

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

Condensed Consolidated Statement of Financial Position
As at 31 October 2010 - unaudited

	As at end of Current Quarter 31 October 2010 RM'000	As at Preceding Year Ended 31 January 2010 Restated RM'000
ASSETS		
Non - Current Assets		
Property, Plant and Equipment	127,160	61,708
Investment in Associated Companies	12,143	12,039
Other Investments	3,632	395
	142,935	74,142
Current Assets		
Inventories	44,702	32,654
Trade and other receivables	78,782	53,051
Short -term investment	35,401	52,145
Cash and bank balances	83,792	75,321
	242,677	213,171
TOTAL ASSETS	385,612	287,313
Equity attributable to equity holders of the parent		
Share Capital	62,746	55,211
Reserves	119,336	91,432
Treasury shares	(1)	(1)
Equity attributable to shareholders of the Company	182,080	146,642
Minority interests	98,129	95,528
Total Equity	280,209	242,170
Non Current Liabilities		
Bank Borrowings	9,019	4,682
Other payables	4,165	-
Deferred taxation	4,662	1,830
	17,846	6,512
Current Liabilities		
Trade and other payables	53,765	32,028
Bank Borrowings	28,687	1,338
Provision for Taxation	5,105	5,264
	87,557	38,630
Total Liabilities	105,403	45,142
TOTAL EQUITY AND LIABILITIES	385,612	287,313
Net assets per share attributable to ordinary shareholders of the Company (RM)	2.90	2.65

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 January 2010 and the accompanying explanatory notes attached to the interim financial statements.

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

Condensed Consolidated Statement of Comprehensive Income
For the nine months ended 31 October 2010 - unaudited

	Current Quarter		Cumulative Quarter	
	3 months ended 31 October		9 months ended 31 October	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Revenue	105,189	65,112	288,924	185,024
Profit from Operations	15,276	10,707	43,458	33,390
Other income	790	735	5,398	1,851
Finance Cost	(918)	(133)	(1,561)	(391)
Share of profit of associated companies	914	720	1,966	1,122
Profit before tax	16,062	12,029	49,262	35,972
Income tax	(3,184)	(1,119)	(10,896)	(7,321)
Profit for the period	12,878	10,910	38,366	28,651
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operation	(226)	(570)	(973)	(865)
Total comprehensive income for the period	12,652	10,340	37,393	27,786
Profit attributable to :				
Shareholders of the Company	8,137	6,540	23,041	16,952
Minority interest	4,741	4,370	15,325	11,699
Profit for the period	12,878	10,910	38,366	28,651
Total comprehensive income attributable to :				
Shareholders of the Company	8,001	6,198	22,457	16,433
Minority interest	4,651	4,142	14,936	11,353
Total comprehensive income for the period	12,652	10,340	37,393	27,786
Earnings per share attributable to shareholders of the Company :				
- Basic (sen)	13.94	12.17	39.47	31.56
- Diluted (sen)	13.78	12.02	39.03	31.16

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial report for the year ended 31 January 2010 and the accompanying explanatory notes attached to the interim financial statements.

