

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 9 months ended	
	28.02.2009	29.02.2008	28.02.2009	29.02.2008
	RM'000	RM'000	RM'000	RM'000
Revenue	17,138	12,259	50,630	44,496
Cost of sales	(13,819)	(9,405)	(39,822)	(34,217)
Gross profit	3,319	2,854	10,808	10,279
Other income	649	(806)	3,145	628
Selling and distribution expenses	(1,646)	(1,621)	(5,158)	(5,812)
Administrative expenses	(808)	(839)	(5,877)	(3,114)
Other expenses	(1,950)	(1,651)	(1,992)	(3,027)
(Loss) / profit from operations	(436)	(2,063)	926	(1,046)
Finance costs	(67)	(137)	(1,115)	(420)
Loss after finance costs	(503)	(2,200)	(189)	(1,466)
Share of results of associates	-	-	-	(31)
Loss before taxation	(503)	(2,200)	(189)	(1,497)
Taxation	(154)	(101)	(783)	(590)
Net loss for the period	(657)	(2,301)	(972)	(2,087)
Profit from discontinued operations	-	10,101	-	23,295
Net (loss) / profit for the quarter	(657)	7,800	(972)	21,208
Attributable to:				
Shareholders of the parent	(657)	7,800	(972)	21,333
Minority interest	-	-	-	(125)
	(657)	7,800	(972)	21,208
Loss per share attributable to shareholders of the parent (sen):				
- basic - Continuing operations	(0.25)	(0.89)	(0.37)	(0.80)
- basic - Discontinued operations	-	3.89	-	8.98
- diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 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 28 FEBRUARY 2009

	28.02.2009	31.5.2008
	RM'000	RM'000
ASSETS	(Unaudited)	(Audited)
Non-current assets		
Property, plant and equipment	5,512	6,491
Prepaid lease payments	9,766	9,895
Investment in associates	8,744	8,744
Intangible assets	391	417
Deferred tax assets	439	353
	<u>24,852</u>	<u>25,900</u>
Current assets		
Inventories	11,066	11,394
Trade receivables	18,463	20,854
Other receivables	9,303	9,638
Tax recoverable	2,288	2,347
Amount due from associates	291	394
Short term deposits with licensed banks	85,829	148,048
Cash and bank balances	7,992	16,895
	<u>135,232</u>	<u>209,570</u>
TOTAL ASSETS	<u>160,084</u>	<u>235,470</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	129,744	129,744
Translation reserve	(2,226)	(2,517)
Retained profits	5,812	6,784
	<u>133,330</u>	<u>134,011</u>
Minority Interest	-	125
Total equity	<u>133,330</u>	<u>134,136</u>
Non-current liabilities		
Deferred tax liabilities	93	20
Retirement benefit obligations	-	86
Borrowings	110	666
	<u>203</u>	<u>772</u>
Current liabilities		
Trade payables	11,455	14,655
Other payables	7,180	10,371
Amount due to associates	-	-
Amount due to related companies	-	41
Borrowings	7,301	74,402
Provision for taxation	615	1,093
	<u>26,551</u>	<u>100,562</u>
Total liabilities	<u>26,754</u>	<u>101,334</u>
TOTAL EQUITY AND LIABILITIES	<u>160,084</u>	<u>235,470</u>
Net assets per share (RM)	0.51	0.52

The Condensed Consolidated Balance Sheet should be read in conjunction with the Company's Audited Financial Statements for the financial year ended 31 May 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 28 FEBRUARY 2009

