

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

Interim Financial Report
31 March 2011

Tamadam Bonded Warehouse Berhad

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

Statement of Comprehensive Income for the 3 months ended 31 March 2011

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March		3 months ended 31 March	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Continuing Operations				
Revenue	44,483	38,599	44,483	38,599
Cost of Sales	(18,541)	(17,438)	(18,541)	(17,438)
Gross Profit	25,942	21,161	25,942	21,161
Other income	567	1,757	567	1,757
Administrative expenses	(17,212)	(17,557)	(17,212)	(17,557)
Other expenses	(2,452)	(45)	(2,452)	(45)
Finance costs	(1,039)	(1,352)	(1,039)	(1,352)
Profit before taxation	5,806	3,964	5,806	3,964
Income tax expense	(1,983)	(1,656)	(1,983)	(1,656)
Profit/(Loss) for the period/year	3,823	2,308	3,823	2,308
Profit attributable to:				
- Owners of the Company	2,339	1,096	2,339	1,096
- Non Controlling Interest	1,484	1,212	1,484	1,212
	3,823	2,308	3,823	2,308
Total comprehensive income attributable to:-				
- Owners of the Company	2,339	1,096	2,339	1,096
- Non Controlling Interest	1,484	1,212	1,484	1,212
	3,823	2,308	3,823	2,308
Earnings per share (sen) for profit from continuing operations attributable to the owner of the Company				
Basic	1.31	0.61	1.31	0.61
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 2010.

Tamadam Bonded Warehouse Berhad

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Statement of financial position as at 31 March 2011

	As At 31.03.2011 RM'000 (Unaudited)	As At 31.12.2010 RM'000 (Audited)
ASSETS		
Non Current Assets		
Property, plant and equipment	41,958	42,276
Intangible assets	921	929
Goodwill on consolidation	177,442	177,442
Deferred tax assets	(1,945)	23
	<u>218,376</u>	<u>220,670</u>
Current Assets		
Inventories	3,336	3,686
Trade receivables	38,432	34,628
Other receivables, deposits and prepayments	5,942	5,571
Tax recoverable	-	-
Fixed deposits with a licensed bank	4,776	4,757
Cash and bank balances	3,501	14,893
	<u>55,987</u>	<u>63,535</u>
TOTAL ASSETS	<u>274,363</u>	<u>284,205</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	(29,776)	(32,115)
	<u>161,613</u>	<u>159,274</u>
Shareholders' Equity	<u>161,613</u>	<u>159,274</u>
Non Controlling Interest	20,248	18,764
Total Equity	<u>181,861</u>	<u>178,038</u>
Non-Current Liabilities		
Long-term borrowings	36,496	39,981
Deferred tax liabilities	-	-
	<u>36,496</u>	<u>39,981</u>
Current Liabilities		
Trade payables	10,496	18,980
Other payables and accruals	22,364	24,194
Short-term borrowings	16,918	16,783
Bank overdrafts	6,227	6,229
	<u>56,005</u>	<u>66,186</u>
Total Liabilities	<u>92,501</u>	<u>106,167</u>
TOTAL EQUITY AND LIABILITIES	<u>274,362</u>	<u>284,205</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010.

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Statement Of Changes In Equity for the 3 months ended 31 March 2011

	Non-Distributable RM'000 (Unaudited)		Accumulated losses RM'000 (Unaudited)	Total RM'000 (Unaudited)	Non-Controlling Interest RM'000 (Unaudited)	Total RM'000 (Unaudited)
	Share Capital	Share Premium				
At 1 January 2011	179,005	12,384	(32,115)	159,274	18,764	178,039
Net profit for the year	-	-	2,339	2,339	1,484	3,823
As 31 March 2011	179,005	12,384	(29,776)	161,613	20,248	181,861

	Non-Distributable RM'000 (Audited)		Accumulated losses RM'000 (Audited)	Total RM'000 (Audited)	Non-Controlling Interest RM'000 (Audited)	Total RM'000 (Audited)
	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 adoption FRS 139	-	-	(51)	(51)	(21)	(72)
Net profit for the year	-	-	6,552	6,552	5,691	12,243
At 31 December 2010	179,005	12,384	(32,115)	159,274	18,764	178,038

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010.

Tamadam Bonded Warehouse Berhad

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Statement of Cash Flows for the 3 months ended 31 March 2011

	3 months ended	
	31.03.2011 RM'000 (Unaudited)	31.12.2010 RM'000 (Audited)
Operating activities		
Net Profit before tax	5,806	19,639
Adjustment for:-		
Allowance for doubtful debts	794	1,899
Amortisation of intangible assets	8	404
Depreciation of property, plant and equipment	1,306	4,771
Financing charges	7	7
Interest expense	1,032	4,985
Interest income	(71)	(646)
Property, plant and equipment write off	-	1
Gain on disposal of property, plant and equipment	-	(126)
Write-back of allowance for doubtful debts	-	(134)
Operating profit before changes in working capital	8,882	30,800
Changes in working capital		
Increase in inventories	350	(877)
Increase in current assets	(4,969)	(733)
(Decrease) / Increase in current liabilities	(10,328)	3,377
Cash generated from operations	(6,065)	32,567
Interest paid	(1,032)	(4,985)
Tax refund	-	(61)
Net cash generated in operating activities	(7,097)	27,521
Investing activities		
Interest income	71	646
Purchase of intangibles assets	-	(231)
Purchase of plant and equipment	(988)	(5,099)
Proceeds from disposal of propoerty, plant and equipments	-	261
Net cash for investing activities	(917)	(4,423)
Financing activities		
Financing charges paid	(7)	(7)
Restructuring of bank borrowings	3,000	3,000
Repayment of bank borrowings	(6,310)	(20,252)
Repayment of hire-purchase payables	(39)	(403)
Net cash for financing activities	(3,356)	(17,662)
Net increase in cash and cash equivalents	(11,370)	5,436
Cash and cash equivalents at the beginning of financial year	13,420	7,984
Cash and cash equivalents at the end of financial year	2,050	13,420
Cash and bank balances	8,277	19,649
Bank overdrafts	(6,227)	(6,229)
	2,050	13,420

The Condensed Consolidated Cash Flows Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010.

