

**TSM Global Berhad (Co. No. 73170-V)**

**Condensed Consolidated Statement of Financial Position**  
**As at 30 April 2010 - unaudited**

	As at end of Current Quarter 30 April 2010  RM'000	As at Preceding Year Ended 31 January 2010 Restated RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	62,312	61,708
Investment in Associated Companies	11,595	12,039
Other Investments	2,270	395
	76,176	74,142
<b>Current Assets</b>		
Inventories	36,825	32,654
Trade and other receivables, including derivatives	60,663	52,928
Short-term investments	42,632	52,145
Cash and bank balances	80,777	75,321
	220,897	213,048
<b>TOTAL ASSETS</b>	<b>297,074</b>	<b>287,190</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share Capital	55,866	55,211
Reserves	99,448	91,358
Treasury shares	(1)	(1)
<b>Equity attributable to shareholders of the Company</b>	155,313	146,568
<b>Minority interests</b>	99,413	95,479
<b>Total Equity</b>	254,726	242,047
<b>Non-Current Liabilities</b>		
Bank Borrowings	724	4,682
Deferred taxation	1,830	1,830
	2,554	6,512
<b>Current Liabilities</b>		
Trade and other payables, including derivatives	34,254	32,028
Bank Borrowings	198	1,338
Provision for Taxation	5,341	5,264
	39,793	38,630
<b>Total Liabilities</b>	42,348	45,142
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>297,074</b>	<b>287,190</b>
Net assets per share attributable to ordinary shareholders of the Company (RM)	2.78	2.65

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 January 2010 and the accompanying explanatory notes attached to these condensed consolidated interim financial statements.

TSM Global Berhad (Co. No. 73170-V)

**Condensed Consolidated Statement of Comprehensive Income**  
**For the three months ended 30 April 2010 - unaudited**

	Current Quarter		Cumulative Quarter	
	3 months ended 30 April		3 months ended 30 April	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	73,884	57,395	73,884	57,395
<b>Profit from Operations</b>	12,741	8,166	12,741	8,166
Other income	2,594	545	2,594	545
Finance Cost	(9)	(122)	(9)	(122)
Share of profit of associated companies	384	117	384	117
<b>Profit before tax</b>	15,710	8,706	15,710	8,706
Income tax	(2,980)	(2,294)	(2,980)	(2,294)
<b>Profit for the period</b>	12,730	6,412	12,730	6,412
<b>Other comprehensive income, net of tax</b>				
Foreign currency translation difference for foreign operation	(828)	(138)	(828)	(138)
<b>Total comprehensive income for the period</b>	11,902	6,274	11,902	6,274
<b>Profit attributable to :</b>				
Shareholders of the Company	8,514	3,718	8,514	3,718
Minority interests	4,216	2,694	4,216	2,694
<b>Profit for the period</b>	12,730	6,412	12,730	6,412
<b>Total comprehensive income attributable to :</b>				
Shareholders of the Company	8,017	3,635	8,017	3,635
Minority interests	3,885	2,639	3,885	2,639
<b>Total comprehensive income for the period</b>	11,902	6,274	11,902	6,274
<b>Earnings per share attributable to shareholders of the Company:</b>				
- Basic (sen)	15.58	6.97	15.58	6.97
- Diluted (sen)	15.33	6.90	15.33	6.90

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 January 2010 and the accompanying explanatory notes attached to these condensed consolidated interim financial statements.

