
EXECUTIVE SUMMARY

We have prepared this independent advice letter (“IAL”) as your IA to provide you with an independent evaluation of the Proposed Waiver and to express our recommendation thereon. This executive summary is intended to be only a brief summary of the IAL. We advise you to read both this IAL together with the Circular to the shareholders of Tamadam and to carefully consider the recommendation contained herein before voting on the resolution pertaining to the Proposed Waiver at the forthcoming EGM of Tamadam.

All definitions used in this IAL shall have the same meaning as the words and expressions defined in the Definitions section of the Circular except where the context otherwise requires or where otherwise defined in this IAL.

1. INTRODUCTION

- (i) On 11 May 2007, AmInvestment Bank, on behalf of the Company, announced, amongst others, that the Company had 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 to be satisfied by the issuance of 152,941,177 new Shares in Tamadam valued at RM0.85 per Share.
- (ii) On 28 June 2007, AmInvestment Bank, on behalf of the Company, announced, amongst others, that the Company had on even date entered into 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.
- (iii) On 13 September 2007, AmInvestment Bank, on behalf of the Company, announced, amongst others, 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.
- (iv) The Company had obtained the approval of the SC, via its letter dated 13 December 2007, for the following:-
 - (a) 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;
 - (b) offer for sale and/or placement of up to 11,394,750 Shares in Tamadam held by BIF to the Malaysian public; and
 - (c) 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.
- (v) On 14 December 2007, AmInvestment Bank, on behalf of the Company, announced, amongst others, that in view of the SC’s decision, the parties to the BLH Agreement, namely Tamadam and BIF had agreed to revise the following which was effected via a letter dated 14 December 2007:-
 - (a) revise the purchase consideration from RM136.5 million as announced on 13 September 2007 to RM130.0 million; and
 - (b) 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.

Upon completion of the Proposed Acquisition, BIF will hold 130.0 million Shares in Tamadam or 72.62% of its enlarged issued and paid-up share capital. Pursuant to Part II of Section 6(4) of the Code, BIF and parties acting in concert with it will be required to extend a mandatory GO for all the remaining Shares not already owned by them in Tamadam and all the new Shares that may be allotted and issued pursuant to the exercise of the Warrants, upon the completion of the Proposed Acquisition.

In compliance with Practice Note ("PN") 2.9.1 of the Code, PIVB had on 21 December 2007, been appointed by the Board as the IA for the Proposed Waiver. PIVB had, on 31 December 2007, confirmed to the SC on its eligibility to act as the IA for the Proposed Waiver. The SC had, vide its letter dated 8 January 2008, approved the appointment of PIVB as the IA for the Proposed Waiver. The SC had also, on 21 January 2008, given its consent to the despatch of this IAL. However, the consent of the SC for the despatch of this IAL is not to be taken that the SC concurs with the views and recommendation of PIVB contained herein but merely that this IAL has been prepared in compliance with the provision of the Code.

Shareholders should note that if the Proposed Waiver is granted by the shareholders of Tamadam and the SC, and the Proposed Acquisition becomes unconditional, BIF will hold approximately 72.62% equity interest in Tamadam. Therefore, as BIF holds more than 50% equity interest in Tamadam, BIF may increase their shareholdings in Tamadam without incurring any further obligation under Part II of the Code.

2. EVALUATION OF THE PROPOSED WAIVER

In our evaluation of the Proposed Waiver as set out in Section 4 of this IAL, we have taken into consideration the following in arriving at our opinion:-

- (i) Rationale for the Proposed Waiver;
- (ii) Effects of the Proposed Waiver;
- (iii) Industry overview and outlook;
- (iv) Prospects of the Tamadam Group for the next twelve (12) months;
- (v) Future of the business and operations of the Tamadam Group and its employees; and
- (vi) Implications of the Proposed Waiver.

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3. OUR RECOMMENDATION

In arriving at our conclusion and recommendation, we have considered the following factors, amongst others, which the shareholders of Tamadam should consider in evaluating the Proposed Waiver:-

(i) Rationale for the Proposed Waiver

As the Proposed Acquisition is conditional upon the Proposed Waiver, the Proposed Waiver is necessary as it is not the intention of BIF and parties acting in concert with it to undertake a mandatory GO for all the remaining Shares in Tamadam not already owned by them and all the new Shares that may be allotted and issued pursuant to the exercise of the Warrants upon the completion of the Proposed Acquisition. Therefore, the Proposed Waiver will relieve Tamadam and parties acting in concert with it from the obligation to undertake a mandatory GO for all the remaining Shares in Tamadam not already owned by them and all the new Shares that may be allotted and issued pursuant to the exercise of the Warrants upon the completion of the Proposed Acquisition.

