

Tamadam Bonded Warehouse Berhad

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

Interim Financial Report 31 March 2008

Tamadam Bonded Warehouse Berhad

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

Condensed consolidated income statement

	<u>Individual Quarter</u> Quarter ended 31 March		<u>Cumulative</u> Period ended 31 March	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Continuing Operations				
Revenue	2,466	3,697	2,466	3,697
Cost of sales	(1,782)	(3,038)	(1,782)	(3,038)
Gross Profit	684	659	684	659
Other income	221	190	221	190
Administrative expenses	(1,110)	(474)	(1,110)	(474)
Other expenses	-	-	-	-
Finance costs	(345)	(270)	(345)	(270)
Share of profit/ (loss) of associate	-	-	-	-
(Loss) / Profit before tax	(550)	105	(550)	105
Income tax expense	-	-	-	-
(Loss) / Profit for the period from continuing operations	(550)	105	(550)	105
Discontinued Operations	-	-	-	-
(Loss) / profit for the period from a discontinuing operation	-	-	-	-
(Loss) / profit for the period	<u>(550)</u>	<u>105</u>	<u>(550)</u>	<u>105</u>
Attributable to:				
Equity holders of the parent	(550)	105	(550)	105
Minority interest	-	-	-	-
	<u>(550)</u>	<u>105</u>	<u>(550)</u>	<u>105</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 2007

Tamadam Bonded Warehouse Berhad

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

Condensed Consolidated Balance Sheet

	As At 31.03.2008 RM'000 (Unaudited)	As At 31.12.2007 RM'000 (Audited)
ASSETS		
Non Current Assets		
Property, plant and equipment	30,496	30,991
Other investments	-	-
Goodwill on consolidation	80	80
	<u>30,576</u>	<u>31,071</u>
Current assets		
Trade receivables	3,763	3,763
Other receivables	7,865	7,676
Tax assets	-	2
Cash and bank balances	766	1,858
	<u>12,394</u>	<u>13,299</u>
TOTAL ASSETS	<u>42,970</u>	<u>44,370</u>
EQUITY & LIABILITY		
Equity attributable to equity holders of the parent		
Share capital	49,005	49,005
Share premium	13,623	13,623
Other Reserves	-	-
Retained Earnings	(37,446)	(36,895)
Total Equity	<u>25,182</u>	<u>25,733</u>
Non Current Liabilities		
Bank Borrowings	3,860	4,295
Hire purchase payables	176	488
	<u>4,036</u>	<u>4,783</u>
Current liabilities		
Bank Borrowings	11,454	6,644
Hire purchase payables	465	186
Trade payables	1,602	1,620
Other payables	231	5,404
Total liabilities	<u>13,752</u>	<u>13,854</u>
TOTAL EQUITY AND LIABILITIES	<u>42,970</u>	<u>44,370</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007

Tamadam Bonded Warehouse Berhad

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

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 2008	49,005	13,623	-	(36,896)	25,732
Net loss for the period	-	-	-	(550)	(550)
At 31 March 2008	49,005	13,623	-	(37,446)	25,182

	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	-	-	-	105	105
At 31 March 2007	49,005	13,622	-	(35,536)	27,091

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007

Tamadam Bonded Warehouse Berhad

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

Condensed consolidated cash flow statement

(Figures have not been audited)

	Period ended 31.03.2008 RM'000	Period ended 31.03.2007 RM'000
Operating activities		
Net (Loss) / Profit before tax	(550)	105
Adjustments for:-		
Depreciation	294	332
(Gain) / Loss on disposal of PPE	17	(12)
Interest charges	345	270
Operating profit before changes in working capital	106	695
Changes in working capital		
Net change in current assets (Increase) / Decrease	(188)	42
Net change in current liabilities Increase / (Decrease)	(5,193)	(303)
Cash generated from operations	(5,275)	434
Interest paid	(345)	(270)
Tax (paid)/ refund	-	-
Net cash generated/ (used) in operating activities	(5,620)	164
Investing activities		
Investment in subsidiary company	-	-
Interest income	-	-
Purchase of property, plant and equipment	(62)	(543)
Proceeds from disposal of PPE	250	19
Net cash used in investing activities	188	(524)
Financing activities		
Financing charges paid	-	-
Repayment of bank borrowings	4	(77)
Repayment of hire-purchase payables	(34)	574
Net cash generated/ (used) in financing activities	(30)	497
Net increase/(decrease) in cash and cash equivalents	(5,462)	137
Cash and cash equivalents at the beginning of financial period	(4,299)	(3,793)
Cash and cash equivalents at the end of financial period	(9,761)	(3,656)
Cash and bank balance	766	2,592
Bank overdrafts	(10,527)	(6,248)
	(9,761)	(3,656)

