

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

Condensed Consolidated Statement of Financial Position
For sixth months period ended 31 July 2011 - unaudited

	As at end of Current Quarter 31 July 2011 RM'000	As at Preceding Year Ended 31 January 2011 Restated RM'000
ASSETS		
Non - Current Assets		
Property, Plant and Equipment	125,464	125,032
Investment in Associated Companies	13,563	12,687
	139,026	137,719
Current Assets		
Inventories	47,677	47,609
Trade and other receivables, including derivatives	64,006	85,100
Short -term investment	39,228	37,869
Cash and bank balances	99,892	89,568
	250,804	260,146
TOTAL ASSETS	389,830	397,865
Equity attributable to equity holders of the parent		
Share Capital	127,392	127,392
Reserves	74,121	68,537
Equity attributable to shareholders of the Company	201,513	195,929
Minority interests	105,661	104,614
Total Equity	307,174	300,543
Non Current Liabilities		
Bank Borrowings	574	1,853
Other payables	1,839	1,416
Deferred taxation	1,803	1,803
	4,216	5,072
Current Liabilities		
Trade and other payables	39,172	49,465
Bank Borrowings	35,922	38,372
Provision for Taxation	3,346	4,412
	78,440	92,249
Total Liabilities	82,656	97,321
TOTAL EQUITY AND LIABILITIES	389,830	397,865
Net assets per share attributable to ordinary shareholders of the Company (RM)	1.58	1.54

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 January 2011 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 sixth months period ended 31 July 2011 - unaudited

	Current Quarter		Cumulative Quarter	
	3 months ended 31 July		6 months ended 31 July	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	84,427	109,852	176,495	183,736
Profit from Operations	7,493	15,442	17,548	28,183
Other income	(332)	2,014	862	4,608
Finance Cost	(2,057)	(635)	(2,686)	(643)
Share of profit of associated companies	921	668	1,029	1,052
Profit before tax	6,024	17,489	16,753	33,200
Income tax	(2,324)	(4,731)	(5,256)	(7,712)
Profit for the period	3,700	12,758	11,497	25,488
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operation	20	81	(153)	(747)
Total comprehensive income for the period	3,720	12,839	11,344	24,741
Profit attributable to :				
Shareholders of the Company	963	6,390	5,689	14,904
Minority interest	2,737	6,368	5,808	10,584
Profit for the period	3,700	12,758	11,497	25,488
Total comprehensive income attributable to :				
Shareholders of the Company	975	6,439	5,598	14,456
Minority interest	2,745	6,400	5,746	10,285
Total comprehensive income for the period	3,720	12,839	11,344	24,741
Earnings per share attributable to shareholders of the Company :				
- Basic (sen)	0.76	5.00	4.48	11.74

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial report for the year ended 31 January 2011 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 sixth months period ended 31 July 2011 - unaudited

	Year ended 31 July 2011 RM'000	Year ended 31 January 2011 RM'000
Net Profit before tax	16,753	69,833
Adjustment for non-cash flow items:		
Depreciation of property, plant and equipment	13,368	20,900
Impairment loss on		
- trade receivables	-	10
- goodwill	-	275
Interest expenses	2,686	1,913
Inventories written down	-	784
Loss/(gain) on disposal of property, plant and equipment	(279)	43
Fair value loss/(gain) on investment of quoted shares	2,993	(2,842)
Gain on settlement of hire purchases	-	(219)
Interest income	(2,752)	(2,638)
Writeback of impairment loss on		
- property, plant and equipment	-	(42)
- trade receivables	-	(70)
- other receivables	-	(44)
Reversal of inventories written down	-	(368)
Reversal of provision for retirement benefit	-	(669)
Share of results in associates	(1,029)	(2,545)
Unrealised gain on foreign exchange	-	(570)
Operating profit before changes in working capital	31,741	83,752
Changes in working capital :		
Decrease/(Increase) in inventories	(68)	(9,881)
Decrease/(Increase) in trade and other receivables	21,043	(7,141)
(Decrease)/Increase in trade and other payables	(9,871)	(15,086)
Cash generated from operating activities	42,845	51,644
Interest paid	(2,686)	(1,913)
Taxation paid	(6,272)	(15,494)
Net cash generated from operating activities	33,887	34,237
Investing Activities		
Dividend received from an associate	-	889
Advance to an associate	-	(1)
Purchase of property, plant and equipment	(14,112)	(16,860)
Proceeds from disposal of property, plant and equipment	592	32
Purchase of quoted shares	(9,041)	-
Net cash inflow on acquisition of a subsidiary	-	1,304
Interest received	2,752	2,638
Net cash used in investing activities	(19,809)	(11,998)
Financing Activities		
Proceeds from issuance of shares	-	1,985
Proceeds from sale of treasury shares	-	4
Share issuance expenses	(13)	(99)
Repayment of retirement benefits	-	(136)
Drawdown of term borrowings	10,034	-
Repayment of hire purchases payables	(3,856)	(7,302)
Repayment of term loan	(10,686)	(15,606)
Dividend paid to minority shareholders	(4,700)	(12,000)
Dividend paid to shareholders	-	(3,132)
Net cash used in financing activities	(9,221)	(36,286)
Net (decrease)/ increase in cash and cash equivalents	4,857	(14,048)
Cash and cash equivalents at beginning of period	113,418	127,466
Cash and cash equivalents at end of period	118,275	113,418

