

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The approval of the Securities Commission ("SC") shall not be taken to indicate that the SC recommends the Proposed Acquisition (as defined herein) and the Proposed Offer For Sale And/Or Placement (as defined herein). Shareholders should rely on their own evaluation to assess the merits and risks of the Proposals (as defined herein).

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TAMADAM BONDED WAREHOUSE BERHAD

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PART A

- (I) **PROPOSED ACQUISITION OF 51% EQUITY INTEREST IN BRAHIM'S-LSG SKY CHEFS HOLDINGS SDN BHD COMPRISING 510,000 ORDINARY SHARES OF RM1.00 EACH ("SHARES") FOR A PURCHASE CONSIDERATION OF RM130,000,000 FROM BRAHIM'S INTERNATIONAL FRANCHISES SDN BHD ("BIF") TO BE SATISFIED BY THE ISSUANCE OF 130,000,000 NEW SHARES IN TAMADAM BONDED WAREHOUSE BERHAD ("TAMADAM") VALUED AT RM1.00 PER SHARE ("PROPOSED ACQUISITION");**
- (II) **PROPOSED WAIVER TO BIF AND PARTIES ACTING IN CONCERT WITH IT FROM THE OBLIGATION TO EXTEND A MANDATORY GENERAL OFFER FOR ALL THE REMAINING SHARES IN TAMADAM NOT ALREADY OWNED BY THEM AND ALL NEW SHARES THAT MAY BE ALLOTTED AND ISSUED PURSUANT TO THE EXERCISE OF TAMADAM'S 2000/2010 WARRANTS, AFTER THE PROPOSED ACQUISITION ("PROPOSED WAIVER");**
- (III) **PROPOSED OFFER FOR SALE AND/OR PLACEMENT OF SHARES IN TAMADAM HELD BY BIF TO THE MALAYSIAN PUBLIC; AND**
- (IV) **PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF TAMADAM FROM RM100,000,000 COMPRISING 100,000,000 SHARES TO RM500,000,000 COMPRISING 500,000,000 SHARES**

PART B

INDEPENDENT ADVICE LETTER TO THE SHAREHOLDERS OF TAMADAM IN RELATION TO THE PROPOSED WAIVER

AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

AmInvestment Bank Berhad
(Company No. 23742-V)

A member of



AmInvestment Bank
Group

Independent Adviser



PUBLIC INVESTMENT BANK BERHAD (20027-W)
(A Participating Organisation of Bursa Malaysia Securities Berhad)
(Wholly-Owned Subsidiary of Public Bank Berhad)

The Notice of the Extraordinary General Meeting ("EGM") of Tamadam to be 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. or at any adjournment thereof together with the Form of Proxy are enclosed with this Circular. Shareholders are advised to refer to the Notice of EGM and the Form of Proxy which are enclosed. The Form of Proxy should be deposited at Tamadam's Registrars, Symphony Share Registrars Sdn Bhd, Level 26, Menara Multi Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.

The last day and time for lodging the Form of Proxy is on Sunday, 10 February 2008 at 10.30 a.m. The lodgement of the Form of Proxy will not preclude you from attending and voting in person at the meeting if you wish to do so.

This Circular is dated 25 January 2008

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular :-

Act	:	Companies Act, 1965 as amended from time to time
AmInvestment Bank	:	AmInvestment Bank Berhad (23742-V) (a member of AmInvestment Bank Group)
BIF or Vendor	:	Brahim's International Franchises Sdn Bhd (296392-A)
BLH	:	Brahim's-LSG Sky Chefs Holdings Sdn Bhd (583216-P)
BLH Agreement	:	The share sale agreement dated 28 June 2007 between Tamadam and BIF for the Proposed Acquisition and the letter dated 14 December 2007 to revise the purchase consideration for the Proposed Acquisition from RM136,500,000 to RM130,000,000 and to revise the value of the new Shares in Tamadam to be issued pursuant to the Proposed Acquisition from RM0.85 per Share to RM1.00 per Share
BLH Group	:	Collectively, BLH and its subsidiary, LSGB
BLH Sale Shares	:	All the 510,000 Shares in BLH held by BIF
BLH Shareholders' Agreement	:	The shareholders' agreement dated 25 September 2003 between BIF, BLH and LSG Asia
Board	:	Board of Directors of Tamadam
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
Catering Agreement	:	The catering agreement dated 25 September 2003 between LSGB and MAS granting LSGB the exclusive right to provide in-flight catering and cabin handling services to MAS at the KLIA and Penang Airport for twenty-five (25) years expiring on 1 December 2028
Code	:	Malaysian Code On Take-Overs And Mergers, 1998 as amended from time to time
DCF	:	Discounted cashflow
ECU	:	Equity Compliance Unit of the SC
EGM	:	Extraordinary General Meeting
EPS	:	Earnings per Share
Fahim Capital	:	Fahim Capital Sdn Bhd (507720-V)
FYE	:	Financial year(s) ended / ending
GO	:	General Offer
Horwath	:	Messrs Horwath
IA	:	PIVB, being the independent adviser appointed to advise the shareholders of Tamadam in relation to the Proposed Waiver
KLIA	:	Kuala Lumpur International Airport
LAT	:	Loss after taxation
LBT	:	Loss before taxation

DEFINITIONS (CONT'D)

LSG Asia	:	LSG Asia GmbH, the 49% shareholder of BLH
LSGB	:	LSG Sky Chefs-Brahim's Sdn Bhd (317281-X), a 70%-owned subsidiary of BLH
LSGB Shareholders' Agreement	:	The shareholders' agreement dated 25 September 2003 between BLH, LSGB and MAS
Market Day	:	A day on which Bursa Securities is open for the trading of securities
MAS	:	Malaysian Airline System Berhad (10601-W)
MI	:	Minority interests
NAV	:	Net asset value
NTA	:	Net tangible assets
NTL	:	Net tangible liabilities
PIVB	:	Public Investment Bank Berhad (20027-W)
PAT	:	Profit after taxation
PBR	:	Price-to-book ratio
PBT	:	Profit before taxation
PE Multiple	:	Price-earning Multiple
PLC(s)	:	Public listed company(ies)
Proposals	:	Collectively, the Proposed Acquisition, the Proposed Waiver, the Proposed Offer For Sale And/Or Placement and the Proposed Increase In Authorised Share Capital
Proposed Acquisition	:	Proposed acquisition of 51% equity interest in BLH comprising 510,000 Shares by Tamadam for a purchase consideration of RM130,000,000 from BIF to be satisfied by the issuance of 130,000,000 new Shares in Tamadam valued at RM1.00 per Share
Proposed Waiver	:	Proposed waiver to BIF and parties acting in concert with it from the obligation to extend a mandatory GO for all the 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 Warrants, after the Proposed Acquisition
Proposed Increase In Authorised Share Capital	:	Proposed increase in the authorised share capital of Tamadam from RM100,000,000 comprising 100,000,000 Shares to RM500,000,000 comprising 500,000,000 Shares
Proposed Offer For Sale And/Or Placement	:	Proposed offer for sale and/or placement of Shares in Tamadam held by BIF to the Malaysian public
RM and sen	:	Ringgit Malaysia and sen respectively
RPS	:	Redeemable preference share(s) of RM0.01 each
Semantan Capital	:	Semantan Capital Sdn Bhd (249670-D)

DEFINITIONS (CONT'D)

SC	:	Securities Commission, Malaysia
Share(s)	:	Ordinary share(s) of RM1.00 each
Tamadam or Company	:	Tamadam Bonded Warehouse Berhad (82731-A)
Tamadam Group or Group	:	Collectively, Tamadam and its subsidiaries
Valuation	:	The valuation on the BLH Sale Shares by the Valuer
Valuer	:	The independent valuer appointed by Tamadam, namely Horwath
WACC	:	Weighted average cost of capital
WAMP	:	Weighted average market price
Warrants	:	21,780,000 outstanding 2000/2010 warrants of Tamadam which have an exercise price of RM1.45 and will expire on 4 January 2010

