

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

**Interim Financial Report**  
**31 December 2007**

# Tamadam Bonded Warehouse Berhad

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

## Condensed consolidated income statement

	<u>Individual Quarter</u> Quarter ended 31 December		<u>Cumulative</u> Period ended 31 December	
	2007 RM'000 (Unaudited)	2006 RM'000 (Audited) (Restated)	2007 RM'000 (Unaudited)	2006 RM'000 (Audited) (Restated)
<b>Continuing Operations</b>				
Revenue	2,204	3,672	12,262	14,602
Cost of sales	(1,937)	(1,239)	(9,449)	(10,096)
<b>Gross Profit</b>	267	2,433	2,813	4,506
Other income	400	(232)	1,259	7,354
Administrative expenses	(817)	(4,224)	(3,700)	(5,803)
Other expenses	-	-	-	-
Finance costs	(273)	(439)	(1,068)	(2,126)
Share of profit/ (loss) of associates	-	-	-	-
<b>(Loss) / Profit before tax</b>	(423)	(2,462)	(696)	3,931
Income tax expense	-	-	-	-
<b>(Loss) / Profit for the period from continuing operations</b>	(423)	(2,462)	(696)	3,931
Discontinued Operations	-	-	-	-
(Loss) / profit for the period from a discontinuing operation	-	-	-	-
<b>(Loss) / profit for the period</b>	(423)	(2,462)	(696)	3,931
<b>Attributable to:</b>				
Equity holders of the parent	(423)	(2,462)	(696)	3,931
Minority interest	-	-	-	-
	(423)	(2,462)	(696)	3,931

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

	As At 31.12.2007 RM'000 (Unaudited)	As At 31.12.2006 RM'000 (Audited) (Restated)
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	30,991	31,730
Other investments	-	-
Goodwill on consolidation	80	-
	<u>31,071</u>	<u>31,730</u>
<b>Current assets</b>		
Trade receivables	3,567	2,678
Other receivables	7,481	6,314
Tax assets	-	2
Cash and bank balances	1,594	2,684
	<u>12,642</u>	<u>11,678</u>
<b>TOTAL ASSETS</b>	<u>43,713</u>	<u>43,408</u>
<b>EQUITY &amp; LIABILITY</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	49,005	49,005
Share premium	13,623	13,623
Other Reserves	-	-
Retained Earnings	(36,893)	(36,197)
<b>Total Equity</b>	<u>25,735</u>	<u>26,431</u>
<b>Non Current Liabilities</b>		
Bank Borrowings	3,370	4,704
Hire purchase payables	176	197
	<u>3,546</u>	<u>4,901</u>
<b>Current liabilities</b>		
Bank Borrowings	7,040	6,920
Hire purchase payables	477	179
Trade payables	3,451	2,109
Other payables	3,464	2,868
<b>Total liabilities</b>	<u>14,433</u>	<u>16,977</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>43,713</u>	<u>43,408</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		
<b>At 1 January 2007</b>	49,005	13,623	-	(35,642)	26,986
Prior year adjustment				(555)	(555)
<b>At 1 January 2007 (Restated)</b>	49,005	13,623	-	(36,197)	26,431
Net loss for the period				(696)	(696)
<b>At 31 December 2007</b>	49,005	13,623	-	(36,893)	25,735

	Non-Distributable RM'000			Accumulated losses RM'000	Total RM'000
	Share Capital	Share Premium	Capital Reserve		
<b>At 1 January 2006</b>	49,005	13,623	437	(40,565)	22,500
Realisation of capital reserve transferred to Accumulated losses			(437)	437	-
Net profit for the period				4,486	4,486
<b>As at 31 December 2006 Prior Year Adjustment</b>	49,005	13,623	-	(35,642)	26,986
				(555)	(555)
<b>At 31 December 2006 (Restated)</b>	49,005	13,623	-	(36,197)	26,431