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 January 2011 and the accompanying explanatory notes attached to these condensed consolidated interim

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

Condensed Consolidated Statements of Changes in Equity
For six months period ended 31 July 2011 - unaudited

	Equity Attributable to Shareholders of the Company							Minority Interest (RM'000)	Total Equity (RM'000)		
	Share Capital (RM'000)	Share Premium (RM'000)	Exchange Reserves (RM'000)	Non Distributable Reserves (RM'000)	Revaluation Reserve (RM'000)	Capital Reserve (RM'000)	Distributable Retained Earnings (RM'000)			Total Reserves (Non Distributable and Distributable) (RM'000)	Treasury Shares (RM'000)
Year ended 31 July 2010											
Balance at 1 February 2010	55,211	3,715	1,082	377	2,239	84,018	91,431	(1)	146,641	95,528	242,169
Total comprehensive income for the period	-	-	(448)	-	-	14,904	14,456	-	14,456	10,285	24,741
Issuance of shares	935	-	-	-	-	-	-	-	935	-	935
Acquisition of subsidiary	6,500	8,580	-	-	-	-	8,580	-	15,080	(311)	14,769
Dividend paid to minority shareholders	-	-	-	-	-	-	-	-	-	(12,000)	(12,000)
Balance at 31 July 2010	62,646	12,295	634	377	2,239	98,922	114,467	(1)	177,112	93,502	270,614

	Equity Attributable to Shareholders of the Company							Minority Interest (RM'000)	Total Equity (RM'000)		
	Share Capital (RM'000)	Share Premium (RM'000)	Exchange Reserves (RM'000)	Non Distributable Reserves (RM'000)	Revaluation Reserve (RM'000)	Capital Reserve (RM'000)	Distributable Retained Earnings (RM'000)			Total Reserves (Non Distributable and Distributable) (RM'000)	Treasury Shares (RM'000)
Year ended 31 July 2011											
Balance at 1 February 2010	127,392	12,199	530	377	2,293	53,138	68,537	-	195,929	104,614	300,543
Total comprehensive income for the period	-	-	(92)	-	-	5,689	5,598	-	5,598	5,746	11,344
Bonus Issue expenses	-	(13)	-	-	-	-	(13)	-	(13)	-	(13)
Dividend paid to minority shareholders	-	-	-	-	-	-	-	-	-	(4,700)	(4,700)
Balance at 31 July 2011	127,392	12,186	439	377	2,293	58,827	74,121	-	201,513	105,661	307,174

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2011 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 SECOND
QUARTER ENDED 31 JULY 2011**

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 2011.

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 2011, 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 2011:

FRSs, Amendments to FRSs and Interpretations

FRS 1	First-time Adoption of Financial Reporting Standards (revised)
FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
Improvements to FRSs (2010)	
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards <ul style="list-style-type: none">- Limited Exemption from comparative FRS 7 Disclosures for First-time Adopters- Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share Based Payment Transactions
Amendments to FRS 5	Non-Current Assets Held for Sale and Discontinued Operation
Amendments to FRS 7	Financial Instrument: Disclosures – Improving Disclosure about Financial Instruments
Amendments to FRS 132	Financial Instruments : Presentation-Classification of Rights Issues
Amendments to FRS 138	Intangible Assets
IC Interpretation 4	Determining whether an Arrangement contain a lease
IC Interpretation 12	Service Concession Agreements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfer of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

The FRS 2, Amendments to FRS 5, IC Interpretation 4, IC Interpretation 12, IC Interpretation 16, IC Interpretation 17 and IC Interpretation 18 are not applicable to the Group or the Company.

The adoption of the above FRSs, amendments to FRSs and Interpretations has no material impact on the interim financial statements and the interim financial result of the Group.

A3 Status of Audit Qualifications

The audited financial statements of the Group for the year ended 31 January 2011 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, resales and repayments of debt or equity securities during the financial period under review.

A8 Dividend Paid

On 12nd May 2011, the Board of Directors declared a proposed tax exempt dividend of 5 sen per ordinary share of RM1 each for the financial year ended 31 January 2011. This dividend was paid on 25th Aug 2011.

A9 Segmental Reporting

The Group's segmental reporting for the six months period ended 31 July 2011 was as follows:

	<u>Gross Revenue</u>	<u>Profit (loss) before tax</u>
	RM'000	RM'000
Manufacturing - Wire Harness	143,260	19,413
Manufacturing - Die-casting & Precision	32,818	(3,873)
Trading	-	85
Health and wellness	417	(212)
Investment holding and others	-	311
	<hr/>	<hr/>
	176,495	15,724
Group's share of associated companies	-	1,029
	<hr/>	<hr/>
	176,495	16,753

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 2011.

