

Tamadam Bonded Warehouse Berhad
(Company No. 82731-A)
(Incorporated in Malaysia)

Interim Financial Report
31 December 2010

Tamadam Bonded Warehouse Berhad

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

Statement of Comprehensive Income for the 12 months ended 31 December 2010

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December		12 months ended 31 December	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Continuing Operations				
Revenue	42,109	45,811	165,716	156,741
Cost of Sales	(20,440)	(18,278)	(74,009)	(66,718)
Gross Profit	21,669	27,533	91,707	90,023
Other income	733	851	2,929	2,896
Administrative expenses	(11,568)	(18,121)	(63,588)	(66,540)
Other expenses	(5,163)	(6,461)	(6,281)	(8,888)
Finance costs	(1,326)	(1,616)	(5,251)	(6,314)
Profit before taxation	4,345	2,186	19,516	11,177
Income tax expense	(1,908)	(1,973)	(7,395)	(5,199)
Profit/(Loss) for the period/year	2,437	213	12,121	5,978
Profit attributable to:				
- Owners of the Company	1,000	(672)	6,430	2,382
- Minority interest	1,437	885	5,691	3,596
	2,437	213	12,121	5,978
Total comprehensive income attributable to:-				
- Owners of the Company	1,000	(672)	6,430	2,382
- Minority interest	1,437	885	5,691	3,596
	2,437	213	12,121	5,978
Earnings per share (sen) for profit from continuing operations attributable to the owner of the Company				
Basic	0.56	(0.38)	3.59	1.33
Diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009.

Tamadam Bonded Warehouse Berhad

(Company No. 82731-A)
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Statement of financial position as at 31 December 2010

	As At 31.12.2010 RM'000 (Unaudited)	As At 31.12.2009 RM'000 (Audited)
ASSETS		
Non Current Assets		
Property, plant and equipment	42,276	42,085
Intangible assets	929	1,101
Goodwill on consolidation	177,442	177,442
Deferred tax assets	23	7,349
	<u>220,670</u>	<u>227,977</u>
Current Assets		
Inventories	3,686	2,808
Trade receivables	34,628	34,161
Other receivables, deposits and prepayments	5,571	7,052
Tax recoverable	-	28
Fixed deposits with a licensed bank	4,757	5,602
Cash and bank balances	14,893	11,601
	<u>63,535</u>	<u>61,252</u>
TOTAL ASSETS	<u><u>284,205</u></u>	<u><u>289,229</u></u>
EQUITY & LIABILITY		
Equity attributable to equity holders of the parent		
Share capital	179,005	179,005
Share premium	12,384	12,384
Accumulated losses	(32,237)	(38,616)
	<u>159,152</u>	<u>152,773</u>
Shareholders' Equity	159,152	152,773
Minority Interest	18,764	13,094
Total Equity	<u>177,916</u>	<u>165,867</u>
Non-Current Liabilities		
Long-term borrowings	39,981	51,061
Deferred tax Liabilities	-	-
	<u>39,981</u>	<u>51,061</u>
Current Liabilities		
Trade payables	18,953	17,788
Other payables and accruals	24,343	22,009
Short-term borrowings	16,783	23,285
Bank overdrafts	6,229	9,219
	<u>66,308</u>	<u>72,301</u>
Total Liabilities	<u>106,289</u>	<u>123,362</u>
TOTAL EQUITY AND LIABILITIES	<u><u>284,205</u></u>	<u><u>289,229</u></u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009.

Tamadam Bonded Warehouse Berhad

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Statement Of Changes In Equity for the 12 months ended 31 December 2010

	Non-Distributable RM'000 (Unaudited)		Accumulated losses RM'000 (Unaudited)	Total RM'000 (Unaudited)	Minority Interest RM'000 (Unaudited)	Total RM'000 (Unaudited)
	Share Capital	Share Premium				
At 1 January 2010	179,005	12,384	(38,616)	152,773	13,094	165,867
- As previously reported						
- Effect of adopting FRS 139			(51)	(51)	(21)	(72)
Balance as at 1 January 2010 as restated	179,005	12,384	(38,667)	152,722	13,073	165,795
Net profit for the year	-	-	6,430	6,430	5,691	12,121
As 31 December 2010	179,005	12,384	(32,237)	159,152	18,764	177,916

	Non-Distributable RM'000 (Audited)		Accumulated losses RM'000 (Audited)	Total RM'000 (Audited)	Minority Interest RM'000 (Audited)	Total RM'000 (Audited)
	Share Capital	Share Premium				
At 1 January 2009	179,005	12,384	(40,998)	150,391	9,498	159,889
Net profit for the year	-	-	2,382	2,382	3,596	5,978
At 31 December 2009	179,005	12,384	(38,616)	152,773	13,094	165,867

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009.

