

# **Tamadam Bonded Warehouse Berhad**

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

## **Interim Financial Report 30 June 2008**

# Tamadam Bonded Warehouse Berhad

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

## Condensed consolidated income statement

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended		6 months ended	
	30 June			
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>				
<b>Revenue</b>	31,177	3,627	33,644	7,324
<b>Cost of sales</b>	(13,958)	(3,159)	(15,740)	(6,197)
<b>Gross Profit</b>	17,219	468	17,904	1,127
Other income	1,238	242	1,460	432
Administrative expenses	(17,232)	(418)	(18,344)	(892)
Other expenses	(154)	-	(154)	-
Finance costs	(1,697)	(275)	(2,042)	(545)
Share of profit/ (loss) of associate	-	-	-	-
<b>(Loss) / Profit before tax</b>	(626)	17	(1,176)	122
Income tax expense	(376)	-	(376)	-
<b>(Loss) / Profit for the period from continuing operations</b>	(1,002)	17	(1,552)	122
Discontinued Operations	-	-	-	-
(Loss) / profit for the period from a discontinuing operation	-	-	-	-
<b>(Loss) / profit for the period</b>	<u>(1,002)</u>	<u>17</u>	<u>(1,552)</u>	<u>122</u>
<b>Attributable to:</b>				
Equity holders of the parent	(1,290)	17	(1,840)	122
Minority interest	288	-	288	-
	<u>(1,002)</u>	<u>17</u>	<u>(1,552)</u>	<u>122</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 30.06.2008 RM'000 (Unaudited)	As At 31.12.2007 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	45,338	30,991
Other investments	-	-
Goodwill on consolidation	177,442	80
Deferred tax assets	17,675	-
Intangible assets	1,105	-
	<u>241,560</u>	<u>31,071</u>
<b>Current assets</b>		
Inventories	2,104	-
Trade receivables	19,107	3,763
Other receivables	7,482	7,676
Tax assets	-	2
Cash and bank balances	20,998	1,858
	<u>49,691</u>	<u>13,299</u>
<b>TOTAL ASSETS</b>	<u>291,251</u>	<u>44,370</u>
<b>EQUITY &amp; LIABILITY</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	179,005	49,005
Share premium	12,014	13,623
Other Reserves	-	-
Retained Earnings	(38,735)	(36,895)
<b>Shareholders' Equity</b>	<u>152,284</u>	<u>25,733</u>
Minority Interest	9,344	-
<b>Total Equity</b>	<u>161,628</u>	<u>25,733</u>
<b>Non Current Liabilities</b>		
Bank Borrowings	59,661	4,295
Hire purchase payables	1,703	488
	<u>61,364</u>	<u>4,783</u>

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 (Cont'd)

	<b>As At 30.06.2008 RM'000 (Unaudited)</b>	<b>As At 31.12.2007 RM'000 (Audited)</b>
<b>Current liabilities</b>		
Bank Borrowings	27,644	6,644
Hire purchase payables	423	186
Trade payables	15,631	1,620
Other payables	21,547	5,404
Tax Payable	3,014	-
	<hr/>	<hr/>
<b>Total liabilities</b>	129,623	13,854
	<hr/>	<hr/>
<b>TOTAL EQUITY AND LIABILITIES</b>	291,251	44,370
	<hr/>	<hr/>

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		
<b>At 1 January 2008</b>	49,005	13,623	-	(36,895)	25,733
Issue of ordinary shares:- - Acquisition of subsidiary	130,000	-	-	-	130,000
Capitalisation of corporate exercise expenses	-	(1,609)	-	-	(1,609)
Net loss for the period	-	-	-	(1,840)	(1,840)
<b>At 30 June 2008</b>	179,005	12,014	-	(38,735)	152,284

	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
Net profit for the period				122	122
<b>At 30 June 2007</b>	49,005	13,623	-	(35,520)	27,108

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)

