

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

Interim Financial Report
30 June 2007

Tamadam Bonded Warehouse Berhad

(Company No. 82731-A)

(Incorporated in Malaysia)

Condensed consolidated income statement

(Figures have not been audited)

| | <u>Individual Quarter</u> Quarter ended 30 June | | <u>Cumulative</u> Period ended 30 June | |
|---|---|-------------------|--|------------------|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| Continuing operations | | | | |
| Revenue | 3,627 | 3,510 | 7,324 | 6,970 |
| Cost of sales | <u>(3,159)</u> | <u>(2,513)</u> | <u>(6,197)</u> | <u>(5,216)</u> |
| Gross Profit | 468 | 997 | 1,127 | 1,754 |
| Other Income | 242 | 259 | 432 | 439 |
| Administrative expenses | (418) | (501) | (892) | (1,025) |
| Other expenses | - | - | - | - |
| Finance costs | (275) | (569) | (545) | (1,121) |
| Share of profit of associate | - | - | - | 2 |
| Profit before tax | <u>17</u> | <u>186</u> | <u>122</u> | <u>49</u> |
| Income tax expense | | | | |
| Profit for the period from continuing operations | <u>17</u> | <u>186</u> | <u>122</u> | <u>49</u> |
| Discontinued Operations | - | - | - | - |
| Profit for the period from a discontinued operation | - | - | - | - |
| Profit for the period | <u><u>17</u></u> | <u><u>186</u></u> | <u><u>122</u></u> | <u><u>49</u></u> |
| Attributable to: | | | | |
| Equity holders of the parent | 17 | 186 | 122 | 49 |
| Minority interests | - | - | - | - |
| | <u><u>17</u></u> | <u><u>186</u></u> | <u><u>122</u></u> | <u><u>49</u></u> |

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 2006

Tamadam Bonded Warehouse Berhad

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

Condensed Consolidated Balance Sheet

(Figures have not been audited)

| | As At 30.06.2007 RM'000 (Unaudited) | As At 31.12.2006 RM'000 (Audited) |
|--|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 31,614 | 31,730 |
| Other investments | - | - |
| | <u>31,614</u> | <u>31,730</u> |
| Current assets | | |
| Trade receivables | 3,441 | 2,678 |
| Deposits and other receivables | 7,209 | 6,869 |
| Tax assets | - | 2 |
| Cash and bank balances | 2,778 | 2,684 |
| | <u>13,428</u> | <u>12,233</u> |
| TOTAL ASSETS | <u><u>45,042</u></u> | <u><u>43,963</u></u> |
| EQUITY & LIABILITY | | |
| Equity attributable to equity holders of the parent | | |
| Share capital | 49,005 | 49,005 |
| Share premium | 13,622 | 13,622 |
| Other reserves | - | - |
| Retained earnings | (35,519) | (35,641) |
| Total equity | 27,108 | 26,986 |
| Non-current liabilities | | |
| Bank borrowings | 3,910 | 4,704 |
| Hire purchase payables | 598 | 198 |
| | <u>4,508</u> | <u>4,902</u> |
| Current liabilities | | |
| Bank borrowings | 6,749 | 6,919 |
| Hire purchase payables | 179 | 179 |
| Trade payables | 2,977 | 2,109 |
| Other payables | 3,521 | 2,868 |
| Total liabilities | <u>13,426</u> | <u>12,075</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>45,042</u></u> | <u><u>43,963</u></u> |

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2006

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 2007 | 49,005 | 13,622 | - | (35,641) | 26,986 |
| Net profit for the period | | | | 122 | 122 |
| At 30 June 2007 | 49,005 | 13,622 | - | (35,519) | 27,108 |

| | Non-Distributable RM'000 | | | Accumulated losses RM'000 | Total RM'000 |
|---------------------------|-----------------------------|------------------|--------------------|---------------------------------|-----------------|
| | Share Capital | Share Premium | Capital Reserve | | |
| At 1 January 2006 | 49,005 | 13,622 | 438 | (40,565) | 22,500 |
| Net profit for the period | | | | 49 | 49 |
| At 30 June 2006 | 49,005 | 13,622 | 438 | (40,516) | 22,549 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2006

Tamadam Bonded Warehouse Berhad

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Condensed consolidated cash flow statement

(Figures have not been audited)

| | Period ended 30/06/2007 RM'000 | Period ended 30/06/2006 RM'000 |
|---|---|---|
| Operating activities | | |
| Net profit before tax | 122 | 49 |
| Adjustments for:- | | |
| Depreciation | 661 | 1,441 |
| Gain on disposal of PPE | (12) | - |
| Interest charges | 545 | 1,121 |
| Operating profit before changes in working capital | 1,316 | 2,611 |
| Changes in working capital | | |
| Net change in current assets (Increase) / Decrease | (1,112) | (1,467) |
| Net change in current liabilities Increase / (Decrease) | 1,521 | 1,644 |
| Cash generated from operations | 1,725 | 2,788 |
| Interest paid | (545) | (1,121) |
| Tax paid | - | - |
| Net cash used in operating activities | <u>1,180</u> | <u>1,667</u> |
| Investing activities | | |
| Purchase of property, plant and equipment | (543) | (297) |
| Proceeds from disposal of PPE | 19 | - |
| Net cash used in investing activities | <u>(524)</u> | <u>(297)</u> |
| Financing activities | | |
| Repayment of bank borrowings | (307) | (489) |
| Repayment of hire-purchase payables | 400 | (287) |
| Net cash generated from financing activities | <u>93</u> | <u>(776)</u> |
| Net increase/(decrease) in cash and cash equivalents | 749 | 594 |
| Cash and cash equivalents at the beginning of financial period | <u>(3,793)</u> | <u>(15,863)</u> |
| Cash and cash equivalents at the end of financial period | <u><u>(3,044)</u></u> | <u><u>(15,269)</u></u> |
| Cash and bank balances | 2,778 | 536 |
| Bank overdrafts | <u>(5,822)</u> | <u>(15,805)</u> |
| | <u><u>(3,044)</u></u> | <u><u>(15,269)</u></u> |

The Condensed Consolidated Cashflow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2006

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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 2006.