TABLE OF CONTENTS

PAGE**PART A****LETTER FROM THE BOARD TO THE SHAREHOLDERS OF TAMADAM CONTAINING :-**

1.	INTRODUCTION	1
2.	DETAILS OF THE PROPOSALS	6
3.	BACKGROUND INFORMATION ON THE COMPANIES INVOLVED	11
4.	SALIENT TERMS OF THE BLH AGREEMENT	14
5.	RATIONALE FOR THE PROPOSALS	15
6.	RISK FACTORS AND PROSPECTS	15
7.	SHARE PRICE PERFORMANCE	18
8.	EFFECTS OF THE PROPOSALS	
8.1	Share Capital	19
8.2	Net Assets And Gearing	19
8.3	Earnings	20
8.4	Substantial Shareholders' Shareholdings	22
8.5	Dividend	23
9.	INTER-CONDITIONALITY OF THE PROPOSALS	23
10.	CONDITIONS TO THE PROPOSALS	23
11.	ESTIMATED TIME FRAME FOR COMPLETION	23
12.	DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS	23
13.	DIRECTORS' RECOMMENDATION	24
14.	IA	24
15.	EGM	24
16.	FURTHER INFORMATION	24

PART B

INDEPENDENT ADVICE LETTER FROM PIVB TO THE SHAREHOLDERS OF TAMADAM IN RELATION TO THE PROPOSED WAIVER	25
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TABLE OF CONTENTS (CONT'D)

	PAGE
APPENDICES	
APPENDIX I BACKGROUND INFORMATION ON BLH	51
APPENDIX II ACCOUNTANTS' REPORT ON THE BLH GROUP	59
APPENDIX III PROFORMA CONSOLIDATED BALANCE SHEETS OF TAMADAM AS AT 31 DECEMBER 2006 TOGETHER WITH THE NOTES AND THE REPORTING ACCOUNTANTS' LETTER THEREON	134
APPENDIX IV CONSOLIDATED PROFIT ESTIMATE AND FORECAST OF TAMADAM FOR THE FYE 31 DECEMBER 2007 AND 31 DECEMBER 2008 RESPECTIVELY TOGETHER WITH THE PRINCIPAL BASES AND ASSUMPTIONS THERETO AND THE REPORTING ACCOUNTANTS' LETTER THEREON	150
APPENDIX V VALUER'S LETTER ON THE BLH SALE SHARES	159
APPENDIX VI FURTHER INFORMATION	163
NOTICE OF EGM	169
FORM OF PROXY	ENCLOSED

PART A

LETTER FROM THE BOARD TO THE SHAREHOLDERS OF TAMADAM



TAMADAM BONDED WAREHOUSE BERHAD

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

Registered Office

Mezzanine Floor
8A, Jalan Sri Semantan Satu
Damansara Heights
50490 Kuala Lumpur

25 January 2008

Board of Directors

Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin (*Executive Chairman*)
Cheam Heng Cheang (*Managing Director*)
Col. (Rtd) Dato' Ir Cheng Wah (*Independent Non-Executive Director*)
Soong Mun Wai (*Independent Non-Executive Director*)
Goh Joon Hai (*Independent Non-Executive Director*)

To : The Shareholders of Tamadam

Dear Sir / Madam,

- (I) **PROPOSED ACQUISITION OF 51% EQUITY INTEREST IN BLH COMPRISING 510,000 SHARES FOR A PURCHASE CONSIDERATION OF RM130,000,000 FROM BIF TO BE SATISFIED BY THE ISSUANCE OF 130,000,000 NEW SHARES IN TAMADAM VALUED AT RM1.00 PER SHARE;**
 - (II) **PROPOSED WAIVER TO BIF AND PARTIES ACTING IN CONCERT WITH IT FROM THE OBLIGATION TO EXTEND A MANDATORY GO FOR ALL THE 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 WARRANTS, AFTER THE PROPOSED ACQUISITION;**
 - (III) **PROPOSED OFFER FOR SALE AND/OR PLACEMENT OF SHARES IN TAMADAM HELD BY BIF TO THE MALAYSIAN PUBLIC; AND**
 - (IV) **PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF TAMADAM FROM RM100,000,000 COMPRISING 100,000,000 SHARES TO RM500,000,000 COMPRISING 500,000,000 SHARES**
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1. INTRODUCTION

On 11 May 2007, AmInvestment Bank, on behalf of the Company, announced that the Company had on even date entered into a Memorandum of Understanding with BIF for the acquisition of 510,000 Shares in BLH by Tamadam from BIF for an indicative purchase consideration of RM130.0 million ("**BLH Indicative Purchase Consideration**") to be satisfied by the issuance of 152,941,177 new Shares in Tamadam valued at RM0.85 per Share. The Company had also on even date entered into a Memorandum of Understanding with Dewina Holdings Sdn Bhd ("**DHSB**") for the acquisition of 127,500 Shares in Dewina Host Sdn Bhd ("**DHost**") by Tamadam from DHSB for an indicative purchase consideration of RM6.12 million to be satisfied by the issuance of 7,200,000 new Shares in Tamadam valued at RM0.85 per Share ("**Proposed DHost Acquisition**").

On 28 June 2007, AmInvestment Bank, on behalf of the Company, announced that the Company had on even date entered into the following agreements :-

- (i) a share sale agreement with BIF for the acquisition of the BLH Sale Shares by Tamadam from BIF for an indicative purchase consideration of RM130.0 million to be satisfied by the issuance of 152,941,177 new Shares in Tamadam valued at RM0.85 per Share; and
- (ii) a share sale agreement with DHSB for the acquisition of 127,500 Shares in DHost by Tamadam from DHSB for a purchase consideration of RM6.12 million to be satisfied by the issuance of 7,200,000 new Shares in Tamadam valued at RM0.85 per Share ("**DHost Agreement**").

Subsequently, on 13 September 2007, AmInvestment Bank, on behalf of the Company, announced that after due deliberation, the parties to the DHost Agreement had on even date mutually agreed not to proceed with the Proposed DHost Acquisition and accordingly, the parties mutually agreed to terminate the DHost Agreement. In the same announcement, AmInvestment Bank, on behalf of the Company, also announced that the parties to the BLH Agreement have mutually agreed to fix the final purchase consideration for the BLH Sale Shares at RM136.5 million.

The Company had obtained the approval of the SC via its letter dated 13 December 2007 for the following :-

- (i) acquisition of 51% equity interest in BLH comprising 510,000 Shares from BIF for a purchase consideration of **RM130.0 million** to be satisfied by the issuance of **130.0 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
- (ii) listing of and quotation for the 130.0 million new Shares in Tamadam to be issued pursuant to the Proposed Acquisition on the Second Board of Bursa Securities.

The Company had also obtained the approval of the ECU for the Proposed Acquisition under the Guidelines on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests issued by the Foreign Investment Committee via the same letter.

