property, plant and equipment have been brought forward, without amendments, from the Group's Audited Financial Statements for the financial year ended 31 May 2008.

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

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

Notes to the Interim Financial Report for the financial quarter ended 31 August 2008

**11 Subsequent events**

There were no material events subsequent to the end of the financial quarter ended 31 August 2008 up to the date of the Interim Financial Report.

**12 Changes in composition of the Group**

On 27 February 2008, the Tamco PTX Technology (Singapore) Pte Ltd, a 70% subsidiary of the Company, has entered into a conditional share sale and purchase agreement with Shanghai ShenAo Electronic Technology Co Ltd to dispose its entire interest in Tamco Systems Technology (Shanghai) Co Ltd for a total cash consideration of Renminbi 150,000 (approximately RM67,245 at the exchange rate of Renminbi 1.00 : RM0.4483 as at 29 February 2008). The disposal is pending completion of condition precedent.

**13 Contingent liabilities**

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

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

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

For the quarter period ended 31 August 2008, revenue decreased by 5% from RM16.1million to RM15.3million due to more challenging economic conditions. Gross margin however increased by 3% due to higher margin achieved and reduction of lower margin job in hand.

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

The Group reported loss after tax of RM0.19million, a much improved results compared to immediate preceding financial quarter loss after tax of RM9.5million. The loss position of the preceding quarter was due to a one-time write off of certain intangibles no longer applicable to the Group.

**3 Prospects for this financial year**

Barring unforeseen circumstances, the Directors are of the opinion that the Group's trading operations will continue to operate in a satisfactory manner.

The Directors and management will continue to assess and evaluate new business opportunities for the Group to enhance the Group's financial performance in future.

**4 Forecast profit, profit guarantee and internal targets**

The Group did not provide any profit forecast, profit guarantee and internal targets in any publicly available documents or announcements.

**5 Taxation**

	<b>31.8.2008</b>	<b>31.8.2007</b>	<b>31.8.2008</b>	<b>31.8.2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Continuing operations</b>				
Income tax:				
Malaysian	257	126	257	126
Foreign		49		49
Over/(under) provision in prior years				
Malaysian	70		70	
Foreign				
Deferred taxation:				
Under provision in prior years	15		15	
	<u>342</u>	<u>175</u>	<u>342</u>	<u>175</u>

**6 Sale of unquoted investments and properties**

There were no disposals of unquoted investments and properties for the current financial quarter ended 31 August 2008 and at the date of this Interim Financial Report..

**7 Quoted securities**

There were no purchases of quoted securities for the financial quarter ended 31 August 2008 and at the date of this Interim Financial Report. As at balance sheet date, the Group has no investment in quoted securities.

**8 Utilisation of proceeds**

The utilisation of proceeds from the issuance of shares to certain Bumiputera investors approved by Ministry of International Trade and Industry in June 2004 have been fully utilized and complied with as disclosed in the previous quarter announcement and also in the annual report.

**9 Status of corporate proposals**

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

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

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

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

The Proposed Capital Repayment has been approved by the Securities Commission and is now subject to the approvals of the High Court in Malaysia.

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

**10 Group borrowings**

Group borrowings denominated in their functional currencies are as follows:

	<b>31.8.2008</b>	<b>31.8.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Short term borrowings</b>		
Secured:		
Ringgit Malaysia	209	60,673
Unsecured:		
Ringgit Malaysia	4,265	53,225
US Dollar	6,061	15,628
Hong Kong Dollar		6,776
Singapore Dollar	221	45
Chinese Renminbi		3,805
Australia Dollar		4,581
	<u>10,756</u>	<u>144,733</u>
<b>Long term borrowings</b>		
Secured:		
Ringgit Malaysia	209	551
Unsecured:		
Ringgit Malaysia		362
Singapore Dollar		-
	<u>209</u>	<u>913</u>
	<u><u>10,965</u></u>	<u><u>145,646</u></u>

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

**11 Off balance sheet financial instruments**

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

**12 Material litigation**

The Group does not have any material litigation as at the date of this Interim Financial Report.

**13 Dividends payable**

The Directors do not propose and pay any dividend for the quarter period ended 31 August 2008.

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

Notes to the Interim Financial Report for the financial quarter ended 31 August 2008

**14 Loss per share**

(a) Basic loss per share

The basic loss per share is calculated by dividing the net loss attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the financial period of 259,487,720 shares (2008 : 259,487,720).

(b) Fully diluted loss per share

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

**BY ORDER OF THE BOARD**

Choo Se Eng  
Stephen Geh Sim Whye  
Secretaries  
Petaling Jaya

29 October 2008