THE FIGURES HAVE NOT BEEN AUDITED

	Attributable to Equity Holders of the Parent					Total Equity RM'000	
	Share capital RM'000	Non- distributable		Distributable Retained profits RM'000	Total RM'000		Minority Interest RM'000
		Translation reserve RM'000					
Financial quarter ended 28 February 2009							
Balance as at 1 June 2008	129,744	(2,517)	6,784	134,011	-	134,011	
Currency translation differences, representing net income recognised directly in equity	-	291	-	291	-	291	
Net loss for the financial year	-	-	(972)	(972)	-	(972)	
Total recognised income and expenses for the financial period	-	291	(972)	(681)	-	(681)	
Balance as at 28 February 2009	<u>129,744</u>	<u>(2,226)</u>	<u>5,812</u>	<u>133,330</u>	<u>-</u>	<u>133,330</u>	

Financial quarter ended 29 February 2008

Balance as at 1 June 2007	129,744	(3,504)	28,387	154,627	-	154,627
Currency translation differences, representing net income recognised directly in equity	-	439	-	439	-	439
Interim dividend paid	-	-	(2,889)	(2,889)	-	(2,889)
Net profit for the financial year	-	-	21,333	21,333	(125)	21,208
Total recognised income and expenses for the financial period	-	439	18,444	18,883	(125)	18,758
Balance as at 29 February 2008	<u>129,744</u>	<u>(3,065)</u>	<u>46,831</u>	<u>173,510</u>	<u>(125)</u>	<u>173,385</u>

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

TAMCO CORPORATE HOLDINGS BERHAD

(Incorporated in Malaysia)

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL QUARTER ENDED 28 FEBRUARY 2009***THE FIGURES HAVE NOT BEEN AUDITED*

	Cumulative quarter ended	
	28.02.2009 RM'000	29.02.2008 RM'000
Cash flow from operating activities		
Profit / (loss) before taxation:		
Continuing operations	(189)	(1,497)
Discontinuing operations	-	23,295
	<hr/>	<hr/>
	(189)	21,798
Adjustments for:		
Depreciation of property, plant and equipment	884	4,668
Amortisation of prepaid lease payments	129	-
Provision for retirement benefits	-	254
Amortisation of development expenditure	26	5,321
Deferred tax liabilities	(13)	-
Allowance for doubtful debts	-	47
Bad debts recovered	-	6
Tax recoverable	59	-
Interest expense	1,115	5,650
Interest income	(2,705)	(259)
Gain / (loss) on disposal of property, plant and equipment	15	(85)
Loss on foreign exchange	(9)	(7,050)
Share of results of associates	-	31
Minority interest	(125)	-
	<hr/>	<hr/>
Operating (loss) / profit before working capital changes	(814)	30,381
Inventories	328	(28,293)
Receivables	2,726	24,535
Payables	(6,390)	(7,970)
Associates	103	(349)
Holding, subsidiaries and related companies	(41)	319
	<hr/>	<hr/>
Cash (used in) / generated from operations	(4,088)	18,623
Income taxes paid	(1,262)	(2,838)
Retirement benefits paid	(86)	(316)
Development expenditure	-	(591)
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Net cash (used in) / generated from operating activities	(5,435)	14,878

TAMCO CORPORATE HOLDINGS BERHAD

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL QUARTER ENDED 28 FEBRUARY 2009****(continued)**

THE FIGURES HAVE NOT BEEN AUDITED

	Cumulative quarter ended	
	28.02.2009	29.02.2008
	RM'000	RM'000
Cash flow from investing activities		
Interest received	2,705	259
Proceeds from disposal of property, plant and equipment	208	166
Purchase of property, plant and equipment	(119)	(11,415)
Net cash generated from / (used in) investing activities	2,794	(10,990)
Cash flow from financing activities		
Interest paid	(1,115)	(5,650)
Repayment of Bai' Bithaman Ajil Serial Bonds	(61,740)	-
(Repayment)/drawdown of hire purchase and finance lease	(4,696)	(732)
Drawdown of bank borrowings	-	17,847
Interim dividend paid	-	(2,889)
Net cash (used in) / generated from financing activities	(67,551)	8,576
Net change in cash and cash equivalents	(70,192)	12,464
Cash and cash equivalents at beginning of financial period	162,902	4,479
Effects of exchange rate changes	291	306
Cash and cash equivalents at end of financial period	93,001	17,249
The cash and cash equivalents comprise:		
Cash and bank balances	7,992	10,193
Short term deposits with licensed banks	85,829	9,359
Bank overdrafts	(820)	(2,303)
	93,001	17,249

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

TAMCO CORPORATE HOLDINGS BERHAD

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(Company No : 6614-W)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL QUARTER ENDED 28 FEBRUARY 2009

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.