The Condensed Consolidated Cashflow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007

Tamadam Bonded Warehouse Berhad

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

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 2007.

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 2007 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 2003 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 March 2008.

9. Segmental reporting

	3 months ended		3 months ended	
	31.03.08	31.03.07	31.03.08	31.03.07
	RM '000	RM '000	RM '000	RM '000
Segment Revenue				
Revenue from continuing operations:				
Warehousing, rental, freight forwarding & transportation	2,438	3,677	2,438	3,677
Trading & Insurance	28	20	28	20
Total revenue including inter-segment sales	2,466	3,697	2,466	3,697
Elimination of inter-segment sales	-	-	-	-
Total revenue from continuing operations	2,466	3,697	2,466	3,697
Revenue from discontinued operations	-	-	-	-
Total	2,466	3,697	2,466	3,697
Segment results				
Results from continuing operations:				
Warehousing, rental, freight forwarding & transportation	(551)	102	(551)	102
Trading & Insurance	1	3	1	3
Elimination of inter-segment results	-	-	-	-
Total results from continuing operations	(550)	105	(550)	105
Results from discontinued operations	-	-	-	-
Total	(550)	105	(550)	105

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

On 27 March 2008, the acquisition of 51% equity interest in Brahim's-LSG Sky Chefs Holdings Sdn Bhd ("BLH") was completed and 130,000,000 new ordinary shares valued at RM1.00 per share was issued to Brahim's International Franchises Sdn Bhd ("BIF"). As a result of this, there was a change in the composition of the Group.

However, the results of the BLH Group for the period from 27 to 31 March 2008 have not been incorporated into the Tamadam Group's results for this quarter due to the proximity of the completion date to the closure of the first quarter accounts on 31 March 2008.

Had the results of BLH been proportionately consolidated for the period from 27 March 2008 to 31 March 2008, the profit after tax of the Tamadam Group would have been increased by approximately RM19,000.00.

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

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. Comparatives

The classifications of items in the current quarter, except for 2007, have been consistent with the audited financial statements for the year ended 31 December 2007.

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

Interim Financial Report
31 March 2008

Additional information required by the
Bursa Malaysia's Listing Requirements

Tamadam Bonded Warehouse Berhad

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

Additional information required by the Bursa Malaysia's Listing Requirements

1. Review of performance

Revenue for the quarter ended 31 March 2008 was RM2.47million compared to RM3.70 million in the previous quarter. The reduction in revenue was mainly due to lower revenue generated by the warehouse division.

As a result, the Group posted a loss before taxation of RM550,000 in the quarter compared to a profit of RM105,000 in the corresponding quarter in the preceding year.

2. Variation of results against preceding quarter

The Group's revenue for the quarter ended 31 March 2008 increased by 12% to RM2.47 million as compared to RM2.20 million in the preceding quarter. This was mainly due to new accounts secured by the warehouse division.

Although there was an increase in revenue, the Group recorded a loss of RM550,000 in the current quarter as compared to a loss of RM423,000 in the preceding quarter .

3. Prospects

The prospects of the Tamadam Group in the coming quarter are expected to be improved as the acquisition 51% equity interest in Brahim's-LSG Sky Chefs Holdings Sdn Bhd ("BLH") has been completed on 27 March 2008.