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

(Company No. 82731-A)  
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## Condensed consolidated cash flow statement

(Figures have not been audited)

	Period ended 31/12/2007 RM'000	Period ended 31/12/2006 RM'000
<b>Operating activities</b>		
<b>Net (Loss) / Profit before tax</b>	(696)	3,931
<b>Adjustments for:-</b>		
Depreciation	1,281	2,414
(Gain) / Loss on disposal of PPE	(546)	(6,493)
Financing charges	-	545
Interest charges	1,068	1,576
Interest income	-	(156)
Allowance for doubtful debts	19	1,793
Bad debts recovered	-	(99)
Operating profit before changes in working capital	1,126	3,511
Changes in working capital		
Net change in current assets (Increase) / Decrease	(2,073)	(4,904)
Net change in current liabilities Increase / (Decrease)	1,939	(2,991)
Cash generated from operations	992	(4,384)
Interest paid	(1,068)	(1,576)
Tax (paid)/ refund	-	-
<b>Net cash generated/ (used) in operating activities</b>	(76)	(5,960)
<b>Investing activities</b>		
Investment in subsidiary company	(80)	-
Interest income	-	156
Purchase of property, plant and equipment	(601)	(613)
Proceeds from disposal of PPE	603	23,500
<b>Net cash used in investing activities</b>	(78)	23,043
<b>Financing activities</b>		
Financing charges paid	-	(545)
Repayment of bank borrowings	(848)	(4,038)
Repayment of hire-purchase payables	276	(430)
<b>Net cash generated/ (used) in financing activities</b>	(572)	(5,013)
Net increase/(decrease) in cash and cash equivalents	(726)	12,070
<b>Cash and cash equivalents at the beginning of financial period</b>	(3,793)	(15,863)
<b>Cash and cash equivalents at the end of financial period</b>	(4,519)	(3,793)
<b>Cash and bank balance</b>	1,594	2,684
<b>Bank overdrafts</b>	(6,113)	(6,477)
	(4,519)	(3,793)

The Condensed Consolidated Cashflow Statement 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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## **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

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 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 31 December 2007.

## 9. Segmental reporting

	3 months ended		12 months ended	
	31.12.07	31.12.06	31.12.07	31.12.06
	RM '000	RM '000	RM '000	RM '000
<b>Segment Revenue</b>				
Revenue from continuing operations:				
Warehousing, rental, freight forwarding & transportation	2,214	3,719	12,250	14,602
Trading & Insurance	(10)	(47)	12	-
Total revenue including inter-segment sales	2,204	3,672	12,262	14,602
Elimination of inter-segment sales	-	-	-	-
Total revenue from continuing operations	2,204	3,672	12,262	14,602
Revenue from discontinued operations	-	-	-	-
Total	2,204	3,672	12,262	14,602
<b>Segment results</b>				
Results from continuing operations:				
Warehousing, rental, freight forwarding & transportation	(396)	(2,451)	(650)	4,003
Trading & Insurance	(27)	(11)	(46)	(72)
Elimination of inter-segment results	-	-	-	-
Total results from continuing operations	(423)	(2,462)	(696)	3,931
Results from discontinued operations	-	-	-	-
Total	(423)	(2,462)	(696)	3,931

## 10. Property, plant and equipment

The valuation 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 |
|-----|---|-------------|

### 14. Prior year adjustment

The sale and leaseback of the Company's leasehold land and building was completed on 15 December 2006. However, there was an understatement of the cost of disposal amounting to RM554,882 which led to an overstatement on the gain on disposal of the said properties.

The adjustment has been effected retrospectively as a prior year adjustment and the comparative figures for the balance sheet and the income statement for the financial year ended 31 December 2006 will now be as follows:-

	<b>As previously reported RM'000</b>	<b>As restated RM'000</b>
Balance sheet (extract):- - Other receivables	6,869	6,314
Income statement (extract):- - Profit before tax	4,486	3,931
- Taxation	-	-
- Profit after tax	4,486	3,931



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**Interim Financial Report**  
**31 December 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**

Revenue for the year ended 31 December 2007 was RM12.26 million as compared to RM14.60 million in the previous financial year ended 31 December 2006. The reduction in revenue was mainly due to lower revenue generated by the warehouse division.