A14 Capital Commitments

The amount of capital commitments not provided for the interim financial statements as at 31 July 2011 was as follows:

	<u>RM'000</u>
Approved and contracted for	4,673
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Approved and not contracted for	7,166
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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 Ended 31 July 2011 RM'000</u>	<u>Cumulative Year To Date Ended 31 July 2011 RM'000</u>
Under provision in previous period	-	43
Taxation for current financial period	2,324	5,213
	<u>2,324</u>	<u>5,256</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

The Group has purchased 5,700,000 ordinary shares of Integrex Bhd at a consideration of RM9,041,016 during the period under review.

b) Investment in quoted securities as at 31 July 2011

	<u>RM'000</u>
At cost	10,028
At Fair Value	11,180
Market Value	11,180

B4 Status of corporate proposals announced

There were no corporate proposals announced during the financial period under review.

B5 Borrowing and debt securities

	<u>At 31 July 2011 RM'000</u>
<u>Short Term</u>	
Secured	35,922
Unsecured	-
<u>Long Term</u>	
Secured	574
Unsecured	-
	<u>36,496</u>

Group borrowings breakdown by currencies:

<u>Functional currency</u>	<u>Denominated in</u>	<u>At 31 July 2011</u>
		<u>RM'000</u>
RM	RM	36,496
USD	USD	-
		<u>36,496</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 July 2011. The nature and values of outstanding derivatives as at 31 July 2011 is as follows:

Foreign Exchange Contracts	Contract Amount Original Currency in Yen'000	Contract/Notional Value RM'000	Fair Value Gain/(Loss) RM'000
Buy Forward Contracts in Yen	236,864	8,831	200

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 RM84.427 million were 8.3% lower than the immediate preceding quarter's sales of RM92.068 million. The Earthquake and Tsunami in Japan in March 2011 has resulted in reduced sales in both our wire harness and die-cast businesses due to a disruption in the Global Supply Chain.

The profit before taxation for the period of RM6.024 million is RM4.704 or 43.85% lower than the immediate preceding quarter's profit of RM10.728million. This is due to the reduced sales volumes and also the fair value loss in our investment in quoted shares of about RM3.295 million during the current quarter.

B9 Review of Performance

The Group's sales for the period ended 31st July 2011 of RM176.495 million are lower by 3.941% compared to the corresponding period last year. Our sales have been reduced due to disruptions caused by the Earthquake and Tsunami in Japan in March 2011.

The Net Profit after Taxation for the current half year of RM11.497 million is a decrease of RM13.992 million (54.9%) compared to the corresponding period last year. This year's results included an operating loss of approximately RM3.872 million in Kenseisha's business and our wire harness business's profit was reduced by about RM14.451 million due to the reduced sales. Furthermore, last year's results included a fair value gain of about RM2.329 million on our investment in quoted securities whereas this year's results include a fair value loss of about RM2.993 million.

Consequently, the Group's Basic Earnings per share for the current quarter is 0.76 sen compared to 5.00 sen for the corresponding quarter last year.

B10 Current year's prospects

The Malaysian Automotive Association (MAA) has revised its forecast for the total industry sales volume (TIV) for 2011 to be about 608,000 vehicles, which is a decrease of 10,000 units (1.6%) from its earlier TIV forecast for 2010. The Earthquake and Tsunami in Japan in March 2011 and the subsequent disruption in global automotive component supply chain caused a major reduction in car production output from the second half of April. This disruption was at its most severe in May and the situation has improved since then to normal about September.

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 had turned around to just above break-even operating level in January and February 2011. However, the Earthquake and Tsunami in Japan has materially affected the business model of Kenseisha's operations. We are currently undertaking a major reassessment of Kenseisha's business plan and will be taking appropriate measures to immediately arrest its losses.

B11 Profit forecast

Not applicable as there was no profit forecast.

B12 Dividend

The Company did not declare any interim dividend for the second quarter ended 31 July 2011.

B13 Earnings/(Loss) per share

	<u>3 months Ended 31.07.2011</u>	<u>3 months Ended 31.07.2010</u>	<u>Year to Date ended 31.07.2011</u>	<u>Year to date ended 31.07.2010</u>
(a) <u>Basic Earning/(Loss) per share</u>				
Net Profit/(Loss) attributed to shareholders of the Company (RM'000)	963	6,390	5,689	14,904
Weighted average number of ordinary shares in issue ('000)	127,000	127,000	127,000	127,000
Basic Earnings/(Loss) per share (sen)	0.758	5.031	4.480	11.735

B14 Realised and Unrealised profits

	<u>Current Quarter Ended 31 July 2011 RM'000</u>	<u>As at the end of last Financial Year 31 January 2011 RM'000</u>
Total retained earnings of the Group		
- Realised	50,076	48,856
- Unrealised	940	(2,912)
	<u>51,016</u>	<u>45,944</u>
Total share of retained earnings of associated companies		
- Realised	7,811	7,194
- Unrealised	-	-
	<u>7,811</u>	<u>7,194</u>
	<u>58,827</u>	<u>53,138</u>

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
28 September 2011