	6 months ended	
	30.06.2008	30.06.2007
	RM'000	RM'000
<b>Operating activities</b>		
<b>Net (Loss) / Profit before tax</b>	(1,176)	122
<b>Adjustments for:-</b>		
Depreciation	2,838	661
Amortisation of intangible assets	161	-
(Gain) / Loss on disposal of PPE	(232)	(12)
Interest income	(155)	-
Interest charges	2,042	545
Operating profit before changes in working capital	3,478	1,316
Changes in working capital		
Net change in inventories (Increase) / Decrease	3	-
Net change in current assets (Increase) / Decrease	2,102	(1,112)
Net change in current liabilities Increase / (Decrease)	(5,283)	1,521
Cash generated from operations	300	1,725
Interest paid	(3,213)	(545)
Tax (paid)/ refund	4,214	-
<b>Net cash generated/ (used) in operating activities</b>	1,301	1,180
<b>Investing activities</b>		
Interest income	155	-
Inflow from investment in joint venture	622	-
Capitalisation of corporate exercise expenditure	(1,609)	-
Purchase of property, plant and equipment	(427)	(543)
Proceeds from disposal of PPE	500	19
<b>Net cash used in investing activities</b>	(759)	(524)
<b>Financing activities</b>		
Repayment of bank borrowings	(33)	(307)
Repayment of hire-purchase payables	(133)	400
<b>Net cash generated/ (used) in financing activities</b>	(166)	93
Net increase/(decrease) in cash and cash equivalents	376	749
<b>Cash and cash equivalents at the beginning of financial period</b>	10,486	(3,793)
<b>Cash and cash equivalents at the end of financial period</b>	10,862	(3,044)
<b>Cash and bank balance</b>	20,998	2,778
<b>Bank overdrafts</b>	(10,136)	(5,822)
	10,862	(3,044)

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 2007 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 2008.

## 9. Segmental reporting

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30.06.08	30.06.07	30.06.08	30.06.07
	RM '000	RM '000	RM '000	RM '000
<b>Segment Revenue</b>				
Revenue from continuing operations:				
In-flight catering & related services	29,134	-	29,134	-
Warehousing, rental, freight forwarding & transportation	2,035	3,626	4,473	7,303
Trading & insurance	8	1	37	21
Total revenue including inter-segment sales	31,177	3,627	33,644	7,324
Elimination of inter-segment sales	-	-	-	-
Total revenue from continuing operations	31,177	3,627	33,644	7,324
Revenue from discontinued operations	-	-	-	-
Total	31,177	3,627	33,644	7,324
<b>Segment results</b>				
Results from continuing operations:				
In-flight catering & related services	928	-	928	-
Warehousing, rental, freight forwarding & transportation	(1,933)	22	(2,484)	124
Trading & Insurance	3	(5)	4	(2)
Total results from continuing operations	(1,002)	17	(1,552)	122
Elimination of inter-segment results	-	-	-	-
Results from discontinued operations	-	-	-	-
Total	(1,002)	17	(1,552)	122

## 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").



Hence, the results of BLH were proportionately consolidated from 1 April 2008 onwards to reflect in the Tamadam financial results ended 30 June 2008.

## **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 statement for the year ended 31 December 2007.

# **Tamadam Bonded Warehouse Berhad**

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

## **Interim Financial Report 30 June 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 30 June 2008 was RM31.18 million as compared to RM3.63 million in the corresponding quarter in the preceding year. The increase in revenue was due to incorporation of BLH Group revenue's from 1 April 2008 onwards amounting to RM29.13 million.

The Group posted a loss before taxation of RM625,626 in the second quarter as compared to a profit of RM17,000 in the corresponding quarter in the preceding year.

### 2. Comparison with immediate preceding quarter's result

Compared to the immediate preceding quarter's results, the Group's revenue has increased from RM2.47 million in the first quarter to RM31.18 million in the second quarter due to incorporation of BLH Group's revenue.

The Group recorded a pre-tax loss of RM625,626 for the current quarter which is 13.8% increase from the immediate preceding quarter pre-tax loss of RM550,000.

### 3. Prospects

The prospects of the inflight catering business are expected to remain challenging in the coming quarter in line with the difficulties faced by the global airline industry. The logistics division is expected to show an increase in revenue in the coming quarter which should reduce losses in this division.

### 4. Profit forecast

Not applicable as no profit forecast was published.

### 5. Taxation

	Quarter ended 30 June		6 months ended 30 June	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Based on results for the period	376	-	376	-
Under provision in prior year	-	-	-	-
Transfer from deferred tax	-	-	-	-
	<u>376</u>	<u>-</u>	<u>376</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 30.06.2008 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 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;
  - 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.

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 purposes 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 application to the Securities Commission, Malaysia (“SC”) to seek for 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

	<b>30.06.2008</b> <b>RM'000</b>
<b>a) Short term borrowings</b>	
Secured	17,931
Unsecured	10,136
	<hr/> 28,067
<b>b) Long term borrowings</b>	
Secured	61,364
Unsecured	-
	<hr/> 89,431 <hr/> <hr/>

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 179,005,000 ordinary shares.

## 14. Authorisation for Issue

The interim financial statement was authorised for issue on 29 August 2008 by the Board of Directors.