The Group posted a loss before taxation of RM696,000 for the year ended 31 December 2007 as compared to a profit before taxation of RM3.93 million in the previous year. The profit before taxation for the year ended 31 December 2006 was due to the recognition of gain on disposal.

### **2. Variation of results against preceding quarter**

The Group's revenue for the quarter ended 31 December 2007 declined to RM2.20 million again due to the lower revenue generated by the warehouse division in the current quarter.

However, although there was a decline in revenue, the Group recorded a loss of RM0.42 million in the current quarter ended 31 December 2007 which was less than the loss of RM2.46 million for the quarter ended 31 December 2006 due in part to cost cutting measures in the current quarter and provision for doubtful debts incurred for the quarter ended 31 December 2006.

### **3. Prospects**

The prospects of the existing Tamadam Group prior to the completion of the Proposed Acquisition and the Proposed Waiver (collectively "the Proposals") would have been challenging.

However, the prospects of the Tamadam Group after the completion of the Proposals are expected to be better than if the Proposals had not been implemented. The management is also working to improve the performance of the existing logistics business.

### **4. Profit forecast**

Not applicable as no profit forecast was published.

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## 5. Taxation

	Quarter ended 31 December		12 months ended 31 December	
	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>

## 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 31.12.2007 RM
<u>NIL</u>	<u>-</u>	<u>-</u>	<u>NIL</u>

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 Sales Agreements in relation to the abovementioned proposals.

Subsequent to the above, on 13 September 2007, the Company announced that the parties to the DHOST Agreement have mutually agreed not to proceed with the Proposed DHOST Acquisition and accordingly, the parties have mutually agreed to terminate the DHOST Agreement. In view of the above, the proposals to be undertaken will now comprise the following:-

- i) Proposed BLH Acquisition;
- ii) Proposed BIF Waiver;
- iii) Proposed Tamadam Waiver;
- iv) Proposed Offer for Sale and/or Placement; and
- v) Proposed Increase in Authorised Share Capital.

It was also announced that the termination of Proposed DHOST Acquisition does not materially change the benefits to be derived by the Company from the proposals announced on 28 June 2007. Furthermore, it was also announced that the final purchase consideration for the Proposed BLH Acquisition shall be subject to a valuation to be conducted on the BLH Sales Shares by the independent valuer appointed the Company.

On 18 September 2007, the Company announced that the applications on the Proposed Acquisition and the Proposed BIF Waiver have been submitted to the relevant authorities on the even day for approval, save for the application on the Proposed Tamadam Waiver which will be submitted to the Securities Commission in due course.

On 14 December 2007, the Company announced that the Securities Commission (“SC”) has via its letter dated 13 December 2007 approved the following:-

- i) Acquisition of 51% equity interest in BLH comprising 510,000 Shares from BIF for a purchase consideration of RM 130 million to be satisfied by the issuance of 130 million new Shares in Tamadam.
- ii) Offer for sale and/or placement of up to 11,394,750 Shares in Tamadam held by BIF to the Malaysian public; and
- iii) Listing of and quotation for the 130 million new Shares to be issued pursuant to the Proposed Acquisition on the Second Board of Bursa Malaysia Securities Berhad (“Bursa Securities”).

(Hereinafter to be collectively referred to as “Proposals”)

The Company has also obtained the approval of the Equity Compliance Unit of the SC for the Proposed Acquisition under the Guidelines on the Acquisition of Interest, Mergers and Take-Overs by Local and Foreign Interests issued by the Foreign Investment Committee via the same letter.

