

**Tamadam Bonded Warehouse Berhad**

(Company No. 82731-A)

(Incorporated in Malaysia)

**Interim Financial Report  
30 September 2009**

# Tamadam Bonded Warehouse Berhad

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

## Condensed consolidated income statement

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 September		30 September	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>				
Revenue	38,407	35,869	110,930	69,513
Cost of Sales	(17,101)	(13,973)	(48,440)	(29,713)
<b>Gross Profit</b>	<b>21,306</b>	<b>21,896</b>	<b>62,490</b>	<b>39,800</b>
Other income	735	1,109	2,044	2,569
Administrative expenses	(15,549)	(19,047)	(48,419)	(37,390)
Other expenses	(643)	(3)	(2,427)	(157)
Finance costs	(1,656)	(1,739)	(4,698)	(3,781)
Share of profit/(loss) of associate	-	-	-	-
<b>Profit/(Loss) before tax</b>	<b>4,193</b>	<b>2,216</b>	<b>8,990</b>	<b>1,041</b>
Income tax expense	(1,373)	(855)	(3,225)	(1,232)
<b>Profit/ (Loss) for the period from continuing operations</b>	<b>2,820</b>	<b>1,361</b>	<b>5,765</b>	<b>(191)</b>
<b>Discontinued Operations</b>	-	-	-	-
<b>Profit/ (Loss) for the period from a discontinuing operation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/ (Loss) for the period</b>	<b>2,820</b>	<b>1,361</b>	<b>5,765</b>	<b>(191)</b>
<b>Attributable to:-</b>				
Equity holders of the parent	1,636	661	3,054	(1,178)
Minority interest	1,184	700	2,711	987
	<b>2,820</b>	<b>1,361</b>	<b>5,765</b>	<b>(191)</b>
<b>Earnings per share (Sen):-</b>				
Basic	0.91	0.74	1.71	(1.32)
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

# Tamadam Bonded Warehouse Berhad

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## Condensed Consolidated Balance Sheet

	As At 30.9.2009 RM'000 (Unaudited)	As At 31.12.2008 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	41,005	42,658
Goodwill on consolidation	177,442	177,442
Deferred tax assets	9,308	12,578
Intangible assets	1,004	923
	<u>228,759</u>	<u>233,601</u>
<b>Current Assets</b>		
Inventories	3,089	2,542
Trade receivables	31,361	21,859
Other receivables	9,028	14,795
Tax assets	-	361
Cash and bank balances	11,746	13,922
	<u>55,224</u>	<u>53,479</u>
<b>TOTAL ASSETS</b>	<u>283,983</u>	<u>287,080</u>
<b>EQUITY &amp; LIABILITY</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	179,005	179,005
Share premium	12,384	12,384
Retained earnings	(37,945)	(40,999)
	<u>153,444</u>	<u>150,390</u>
<b>Shareholders' Equity</b>	<u>153,444</u>	<u>150,390</u>
Minority Interest	12,210	9,499
	<u>165,654</u>	<u>159,889</u>
<b>Total Equity</b>	<u>165,654</u>	<u>159,889</u>
<b>Non Current Liabilities</b>		
Bank borrowings	63,798	63,770
Hire purchase payables	226	361
	<u>64,024</u>	<u>64,131</u>
<b>Current Liabilities</b>		
Bank borrowings	23,207	37,742
Hire purchase payables	138	163
Trade payables	9,962	10,820
Other payables	20,998	14,335
	<u>118,329</u>	<u>127,191</u>
<b>Total Liabilities</b>	<u>118,329</u>	<u>127,191</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>283,983</u>	<u>287,080</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		
<b>At 1 January 2009</b>	179,005	12,384	-	(40,999)	150,390
Net Profit for the period	-	-	-	3,054	3,054
<b>At 30 September 2009</b>	179,005	12,384	-	(37,945)	153,444

	Non-Distributable RM'000			Accumulated losses RM'000	Total RM'000
	Share Capital	Share Premium	Capital Reserve		
<b>At 1 January 2008</b>	49,005	13,623	-	(36,895)	25,733
Issue of ordinary shares:- - Acquisition of subsidiary	130,000	-	-	-	130,000
Capitalisation of corporate exercise expenses	-	(1,239)	-	-	(1,239)
Net loss for the period	-	-	-	(1,178)	(1,178)
<b>At 30 September 2008</b>	179,005	12,384	-	(38,073)	153,316

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)

	9 months ended	
	30.9.2009 RM'000	30.9.2008 RM'000
<b>Operating activities</b>		
<b>Net Profit before tax</b>	8,990	1,041
<b>Adjustment for:-</b>		
Depreciation	3,312	4,797
Amortisation of intangible assets	517	326
Loss/(Gain) on disposal of PPE	37	(245)
Reversal of allowance for doubtful debts	(226)	-
Interest income	(252)	(577)
Interest charges	4,655	3,781
Operating profit before changes in working capital	17,033	9,123
Changes in working capital		
Net changes in inventories increase	(547)	(1,203)
Net changes in current assets increase	(3,507)	(1,081)
Net changes in current liabilities Increase/(Decrease)	5,778	(1,225)
Cash generated from operations	18,757	5,614
Interest paid	(4,621)	(4,952)
Tax refund	431	982
<b>Net cash generated in operating activities</b>	<b>14,567</b>	<b>1,644</b>
<b>Investing activities</b>		
Interest income	252	577
Inflow from investment in joint venture	-	622
Capitalisation of corporate exercise expenditure	-	(1,238)
Purchase of property, plant and equipment	(2,019)	(726)
Purchase of intangible assets	(598)	(157)
Proceeds from disposal of property, plant and equipment	323	512
<b>Net cash used in investing activities</b>	<b>(2,042)</b>	<b>(410)</b>
<b>Financing activities</b>		
Repayment of bank borrowings	(13,139)	(5,728)
Repayment of hire-purchase payables	(194)	(232)
<b>Net cash used in financing activities</b>	<b>(13,333)</b>	<b>(5,960)</b>
Net decrease in cash and cash equivalents	(808)	(4,726)
<b>Cash and cash equivalents at the beginning of financial period</b>	<b>2,792</b>	<b>10,486</b>
<b>Cash and cash equivalents at the end of financial period</b>	<b>1,984</b>	<b>5,760</b>
<b>Cash and bank balances</b>	<b>11,746</b>	<b>15,599</b>
<b>Bank overdrafts</b>	<b>(9,762)</b>	<b>(9,839)</b>
	<b>1,984</b>	<b>5,760</b>