Tamadam Bonded Warehouse Berhad

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Statement of Cash Flows for the 12 months ended 31 December 2010

	12 months ended	
	31.12.2010 RM'000 (Unaudited)	31.12.2009 RM'000 (Audited)
Operating activities		
Net Profit before tax	19,516	11,177
Adjustment for:-		
Allowance for doubtful debts	5,870	8,705
Amortisation of intangible assets	404	657
Depreciation of property, plant and equipment	4,745	4,449
Financing charges	7	26
Interest expense	5,244	6,287
Interest income	(468)	(712)
Gain on disposal of property, plant and equipment	(126)	(131)
Operating profit before changes in working capital	35,192	30,458
Changes in working capital		
Increase in inventories	(878)	(266)
Increase in current assets	(4,856)	(13,265)
(Decrease) / Increase in current liabilities	3,389	13,361
Cash generated from operations	32,847	30,288
Interest paid	(5,244)	(6,287)
Tax refund	-	363
Net cash generated in operating activities	27,603	24,364
Investing activities		
Interest income	289	712
Purchase of intangibles assets	-	(835)
Purchase of plant and equipment	(5,333)	(4,089)
Proceeds from disposal of property, plant and equipments	468	345
Net cash for investing activities	(4,576)	(3,867)
Financing activities		
Financing charges paid	(7)	(26)
Restructuring of bank borrowings	2,555	-
Repayment of bank borrowings	(19,982)	(16,113)
Repayment of hire-purchase payables	(156)	(447)
Net cash for financing activities	(17,590)	(16,586)
Net increase in cash and cash equivalents	5,437	3,911
Cash and cash equivalents at the beginning of financial year	7,984	4,073
Cash and cash equivalents at the end of financial year	13,421	7,984
Cash and bank balances	19,650	17,203
Bank overdrafts	(6,229)	(9,219)
	13,421	7,984

The Condensed Consolidated Cash Flows Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009.

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Notes To The Interim Financial Report

1. Basis of preparation

This consolidated Condensed interim financial information for the 12 months ended 31 December 2010 has been prepared in accordance with FRS 124 “Interim financial reporting” and Appendix B (Part A) of the Listing Requirements of Bursa Malaysia (Main Market). The Consolidated condensed interim financial information should be read in conjunction with the annual financial report for the year ended 31 December 2009, which have been prepared in accordance with the Financial Reporting Standards.

The preceding audited financial statements for the year ended 31 December 2009 were not subject to any qualification.

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 2009.

The significant accounting policies adopted are consistent with those of the audited financial statement for the year ended 31 December 2009, except for the adoption of the following new Financial Reporting Standard (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2010:

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101 (2009)	Presentation of Financial Statements
FRS 139 (2010)	Financial Instruments: Recognition and Measurement
Amendments to FRS 1 And FRS 127	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 7, FRS 139 and IC Interpretation 9	Improvements to Accounting for Financial Instruments
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2: Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction
Amendments to FRSs	Annual Improvements to FRS (2009)

The adoption of the above standards, amendments and interpretations do not have significant impact on the financial statements of the Group except as follows:

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Notes To The Interim Financial Report

1. Basis of preparation (Cont'd)

FRS 101 – Presentation of Financial Statements (revised)

Prior to adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of a changes in equity, a cash flow statement and notes to the financial statement. With the adoption of the revised FRS 101, the components of the interim financial statements presented consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is also in conformity with the revised standard.

The adoption of this revised standard will only impact the form and content of the presentation of the Group's financial statements

FRS 139, Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 January 2010.

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 2009.

3. Seasonal or cyclical factors

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

4. 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.

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Notes To The Interim Financial Report

5. Nature and amount of changes in estimates

This note is not applicable.

6. Debt and equity securities

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

7. Fair value changes of financial liabilities

As at 31 December 2010, the Group does not have any financial liabilities measured at fair value through profit and loss.

8. Dividend

No interim dividend has been paid or declared by the Company for the financial quarter ended 31 December 2010.