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.

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 FRSs 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	Employee Benefits

Amendments to

FRS 121	The Effect of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
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3 Auditors' report on preceding annual financial statements

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

4 Seasonality or cyclicity of interim operations

During the financial quarter ended 28 February 2009, 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 28 February 2009, 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 28 February 2009.

7 Debt and equity securities

There were no issuances, cancellations, repurchases and resale of debt securities and equity securities during the financial quarter ended 28 February 2009.

8 Dividends paid

There was no dividend paid during the financial period and quarter ended 28 February 2009.

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.

11 Subsequent events

There are no material events subsequent to the end of the financial quarter ended 28 February 2009 up to the date of the Interim Financial Report except as disclosed in the followings:

i. Completion of Proposed Capital Repayment

As disclosed in note 9 of Part B in this announcement, the Proposed Capital Repayment has been completed on 5 March 2009. Accordingly, the par value of the shares is reduced from RM0.50 per share to RM0.20 per share. The effects are not shown in the balance sheet of current quarter but will only be shown in the next interim announcement.

ii. Claim by Larsen and Toubro Limited in relation to post completion audit findings

Pursuant to:-

- (a) the Share Sale Agreement dated 11 October 2007 in relation to the disposal by the Company of Tamco Switchgear Malaysia Sdn Bhd ("TSM") to Larsen and Toubro Limited ("L&T"), and the two Share Sale Agreements each dated 10 December 2007 in relation to the disposal by the Company of PT Tamco Indonesia and Tamco Electrical Industries Australia Pty Ltd respectively to L&T; and
- (b) the Share Sale Agreement dated 10 December 2007 in relation to the disposal by the Company of Tamco Shanghai Switchgear Co. Ltd to Larsen & Toubro International FZE ("LTI"),

(TSM, PT Tamco Indonesia, Tamco Electrical Industries Australia Pty Ltd and Tamco Shanghai Switchgear Co. Ltd shall collectively be referred to as the ("Disposed Companies"))

Completion Accounts (as defined in the respective Share Sale Agreements) was required to be drawn up and audited by PricewaterhouseCoopers ("PwC") in the manner described in Schedule 3 of each of the relevant Share Sale Agreements.

The disposal exercise was completed on 23 April 2008.

Pursuant to each of the Share Sale Agreements, in the event that the Completion Net Asset value (as defined therein) of the Disposed Companies as at the Completion Date ("Completion NAV") is less than the net asset value of the Disposed Companies as at 31 May 2007 respectively ("Agreed NAV"), then Tamco shall pay to L&T an amount equivalent to the shortfall ("Shortfall"). Conversely, if the Completion NAV exceeds the Agreed NAV, then L&T shall pay an amount equivalent to the excess to Tamco.

The audit report on the Completion Net Asset Value was issued by PwC on 19 February 2009 ("the PwC Report"). Based on the PwC Report and the determination by PwC of the Completion Net Asset Value, there is a Shortfall. After detailed discussions and negotiations with L&T on the computation of the Completion Net Asset Value that resulted in the Shortfall, a settlement agreement was signed by Tamco, L&T, LTI and TSM on 28 April 2009 ("Settlement Agreement"). Accordingly, Tamco is to:-

- (a) pay to L&T the sum of RM10.082 million as a result of the Shortfall ("the L&T Sum"); and

- (b) pay to TSM the sum of RM5.387 million, being the net amount after setting off outstanding inter-company balance and proposed adjustments to assets and liabilities to be made under the Business Transfer Agreement ("BTA") signed between the Company and TSM on 29 July 2007 ("the TSM Sum"). Total proposed adjustment pursuant to this is RM15.659million.