(ii) Effects of the Proposed Waiver

The Proposed Waiver will not have any effects on the share capital, substantial shareholders' shareholding, net assets ("NA") per Share, earnings per Share and gearing of Tamadam. However, it should be noted that the Proposed Acquisition would significantly affect the shareholding structure as it will result in a change in the existing dominant and major shareholders of Tamadam.

(iii) Industry overview and outlook

The services sector especially the transportation industry, remained robust and will continue to expand further in the next twelve (12) months with the support from the government. Efforts undertaken by MAS to increase the number of daily flights and destinations will indirectly lead to better performance of the BLH Group, as the BLH Group is principally involved in in-flight catering service at both Kuala Lumpur International Airport ("KLIA") and Penang Airport.

(iv) Prospects of the Tamadam Group for the next twelve (12) months

The prospects of the existing Tamadam Group prior to the completion of the Proposed Acquisition and the Proposed Waiver are believed to be challenging due to the competitive industry that the existing Tamadam Group operates in.

However, the prospects of the Tamadam Group after the completion of the Proposed Acquisition and the Proposed Waiver are expected to be positive due to its business diversification by investing into BLH and the proposed expansion plans of LSGB into other market segments which have higher growth prospects. Furthermore, the opportunities currently being explored by Tamadam will increase the Company's competitiveness in its core businesses, i.e. bonded warehousing, freight forwarding and transportation services, if successfully implemented, would also augur well for the enlarged Tamadam Group and further strengthen its financial position.

(v) Future of the business and operations of the Tamadam Group and its employees

Based on the confirmation from BIF and parties acting in concert with it, these parties may effect, from time to time when the need arises, major changes to the continuation of the business of the Tamadam Group and/or changes in the existing business activities of the Tamadam Group, including the re-deployment of the fixed assets of the Tamadam Group and/or changes to the current levels of employment of the Tamadam Group.

(vi) Implications of the Proposed Waiver

If you vote in favour of the Proposed Waiver, the SC may consider the application for the Proposed Waiver. An approval from the SC for the Proposed Waiver would then exempt BIF and parties acting in concert with it from having to undertake the mandatory GO and will facilitate the successful implementation of the Proposed Acquisition.

In the event the shareholders of Tamadam do not approve the Proposed Waiver, the SC would not be able to consider the application by BIF and parties acting in concert with it for the Proposed Waiver under PN 2.9.1 of the Code. As a result, BIF and parties acting in concert with it will be required to undertake a mandatory GO for all the remaining Shares in Tamadam not already owned by them and all the new Shares that may be allotted and issued pursuant to the exercise of the Warrants upon the completion of the Proposed Acquisition. However, as the Proposed Acquisition is conditional upon the Proposed Waiver, both the Proposed Acquisition and Proposed Waiver will not be implemented and will be aborted.

Based on our evaluation of the Proposed Waiver, we recommend that you **VOTE IN FAVOUR** of the resolution relating to the Proposed Waiver to be tabled at the forthcoming EGM of the Company.

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Registered Office:

27th Floor
Menara Public Bank
146 Jalan Ampang
50450 Kuala Lumpur

25 January 2008

To: The shareholders of Tamadam Bonded Warehouse Berhad

Dear Sir/Madam,

TAMADAM BONDED WAREHOUSE BERHAD (“TAMADAM” OR THE “COMPANY”)

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

All definitions used in this IAL shall have the same meanings as defined in the Definitions section of this Circular except where the context otherwise requires or where otherwise defined in this IAL.

1. INTRODUCTION

On 11 May 2007, AmInvestment Bank, on behalf of the Company, announced that the Company had 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 to be satisfied by the issuance of 152,941,177 new Shares in Tamadam valued at RM0.85 per Share. The Company had, 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 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 involving in the DHost Agreement had mutually agreed not to proceed with the Proposed DHost Acquisition. AmInvestment Bank, on behalf of the Company, had 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.

PUBLIC INVESTMENT BANK BERHAD (20027-W)

(Formerly known as PB Securities Sdn Bhd)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Head Office : 25th Floor, Menara Public Bank, 146 Jalan Ampang, 50450 Kuala Lumpur

Peti Surat 10988, 50732 Kuala Lumpur. Telephone : 03 - 21669382 (15 lines) Facsimile : 03 - 21669362

(Wholly-owned subsidiary of Public Bank Berhad)

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
- (iii) 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.