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Notes To The Interim Financial Report

9. Segmental reporting

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31.12.10	31.12.09	31.12.10	31.12.09
	RM '000	RM '000	RM '000	RM '000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment Revenue				
Revenue from continuing operations:				
In-flight catering & related services	40,857	44,462	160,129	149,968
Warehouse rental, Freight Forwarding, Transportation & Insurance Agency	1,329	1,889	6,395	8,919
Food and beverage	439	9	1,187	9
Total revenue including inter-segment revenue	42,625	46,360	167,711	158,896
Elimination of inter-segment revenue Warehouse rental, Freight Forwarding, Transportation & Insurance Agency	(516)	(549)	(1,995)	(2,155)
Total revenue from continuing operations	42,109	45,811	165,716	156,741
Segment results				
Results from continuing operations:				
In-flight catering & related services	7,283	6,233	29,593	21,985
Warehouse rental, Freight Forwarding, Transportation & Insurance Agency	(1,656)	(2,246)	(4,474)	(4,306)
Food and beverage	44	(185)	(352)	(188)
Operating profits from continuing operations	5,671	3,802	24,767	17,491
Finance costs	(1,326)	(1,616)	(5,251)	(6,314)
Profit before taxation	4,345	2,186	19,516	11,177
Income tax expense	(1,908)	(1,973)	(7,395)	(5,199)
Profit/(Loss) after taxation	2,437	213	12,121	5,978

10. Property, plant and equipment

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

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Notes To The Interim Financial Report

11. Changes in composition of the Group

There is no change in the composition of the group

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.

13. Earnings per share

	31.12.2010 (Unaudited)	31.12.2009 (Unaudited)
Profit attributable to owners for the period	RM 1,000,000	(RM 672,000)
Number of ordinary shares	179,005,000	179,005,000
Basic earnings per share (sen per share)	0.56	(0.38)

14. Contingent liabilities

There were no changes in contingent liabilities during the year under review since the last annual balance sheet date.

15. Related Party Transactions

The related party transactions of the Group had been entered into in the ordinary course of business. Below are the significant transactions and balances with related parties of the Group during the current financial period.

Related Parties	Transactions	Transaction for the period ended	
		31 December 2010	31 December 2009
		RM '000	RM '000
Brahim's International Franchises Sdn Bhd	Interest charges	447	245

16. Comparatives

The classifications of items in the current quarter have been consistent with the audited financial statement for the year ended 31 December 2009

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Additional information required by the
Bursa Malaysia's Listing Requirements

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Additional information required by the Bursa Malaysia's Listing Requirements

1. Review of performance

Revenue for the quarter ended 31 December 2010 was RM42.11 million as compared to RM45.81 million in the corresponding quarter in the preceding year, which was a decline of 8.08%.

The Group recorded profit before tax of RM4.35 million in the fourth quarter as compared to RM2.19 million in the corresponding quarter in the preceding year, which was an improvement of 98.63%.

The performance of the warehouse division was affected by the cost of closing a warehouse which was recognised during the quarter.

2. Comparison with immediate preceding quarter's result

Compared to the immediate preceding quarter's results, the Group's revenue has decreased from RM42.17 million in the third quarter of 2010 to RM42.11 million in the fourth quarter of 2010 due to seasonal decrease in revenue of the In-Flight Catering Division.

The Group recorded profit before tax of RM4.35 million for the current quarter as compared to profit before tax of RM6.04 million in the immediate preceding quarter.

3. Prospects

The prospects for the in-flight catering division for the first quarter of 2011 is expected to be positive due to continued enhancement of in-flight items, forecast increase in number of meals served and continued cost saving initiatives.

The prospects for the logistics division continues to be challenging.

4. Profit forecast

Not applicable as no profit forecast was published.

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Additional information required by the Bursa Malaysia's Listing Requirements

5. Taxation

	Quarter ended 31 December		12 months ended 31 December	
	2010 RM'000 (Unaudited)	2009 RM'000 (Unaudited)	2010 RM'000 (Unaudited)	2009 RM'000 (Unaudited)
Current tax:				
-for the financial year	88	15	135	(30)
	88	15	135	(30)
Deferred tax				
-for the current financial year	1,820	1,958	7,260	5,229
	1,820	1,958	7,260	5,229
	<u>1,908</u>	<u>1,973</u>	<u>7,395</u>	<u>5,199</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

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

8. Status of corporate proposal announced

There are no corporate proposals pending.

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Additional information required by the Bursa Malaysia's Listing Requirements

9. Borrowings

	31.12.2010 RM'000 (Unaudited)	31.12.2009 RM'000 (Unaudited)
a) Short term borrowings		
Secured		
- Term loans	13,830	12,672
- Hire purchase and lease payables	403	413
- Revolving credit	2,550	10,200
	<u>16,783</u>	<u>23,285</u>
b) Long term borrowings		
Secured		
- Term loans	23,768	34,442
- Hire purchase and lease payables	658	1,064
Unsecured		
- former shareholder of the joint venture	7,933	7,933
- a shareholder of the joint venture	7,622	7,622
	<u>39,981</u>	<u>51,061</u>
	<u>56,764</u>	<u>74,346</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. Changes in material litigation

There were no significant changes in material litigation during the period under review.

12. Dividend

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

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Additional information required by the Bursa Malaysia's Listing Requirements

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 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 25th February, 2011.