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

**Condensed Consolidated Statement of Cash Flows
for the nine months ended 31 October 2010 - unaudited**

	9 months ended 31 October 2010 RM'000	Year ended 31 January 2010 RM'000
Net Profit before tax	49,262	54,696
Adjustment for non-cash flow items:		
Depreciation of property, plant and equipment	15,085	10,409
Allowance for doubtful debts	-	19
PPE written off	16	-
Goodwill on acquisition of subsidiary written off (net)	3,905	-
Impairment loss on goodwill	-	50
Impairment loss on investments in associates	-	700
Interest expense	1,561	436
Gain on disposal of property, plant and equipment	-	(46)
Fair value gain on quoted investments	(3,237)	-
Share of profit of associated company	(1,966)	(2,105)
Interest income	(2,007)	(2,335)
Operating profit before changes in working capital	62,618	61,825
Changes in working capital :		
Decrease/(Increase) in inventories	(6,558)	(4,367)
Decrease/(Increase) in trade and other receivables	(1,375)	(6,156)
(Decrease)/Increase in trade and other payables	(9,495)	9,610
Cash generated from operating activities	45,190	60,912
Interest paid	(1,561)	(436)
Taxation paid	(11,054)	(8,704)
Net cash generated from operating activities	32,575	51,772
Investing Activities		
Purchase of debts	(7,897)	-
Dividend received from an associated company	889	1,181
Advance to an associate	-	(1)
Purchase of property, plant and equipment	(14,109)	(5,075)
Proceeds from disposal of property, plant and equipment	-	99
Interest received	2,007	2,335
Net cash used in investing activities	(19,110)	(1,461)
Financing Activities		
Proceeds from issuance of shares	1,035	1,745
Purchases of treasury shares	-	(1)
Net drawdown of short-term borrowings	2,691	-
Net drawdown of term borrowings	4,491	-
Net drawdown of hire purchases payables	-	-
Repayment of hire purchases payables	(2,050)	(112)
Repayment of term loan	(12,772)	(1,140)
Repayment of short-term borrowings	-	(13,576)
Dividend paid to minority shareholders	(12,000)	(8,000)
Dividend paid to shareholders	(3,132)	(2,692)
Net cash used in financing activities	(21,737)	(23,776)
Net (decrease)/ increase in cash and cash equivalents	(8,272)	26,534
Cash and cash equivalents at beginning of period	127,466	100,932
Cash and cash equivalents at end of period	119,194	127,466

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

Condensed Consolidated Statements of Changes in Equity
For the nine months period ended 31 October 2010 - unaudited

	Equity Attributable to Shareholders of the Company							Total Reserves (Non Distributable and Distributable) (RM'000)	Treasury Shares (RM'000)	Total (RM'000)	Minority Interest (RM'000)	Total Equity (RM'000)
	Share Capital (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)	Total Distributable (RM'000)					
Balance at 1 February 2009	53,466	3,715	1,452	377	1,693	62,661	69,898	-	123,364	86,360	209,724	
Total comprehensive income for the period	-	-	(520)	-	-	16,952	16,432	-	16,432	11,699	28,131	
Transfer reserves from an associate	-	-	-	-	614	(614)	-	-	-	0	-	
Purchase of minority shares in subsidiary	-	-	-	-	-	-	-	-	-	(200)	(200)	
Currency translation difference	-	-	-	-	-	-	-	-	-	(346)	(346)	
Purchase of treasury shares	-	-	-	-	-	-	-	(1)	(1)	-	(1)	
Issuance of shares	-	-	-	-	-	-	-	-	1,305	-	1,305	
Dividend paid to minority shareholders	-	-	-	-	-	(2,692)	(2,692)	-	(2,692)	(2,000)	(4,692)	
Balance at 31 October 2009	54,771	3,715	932	377	2,307	76,307	83,638	(1)	138,408	95,513	233,921	

	Equity Attributable to Shareholders of the Company							Total Reserves (Non Distributable and Distributable) (RM'000)	Treasury Shares (RM'000)	Total (RM'000)	Minority Interest (RM'000)	Total Equity (RM'000)
	Share Capital (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)	Total Distributable (RM'000)					
Balance at 1 February 2010, as previously stated	55,211	3,715	1,082	377	2,239	83,945	91,358	(1)	146,568	95,479	242,047	
Effect of adopting FRS 139	-	-	-	-	-	74	74	-	74	49	123	
Balance at 1 February 2010, as restated	55,211	3,715	1,082	377	2,239	84,019	91,432	(1)	146,642	95,528	242,170	
Total comprehensive income for the period	-	-	(584)	-	-	23,041	22,457	-	22,457	14,936	37,393	
Issuance of shares	935	-	-	-	-	(108)	-	-	935	-	935	
Transfer reserves from an associate	-	-	-	-	108	-	-	-	-	-	-	
Acquisition of a subsidiary - Kenseisha (M) Sdn Bhd	6,600	8,580	-	-	-	-	8,580	-	15,180	(356)	14,844	
Dividend paid to minority shareholders	-	-	-	-	-	-	-	-	-	(12,000)	(12,000)	
Dividend paid to shareholders	-	-	-	-	-	(3,132)	(3,132)	-	(3,132)	-	(3,132)	
Balance at 31 October 2010	62,746	12,295	498	377	2,347	103,819	119,336	(1)	182,080	98,129	280,209	