# TSM Global Berhad (Co. No. 73170-V)

## Condensed Consolidated Statement of Cash Flows for the three months ended 30 April 2010 - unaudited

	3 months ended 30 April 2010 RM'000	Year ended 31 January 2010 RM'000
Profit for the period	15,710	54,746
Adjustment for non-cash flow items:		
Depreciation of property, plant and equipment	2,453	10,411
PPE written off	-	20
Diminution in value of investment in associated company	-	700
Interest expense	9	416
Gain on disposal of property, plant and equipment	(29)	(49)
Fair value gain on quoted investments	(1,875)	-
Share of profit of associated company	(384)	(2,105)
Interest income	(622)	(1,782)
Operating profit before changes in working capital	15,262	62,358
Changes in working capital :		
Decrease/(Increase) in inventories	(4,170)	(4,367)
Decrease/(Increase) in trade and other receivables, including derivatives	(7,820)	(4,345)
(Decrease)/Increase in trade and other payables, including derivatives	2,225	9,660
Cash generated from operating activities	5,497	63,306
Interest paid	(9)	(416)
Taxation paid	(2,747)	(10,447)
Net cash generated from operating activities	2,741	52,443
Investing Activities		
Dividend received from an associated company	-	1,181
Purchase of minority interest shares	-	(100)
Purchase of property, plant and equipment	(3,057)	(6,170)
Proceeds from disposal of property, plant and equipment	82	80
Interest received	622	1,782
Net cash used in investing activities	(2,354)	(3,228)
Financing Activities		
Proceeds from issuance of shares	655	1,745
Net drawdown/(repayment) of short-term borrowings	-	(13,576)
Net drawdown of hire purchases creditor	-	1,113
Repayment of hire purchases creditor	(61)	(130)
Repayment of term loan	(5,037)	(1,140)
Dividend paid to minority shareholders	-	(8,000)
Dividend paid to shareholders	-	(2,692)
Net cash used in financing activities	(4,443)	(22,680)
Net increase in cash and cash equivalents	(4,057)	26,534
Cash and cash equivalents at beginning of period	127,466	100,932
Cash and cash equivalents at end of period	123,409	127,466

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 January 2010 and the accompanying explanatory notes attached to these condensed consolidated interim financial statements.

**TSM Global Berhad (Co. No. 73170-V)**

**Condensed Consolidated Statements of Changes in Equity**  
**For the three months period ended 30 April 2010 - unaudited**

	Attributable to Shareholders of the Company							Total Equity (RM'000)
	Share Capital (RM'000)	Treasury Shares (RM'000)	Share Premium (RM'000)	Non Distributable Exchange Reserves (RM'000)	Revaluation Reserve (RM'000)	Capital Reserve (RM'000)	Distributable Retained Earnings (RM'000)	
<b>Three months ended 30 April 2009</b>								
Balance at 1 February 2009	53,466	-	3,715	1,452	377	1,693	62,661	123,364
Total comprehensive income for the period	-	-	-	-	-	-	3,635	3,635
Purchase of treasury shares	-	(1)	-	-	-	-	-	(1)
Balance at 30 April 2009	53,466	(1)	3,715	1,452	377	1,693	66,296	126,998
<b>Three months ended 30 April 2010</b>								
Balance at 1 February 2010, as previously stated	55,211	(1)	3,715	1,082	377	2,239	83,944	146,567
Effect of adopting FRS 139	-	-	-	-	-	-	74	74
Balance at 1 February 2010, as restated	55,211	(1)	3,715	1,082	377	2,239	84,018	146,641
Total comprehensive income for the period	-	-	-	(497)	-	-	8,514	8,017
Issuance of shares	655	-	-	-	-	-	-	655
Balance at 30 April 2010	55,866	(1)	3,715	585	377	2,239	92,532	155,313
								99,413
								254,726

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2010 and the accompanying explanatory notes attached to these condensed consolidated interim financial statements.

**TSM GLOBAL BERHAD (Co. No. 73170-V)**  
**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER**  
**ENDED 30 APRIL 2010**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**A1 Basis of Preparation**

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions under Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and FRS 134: Interim Financial Reporting. They do not include all the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 January 2010.