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.</p> <p>Disclosed in Sections 2.1(b) & 2(c) of Part A of this Circular.</p> <p>Disclosed in Section 6.1 of Part A of this Circular.</p> <p>Disclosed in Section 2.1(a) of Part A of this Circular.</p> <p>Disclosed in Section 8 of Part A of this Circular.</p> <p>Disclosed in Section 6.2 of Part A of this Circular.</p>

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SC condition		Status of compliance																
<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"> <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>100.00</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	100.00	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>		
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	100.00	65,000,000	50.0														
<p>(iii) Tamadam should maintain its Bumiputera equity at 51% at all times</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:- (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.</p>																
<p>(iv) AmInvestment 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 ("SC Guidelines")</p>		<p>To be complied with.</p>																
<p>(iii) Tamadam should maintain its Bumiputera equity at 51% at all times</p>		<p>To be complied with.</p>																
<p>(iv) AmInvestment 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 ("SC Guidelines")</p>		<p>To be complied with.</p>																

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.

Upon completion of the Proposed Acquisition, BIF will hold 130.0 million Shares in Tamadam or 72.62% of its enlarged issued and paid-up share capital. Pursuant to Part II of Section 6(4) of the Code, BIF and parties acting in concert with it will be required to extend a mandatory GO for all the remaining Shares not already owned by them in Tamadam and all the new Shares that may be allotted and issued pursuant to the exercise of the Warrants, upon the completion of the Proposed Acquisition.

In compliance with PN 2.9.1 of the Code, PIVB had on 21 December 2007, been appointed by the Board as the IA to the shareholders of Tamadam for the Proposed Waiver. PIVB had, on 31 December 2007, confirmed to the SC on its eligibility to act as the IA for the Proposed Waiver. The SC had, vide its letter dated 8 January 2008, approved the appointment of PIVB as the IA for the Proposed Waiver.

The SC also has, on 21 January 2008, given its consent to the despatch of this IAL. However, the consent of the SC for the despatch of this IAL is not to be taken that the SC concurs with the views and recommendation of PIVB contained herein but merely that this IAL has been prepared in compliance with the provision of the Code.

Shareholders should note that if the Proposed Waiver is granted by the shareholders of Tamadam and the SC, and the Proposed Acquisition becomes unconditional, BIF will hold approximately 72.62% equity interest in Tamadam. Therefore, as BIF holds more than 50% equity interest in Tamadam, BIF may increase their shareholdings in Tamadam without incurring any further obligation under Part II of the Code.

The purpose of this IAL is to provide the shareholders of Tamadam with the following:-

- (i) an independent evaluation on whether the Proposed Waiver is fair and reasonable so far as the shareholders of Tamadam are concerned;
- (ii) whether the Proposed Waiver is to the detriment of the shareholders; and
- (iii) our recommendation in relation to the resolution pertaining to the Proposed Waiver to be tabled at the forthcoming EGM,

subject to the scope and limitations of our role and evaluation as specified in Section 2 of this IAL.

THE SC WOULD CONSIDER THE PROPOSED WAIVER IF THE SHAREHOLDERS OF TAMADAM HAVE ALREADY AGREED TO THE PROPOSED WAIVER.

THE SHAREHOLDERS OF TAMADAM ARE ADVISED TO READ AND UNDERSTAND BOTH THIS IAL AND THE CIRCULAR TOGETHER WITH THE APPENDICES THEREIN AND TO CONSIDER CAREFULLY OUR RECOMMENDATION INCLUDING THE RATIONALE AND IMPLICATIONS AS WELL AS OTHER RELEVANT INFORMATION PERTAINING TO THE PROPOSED WAIVER TO BE TABLED AT THE FORTHCOMING EGM.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, ACCOUNTANT, SOLICITOR OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

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2. SCOPE AND LIMITATIONS TO THE EVALUATION OF THE PROPOSED WAIVER

PIVB was not involved in the negotiations of the terms and conditions of the Proposed Waiver nor were we involved in the deliberations leading up to the decision by your Board in respect of the Proposed Waiver. Accordingly, our evaluation of the Proposed Waiver is based on the following sources of information and documents:-

- (i) BLH Agreement;
- (ii) information obtained or derived from the Circular to the shareholders of Tamadam;
- (iii) information furnished to us by Tamadam's management and AmInvestment Bank; and
- (iv) other publicly available information which we deem relevant.