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 2006 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 |

3. Qualification of financial statements

The preceding audited financial statements for the year ended 31 December 2006 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 07.

9. Segmental reporting

| | 3 months ended | | 6 months ended | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 30.06.07 RM '000 | 30.06.06 RM '000 | 30.06.07 RM '000 | 30.06.06 RM '000 |
| Segment Revenue | | | | |
| Revenue from continuing operations: | | | | |
| Warehousing, rental, freight forwarding & transportation | 3,626 | 3,501 | 7,303 | 6,937 |
| Trading & Insurance | 1 | 9 | 21 | 33 |
| Total revenue including inter-segment sales | <u>3,627</u> | <u>3,510</u> | <u>7,324</u> | <u>6,970</u> |
| Elimination of inter-segment sales | - | - | - | - |
| Total revenue from continuing operations | <u>3,627</u> | <u>3,510</u> | <u>7,324</u> | <u>6,970</u> |
| Revenue from discontinued operations | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>3,627</u> | <u>3,510</u> | <u>7,324</u> | <u>6,970</u> |
| Segment results | | | | |
| Results from continuing operations: | | | | |
| Warehousing, rental, freight forwarding & transportation | 22 | 217 | 124 | 101 |
| Trading & Insurance | <u>(5)</u> | <u>(31)</u> | <u>(2)</u> | <u>(52)</u> |
| Elimination of inter-segment results | - | - | - | - |
| Total results from continuing operations | <u>17</u> | <u>186</u> | <u>122</u> | <u>49</u> |
| Results from discontinued operations | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>17</u> | <u>186</u> | <u>122</u> | <u>49</u> |

10. Property, plant and equipment

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

11. Changes in composition of the Group

There were no changes to the composition of the Group for the period under review.

12. Events subsequent to the balance sheet date

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the period under review

13. Contingent liabilities

There are no contingent liabilities other than those provided by the Company to subsidiary companies (which are unsecured) as follows:

- | | | |
|-----|---|-------------|
| (i) | Guarantee given to a financial institution for banking facilities granted to a subsidiary company | RM5,539,118 |
|-----|---|-------------|

Tamadam Bonded Warehouse Berhad

(Company No. 82731-A)
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Interim Financial Report 30 June 2007

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

The Group's revenue for the quarter ended 30 June 2007 increased by 3.33% to RM3.627 million, compared to RM3.510 million reported for the same period in the preceding year due to increase in business activities.

The Group showed a profit before taxation of RM17,000 in this quarter compared to profit of RM186,000 reported in the corresponding quarter in the preceding year. This was mainly due to the higher expenses recorded in the current quarter.

2. Variation of results against preceding quarter

The Revenue for the quarter decreased marginally by 1.9% to RM3.627 million as compared to RM3.697 million in the previous quarter. The decrease in revenue was mainly due to reduced demand.

The profit for the quarter under review was RM17,000 compared to RM105,000 in the previous quarter, the decrease in profit for the quarter was mainly due to increased costs.

3. Prospects

Barring any unforeseen circumstances, the performance of the Group for the financial year ending 31 December 2007 is expected to be challenging.

4. Profit forecast

Not applicable as no profit forecast was published.

5. Taxation

| | Quarter ended 30 June | | 6 months ended 30 June | |
|---------------------------------|--------------------------|----------------|---------------------------|----------------|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| Based on results for the period | - | - | - | - |
| Under provision in prior year | - | - | - | - |
| Transfer from deferred tax | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

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| Company No. 82731-A |
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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 01.01.2007 RM | Bought in the period RM | Sold in the period RM | Balance at 30.06.2007 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:

On 11 May 2007, the Company announced that the Company had entered into a memorandum of understanding with Brahim's International Franchises Sdn Bhd ("BIF") ("BIF MoU") for the Proposed Acquisition of 51% equity interest in Brahim's-LSG Sky Chefs Holding Sdn Bhd ("BLH") "Proposed BLH Acquisition". The Company had also on the same day entered into a memorandum of understanding with Dewina Holdings Sdn Bhd ("DHSB") ("Dewina MoU") for purposes of the Proposed Acquisition of 51% equity interest in Dewina Host Sdn Bhd ("DHOST") ("Proposed DHost Acquisition").

On 28 June 2007, the Company announced that the Company had entered into the Share Sale Agreements in relation to the abovementioned proposals.

9. Borrowings

| | 30.06.2007 RM'000 |
|---------------------------------|----------------------|
| a) Short term borrowings | |
| Secured term loans | 927 |
| Unsecured term loans | - |
| Secured bank overdrafts | - |
| Unsecured bank overdrafts | 5,822 |
| | <u>6,749</u> |
| b) Long term borrowings | |
| Secured term loans | 3,910 |
| Unsecured term loans | - |
| | <u>3,910</u> |

The above borrowings are denominated in Ringgit Malaysia.

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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 changes in material litigation during the period under review.

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 based on the net profit attributable to ordinary shareholders and the number of ordinary shares in issue during the year of 49,005,000 ordinary shares.

14. Authorisation for Issue

The interim financial statement was authorised for issue on 29 August 2007 by the Board of Directors.