The approval of the SC is subject to the following conditions:-

- i) The Company should make detailed disclosure in the circular to be issued to the shareholders on the following:-
  - a) rationale for the Proposed Acquisition;

- b) basis and justification of the purchase consideration;
  - c) risks relating to the Proposed Acquisition and the mitigating factors thereof;
  - d) the mode of settlement for the Proposed Acquisition;
  - e) details of the effects of the Proposed Acquisition; and
  - f) future plans for the Tamadam group of companies.
- ii) The vendor of BLH is not allowed to sell, transfer or assign its shareholdings in Tamadam representing 50% of the consideration Shares to be received for the Proposed Acquisition for a period of one (1) year from the date the new Tamadam Shares are listed on Bursa Securities. In this regard, every shareholder of BIF or ultimate individual shareholder should give an undertaking that he/she will not sell, transfer or assign his/her shareholding in BIF during the moratorium period.
- iii) Tamadam should maintain its Bumiputera equity at 51% at all times; and
- iv) the Company should inform the SC upon completion of the Proposals and provide a confirmation to the SC that Tamadam has complied with the terms and conditions of approval and all other relevant requirements in relation to the Proposals under the SC's Policies and Guidelines on Issue / Offer of Securities.

In view of the SC's decision, the parties to the share sale agreement dated 28 June 2007, namely Tamadam and BIF, have via letters dated 14 December 2007 agreed to following:-

- i) revise the purchase consideration from RM 136.5 million as announced on 13 September 2007 to RM 130.0 million; and
- ii) revise the value of the new Shares in Tamadam to be issued from RM 0.85 per share to RM 1.00 per share.

Accordingly, the parties have also agreed that the number of new Shares in Tamadam to be issued shall be revised from 160,588,325 to 130,000,000 new Shares in Tamadam.

On 9 January 2008, the Company announced that the SC has via its letter dated 8 January 2008 approved the appointment of Public Investment Bank Berhad as the Independent Advisor in relation to the Proposed Waiver.

On 24 January 2008, the Company announced that the Company will be holding an Extra Ordinary General meeting ("EGM") at The Green, The Royal Selangor Golf Club, Jalan Kelab Golf, 55000 Kuala Lumpur on Tuesday, 12 February 2008 at 10.30 a.m. for the purposes of considering and, if thought fit, to pass the following resolution with or without modification:-

- a) proposed acquisition of 51% equity interest in Brahim's-LSG Sky Chefs Holdings Sdn Bhd for a purchase consideration of RM 130.0 million from Brahim's International Franchises Sdn Bhd (BIF) to be satisfied by the issuance of 130.0 million new ordinary shares of RM 1.00 each ("Shares") in Tamadam valued at RM 1.00 per shares ("Proposed Acquisition");

- b) proposed waiver to BIF and parties acting in concert with it from the obligation to extend a mandatory general offer for all remaining Shares in Tamadam not already owned by them and all new Shares that may be allotted and issued pursuant to the exercise of the Company's 2000/2020 Warrants, after the Proposed Acquisition; and
- c) proposed increase in the authorised share capital of Tamadam from RM 100 million comprising 100 million Shares to RM 500 million comprising 500 million Shares.

On 12 February 2008, the Company announced that all the resolutions tabled at the EGM held at The Green, The Royal Selangor Golf Club, Jalan Kelab Golf, 55000 Kuala Lumpur on Tuesday, 12 February 2008 at 10.30 a.m. were approved by shareholders.

## 9. Borrowings

	<b>31.12.2007</b> <b>RM'000</b>
<b>a) Short term borrowings</b>	
Secured term loans	927
Unsecured term loans	-
Secured bank overdrafts	-
Unsecured bank overdrafts	6,113
	<u>7,040</u>
<b>b) Long term borrowings</b>	
Secured term loans	3,370
Unsecured term loans	-
	<u>3,370</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 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 28 February 2007 by the Board of Directors.