The Condensed Consolidated Cashflow Statement 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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## **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 “Interim Financial Reporting” issued by the Malaysian Accounting Standard Board (MASB) 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.

The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial 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.

### **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. Changes in estimates**

There were no changes in estimates that have had a materials effect in the current quarter.

### **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 September 2009.

## 9. Segmental reporting

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30.09.09	30.09.08	30.09.09	30.09.08
	RM '000	RM '000	RM '000	RM '000
<b>Segment Revenue</b>				
Revenue from continuing operations:				
In-flight catering & related services	36,669	33,641	105,506	62,775
Logistics & related services	1,738	2,228	5,424	6,738
Total revenue including inter-segment Sales	38,407	35,869	110,930	69,513
Total revenue from continuing Operations	38,407	35,869	110,930	69,513
Total	38,407	35,869	110,930	69,513
<b>Segment results</b>				
Results from continuing operations:				
In-flight catering & related services	3,913	2,650	8,942	3,579
Logistics & related services	(1,093)	(1,290)	(3,177)	(3,770)
Total results from continuing operations	2,820	1,360	5,765	(191)
Total	2,820	1,360	5,765	(191)

## 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 17 September 2009, the issued and paid-up capital of Tamadam CWT Sdn Bhd (“TCWT”), a 51% owned subsidiary of the Company, was increased from RM100.00 to RM10,000.00. The Company has subscribed for its portion of the additional share capital amounting to RM5,049 at that date.

## 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:-

	30.09.2009	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 statement for the year ended 31 December 2008.



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## **Interim Financial Report 30 September 2009**

Additional information required by the  
Bursa Malaysia's Listing Requirements

# **Tamadam Bonded Warehouse Berhad**

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## **Additional information required by the Bursa Malaysia's Listing Requirements**

### **1. Review of performance**

Revenue for the quarter ended 30<sup>th</sup> September 2009 was RM38.40 million as compared to RM35.86 million in the corresponding quarter in the preceding year.

The Group recorded profit before tax of RM4.19 million in the 3<sup>rd</sup> quarter as compared to profit before tax of RM2.22 million in the corresponding quarter in the preceding year.

### **2. Comparison with immediate preceding quarter's result**

Compared to the previous quarter's results, the Group's revenue has increased from RM36.87 million in the 2<sup>nd</sup> quarter of 2009 to RM38.40 million in the 3<sup>rd</sup> quarter of 2009 due to increase in revenue of the In-flight Catering business.

The Group recorded profit before tax of RM4.19 million for the current quarter as compared to profit before tax of RM3.45 million in the immediate preceding quarter.

### **3. Prospects**

The revenue for the In-flight Catering Division is expected to remain stable. An increase in revenue from MAS is forecast. Furthermore, productivity has increased and cost cutting efforts are yielding results.

The net loss for the Logistics Division has reduced to RM1.09 million for the current quarter as compared to a net loss of RM1.29 million in the previous quarter. The outlook for the logistics division continues to be very challenging. The management is continuing to take measures to turn this division around.

### **4. Profit forecast**

Not applicable as no profit forecast was published.

## 5. Taxation

	Quarter ended 30 September		9 months ended 30 September	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Based on results for the period	-	855	25	1,232
Under provision in prior year	(13)	-	(70)	-
Transfer from deferred tax	1,386	-	3,270	-
	<u>1,373</u>	<u>855</u>	<u>3,225</u>	<u>1,232</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 30.09.2009 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 has announced that Bursa Securities has approved the Company 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. In the same letter, it was 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 2 October 2009, the public shareholding spread of the Company based on the Register of Depositors of Tamadam dated 28 September 2009 was 44,971,500 Shares representing 25.12% of the total shares issued held in the hands of 2,966 public shareholders.

Based on the above, the Company has complied with the public shareholding spread requirement stipulated under Paragraph 8.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad by way of disposal of shares in the open market.

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In view of this recent development, Tamadam will no longer be required to implement the Proposed Offer For Sale And/Or Placement which has previously been announced in order to comply with the public shareholding spread requirement .

Accordingly, there are currently no corporate proposals which have been announced which are pending completion.

## 9. Borrowings

	<b>30.09.2009</b> <b>RM'000</b>
<b>a) Short term borrowings</b>	
Secured	13,491
Unsecured	9,716
	<hr/> 23,207
<b>b) Long term borrowings</b>	
Secured	63,798
Unsecured	-
	<hr/> 87,005
	<hr/> <hr/>

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. Changes in material litigation

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

Tamadam had on 7 August 2009, 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 judgement for a total sum of RM546,478.67 together with interest, costs and other reliefs.

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

On 23 September 2009, Sanyo has served its defence and counterclaim for RM354,432.72 on the Company on the even date. The Company is advised by its solicitors that it has a good defence against the counterclaim. The counterclaim is not expected to have any significant financial impact on the Group.

## **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 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 the board meeting held on 26<sup>th</sup> November 2009.