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The conditions imposed by the SC via its letter dated 13 December 2007 as well as the status of compliance are as follows :-

SC Condition	Status of Compliance														
<p>(i) AmInvestment Bank / Tamadam should make detailed disclosure in the circular to be issued to the shareholders of Tamadam on the following :-</p> <ul style="list-style-type: none"> (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 	<p>Complied with.</p> <p>Disclosed in Section 5 of Part A of this Circular. Disclosed in Sections 2.1(b) & 2(c) of Part A of this Circular. Disclosed in Section 6.1 of Part A of this Circular. Disclosed in Section 2.1(a) of Part A of this Circular. Disclosed in Section 8 of Part A of this Circular. Disclosed in Section 6.2 of Part A of this Circular.</p>														
<p>(ii) BIF 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 as shown in the table below :-</p> <table border="1" data-bbox="644 1039 874 2024"> <thead> <tr> <th rowspan="2">Vendor</th> <th colspan="2">New Shares in Tamadam to be issued as consideration</th> <th colspan="2">New Shares in Tamadam under moratorium</th> </tr> <tr> <th>No. of Shares in Tamadam</th> <th>% of consideration Shares</th> <th>No. of Shares in Tamadam</th> <th>% of consideration Shares</th> </tr> </thead> <tbody> <tr> <td>BIF</td> <td>130,000,000</td> <td>100.0</td> <td>65,000,000</td> <td>50.0</td> </tr> </tbody> </table> <p>In this regard, every shareholder of BIF (if an individual) or ultimate individual shareholder (if the shareholder of BIF is another unlisted company) should give an undertaking that he/she will not sell, transfer or assign his/her shareholding in BIF during the moratorium period</p>	Vendor	New Shares in Tamadam to be issued as consideration		New Shares in Tamadam under moratorium		No. of Shares in Tamadam	% of consideration Shares	No. of Shares in Tamadam	% of consideration Shares	BIF	130,000,000	100.0	65,000,000	50.0	<p>Complied with. The letter of undertaking from BIF dated 7 December 2007 was submitted to the SC on 14 December 2007.</p> <p>Complied with. The letter of undertaking from the following parties dated 7 December 2007 was submitted to the SC on 14 December 2007 :-</p> <ul style="list-style-type: none"> (a) Fahim Capital; (b) Semantan Capital; (c) Datuk Ibrahim bin Haji Ahmad, being the ultimate individual shareholder of Fahim Capital; and (d) Tan Sri Dato' Mohd Ibrahim bin Mohd Zain, being the ultimate individual shareholder of Semantan Capital.
Vendor		New Shares in Tamadam to be issued as consideration		New Shares in Tamadam under moratorium											
	No. of Shares in Tamadam	% of consideration Shares	No. of Shares in Tamadam	% of consideration Shares											
BIF	130,000,000	100.0	65,000,000	50.0											

SC Condition	Status of Compliance
<p>(iii) Tamadam should maintain its Bumiputera equity at 51% at all times</p> <p>(iv) AmlInvestment Bank and Tamadam should inform the SC upon completion of the Proposed Acquisition, the Proposed Offer For Sale And/Or Placement and the listing and quotation of the new Shares in Tamadam to be issued pursuant to the Proposed Acquisition (to be collectively referred to as "SC 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 SC Proposals under the SC's Policies and Guidelines on Issue / Offer of Securities</p>	<p>To be complied with.</p> <p>To be complied with.</p>

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On 14 December 2007, AmInvestment Bank, on behalf of the Company, announced that in view of the SC's decision, the parties to the BLH Agreement, namely Tamadam and BIF, subsequently agreed to revise the following which was effected via a letter dated 14 December 2007 :-

- (i) revise the purchase consideration from RM136.5 million as announced on 13 September 2007 to **RM130.0 million**; and
- (ii) revise the value of the new Shares in Tamadam to be issued from RM0.85 per Share to **RM1.00 per Share**.

Accordingly, the parties to the BLH Agreement also agreed that the number of new Shares in Tamadam to be issued shall be revised from 160,588,235 to **130,000,000**.

On the other hand, the SC had via its letter dated 27 September 2007 stated that it will consider the application for the Proposed Waiver after the following conditions have been fulfilled :-

SC Condition	Status of Compliance
(i) Approval has been obtained from the independent holders of voting shares of Tamadam, on a poll at the EGM in which the interested parties are to abstain from voting. The result of the poll has to be confirmed by an independent auditor	To be complied with.
(ii) Provision is made for the shareholders of Tamadam for competent independent advice regarding the Proposed Waiver. The appointment of an IA and the IA's circular to the shareholders are to be first approved and consented by the SC respectively	The SC had via its letter dated 8 January 2008 approved the appointment of PIVB as the IA for the Proposed Waiver. Subsequently, on 21 January 2008, the SC had consented to the issuance of the independent advice letter by PIVB as set out in Part B of this Circular.
(iii) BIF and the parties acting in concert are to submit declarations (to be furnished after the EGM) addressed to the SC, attesting that they have not purchased any Shares in Tamadam in the six (6) months prior to the posting of this Circular, but subsequent to the discussion in relation to the Proposed Acquisition (the date of the discussion is to be stated by them), whichever is the shorter period, and until the granting of the exemption by the SC (if so decided)	To be complied with.

Apart from the Proposals, there are no other corporate exercises intended which have been announced and are pending completion prior to the printing of this Circular. The Proposals are not conditional upon any other corporate exercises.

The purpose of this Circular is to provide you with the details of the Proposals and to seek your approval for the relevant resolutions to be tabled at the forthcoming EGM.

YOU ARE ADVISED TO READ BOTH THIS CIRCULAR AND THE INDEPENDENT ADVICE LETTER BEFORE VOTING ON THE RESOLUTIONS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 PROPOSED ACQUISITION

(a) Background Information On The Proposed Acquisition

The Company is proposing to acquire 510,000 Shares in BLH, representing 51% of its issued and paid-up share capital, for a purchase consideration of RM130,000,000 to be satisfied by the issuance of 130,000,000 new Shares in Tamadam.

(b) Basis Of Determining The Purchase Consideration

The purchase consideration for the Proposed Acquisition of RM130.0 million was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the fair value of the BLH Group which was arrived at using the DCF methodology on the projected future cashflows of BLH and LSGB which is attributable to BLH.

Based on an independent valuation report on the BLH Group dated 13 September 2007 prepared by Horwath, the BLH Group was valued to be between RM262.0 million and RM271.9 million using discount rates based on WACC of between 7.31% and 7.66%. Accordingly, the fair value for 51.0% equity interest in BLH ranges between RM133.6 million to RM138.7 million.

The letter from the Valuer on the BLH Sale Shares is set out in Appendix V of this Circular.

Based on the foregoing, the purchase consideration for the Proposed Acquisition of RM130.0 million does not fall within the range of the valuation ascribed by Horwath and is in fact below the lower end of the range of valuation ascribed by Horwath.

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(c) **Justification For The Purchase Consideration**

The summary of Malaysian PLCs that hold concessions for comparative purposes is as follows in view that the Catering Agreement which grants LSGB the exclusive right to provide in-flight catering and cabin handling services to MAS at the KLIA and Penang Airport is for a period of twenty-five (25) years :-

Name of PLC	Principal Activity	Closing price @ 21 January 2008 (RM)	Net EPS (sen)	Net PE Multiple (times)
PLUS Expressways Berhad ("PLUS")	Collection of toll as well as design, construct, finance, operate and maintain certain toll roads and expressways in Malaysia	3.20	* 22.80	14.04
Lingkaran Trans Kota Holdings Berhad	Design and construction of Lebuhraya Damansara - Puchong, the management of toll operations and the provision of highway maintenance services	3.50	* 13.96	25.07
Malaysia Airports Holdings Berhad	Provision of management, maintenance and operation of designated airports, operation of duty-free and non-duty free stores as well as the provision of food and beverages outlets at airports	3.00	* 22.17	13.53
YTL Power International Berhad	Development, construction, maintenance and operation of power stations	2.58	# 25.40	10.16
Ranhill Utilities Berhad	Sourcing of raw water and supply of treated water to consumers in Johor	2.72	# 70.01	3.89
Puncak Niaga Holdings Berhad	Operation, maintenance, management, construction as well as rehabilitation and refurbishment of water treatment facilities and dams	4.60	* 28.57	16.10
			AVERAGE	13.80

(Source : Bloomberg and www.bursamalaysia.com)

* annualised based on latest quarterly results

based on latest annual report for the FYE 30 June 2007

The net PE Multiple of 19.60 times for the BLH Sale Shares based on the audited PAT of the BLH Group for the FYE 31 December 2006 of approximately RM13.0 million is **higher** than the average net PE Multiple of broadly comparable concession companies in Malaysia. However, the net PE Multiple of 10.88 times and 12.13 times respectively for the BLH Sale Shares based on the estimated PAT of the BLH Group for the FYE 31 December 2007 of approximately RM23.4 million and the forecast PAT of the BLH Group for the FYE 31 December 2008 of approximately RM21.0 million are **lower** than the average net PE Multiple of broadly comparable concession companies in Malaysia.