**A2 Significant Accounting Policies**

The accounting policies and method of computation applied by the Group in these condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 January 2010, except for the application of the following new or revised Financial Reporting Standards ("FRS") where applicable to the Group, effective for the following period beginning 1 February 2010:

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised 2009)
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 2	Share-based payments (Vesting conditions and cancellations)
Amendments to FRS117	Leases
Amendments to FRS 118	Revenue
Amendments to FRS 123	Borrowing costs
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 140	Investment Property

The above FRSs and Amendments to FRSs are effective for financial periods beginning after 1 January 2010. The application of the above FRSs and Amendments to FRSs did not result in significant change in the accounting policies and presentation of the financial results of the Group, except as discussed in the following:

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

Prior to 1 February 2010, the components of a set of financial statements consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements.

With the adoption of revised FRS 101, a set of financial statements now comprise a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flow and notes to the financial statements. The statement of comprehensive income consists of profit or loss for the period and other comprehensive income. All non-owner changes in equity previously presented in the consolidated statement of changes in equity are now presented as components in the statement of comprehensive income.

Since the change only affects presentation aspects, there is no financial impact on the Group.

**(b) FRS 117: Leases**

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases and classified as prepaid lease payments. With the adoption of Amendment to FRS 117, the Group has reassessed and determined that lands with initial lease term of 50 years or more are in substance finance leases. Accordingly, the Group has reclassified the long term leasehold lands to property, plant and equipment.

The change of this accounting policy has been made retrospectively in accordance with the transitional provision of the amendments. The comparative figures have been restated as follows:

<u>At 31 January 2010:</u>	<u>As previously stated</u> <u>RM'000</u>	<u>Reclassification</u> <u>RM'000</u>	<u>As restated</u> <u>RM'000</u>
Property, plant and equipment	58,967	2,741	61,708
Prepaid lease payments	2,741	(2,741)	-

**(c) FRS 139: Financial Instruments – Recognition and Measurement**

FRS 139 establishes principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items and permits hedge accounting only under strict circumstances.

Prior to the application of FRS 139, all unrecognized foreign currency exchange gain or loss arising from foreign currency forward contracts are only recognized in profit and loss on their settlement dates.

In accordance with the requirements of FRS 139, foreign currency forward contracts entered into by subsidiaries of the Group have been measured at fair value and changes in the fair value are recognized immediately in profit or loss in the period.

As allowed under the transitional provisions of this standard, the required changes are applied prospectively and the comparative information is not restated. However, the derivatives, financial assets and financial liabilities of the Group as at 1 February 2010 have been identified and re-measured. The difference between the re-measured amount and the previous carrying amount has been recognized as an adjustment to the retained earnings and minority interests as at 1 February 2010 as follows:

	<u>Retained Earnings</u> <u>RM'000</u>	<u>Minority Interests</u> <u>RM'000</u>
As at 31 January, as previously stated	83,944	95,479
Initial recognition of derivatives at 1 February 2010	74	49
As at 1 February 2010, as restated	<u>84,018</u>	<u>95,528</u>

**A3 Status of Audit Qualifications**

The audited financial statements of the Group for the year ended 31 January 2010 were not subject to any audit qualification.

**A4 Seasonal or cyclical factors**

The Group's operations have not been materially affected by seasonal or cyclical factors.

**A5 Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence for the financial period under review.

**A6 Material Changes in Estimates**

There were no material changes in estimates used in the preparation of the financial statements in the current financial quarter.

**A7 Issuance, cancellation, repurchases, resale and repayments of debts and equity securities**

There were no issuance, cancellation, repurchases, resale and repayments of debt or equity securities during the financial period under review except for the issuance of ordinary shares pursuant to the Company's ESOS.

During the quarter ended 30 April 2010, the issued and paid-up capital of the Company increased from RM55,211,000 to RM55,866,000 as a result of the exercise and allotment of 655,000 ordinary shares of RM1 each at RM1 per share under the Company's ESOS.

**A8 Dividend Paid**

No dividend was paid during the three months ended 30 April 2010.

