

Tamadam Bonded Warehouse Berhad

(Company No. 82731-A)
(Incorporated in Malaysia)

Interim Financial Report 30 June 2009

Tamadam Bonded Warehouse Berhad

(Company No. 82731-A)
(Incorporated in Malaysia)

Condensed consolidated income statement

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30 June		30 June	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	36,875	31,177	72,523	33,644
Cost of Sales	(15,968)	(13,958)	(31,339)	(15,740)
Gross Profit	20,907	17,219	41,184	17,904
Other income	636	1,238	1,310	1,460
Administrative expenses	(15,633)	(17,232)	(32,870)	(18,344)
Other expenses	(969)	(154)	(1,784)	(154)
Finance costs	(1,487)	(1,697)	(3,042)	(2,042)
Share of profit/(loss) of associate	-	-	-	-
Profit/(Loss) before tax	3,454	(626)	4,798	(1,176)
Income tax expense	(1,122)	(376)	(1,853)	(376)
Profit/ (Loss) for the period from continuing operations	2,332	(1,002)	2,945	(1,552)
Discontinued Operations	-	-	-	-
Profit/ (Loss) for the period from a discontinued operation	-	-	-	-
Profit/ (Loss) for the period	2,332	(1,002)	2,945	(1,552)
Attributable to:-				
Equity holders of the parent	1,305	(1,290)	1,418	(1,840)
Minority interest	1,027	288	1,527	288
	2,332	(1,002)	2,945	(1,552)
Earnings per share (Sen):-				
Basic	0.73	(1.44)	0.79	(2.06)
Diluted	N/A	N/A	N/A	N/A

There is no dilution effect from: 21,780,000 warrants issued on 5 January 2000.

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008

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Condensed Consolidated Balance Sheet

	As At 30.6.2009 RM'000 (Unaudited)	As At 31.12.2008 RM'000 (Audited)
ASSETS		
Non Current Assets		
Property, plant and equipment	41,203	42,658
Goodwill on consolidation	177,442	177,442
Deferred tax assets	10,694	12,578
Intangible assets	1,051	923
	<u>230,390</u>	<u>233,601</u>
Current Assets		
Inventories	2,611	2,542
Trade receivables	30,555	21,859
Other receivables	8,069	14,795
Tax assets	-	361
Cash and bank balances	9,810	13,922
	<u>51,045</u>	<u>53,479</u>
TOTAL ASSETS	<u><u>281,435</u></u>	<u><u>287,080</u></u>
EQUITY & LIABILITY		
Equity attributable to equity holders of the parent		
Share capital	179,005	179,005
Share premium	12,384	12,384
Retained earnings	(39,582)	(40,999)
	<u>151,807</u>	<u>150,390</u>
Shareholders' Equity	<u>151,807</u>	<u>150,390</u>
Minority Interest	11,026	9,499
	<u>162,833</u>	<u>159,889</u>
Total Equity	<u>162,833</u>	<u>159,889</u>
Non Current Liabilities		
Bank borrowings	63,940	63,770
Hire purchase payables	286	361
	<u>64,226</u>	<u>64,131</u>
Current Liabilities		
Bank borrowings	30,443	37,742
Hire purchase payables	116	163
Trade payables	11,468	10,820
Other payables	12,349	14,335
	<u>118,602</u>	<u>127,191</u>
Total Liabilities	<u>118,602</u>	<u>127,191</u>
TOTAL EQUITY AND LIABILITIES	<u><u>281,435</u></u>	<u><u>287,080</u></u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008

Tamadam Bonded Warehouse Berhad

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Condensed consolidated statement of changes in equity

(Figures have not been audited)

	Non-Distributable RM'000			Accumulated losses RM'000	Total RM'000
	Share Capital	Share Premium	Capital Reserve		
At 1 January 2009	179,005	12,384	-	(40,999)	150,390
Net Profit for the period	-	-	-	1,417	1,417
At 30 June 2009	179,005	12,384	-	(39,582)	151,807

	Non-Distributable RM'000			Accumulated losses RM'000	Total RM'000
	Share Capital	Share Premium	Capital Reserve		
At 1 January 2008	49,005	13,623	-	(36,895)	25,733
Issue of ordinary shares:- - Acquisition of subsidiary	130,000	-	-	-	130,000
Capitalisation of corporate exercise expenses	-	(1,609)	-	-	(1,609)
Net loss for the period	-	-	-	(1,840)	(1,840)
At 30 June 2008	179,005	12,014	-	(35,055)	152,284

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008

Tamadam Bonded Warehouse Berhad

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Condensed consolidated cash flow statement

(Figures have not been audited)