It should be noted that these PLCs are not directly comparable to the BLH Group due to various factors including, amongst others, type of business, the marketability and liquidity of the shares, profit track record, financial strength and prospects.

In addition, the summary of the details of comparable market transactions involving the acquisition of Malaysian concession companies is as follows :-

Date Of Circular	Acquirer / Vendor	Details Of Transaction	Purchase Consideration (RM)	Valuation (RM)	Discount Rate	PE Multiple (times)
06.11.2007	PLUS	Proposed acquisition by PLUS of the entire issued and paid-up share capital of Expressway Lingkarans Tengah Sdn Bhd and Linkedua (M) Berhad for cash	866.0 million	Not available	15.2% to 15.7%	23.79
30.11.2006	MMC Corporation Berhad ("MMC")	Acquisition by MMC of the entire business and undertakings of Malakoff Berhad ("Malakoff") including all of the assets (other than cash held by Malakoff) and the transfer, novation and assignment of all liabilities of Malakoff for cash	9,307.6 million	8.77 billion to 9.89 billion using DCF methodology	7% to 8% (WACC)	21.00
14.04.2005	Malakoff	Acquisition by Malakoff of 750,187 Shares and RM70,892,471.36 10% subordinated redeemable unsecured loan notes of nominal value of RM1.00 each, representing 18.75% equity interest in Segari Energy Ventures Sdn Bhd from Tenaga Nasional Berhad ("TNB") for cash	372.9 million	367.7 million to 406.5 million using DCF methodology	11% to 13% (Cost of Equity)	7.30
08.06.2004	Malakoff	Acquisition by Malakoff of 40% interest in Stesen Janaelektrik Sultan Salahuddin Abdul Aziz Shah, a 2,420 MW thermal power station, located in Kapar, Selangor from TNB for cash	4,200 million	4,187 million to 4,460 million using DCF methodology	11% to 14% (Cost of Equity)	*
06.10.2003	Malakoff	Acquisition by Malakoff of 1,000,000 Shares, representing the entire equity interest in Prai Power Sdn Bhd ("Prai Power") which owns a 350MW power station in Pulau Pinang, for cash consideration of RM82.5 million together with the obligation by Malakoff to settle, on behalf of Prai Power, the shareholders' advances of RM199.5 million owing by Prai Power	282.0 million	273 million to 292 million using DCF methodology	11.5% to 12.5% (Cost of Equity)	^ ~ 53.5
06.10.2003	Malakoff	Acquisition by Malakoff of 4,500,002 Shares, representing 90% equity interest in SKS Power Sdn Bhd from Northern Power Sdn Bhd for cash	835.0 million	766.2 million to 1,086.1 million using DCF methodology	13% to 15% (Cost of Equity)	#

Date Of Circular	Acquirer / Vendor	Details Of Transaction	Purchase Consideration (RM)	Valuation (RM)	Discount Rate	PE Multiple (times)
28.12.1999	Malaysian Resources Corporation Berhad ("MRCB")	Disposal by MRCB of the following to Sime Darby Berhad and TNB :- (a) 30% interest in Port Dickson Power Berhad comprising 45,000 Shares, 45,000 redeemable preference shares of RM1.00 each and RM44,910,000 nominal value of 12% cumulative subordinated redeemable unconvertible unsecured loan stock; and (b) approximately 49.99% equity interest in Janaurus PDP Sdn Bhd comprising 49,999 Shares	204.0 million	203.2 million to 232.6 million using DCF methodology	12.5% to 15.5% (Cost of Equity)	*
AVERAGE						17.36

(Source : www.bursamalaysia.com)

* the information is not publicly available

^ based on the purchase consideration of RM282 per Share in Prai Power and annualised EPS based on the unaudited results for the eight (8) month period ended 31 August 2003 of RM5.27 per Share

~ excluded due to anomalous results

+ not applicable as Prai Power was in a NTL position as at 31 December 2002

not applicable as SKS Power had not commenced commercial operations, was in a NTL position and was loss-making for the FYE 31 December 2002

Based on the foregoing and after taking into consideration LSGB's dominant position at both the KLIA and Penang Airport as well as the fact that LSGB is operating in a highly niched market, the Board and AmInvestment Bank are of the view that the purchase consideration for the Proposed Acquisition of RM130.0 million is reasonable, especially since the purchase consideration for the Proposed Acquisition is below the lower end of the range of valuation ascribed by Horwath.

(d) Basis Of Determining The Issue Price For The New Tamadam Shares

As approved by the SC, the issue price for the new Tamadam Shares of RM1.00 per Share was arrived at based on the par value of the Company's Shares of RM1.00, after taking into consideration that the 5-day WAMP of Tamadam Shares up to and including 10 May 2007, being the last Market Day prior to the announcement on the Memorandum of Understanding between Tamadam and BIF for the Proposed Acquisition, was RM0.742.

The 5-day WAMP of Tamadam Shares up to and including 21 January 2008, being the latest practicable date prior to the printing of this Circular, was RM1.05.

(e) Shares Acquired Free From Encumbrances

The BLH Sale Shares shall be acquired free from all liens, claims, charges, mortgages, equities and other encumbrances whatsoever, but with all rights and advantages attaching thereto or accruing thereon together with all dividends (including dividends declared and but not paid) as at a date to be mutually agreed between BIF and Tamadam falling within fourteen (14) days from the date that the last of the conditions precedent of the BLH Agreement have been fulfilled or waived ("**Completion Date**").

(f) Ranking Of The New Tamadam Shares

The new Tamadam Shares to be issued pursuant to the Proposed Acquisition shall, upon allotment and issue, rank pari passu in all respects with the existing issued Shares in Tamadam.

(g) Liabilities To Be Assumed

There are no liabilities, including contingent liabilities and guarantees, to be assumed by Tamadam pursuant to the Proposed Acquisition.

(h) Original Cost Of Investment

BIF's original cost of investment in the BLH Sale Shares was RM0.51 million which was incurred in December 2003. In addition, BIF had advanced funds to BLH amounting to approximately RM16.3 million and BLH had also incurred external borrowings amounting to approximately RM150.0 million to finance its equity investment in LSGB. BLH has fully repaid its external borrowings. However, as at 31 December 2007, the outstanding balance of advances from BIF amounts to approximately RM15.5 million and this is payable by BLH upon request by BIF since the said amount is not subject to fixed terms of repayment.

2.2 PROPOSED WAIVER

Upon completion of the Proposed Acquisition, BIF will hold 130,000,000 Shares in Tamadam, representing approximately 72.62% of its enlarged issued and paid-up share capital.

Pursuant to Part II Section 6 of the Code, BIF and the parties acting in concert with it will be required to extend a mandatory GO for all the 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 Warrants, after the Proposed Acquisition.