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 THIRD
QUARTER ENDED 31 OCTOBER 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 FRS 117	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 RM'000</u>	<u>Reclassification RM'000</u>	<u>As restated 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 RM'000</u>	<u>Minority Interests RM'000</u>
As at 31 January, as previously stated	83,945	95,479
Initial recognition of derivatives at 1 February 2010	74	49
As at 1 February 2010, as restated	84,019	95,528

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 31 October 2010, the issued and paid-up capital of the Company was increased from RM62,645,900 to RM62,745,900 as a result of the exercise and allotment of 100,000 ordinary shares of RM1 each at RM1 per share under the Company's ESOS.

A8 Dividend Paid

The final tax exempt dividend of 5 sen per ordinary share of RM1 each for the financial year ended 31 January 2010 was paid on 18 August 2010.

A9 Segmental Reporting

The Group's segmental reporting for the nine months period ended 31 October 2010 was as follows:

	<u>Gross</u> <u>Revenue</u> <u>RM'000</u>	<u>Profit (loss)</u> <u>before tax</u> <u>RM'000</u>
Manufacturing - Wire Harness	241,942	48,549
Manufacturing - Die-casting & Precision	46,370	(3,902)
Trading	-	188
Health and wellness	612	(405)
Investment holding and others	-	2,866
	<hr/>	<hr/>
	288,924	47,296
Group's share of associated companies	-	1,966
	<hr/>	<hr/>
	288,924	49,262

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 was no material change 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 except for the issuance of a corporate guarantee by TSM Global Berhad to a banker of Kenseisha (M) Sdn Bhd on 31st May 2010 for banking facilities of RM31,000,000 and industrial hire purchase facilities of up to RM3,000,000.

A14 Capital Commitments

The amount of capital commitments not provided for the interim financial statements as at 31 October 2010 was as follows:

Approved and contracted for

RM'000

4,683

=====

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 Ended 31 October 2010 RM'000</u>	<u>Cumulative Year To Date Ended 31 October 2010 RM'000</u>
Under / (over) provision in previous period	90	90
Taxation for current financial period	3,094	10,806
	<u>3,184</u>	<u>10,896</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 31 October 2010

	<u>RM'000</u>
At cost	987
At Fair Value	3,632
Market Value	3,632

B4 Status of corporate proposals announced

On 29 October 2010, the Company proposes to undertake a bonus issue of up to 63,695,900 new shares to be credited as fully paid-up, on the basis of one (1) Bonus Share for every one (1) existing Share held at an entitlement date to be determined and announced later ("Proposed Bonus Issue"). The proposed Bonus Issue has been approved by the shareholders at Extraordinary General Meeting held on 13 December 2010. The Proposed Bonus Issue is pending completion.

B5 Borrowing and debt securities

	<u>At 31 October</u> <u>2010</u> <u>RM'000</u>
<u>Short Term</u>	
Secured	28,687
Unsecured	-
<u>Long Term</u>	
Secured	9,019
Unsecured	-
	<u>37,706</u>

Group borrowings breakdown by currencies

<u>Functional</u> <u>currency</u>	<u>Denominated</u> <u>in</u>	<u>At 31 October</u> <u>2010</u> <u>RM'000</u>
RM	RM	36,096
USD	USD	1,610
		<u>37,706</u>

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 31 October 2010. The nature and values of outstanding derivatives as at 31 October 2010 is as follows:-

<u>Foreign Currency</u> <u>Trade Loan</u>	<u>Contract Amount in</u> <u>Original Currency</u> <u>Yen'000</u>	<u>Contract/ National</u> <u>Value</u> <u>RM'000</u>	<u>Fair Value</u> <u>Gain/(loss)</u> <u>RM'000</u>
Buy Foreign Currency Trade Loan in Yen	70,915	2,691	46

Foreign currency trade loan 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 foreign currency trade loan is determined using market rates at the end of the reporting period and changes in the fair value is recognized in profit and loss.