It is also the policy of the Tamadam Group to explore expansion by way of mergers and acquisitions to enhance the Group's growth potential. The industries into which the Company intends to invest are infrastructure, logistics and food.

4. Profit forecast

Not applicable as no profit forecast was published.

5. Taxation

	Quarter ended 31 March		Three months ended 31 March	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 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>
	<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 01.01.2008 RM	Bought in the period RM	Sold in the period RM	Balance at 31.03.2008 RM
NIL	-	-	NIL
<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 latter 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;

Company No. 82731-A

- 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");

Company No. 82731-A

- 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.

On 14 March 2008, on behalf of the Company, AmInvestment Bank Berhad (a member of AmInvestment Bank Group) ("AmInvestment Bank") had sought for an approval from Bursa Malaysia Securities Berhad ("Bursa Securities") to allow Tamadam to list the Consideration Shares prior to meeting the public shareholding spread required pursuant to Paragraph 3.05 of the Listing Requirements of Bursa Securities ("Listing Requirements") ("Required Public Shareholding Spread") and also to grant an extension of time of six (6) months from the date the Consideration Shares are listed on Bursa Securities ("Listing Date") to comply with Paragraph 8.15(1) of the Listing Requirements.

On 27 March 2008, on behalf of the Company, AmInvestment Bank Berhad has announced that Bursa Securities has via its letter dated 19 March 2008 granted the Company an approval for an extension of time of six (6) months from the Listing Date to comply with the Listing Requirements ("Approval Letter").

In the Approval Letter, Bursa Securities also informed that the Company would be required to make an immediate announcement in compliance with items 3.3 and 4.3(a) and (b) of Practice Note 19/2006 ("PN19") of Bursa Securities. The Company will also be required to ensure that item 3.4(a) and (b) of PN19 is fully complied with.

Based on the foregoing, on behalf of the Company, AmInvestment Bank Berhad (a member of AmInvestment Bank Group) has announced the following :-

- (i) the Proposed Acquisition has been completed on 27 March 2008 in accordance with the terms of the SSA;
- (ii) the SC had via its letter dated 14 February 2008 approved the Proposed Waiver; and
- (iii) the Company had completed the Proposed Increase In Authorised Share Capital after obtaining the shareholders' approval at the extraordinary general meeting of the Company which was held on 12 February 2008.

The placement of 11,394,750 Shares in Tamadam to Malaysian public investors by BIF for the purpose of the Proposed Offer For Sale And/Or Placement will be completed no later than six (6) months from the Listing Date.

On 4 April 2008, on behalf of the Company, AmInvestment Bank Berhad (a member of AmInvestment Bank Group) ("AmInvestment Bank") had on 24 March 2008 submitted an

Company No. 82731-A

application to the Securities Commission, Malaysia (“SC”) to seek an extension of time of six (6) months from the Listing Date to comply with Paragraph 7 of Guidance Note 12C of the SC’s Policies and Guidelines on Issue / Offer of Securities (“GN12C”) (“Extension Of Time Application”).

Further to this, AmInvestment Bank, on behalf of the Company is pleased to announce that the SC has via its letter dated 3 April 2008 (which was received on 4 April 2008) approved the said Extension Of Time Application. Based on the foregoing, Tamadam will be required to comply with GN12C within six (6) months from the Listing Date.

The Consideration Shares were listed on 8 April 2008.

On 8 April 2008, on behalf of the Company, AmInvestment Bank has announced that it remains the intention of the Company as well as BIF, which is Tamadam’s largest shareholder after completion of the Acquisition, to comply with the Minimum Public Spread Requirement within the next six (6) months from the Listing Date i.e. by 7 October 2008.

9. Borrowings

	31.03.2008 RM’000
a) Short term borrowings	
Secured term loans	927
Unsecured term loans	-
Secured bank overdrafts	6,914
Unsecured bank overdrafts	3,613
	<u>11,454</u>
b) Long term borrowings	
Secured term loans	3,860
Unsecured term loans	-
	<u>3,860</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.

Company No. 82731-A

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 30 May 2008 by the Board of Directors.