BIF and the parties acting in concert with it had on 24 September 2007 submitted an application to the SC to seek an exemption from the said take-over obligation. The SC had via its letter dated 27 September 2007 stated that it will only consider the application for the Proposed Waiver upon fulfillment of the conditions set out in Section 1 of Part A of this Circular.

2.3 PROPOSED OFFER FOR SALE AND/OR PLACEMENT

Paragraph 8.15 of the Listing Requirements of Bursa Securities stipulates that a listed issuer must ensure that at least 25% of its total listed shares are in the hands of a minimum of 1,000 public shareholders holding not less than 100 shares each.

In order to comply with the public shareholding spread requirement upon completion of the Proposed Acquisition, BIF is proposing to undertake an offer for sale and/or placement of such number of Shares held by it in Tamadam to the Malaysian public to address the shortfall in Tamadam's public shareholding spread. In such event, the proceeds arising from the Proposed Offer For Sale And/Or Placement will accrue to BIF. No part of the proceeds will be received by Tamadam.

The number of Tamadam Shares to be offered pursuant to the Proposed Offer For Sale And/Or Placement is 11,394,750 Shares. The offer/placement price will be finalised at a later juncture prior to the implementation of the Proposed Offer For Sale And/Or Placement.

2.4 PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The present authorised share capital of the Company is RM100,000,000 comprising 100,000,000 Shares, of which 49,005,000 Shares have been issued and credited as fully paid-up as at 31 December 2007.

In order to facilitate the implementation of the Proposed Acquisition, the Company is proposing to increase the authorised share capital from RM100,000,000 comprising 100,000,000 Shares to RM500,000,000 comprising 500,000,000 Shares.

3. BACKGROUND INFORMATION ON THE COMPANIES INVOLVED

3.1 Background Information On BLH

BLH was incorporated in Malaysia under the Act as a private limited company on 18 June 2002 under the name of Gubahan Saujana Sdn Bhd. It assumed its present name on 23 December 2003. As at 31 December 2007, the authorised share capital of BLH is RM5,000,000 comprising 4,990,000 Shares and 1,000,000 RPS, of which 1,000,000 Shares have been issued and credited as fully paid-up.

BLH is principally an investment holding company. It commenced operations in December 2003 when it acquired its sole 70%-owned subsidiary, LSGB which is principally involved in the provision of in-flight catering and related services such as cabin handling. LSGB is also the principal in-flight catering service provider at both the KLIA and Penang Airport. As a global airline catering company, LSGB serves more than thirty (30) international airlines. It operates 24 hours daily with an output of about 35,000 meals per day at the KLIA and more than 1,000 meals per day at the Penang Airport. LSGB prides itself on the preparation of 100% guaranteed *halal* meals and a fully integrated food logistics supply chain which includes coldrooms, warehouses and distribution support.

LSGB has a catering agreement with MAS which was entered into on 25 September 2003, giving LSGB the exclusive right to supply and provide in-flight catering and cabin handling services to MAS at both the KLIA and Penang Airport for a period of twenty-five (25) years expiring on 1 December 2028. Some of LSGB's other clients are Japan Airlines, Cathay Pacific Airways, Korean Air, Air Asia, Thai Airways and Emirates Airlines.

In addition, LSGB also has a technical assistance agreement with LSG Asia entered into on 25 September 2003 ("**Technical Assistance Agreement**") which basically entails the provision of various technical assistance by LSG Asia for the operations of LSGB for a period of twenty-five (25) years expiring on 1 December 2028. MAS holds the remaining 30% equity interest in LSGB.

Based on the audited financial statements of the BLH Group for the FYE 31 December 2006, the net profits and net assets of the BLH Group are approximately RM13.0 million and RM23.69 million respectively.

Further information on BLH is set out in Appendix I of this Circular.

3.2 Background Information On BIF

BIF was incorporated in Malaysia under the Act as a private limited company on 19 April 1994. As at 31 December 2007, the authorised share capital of BIF is RM1,000,000 comprising 1,000,000 Shares, of which 500,000 Shares have been issued and credited as fully paid-up.

BIF is principally an investment holding company. It jointly controls BLH which in turn owns 70% equity interest in LSGB. BIF does not have any controlling shareholding in any PLC as at 31 December 2007.

Based on the Register of Directors of BIF as at 31 December 2007, the Directors and their shareholdings in BIF are as follows :-

Name	← Direct →		← Indirect →	
	No. of Shares	(%)	No. of Shares	(%)
Datuk Ibrahim bin Haji Ahmad	1	*	^ 349,998	70.00
Tan Sri Dato' Mohd Ibrahim bin Mohd Zain	-	-	# 150,000	30.00
Datin Aminah binti Haji Ahmad	1	*	-	-

* *Negligible*

^ *Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholding in Fahim Capital*

Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholding in Semantan Capital

Based on the Register of Members of BIF as at 31 December 2007, the substantial shareholders of BIF (holding 5% or more) are as follows :-

Name	← Direct →		← Indirect →	
	No. of Shares	(%)	No. of Shares	(%)
Fahim Capital	349,998	70.0	-	-
Semantan Capital	150,000	30.0	-	-
Datuk Ibrahim bin Haji Ahmad	1	*	^ 349,998	70.00
Tan Sri Dato' Mohd Ibrahim bin Mohd Zain	-	-	# 150,000	30.00

* *Negligible*

^ *Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholding in Fahim Capital*

Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholding in Semantan Capital

Save as disclosed below, the Directors of BIF do not hold any directorship and do not have any controlling shareholding in other PLCs as at 31 December 2007 :-

Name of PLC	Directorship	← Direct →		← Indirect →	
		No. of Shares	(%)	No. of Shares	(%)
Datuk Ibrahim bin Haji Ahmad					
Hovid Berhad	Independent Non-Executive Chairman	17,500,000	2.30	-	-
Carotech Berhad	Independent Non-Executive Chairman	14,464,000	3.17	-	-
Kawan Food Berhad	Non Independent Non-Executive Director	-	-	19,200,000 *	24.0
Tan Sri Dato' Mohd Ibrahim bin Mohd Zain					
AMMB Holdings Berhad	Independent Non-Executive Director	-	-	-	-
Pan Malaysia Holdings Berhad	Independent Non-Executive Director / Chairman	-	-	-	-
Pan Malaysia Capital Berhad	Independent Non-Executive Director / Chairman	-	-	-	-
Kawan Food Berhad	Non Independent Non-Executive Chairman	-	-	19,200,000 *	24.0
Pan Malaysian Industries Berhad	Independent Non-Executive Director	550,000	0.02	4,773,000 ^	0.19
K&N Kenanga Holdings Berhad	Independent Non-Executive Director	-	-	-	-
Deleum Bhd	-	4,964,324	6.21	-	-

* Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholding in Kilat Kaca Sdn Bhd which in turn has a substantial shareholding in Kawan Food Berhad

^ Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholding in Team Accountants Sdn Bhd which in turn has a substantial shareholding in Pan Malaysian Industries Berhad

4. SALIENT TERMS OF THE BLH AGREEMENT

The salient terms of the BLH Agreement are as follows :-

(a) Acquisition of the BLH Sale Shares

Subject to the terms and conditions of the BLH Agreement, BIF shall sell and Tamadam shall purchase all, and not some only, of the BLH Sale Shares in consideration of the 130,000,000 new Tamadam Shares valued at RM1.00 per Share and on the terms and conditions set out in the BLH Agreement free from all liens, claims, charges, mortgages, equities and other encumbrances whatsoever, but with all rights and advantages attaching thereto or accruing thereon together with all dividends (including dividends declared but not paid) as at the Completion Date.

The parties acknowledge that BIF and Tamadam have agreed to sell and to purchase the BLH Sale Shares respectively, on the express basis that Tamadam shall execute a deed of accession to the BLH Shareholders' Agreement, wherein Tamadam agrees to be bound by the BLH Shareholders' Agreement as if it was the original party to the BLH Shareholders' Agreement, and for such deed to take effect at the Completion Date.