	6 months ended	
	30.6.2009 RM'000	30.6.2008 RM'000
Operating activities		
Net Profit/(Loss) before tax	4,798	(1,176)
Adjustment for:-		
Depreciation	2,191	2,838
Amortisation of intangible assets		161
(Gain)/Loss on disposal of PPE	(69)	(232)
Allowance for doubtful debts	-	-
Waiver of interest expense	-	-
Financing charges	-	-
Interest income	(150)	(155)
Interest charges	3,042	2,042
Operating profit before changes in working capital	9,812	3,478
Changes in working capital		
Net changes in inventories (Increase)/Decrease	(69)	3
Net changes in current assets (Increase)/Decrease	(1,970)	2,102
Net changes in current liabilities Increase/(Decrease)	(1,338)	(5,283)
Cash generated from operations	6,435	300
Interest paid	(3,042)	(3,212)
Tax (paid)/refund	361	4,214
Net cash generated/ (used) in operating activities	3,754	1,302
Investing activities		
Interest income	150	155
Inflow from investment in joint venture	-	622
Investment in subsidiary company	-	-
Capitalisation of corporate exercise expenditure	-	(1,609)
Purchase of PPE	(929)	(427)
Purchase of intangible assets	-	-
Proceeds from disposal of PPE	166	500
Net cash used in investing activities	(613)	(759)
Financing activities		
Financing charges paid	-	-
Repayment of bank borrowings	(6,429)	(33)
Repayment of hire-purchase payables	(122)	(133)
Net cash generated/(used) in financing activities	(6,551)	(166)
Net increase/(decrease) in cash and cash equivalents	(3,410)	377
Cash and cash equivalents at the beginning of financial period	2,792	10,485
Cash and cash equivalents at the end of financial period	(618)	10,862
Cash and bank balances	9,810	20,998
Bank overdrafts	(10,428)	(10,136)
	(618)	10,862

The Condensed Consolidated Cashflow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008

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Notes to the interim financial report

1. Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with the requirements of FRS134 (previously MASB 26), “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of Bursa Malaysia. The interim financial report should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008.

2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2008 except for the adoption of the following new and revised Financial Reporting Standards (“FRS”) issued by MASB that are in effect for the financial period beginning 1 January 2007:-

FRS 117	Leases
FRS 124	Related Party Disclosures

The adoption of the above FRSs has no financial effect on the Group.

3. Qualification of financial statements

The preceding audited financial statements for the year ended 31 December 2008 were not subject to any qualification.

4. Seasonal or cyclical factors

The Group’s operations were not significantly affected by any significant seasonal or cyclical factors during the quarter under review.

5. Unusual items

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

6. Nature and amount of changes in estimates

This note is not applicable.

7. Debt and equity securities

There was no issuance, cancellation, repurchase, resale nor repayment of debt and equity securities for the period under review.

8. Dividend

No interim dividend has been paid or declared by the Company for the financial quarter ended 30 June 2009.

9. Segmental reporting

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30.06.09	30.06.08	30.06.09	30.06.08
	RM '000	RM '000	RM '000	RM '000
Segment Revenue				
Revenue from continuing operations:				
In-flight catering & related services	35,115	29,134	68,836	29,134
Logistics & related services	1,760	2,043	3,687	4,510
Total revenue including inter-segment sales	36,875	31,177	72,523	33,644
Total revenue from continuing operations	36,875	31,177	72,523	33,644
Total	36,875	31,177	72,523	33,644
Segment results				
Results from continuing operations:				
In-flight catering & related services	3,392	928	5,028	928
Logistics & related services	(1,060)	(1,930)	(2,083)	(2,480)
Total results from continuing operations	2,332	(1,002)	2,945	(1,552)
Total	2,332	(1,002)	2,945	(1,552)

10. Property, plant and equipment

The valuation of land and buildings has been brought forward without amendment from the previous annual report.

11. Changes in composition of the Group

On 27 March 2008, the acquisition of 51% equity interest in Brahim's-LSG Sky Chefs Holdings Sdn Bhd ("BLH") was completed and 130,000,000 new ordinary shares valued at RM1.00 per share was issued to Brahim's International Franchises Sdn Bhd ("BIF"). Hence, the results of BLH were proportionately consolidated from 1 April 2008 onwards in the Group's financial results for the 12 months ended 31 December 2008.

Tamadam CWT Sdn Bhd ("TCWT"), a joint venture company, was incorporated on 27 November 2008. The results of TCWT were proportionately consolidated from the incorporation date in the Group's financial results for the twelve months ended 31 December 2008.

12. Events subsequent to the balance sheet date

There were no material events prior or subsequent to the end of the interim period that have not been reflected in the financial statements for the period under review other than that explained in Note 11 above.

13. Contingent liabilities

The changes in contingent liabilities since the last annual balance sheet date are as follows:-

	30.06.2009	31.12.2008
	RM '000	RM '000
(i) Guarantee given to a financial institution for banking facilities granted to a subsidiary company	-	-

14. Comparatives

The classifications of items in the current quarter have been consistent with the audited financial statements for the year ended 31 December 2008.