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Notes To The Interim Financial Report

1. Basis of preparation

This consolidated Condensed interim financial information for the 3 months ended 31 March 2011 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 2010, which have been prepared in accordance with the Financial Reporting Standards.

The preceding audited financial statements for the year ended 31 December 2010 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 2010.

The significant accounting policies adopted are consistent with those of the audited financial statement for the year ended 31 December 2010, except for the adoption of the following new Financial Reporting Standard (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2011:

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101 (Revised)	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 2010.

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 March 2011, the Group does not have any financial liabilities measured at fair value through profit or loss.

8. Dividend

No interim dividend has been paid or declared by the Company for the financial quarter ended 31 March 2011.

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Notes To The Interim Financial Report

9. Segmental reporting

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.03.11 RM '000 (Unaudited)	31.03.10 RM '000 (Unaudited)	31.03.11 RM '000 (Unaudited)	31.03.10 RM '000 (Unaudited)
Segment Revenue				
Revenue from continuing operations:				
In-flight catering & related services	43,289	37,119	43,289	37,119
Warehouse rental, Freight Forwarding, Transportation & Insurance Agency	1,308	1,825	1,308	1,825
Food and beverage	394	153	394	153
Total revenue including inter-segment Revenue	44,991	39,097	44,991	39,097
Elimination of inter-segment revenue Warehouse rental, Freight Forwarding, Transportation & Insurance Agency	(508)	(498)	(508)	(498)
Total revenue from continuing Operations	44,483	38,599	44,483	38,599
Segment results				
Results from continuing operations:				
In-flight catering & related services	7,534	6,614	7,534	6,614
Warehouse rental, Freight Forwarding, Transportation & Insurance Agency	(611)	(1,157)	(611)	(1,157)
Food and beverage	(78)	(141)	(78)	(141)
Operating profits from continuing operations	6,845	5,316	6,845	5,316
Finance costs	(1,039)	(1,352)	(1,039)	(1,352)
Profit before taxation	5,806	3,964	5,806	3,964
Income tax expense	(1,983)	(1,656)	(1,983)	(1,656)
Profit/(Loss) after taxation	3,823	2,308	3,823	2,308

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

	31.03.2011 (Unaudited)	31.03.2010 (Unaudited)
Profit attributable to owners for the period	RM 2,339,000	RM 1,096,000
Number of ordinary shares	179,005,000	179,005,000
Basic earnings per share (sen per share)	1.31	0.61

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 March 2011	31 March 2010
		RM '000	RM '000
Brahim's International Franchises Sdn Bhd	Interest charges	117	63

16. Comparatives

The classifications of items in the current quarter have been consistent with the audited financial statements for the year ended 31 December 2010.

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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 March 2011 was RM44.48 million as compared to RM38.60 million in the corresponding quarter in the preceding year, which was an increase of 15%.

The Group recorded profit before tax of RM5.81 million in the first quarter as compared to RM3.96 million in the corresponding quarter in the preceding year, which was an improvement of 46%.

2. Comparison with immediate preceding quarter's results

Compared to the immediate preceding quarter's results, the Group's revenue has increased from RM42.11 million in the fourth quarter of 2010 to RM44.48 million in the first quarter of 2011 due to seasonal increase in revenue of the In-Flight Catering Division.

The Group recorded profit before tax of RM5.81 million for the current quarter as compared to profit before tax of RM4.35 million in the immediate preceding quarter.

3. Prospects

The prospects for the in-flight catering division for the second quarter of 2011 are expected to be positive. It is forecast that there will be an increase in flights and demand for meals. Continuous cost savings initiatives and enhancement of in-flight items are expected to contribute positively to growth.

The prospects for the logistics division are expected to improve in the second quarter of 2011 as compared to the first quarter with the anticipated increase in demand for warehouse facilities.

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 March		3 months ended 31 March	
	2011 RM'000 (Unaudited)	2010 RM'000 (Unaudited)	2011 RM'000 (Unaudited)	2010 RM'000 (Unaudited)
Current tax:				
-for the financial year	15	13	15	13
	<u>15</u>	<u>13</u>	<u>15</u>	<u>13</u>
Deferred tax				
-for the current financial year	1,968	1,643	1,968	1,643
	<u>1,983</u>	<u>1,656</u>	<u>1,983</u>	<u>1,656</u>
	<u><u>1,983</u></u>	<u><u>1,656</u></u>	<u><u>1,983</u></u>	<u><u>1,656</u></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

	31.03.2011 RM'000 (Unaudited)	31.12.2010 RM'000 (Unaudited)
a) Short term borrowings		
Secured		
- Term loans	13,991	13,830
- Hire purchase and lease payables	377	403
- Revolving credit	2,550	2,550
	<u>16,918</u>	<u>23,285</u>
b) Long term borrowings		
Secured		
- Term loans	20,344	23,768
- Hire purchase and lease payables	597	658
Unsecured		
- former shareholder of the joint venture	7,933	7,933
- a shareholder of the joint venture	7,622	7,622
	<u>36,496</u>	<u>39,981</u>
	<u>53,414</u>	<u>56,764</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 13th May 2011.