(b) Conditions Precedent

The completion of the BLH Agreement is conditional upon the following conditions precedent being satisfied on or before the day falling eight (8) months after the execution of the BLH Agreement, or such extended date as the parties may agree to in writing :-

- (i) the conditions as set out in Section 10 of this Circular;
- (ii) Tamadam being reasonably satisfied with the results of the due diligence review of BLH, LSGB and their respective assets and businesses;
- (iii) the Valuation;
- (iv) receipt of the formal consent of LSG Asia under the BLH Shareholders' Agreement to the sale and purchase transaction contemplated under the BLH Agreement including a waiver to the right granted to LSG Asia under the BLH Shareholders' Agreement to receive an offer in writing to purchase the BLH Sale Shares and a written affirmation that it would not be accepting a take-over offer, if such a take-over offer is made;
- (v) receipt of the formal consent of MAS under the LSGB Shareholders' Agreement to the sale and purchase transaction contemplated under the BLH Agreement including a confirmation from MAS that such sale and purchase transaction does not constitute a breach under the LSGB Shareholders' Agreement and that the LSGB Shareholders' Agreement shall be deemed amended with effect from the Completion Date and a written affirmation that MAS would not be accepting a take-over offer, if such a take-over offer is made;
- (vi) any other consents or approvals required in respect of the business and operations of BLH and/or LSGB from relevant Malaysian or international regulatory authorities or statutory bodies or which are otherwise found to be required during the course of the due diligence review;
- (vii) where any party to the BLH Agreement by any law or regulation requires the approval of its shareholders for the sale and purchase transaction contemplated under the BLH Agreement, such shareholders' approval;
- (viii) the approval of the shareholders of BIF for the sale and purchase transaction contemplated under the BLH Agreement;
- (ix) the approval of the Board for an increase in the authorised share capital of Tamadam and the sale and purchase transaction contemplated under the BLH Agreement; and

- (x) the approval of the Board of Directors of BIF for the sale and purchase transaction contemplated under the BLH Agreement.

5. RATIONALE FOR THE PROPOSALS

The Tamadam Group has been principally involved in the business of bonded warehousing, freight forwarding and transportation services. However, in recent times, the business sectors in which the Tamadam Group operates have proven to be competitive. Therefore, the Proposed Acquisition represents an opportunity for Tamadam to diversify its business activities. With the Proposed Acquisition, the Tamadam Group will be able to expand into the food catering and related businesses and will immediately benefit in terms of the steady income and cash flow from the BLH Group. Going forward, the Proposed Acquisition will provide a new source of growth and contribute positively to the future earnings and cash flow of the Tamadam Group.

The Proposed Offer For Sale And/Or Placement will enable Tamadam to comply with the public shareholding spread requirement stipulated by Bursa Securities.

The Proposed Increase In Authorised Share Capital will facilitate the implementation of the Proposed Acquisition.

6. RISK FACTORS AND PROSPECTS

6.1 Risk Associated With The Proposed Acquisition

(a) Business Risks

The Proposed Acquisition will expand the business activities of the Tamadam Group to include those of food catering and related businesses which are highly specialised industries. It can be said that the future performance of the BLH Group, particularly LSGB is therefore not only dependent on the performance of the food catering sector, but also on the growth of the tourism industry as well as the air transportation sector of the country. As such, going forward, the Tamadam Group's performance will also be susceptible to factors such as increase in operating costs, changes in general outlook and operating environment of the sector, demand and supply conditions, seasonality, unforeseen outbreak of disease, the international and domestic tourism industry, political stability, emergence of new routes and services, liberalisation of markets and economic conditions, possible threat of terrorism, health scare as well as the supply and prices of fuel.

There can be no assurance that any adverse change to these factors will not have a material and/or adverse effect on the business and financial performance of the enlarged Tamadam Group.

In any event, the Catering Agreement guarantees that the revenue from MAS will not be less than approximately RM196.0 million per year until year 2012.

(b) Dependence On Catering Agreement With MAS

Presently, MAS is the single largest customer of LSGB pursuant to the Catering Agreement. There can be no assurance that any adverse change in the business relationship between MAS and LSGB or any unilateral termination of the Catering Agreement will not have any material and/or adverse effect on the business prospects of LSGB and consequently, BLH.

Notwithstanding this, LSGB currently has a good working relationship with MAS and this relationship is being regulated by the LSGB Shareholders' Agreement. In addition, MAS also holds the remaining 30% equity interest in LSGB. Thus, any disruption in the operations or material and/or adverse effect on the business prospects of LSGB will not be in the best interest of the parties.

(c) Dependence On Technical Assistance Agreement With LSG Asia

The Technical Assistance Agreement with LSG Asia basically involves the provision of various forms of technical assistance for a period of twenty-five (25) years expiring on 1 December 2028. There can be no assurance that any adverse change in the business relationship between LSG Asia and LSGB or any unilateral termination of the Technical Assistance Agreement will not have any material and/or adverse effect on the business operations of LSGB and consequently, BLH.

Notwithstanding this, LSGB currently has a good working relationship with LSG Asia and this relationship is being regulated by the BLH Shareholders' Agreement. In addition, LSG Asia also holds the remaining 49% equity interest in BLH. Thus, any disruption in the operations or material and/or adverse effect on the business prospect of LSGB will not be in the best interest of the parties.

(d) Dependence On Key Personnel

The continued performance and future success of the BLH Group hinges on the ability and continued effort of the respective key management team of the said companies. Any sudden departure of members of the key management team may affect the performance of the BLH Group.

It is expected that there should not be any disruption in the business operations of the BLH Group as the Proposed Acquisition will not entail any change in the employment structure and/or policies of the BLH Group. This in turn will ensure the continued performance and success of the BLH Group into the future.

(e) Risk Of Contaminated Food

Despite the emphasis of quality assurance and control by LSGB, the inherent risk of food contamination cannot be fully eliminated. For instance, the usage of contaminated food or expired products during the preparation stage could lead to the disposal of the entire batch of food produced. In the event that the contaminated food is served to consumers, LSGB could face legal suits and irreparable damage to its image and reputation. In addition, delays in flights could also lead to the deterioration in the freshness of consumables if they are not kept in proper storage. Thus, any such disruption or material and/or adverse effect on the prospect of LSGB will not be in the best interest of the parties.

However, LSGB has not encountered such problems in the past and is in fact, audited semi-annually by the Lufthansa Hygiene Institute ("LHI") which covers LSGB's Food Safety Process, Process Compliance, Food Microbiology and Customers Complaints. LSGB is also audited by Airline Customer on a monthly basis which emphasises on the compliance with its service level agreement, including those in relation to the hygiene requirements. On a regular basis, LSGB has its own Quality Assurance Department to ensure the compliance of hygiene requirements set out by the relevant local authorities, LHI and Airline Customer.

(f) Borrowing Risk

As at 31 December 2007, the BLH Group has total borrowings of approximately RM163.47 million which basically relates to the total borrowings of LSGB. BLH does not have any borrowings as at 31 December 2007.

Accordingly, the BLH Group is subject to risks associated with debt financing, including changes in the level of interest rates and liquidity risk. Notwithstanding this, there can be no assurance that the fluctuations in interest rates will not have a material and/or adverse effect on the profitability and cash flow position of the BLH Group.

In the past, the BLH Group has not had any difficulty in servicing and/or settling its borrowings. In addition, LSGB had in 2006 declared gross dividends of approximately 22.71% and 56.50% for the FYE 31 December 2004 and 31 December 2005 respectively which were subsequently paid during the FYE 31 December 2007.