As a result of the shortfall in relation to L&T Sum and proposed adjustment in relation to BTA, the total impact to the Company is approximately RM25.7 million (equivalent to approximately RM0.10 per share). The impact will be accordingly shown in the next quarter financial statements.

Pursuant to the Settlement Agreement, the parties thereto have agreed that no further claims will be made in respect of any of the matters which have been considered as part of or in the course of the above mentioned audit or in respect of any breach of any covenants, warranties or representations or undertakings relating to or connected with the audited accounts of the Company. However, the general warranties period given to the purchaser in relation to statutory liabilities of the disposed companies will only expire on 22 April 2010.

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

	Company	
	28-02-2009	29-02-2008
	RM'000	RM'000
Unsecured:		
Potential performance-based consideration of acquisition	-	5,100
Guarantees given to financial institutions for facilities granted to a subsidiary	11,970	17,470

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 28 February 2009, revenue increased by 40% from RM12.2 million to RM17.1 million due to higher delivery recorded in the trading division. Gross margin however decreased by 4% due to lower average margin in the executed jobs. Other income increase significantly due to interest earned from fixed deposit placement.

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

The Group reported a loss after tax of RM0.66 million, which is higher compared to previous financial quarter of RM0.13 million.

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 value in future.

The Directors and management wish to further inform that corporate expenses has been significantly reduced going forward and the group is actively seeking the potential tenant for the Petaling Jaya office which is currently vacant.

4 Forecast profit, profit guarantee and internal targets

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

5 Taxation

	Individual Quarter		Cumulative 6 months ended	
	28.02.2009	29.02.2008	28.02.2009	29.02.2008
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Income tax:				
Malaysian	154	81	698	438
Foreign	-	22	-	127
Over/(under) provision in prior years				
Malaysian	-	-	70	-
Foreign	-	-	-	-
Deferred taxation:				
Relating to originating and reversal of temporary differences	-	(2)	-	25
Under provision in prior years	-	-	15	-
	<u>154</u>	<u>101</u>	<u>783</u>	<u>590</u>

6 Sale of unquoted investments and properties

There were no disposals of unquoted investments and properties for the current financial quarter ended 28 February 2009 and at the date of this Interim Financial Report.

7 Quoted securities

There were no purchases of quoted securities for the financial quarter ended 28 February 2009 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.

Tamco Corporate Holdings Berhad (6614-W)

Notes to the Interim Financial Report for the financial quarter ended 28 February 2009

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 on 9 January 2008 the High Court of Malaya at Kuala Lumpur has confirmed and sanctioned the Company's petition for an order for reduction of Company's share capital pursuant to Section 64 of the Companies Act, 1965 in respect of the Proposed Capital Repayment.

The Proposed Capital Repayment was completed on 5 March 2009. Accordingly, the par value of the shares had been reduced from RM0.50 per share to RM0.20 per share. The effect of the changes of par value has not been shown in the current quarter financial statements but will only be reflected in the coming quarter interim announcement.

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:

	As at 28.02.2009 RM'000	As at 29.02.2008 RM'000
Short term borrowings		
Secured:		
Ringgit Malaysia	338	60,588
US Dollar	4,975	-
Unsecured:		
Ringgit Malaysia	1,988	55,190
US Dollar	-	14,529
Hong Kong Dollar	-	5,851
Singapore Dollar	-	74
Chinese Renminbi	-	4,733
Australia Dollar	-	4,721
	<u>7,301</u>	<u>145,686</u>
Long term borrowings		
Secured:		
Ringgit Malaysia	110	270
Unsecured:		
Ringgit Malaysia	-	345
Singapore Dollar	-	-
	<u>110</u>	<u>615</u>
	<u>7,411</u>	<u>146,301</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 28 February 2009.

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

30 April 2009