These foreign currency trade loan 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 this foreign currency trade loan.

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 RM105.189 million were 4.24% lower than the immediate preceding quarter's sales of RM109.852 million due mainly to the shorter number of working days by our customers due to seasonal holidays during the current quarter. Our new subsidiary, Kenseisha, accounted for RM26.743 million sales for the current quarter.

The profit before taxation for the period of RM16.062 million is RM1.427 or 8.16% lower than the immediate preceding quarter's profit of RM17.489 million. This included an operating loss of RM1.523 million by our new subsidiary, Kenseisha, during the current quarter.

B9 Review of Performance

The Group's sales for the period ended 31st October 2010 of RM288.924 million are higher by 56.15% compared to the corresponding period last year. The main reason is the inclusion of five month's sales of our new subsidiary, Kenseisha. Our wire harness business has also increased in line with the stronger automotive market in Malaysia during the first nine months of 2010 compared to 2009, whilst economy was still recovering from the Global Financial Crisis of 2008/9.

The Net Profit after Taxation for the current quarter of RM12.878 million is an increase of RM1.968 million (18.04%) compared to the corresponding quarter last year. The Group's Basic Earnings per share for the current quarter is 13.94 sen compared to 12.17 sen for the corresponding quarter last year.

The Net Profit after Taxation for the 9 months ended 31st October 2010 of RM38.366 million is an increase of RM9.715 million (33.91%) compared to the corresponding period last year. The Group's Basic Earnings per share for the 9 month period is 39.47 sen compared to 31.56 sen for the corresponding period last year.

B10 Current year's prospects

The Malaysian Automotive Association (MAA) has revised its forecast for the total industry volume (TIV) for 2010 to be about 570,000 vehicles, which is an increase of 20,000 units from its earlier forecast. Due to the strong sales in the first 10 months of 2010 (increase of 29% over 2009), there is a very bullish market expectation that the volume for 2010 will set a new record for Malaysian automotive sales.

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

After the acquisition of Kenseisha, we have recapitalized and restructured the company and have taken measures to improve its operational performance. Kenseisha recorded a loss of RM3.902 million in the five months ended 31st October 2010. We plan to expand and diversify Kenseisha's operations beyond the HDD industry. Our Group has a strong base in the OEM Automotive industry which is also a major consumer of aluminum die-casting products. We believe that Kenseisha's experience and technical capability will contribute strongly to the Group's growth.

B11 Profit forecast

Not applicable as there was no profit forecast.

B12 Dividend

The Company did not declare any interim dividend for the third quarter ended 31 October 2010.

B13 Earnings/(Loss) per share

	Current Quarter Ended 31 October 2010	Cumulative Year To-Date Ended 31 October 2010
(a) <u>Basic Earning/(Loss) per share</u>		
Net Profit/(Loss) attributed to shareholders of the Company (RM'000)	8,137	23,041
Weighted average number of ordinary shares in issue ('000)	58,378	58,378
Basic Earnings/(Loss) per share (sen)	13.94	39.47
(b) <u>Diluted Earning/(Loss) per share</u>		
Net Earnings/(Loss) attributed to shareholders of the Company (RM'000)	8,137	23,041
Weighted average number of ordinary shares in issue ('000)	58,393	58,378
Adjustment for ESOS ('000)	644	644
Weighted average number of ordinary shares for Diluted Earnings/(Loss) per share ('000)	59,037	59,021
Diluted Earnings/(Loss) per share (sen)	13.78	39.03

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
22 December 2010

c.c. SECURITIES COMMISSION