In addition, LSGB had also on 21 November 2003 issued 900,000 Class A RPS and 100,000 Class B RPS. LSGB had embarked on a series of redemption of the RPS where RM27.1 million Class A RPS was redeemed during the FYE 31 December 2004, RM44.0 million Class A RPS was redeemed during the FYE 31 December 2005 and RM47.8 million Class A RPS was redeemed during the FYE 31 December 2006 with the final and full redemption of RM89.3 million Class A RPS and RM21.3 million Class B RPS in June 2007. Based on the features of the Class A RPS and Class B RPS respectively, the Class A RPS are to be redeemed within the first five (5) years from the issue date whilst the Class B RPS are to be redeemed commencing from the sixth (6th) year from the issue date.

(g) Risk Of Breach Of The Catering Agreement

In the event of breach of the Catering Agreement by LSGB, MAS is entitled to the following :-

- (i) discounts, refunds or other payments in accordance with the provisions of the Catering Agreement, by way of issue of credit notes; and
- (ii) make claims against LSGB for losses and damages.

In addition, LSGB is governed by certain regulations set out in the Catering Agreement. Following this, LSGB is exposed to the risk of breach of contract especially in relation to two (2) major requirements as follows :-

- (i) LSGB must adhere to strict and full compliance with all the *halal* requirements of any relevant Malaysian government agencies pursuant to the Catering Agreement in serving only *halal* food and operating a fully *halal* kitchen. In the event of a breach, MAS shall be entitled to a right to buy-back BLH's Shares in LSGB based on the formula set out in the LSGB Shareholders' Agreement; and
- (ii) in the event of one (1) or more person(s) dying from food poisoning or ten (10) or more persons being admitted to a hospital for treatment for food poisoning in three (3) or more separate incidents of food poisoning within any twelve (12) month period, MAS will be entitled to seek compensation or right to buy-back BLH's Shares in LSGB based on the formula set out in the LSGB Shareholders' Agreement.

Since the commencement of the Catering Agreement, LSGB has always been in full compliance with the abovementioned requirements and is continuously taking the necessary measures to ensure that it is not in breach of these requirements.

(h) Introduction Of New Controlling Shareholder

Upon completion of the Proposed Acquisition, BIF will be the new controlling shareholder of Tamadam. As such, it is likely that BIF will be able to effectively control the business direction and management of Tamadam by virtue of its eventual controlling shareholding in Tamadam as well as through its nominee directors who will sit on the board of Tamadam, unless BIF and/or its nominee directors are required to abstain from voting by law and/or by the relevant authorities.

(i) Political And Economic Considerations

Like any other business entities, changes in political and economic conditions in Malaysia could materially and/or adversely affect the profitability and business prospects of the BLH Group. These political and economic uncertainties include, but are not limited to, changes in political leadership, expropriation, nationalisation and methods of taxation.

6.2 Prospects Of The BLH Group And The Enlarged Tamadam Group

BLH is principally an investment holding company with LSGB as its sole 70%-owned subsidiary being principally involved in the provision of in-flight catering and related services such as cabin handling. Therefore, the BLH Group is dependent entirely on the prospects of LSGB.

LSGB has plans within the next five (5) years to venture into the business of high-end and industrial food catering services such as food catering for schools, colleges, and universities, event catering services and the provision of food catering services to convenience stores and eatery outlets, in order to diversify into other areas of the food and hospitality industry whilst reducing its dependence on in-flight catering business.

On the other hand, with an increase in the paid-up capital of the Company pursuant to the Proposed Acquisition as well as better earnings expected as a result of the Proposed Acquisition, the Tamadam Group will likely be in a position to further invest in the logistics business to increase its scale, quality and range of services offered. This coupled with its cost-cutting efforts is expected to result in greater efficiencies. This in turn, may place Tamadam in a better position to offer more competitively priced and better services which should translate to an increase in revenue from its logistics business.

Tamadam is also exploring opportunities, including joint-ventures with international logistics companies to improve Tamadam's product offering by leveraging on the branding, technology and market position of these parties in terms of international network of agents, product offering as well as opportunities to cross-sell logistics products across borders. Such an arrangement, should it materialise, will enhance Tamadam's competitiveness in the Malaysian market as well as abroad.

7. SHARE PRICE PERFORMANCE

The monthly high and low prices of Tamadam Shares as traded on Bursa Securities for the twelve (12) month period up to December 2007 are as follows :-

	High (RM)	Low (RM)
January	0.87	0.75
February	0.83	0.71
March	0.85	0.62
April	0.81	0.68
May	1.12	0.69
June	1.35	1.02
July	1.22	1.00
August	1.15	0.72
September	0.90	0.83
October	1.04	0.88
November	1.03	0.93
December	1.08	0.94

The last transacted price of Tamadam Shares on 10 May 2007, being the last Market Day prior to the announcement on the Memorandum of Understanding between Tamadam and BIF for the Proposed Acquisition, was RM0.91.

The last transacted price of Tamadam Shares on 27 June 2007, being the last Market Day prior to the announcement on the BLH Agreement, was RM1.20.

The last transacted price of Tamadam Shares on 21 January 2008, being the latest practicable date prior to the printing of this Circular, was RM1.05.

(Source : Bloomberg)

8. EFFECTS OF THE PROPOSALS

8.1 Share Capital

The effect of the Proposed Acquisition on the issued and paid-up share capital of the Company is as follows :-

	No. of Shares
As at 31 December 2007	49,005,000
To be issued pursuant to the Proposed Acquisition	130,000,000
	179,005,000
Assuming full exercise of the Warrants	21,780,000
Enlarged share capital	200,785,000

The Proposed Waiver, the Proposed Offer For Sale And/Or Placement and the Proposed Increase In Authorised Share Capital do not have any effect on the issued and paid-up share capital of the Company.

8.2 Net Assets And Gearing

Based on the audited financial statements of the Tamadam Group as at 31 December 2006 and on the assumption that the Proposed Acquisition had been effected on that date, the proforma effect of the Proposed Acquisition on the net assets and gearing of the Tamadam Group which has been prepared based on "jointly-controlled entity accounting" method are as follows :-

	Audited As At 31 December 2006	Proforma I	Proforma II
	(RM'000)	(RM'000)	(RM'000)
Share capital	49,005	179,005	200,785
Reserves	(22,019)	* (23,319)	(13,518)
Shareholders' funds	26,986	155,686	187,267
Add : MI	-	4,641	4,641
Net assets	26,986	160,327	191,908
No. of Shares in issue ('000)	49,005	179,005	200,785
Net assets per Share (RM)	0.55	0.87	0.93
NTA / (NTL) per Share (RM)	0.55	(0.10)	0.07
Total borrowings	12,000	^ 107,055	107,055
Gearing (times)	0.44	0.69	0.57

* After taking into consideration the estimated expenses of approximately RM1.30 million for the Proposals

^ After including the borrowings of the BLH Group of approximately RM95.05 million as at 31 December 2006

Notes :-

Proforma I : After the Proposed Acquisition

Proforma II : After Proforma I and assuming the full exercise of the Warrants

At group level, the NTA per Share will be reduced substantially from RM0.55 per Share to a NTL per Share of RM0.10 after the Proposed Acquisition as a result of the goodwill of approximately RM171.79 million which arises on consolidation as follows :-

	(RM'000)
Existing goodwill of the BLH Group attributed to the BLH Sale Shares	49,226
Goodwill arising from the difference between the purchase consideration of RM130.0 million and the shareholders' funds attributed to the BLH Sale Shares	122,560
Total goodwill arising from the Proposed Acquisition	171,786

The BLH Group was valued using the DCF methodology on the projected future cash flows of BLH and LSGB respectively which is not an asset-backed valuation. However, since the BLH Group is an income-generating asset with prospective earnings, the NTA of the enlarged Tamadam Group is expected to improve and be enhanced over the long-term.