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Interim Financial Report 30 June 2009

Additional information required by the
Main Market Listing Requirements Of Bursa Malaysia Securities Berhad

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Additional information required by the Main Market Listing Requirements Of Bursa Malaysia Securities Berhad

1. Review of performance

Revenue for the quarter ended 30 June 2009 was RM36.88 million as compared to RM31.18 million in the corresponding quarter in the preceding year.

The Group recorded profit before tax of RM3.45 million in the 2nd quarter as compared to a loss of RM626,000 in the corresponding quarter in the preceding year.

2. Comparison with immediate preceding quarter's results

Compared to the immediate preceding quarter's results, the Group's revenue has increased from RM35.65 million in the 1st quarter of 2009 to RM36.88 million in the 2nd quarter of 2009 due to increase in revenue from the In-flight Catering Division.

The Group recorded profit before tax of RM3.45 million for the current quarter as compared to profit before tax of RM1.34 million in the immediate preceding quarter.

3. Prospects

The outlook for the in-flight catering division is expected to remain stable. Business has been affected by external factors such as the economic slowdown and the H1N1 pandemic which has reduced air travel globally.

However, this is mitigated by several factors. Firstly, cost cutting efforts within LSGB are continuing. Secondly, the expected marginal growth in revenue from Malaysian Airline System Berhad ("MAS") has materialised as meals produced has increased from 27,116 per day to 30,700 per day in the second quarter of 2009. MAS continues to be LSGB's main customer while renewal of catering contracts by other foreign airlines continues to provide support for the revenue stream. Thirdly, the expected growth of low-cost, long haul flights will result in a potential increase in the number of meals catered and the number of flights handled for the year.

The logistics division is continuing its cost cutting and efficiency improvement efforts. The outlook for this division is expected to remain challenging.

4. Profit forecast

Not applicable as no profit forecast was published.

5. Taxation

	Quarter ended 30 June		6 months ended 30 June	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Based on results for the period	1,122	376	1,853	376
Under provision in prior year	-	-	-	-
Transfer from deferred tax	-	-	-	-
	<u>1,122</u>	<u>376</u>	<u>1,853</u>	<u>376</u>

6. Sale of unquoted investments and/or properties

There was no sale of unquoted investments and/or properties during the period under review.

7. Quoted investments

Balance at 01.01.2009 RM	Bought in the period RM	Sold in the period RM	Balance at 30.06.2009 RM
NIL	-	-	NIL
=====	=====	=====	=====

There were no purchases or disposals of quoted securities during the period under review.

8. Status of corporate proposal announced

Save as disclosed below, there are no other corporate proposals announced which are still pending completion:-

On 15 April 2009, on behalf of the Company, AmInvestment Bank Berhad announced that Bursa Securities has approved the Company's application for an extension of time of six (6) months from 8 April 2009 until 7 October 2009 to comply with the public shareholding spread requirement pursuant to Paragraph 8.15(1) of the Listing Requirements of Bursa Securities whereby Brahim's International Franchises Sdn Bhd ("BIF") is required to place out 11,394,750 shares in the Company to the Malaysian public. In the same letter, it is also mentioned that the Company will be required to ensure that items 3.4(a) and (b) of Practice Note 19/2006 of Bursa Securities ("PN19") are fully complied with.

As at 26 August 2009, BIF has sold 9,000,000 shares in the Company to the Malaysian public.

9. Borrowings

	30.06.2009 RM'000
a) Short term borrowings	
Secured	25,176
Unsecured	5,381
	<hr/>
	30,557
b) Long term borrowings	
Secured	64,226
Unsecured	-
	<hr/>
	<u>94,783</u>

The above borrowings are denominated in Ringgit Malaysia.

10. Off-balance sheet financial instruments

During the financial period to-date, the Group did not enter into any contracts involving off balance sheet financial instruments.

11. Material litigation

Tamadam Vs. Sanyo Sales & Services Sdn Bhd (“Sanyo Sales & Services”)

On 7 August 2009, the Company, through its solicitors, commenced a legal action against Sanyo Sales & Services Sdn Bhd (“the Defendant”) vide Shah Alam High Court Civil Suit No. 22-1114-2009 to obtain judgment for the following:-

- (a) The sum of RM366,486.83 being the outstanding sum for “Total Logistics Services” rendered to the Defendant;
- (b) Late interest of RM179,991.84 as at 18 June 2009;
- (c) Late interest at the rate of 1.5% per month on the above sum of RM366,486.83 from 19 June 2009 until the date of full settlement;
- (d) Costs; and
- (e) Such other relief as the Honorable Court deems fair and just.

The Company upon advice by its solicitors is of the belief that it has a good case and/or claim against the Defendant.

12. Dividend

No dividend has been proposed in respect of the current financial period.

13. Basic earnings per share

The calculation of basic earnings per share for the quarter and year to date is arrived at by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

14. Authorisation for Issue

The interim financial statement was duly approved by the Board of Directors at a board meeting held on 26th August 2009.