**A9 Segmental Reporting**

The Group's segmental reporting for the three month period ended 30 April 2010 was as follows:

	<u>Gross Revenue</u>	<u>Profit before</u>
	<u>RM'000</u>	<u>tax</u>
		<u>RM'000</u>
Manufacturing	73,748	13,018
Trading	-	41
Health and wellness	136	(194)
Investment holding and others	-	2,461
	<hr/>	<hr/>
	73,884	15,326
Group's share of associated companies	-	384
	<hr/>	<hr/>
	73,884	15,710

**A10 Valuations of Property, Plant and Equipment**

The valuations of land and buildings have been brought forward, without amendment from the previous annual report.

**A11 Material Subsequent Events**

There were no material subsequent events subsequent to the end of the period reported on that has not been reflected in the financial statements.

**A12 Changes in Composition of the Group**

There were no material changes in the composition of the Group during the financial period under review.

**A13 Changes in Contingent Liabilities**

There were no changes in the contingent liabilities or contingent assets since the last financial year ended 31 January 2010.

**A14 Capital Commitments**

The amount of capital commitments not provided for the interim financial statements as at 30 April 2010 was as follows:

Approved and contracted for	<u>RM'000</u> <u>5,754</u>
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**B. Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad**

**B1 Taxation**

The taxation of the Group for the financial period under review was as follows:

	<u>Current Quarter</u> <u>Ended</u> <u>30 April 2010</u> <u>RM'000</u>	<u>Cumulative Year</u> <u>To Date Ended</u> <u>30 April 2010</u> <u>RM'000</u>
Under / (over) provision in previous period	(6)	(6)
Taxation for current financial period	2,986	2,986
	<u>2,980</u>	<u>2,980</u>

**B2 Profit/(Loss) on sale of unquoted investments and/or properties**

During the financial period under review, there was no sale of unquoted investments or properties.

**B3 Quoted Investments**

a) Purchases and disposal of quoted securities

There were no purchases or sales of quoted securities for the financial period under review.

b) Investment in quoted securities as at 30 April 2010

	<u>RM'000</u>
At cost	987
At Fair Value	2,270
Market Value	2,270

**B4 Status of corporate proposals announced**

On 3 March 2010, the Company announced that it had on 3 March 2010 entered into a conditional Shares Sales Agreement with Sierra Indah Sdn Bhd to acquire 31,367,500 ordinary shares of RM1.00 each representing 85.47% of the existing issued and paid up ordinary share capital of Kenseisha (M) Sdn Bhd for a total consideration of RM15,080,000 to be satisfied by the issuance of 6,500,000 new ordinary shares of RM1.00 each in TSM ("Proposed Acquisition").

The Proposed Acquisition was completed on 31 May 2010.

**B5 Borrowing and debt securities**

	<u>At 30 April 2010</u> <u>RM'000</u>
<u>Short Term</u>	
Secured	198
Unsecured	-
<u>Long Term</u>	
Secured	724
Unsecured	-
	<hr/> 922 <hr/>

The above borrowings are denominated in Ringgit Malaysia.

**B6 Disclosure of Derivatives**

With the adoption of FRS 139, the Group does not have any other material financial instruments with off balance sheet risks as at 30 April 2010. The nature and values of outstanding derivatives as at 30 April 2010 are as follows:

<u>Foreign Exchange Contracts</u>	<u>Contract Amount in</u> <u>Original Currency</u>	<u>Contract/Notional</u> <u>Value</u>	<u>Fair Value</u> <u>Gain/(Loss)</u>
	<u>Yen'000</u>	<u>RM'000</u>	<u>RM'000</u>
Buy Forward Contracts in Yen	443,953	15,573	(438)

Foreign exchange forward contracts are entered into to protect the Group from exposure to currency movements in exchange rates, whenever deemed necessary and appropriate.