The proforma consolidated balance sheets of Tamadam as at 31 December 2006 together with the notes and the Reporting Accountants' letter thereon are set out in Appendix III of this Circular.

The Proposed Waiver, the Proposed Offer For Sale And/Or Placement and the Proposed Increase In Authorised Share Capital do not have any effect on the net assets and gearing of the Tamadam Group.

8.3 Earnings

The estimate and forecast of the Tamadam Group for the FYE 31 December 2007 and 2008 respectively are as follows :-

- **Before Proposed Acquisition**

FYE 31 December	2007 (RM'000)	2008 (RM'000)
Turnover	12,586	14,073
PBT / (LBT) after MI	(622)	207
PAT / (LAT) and MI	(622)	207
Net earnings / (loss) per Share (sen)	@ (1.27)	@ 0.42

@ Based on the existing issued and paid-up share capital of Tamadam comprising 49,005,000 Shares

- **After Proposed Acquisition**

FYE 31 December	2007 (RM'000)	2008 (RM'000)
Turnover	12,586	127,347
PBT / (LBT) after MI	(622)	* 9,633
PAT / (LAT) and MI	(622)	* 6,463
Net earnings / (loss) per Share (sen)	@ (1.27)	# 3.85

@ Based on the existing issued and paid-up share capital of Tamadam comprising 49,005,000 Shares

* On the assumption that the Proposed Acquisition will be completed by end February 2008

Based on the weighted average number of Shares in issue of approximately 167,964,000 Shares

The consolidated profit estimate and forecast of Tamadam for the FYE 31 December 2007 and 31 December 2008 respectively together with the principal bases and assumptions thereto and the Reporting Accountants' letter thereon are set out in Appendix IV of this Circular.

The Proposed Waiver, the Proposed Offer For Sale And/Or Placement and the Proposed Increase In Authorised Share Capital do not have any effect on the earnings of the Tamadam Group.

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8.4 Substantial Shareholders' Shareholdings

The effects of the Proposed Acquisition and the Proposed Offer For Sale And/Or Placement on the substantial shareholders and their shareholdings in Tamadam are as follows :-

	As at 31 December 2007		Proforma I		Proforma II		Proforma III					
	No. of Shares	(%)	Direct	Indirect	Direct	Indirect	Direct	Indirect				
			No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)				
Cheam Heng Cheang	13,971,000	28.51	* 1,435,000	2.93	13,971,000	7.80	* 1,435,000	0.80	21,027,000	10.47	* 1,435,000	0.71
Ivory Holdings Sdn Bhd ("Ivory Holdings")	3,274,807	6.68	-	-	3,274,807	1.83	-	-	5,330,252	2.65	-	-
Lim Lee Shia	572,000	1.17	^ 3,274,807	6.68	572,000	0.32	^ 3,274,807	1.83	667,000	0.33	^ 5,330,252	2.65
Teh Yean Teong	3,929,300	8.02	-	-	3,929,300	2.20	-	-	3,929,300	1.96	-	-
BIF	-	-	-	-	130,000,000	72.62	-	-	118,605,250	59.07	-	-
Fahim Capital	-	-	-	-	-	-	~ 130,000,000	72.62	-	-	~ 118,605,250	59.07
Datuk Ibrahim bin Haji Ahmad	-	-	-	-	-	-	# 130,000,000	72.62	-	-	# 118,605,250	59.07
Semantan Capital	-	-	-	-	-	-	~ 130,000,000	72.62	-	-	~ 118,605,250	59.07
Tan Sri Dato' Mohd Ibrahim bin Mohd Zain	-	-	-	-	-	-	@ 130,000,000	72.62	-	-	@ 118,605,250	59.07

* Held through Inveshold Sdn Bhd and his spouse

^ Deemed interest pursuant to Section 6A(4) of the Act by virtue of her shareholding in Ivory Holdings

~ Deemed interest pursuant to Section 6A(4) of the Act by virtue of its shareholding in BIF

Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholding in Fahim Capital

@ Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholding in Semantan Capital

Notes :-

<i>Proforma I</i>	:	<i>After the Proposed Acquisition</i>
<i>Proforma II</i>	:	<i>After Proforma I and the Proposed Offer For Sale And/Or Placement</i>
<i>Proforma III</i>	:	<i>After Proforma II and assuming full exercise of the Warrants</i>

The Proposed Waiver and the Proposed Increase In Authorised Share Capital do not have any effect on the shareholdings of the substantial shareholders in Tamadam.

8.5 Dividend

The Company did not declare any dividend for the FYE 31 December 2006. The declaration of dividend, if any, in future years will be dependent upon the financial position and performance of the enlarged Tamadam Group.

9. INTER-CONDITIONALITY OF THE PROPOSALS

The Proposed Offer For Sale And/Or Placement is conditional upon the Proposed Acquisition. The Proposed Acquisition is conditional upon the Proposed Waiver.

The Proposed Increase In Authorised Share Capital is conditional upon the Proposed Acquisition.

10. CONDITIONS TO THE PROPOSALS

The Proposals are conditional upon the following :-

- (a) the approval of the SC for the Proposed Acquisition, the Proposed Offer For Sale And/Or Placement and the listing of and quotation for the new Shares in Tamadam to be issued pursuant to the Proposed Acquisition which was obtained on 13 December 2007;
- (b) the approval of the ECU for the Proposed Acquisition which was obtained on 13 December 2007;
- (c) the approval of the SC for the Proposed Waiver;
- (d) the approval of the shareholders of Tamadam at the forthcoming EGM, save for the Proposed Offer For Sale And/Or Placement;
- (e) the approval in-principle from Bursa Securities for the listing of and quotation for the new Shares to be issued pursuant to the Proposed Acquisition; and
- (f) the approvals, waivers and/or consents from any other relevant authorities and/or persons, if required.

11. ESTIMATED TIME FRAME FOR COMPLETION

Barring unforeseen circumstances, the Board expects the Proposals to be completed by the first (1st) quarter of 2008.

12. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the directors and major shareholders of the Company as well as persons connected with them have any interest, direct and/or indirect, in the Proposals.

13. DIRECTORS' RECOMMENDATION

Having considered the rationale and effects of the Proposals, and after due deliberation, the Board is of the opinion that the Proposals are in the best and long-term interests of the Tamadam Group.

Accordingly, the Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

14. IA

In compliance with the requirements under Practice Note 2.9.1 of the Code, PIVB has been appointed to act as IA to the shareholders of Tamadam in relation to the Proposed Waiver.

The SC had via its letter dated 8 January 2008 approved the appointment of PIVB.

15. EGM

The EGM, notice of which is enclosed with this Circular, is to be 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. or at any adjournment thereof for the purpose of considering and if thought fit, passing the resolutions to give effect to the Proposals.

If you are unable to attend and vote in person at the forthcoming EGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions thereon as soon as possible so as to arrive at the registered office of the Company no later than forty-eight (48) hours before the time set for holding the EGM or at any adjournment thereof. The completion and lodging of the Form of Proxy does not preclude you from attending and voting in person at the forthcoming EGM should you subsequently wish to do so.

16. FURTHER INFORMATION

Shareholders are requested to refer to the appendices for further information.

Yours faithfully
For and on behalf of the Board
TAMADAM BONDED WAREHOUSE BERHAD

TUNKU DATO' SERI MAHMUD BIN TUNKU BESAR BURHANUDDIN
Executive Chairman

PART B

**INDEPENDENT ADVICE LETTER FROM PIVB TO THE SHAREHOLDERS OF
TAMADAM IN RELATION TO THE PROPOSED WAIVER**