The fair value of the forward exchange contract is determined using forward market rates at the end of the reporting period and changes in the fair value is recognized in profit and loss.

These forward exchange contracts are entered into with licensed banks at pre-determined exchange rates, thus the Group is not exposed to credit risk or market risk. There are no cash requirements on the date of inception of these foreign currency forward contracts.

The group has set aside the cash required to meet the above liabilities when they fall due or in tandem with the settlement of the underlying hedged item.

**B7 Changes in Material Litigation**

There is no pending material litigation as at the date of this interim financial report.

**B8 Material changes in the Profit/Loss before taxation for the quarter compared with the preceding quarter**

The Group's sales for the current quarter of RM73.884 million were marginally higher than the immediate preceding quarter's sales of RM73.142 million. This reflects the continuing strength of the automotive market in Malaysia during the first quarter ended 30 April 2010.

The profit for the period or RM12.730 million is RM612,000 or 4.6% lower than the immediate preceding quarter's profit of RM13.342 million. This reduction can be partially attributed to higher copper LME costs and also higher labour costs during the first quarter. The current quarter's profit also includes a fair value gain of RM1.875 million on our investment in quoted securities.

**B9 Review of Performance**

The Group's sales for the current quarter of RM73.884 million are higher by 28.73% compared to the corresponding quarter last year, which was affected by the Global Economic Crisis of 2008/9. Our sales have now recovered to the pre-Global Economic Crisis levels.

The Net Profit for the current quarter of RM12.730 million is an increase of RM6.318 million (98.53%) compared to the corresponding quarter last year.

The Group's Basic Earnings per share for the current quarter is 15.58 sen compared to 6.97 sen for the corresponding quarter last year.

**B10 Current year's prospects**

The automotive segment of the Group is expected to be robust; in line with the Malaysian Automotive Association's ("MAA") forecast of the total industry volume ("TIV") for 2010 to be about 550,000 units, which is an increase of 2.4% over 2009. Due to stronger sales in the first 5 months of 2010 (an increase of 20% over 2009), there is market expectation that the volume for 2010 may surpass MAA's prudent forecast.

On the HDD segment of the Group, we are very encouraged by the high demand from our customers and the strong growth shown by the Electrical & Electronics sector. However, as we have only just concluded the acquisition of KM, we expect to face some start-up challenges in the near term when we restructure and consolidate these operations.

The Group remains confident that with our continuing commitment to quality and productivity improvement and cost control activities, we will be able to maintain positive financial results for the current year.

**B11 Profit forecast**

Not applicable as there was no profit forecast.

**B12 Dividend**

The Board of Directors recommend the payment of final tax exempt dividend of 5 sen per ordinary share of RM1 each for the financial year ended 31 January 2010. The proposed dividend will be subject to the shareholders' approval at the forthcoming Annual General Meeting to be held at a date to be announced later. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 January 2011.

**B13 Earnings/(Loss) per share**

	Current Quarter Ended 30 April 2010	Cumulative Year To-Date Ended 30 April 2010
(a) <u>Basic Earning/(Loss) per share</u>		
Net Profit/(Loss) attributed to shareholders of the Company (RM'000)	8,514	8,514
Weighted average number of ordinary shares in issue ('000)	54,637	54,637
Basic Earnings/(Loss) per share (sen)	15.58	15.58
(b) <u>Diluted Earning/(Loss) per share</u>		
Net Earnings/(Loss) attributed to shareholders of the Company (RM'000)	8,514	8,514
Weighted average number of ordinary shares in issue ('000)	54,637	54,637
Adjustment for ESOS ('000)	889	889
Weighted average number of ordinary shares for Diluted Earnings/(Loss) per share ('000)	55,526	55,526
Diluted Earnings/(Loss) per share (sen)	15.33	15.33

By Order of the Board

CHEE MIN ER  
Company Secretary

Kuala Lumpur  
30 June 2010

c.c. Securities Commission