We have not, however, independently verified such information, whether written or verbal, and shall not assume responsibility for the accuracy and/or completeness of such information. Nevertheless, your Board has confirmed to us that all relevant material facts and information essential to the Proposed Waiver have been disclosed to us. Your Board has also accepted full responsibility for the accuracy of the information provided and given herein and confirmed that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other information and/or facts, the omission of which would make any information supplied to us misleading, incomplete or inaccurate.

In rendering our advice, PIVB had taken note to pertinent issues which we believe are of importance to an assessment of the implications of the Proposed Waiver and therefore of general concern to the shareholders of Tamadam. As such:-

- (i) the scope of PIVB's responsibility regarding the evaluation and recommendation contained herein is confined to the assessment of the implications of the Proposed Waiver only and where comments or points of consideration are included on matters which may be commercially oriented, these are incidental to our overall evaluation and concern matters which may be deemed material for disclosure; and
- (ii) PIVB's views and advice as contained in this IAL only cater for the shareholders of Tamadam at large and do not cater to any individual shareholder or specific group of shareholders. Hence, we have not given consideration to the specific investment objectives, financial situations and particular needs of any individual shareholder or specific group of shareholders. We recommend that such individual shareholder or any specific group of shareholders who may require advice in relation to the Proposed Waiver in the context of their individual objectives, financial situations and particular needs to consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers immediately.

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3. CONFIRMATION AND DECLARATIONS

Pursuant to Schedule 2 of the Code, BIF and parties acting in concert with it have given their undertakings that they **may** effect any of the following, from time to time when the need arises:-

- (i) major changes to the continuation of the business of the Tamadam Group;
- (ii) major changes to the existing business activities of the Tamadam Group;
- (iii) major immediate changes to the continued employment of the employees of the Tamadam Group or its employment policies including such re-deployment of staff that may be effected to rationalise and/or improve the efficiency of operations; and
- (iv) major re-deployment of the property, plant and equipment of the Tamadam Group.

In addition, pursuant to PN 2.9.1 of the Code, BIF and parties acting in concert with it have declared that they had not purchased any voting shares in Tamadam in the six (6) months prior to the date of submission to the SC for the Proposed Waiver but subsequent to the negotiation, discussion, understanding or agreement with the Directors of Tamadam in relation to the new issue of shares pursuant to the proposed acquisition of 51% equity interest in BLH by Tamadam for a purchase consideration of RM130.0 million from BIF to be satisfied by the issuance of 130.0 million new Shares in Tamadam, whichever is earlier, up to the present cut-off date (i.e. 21 January 2008). BIF and the parties acting in concert with it have also undertaken that they would not acquire any Shares in Tamadam until the granting of the Proposed Waiver.

It should be noted that Tamadam does not hold, direct or indirectly, any voting shares and/or convertible securities or any interest in BIF, Fahim Capital and Semantan Capital as at 21 January 2008, being the latest practicable date prior to the printing of this IAL.

It should also be noted that the Directors of Tamadam do not have any interest in BIF, Fahim Capital or Semantan Capital as at 21 January 2008, being the latest practicable date prior to the printing of this IAL. The Directors of Tamadam have also confirmed that they will vote in favour of the Proposed Waiver in respect of their beneficial holdings (if any) at the forthcoming EGM.

In addition, none of the Directors of Tamadam has any existing and/or proposed service contracts with the Tamadam Group, excluding contracts which are determinable by the employing company without payment or compensation (other than statutory compensation), within twelve (12) months from 21 January 2008, being the latest practicable date prior to the printing of this IAL, save for Mr Cheam Heng Cheang. Mr Cheam Heng Cheang was appointed as the Director of Tamadam on 1 October 1993 and there is a service contract between him and Tamadam for him to act as the Managing Director. The service contract is effective from 1 January 2006 for a period of five (5) years. Further, no such service contract has been entered into or amended within six (6) months from 21 January 2008, being the latest practicable date prior to the printing of this IAL.

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4. EVALUATION OF THE PROPOSED WAIVER

PIVB's scope in expressing a recommendation as the IA to the shareholders of Tamadam is limited and confined to the following:-

(a)	Rationale for the Proposed Waiver	Section 4.1
(b)	Effects of the Proposed Waiver	Section 4.2
(c)	Industry overview and outlook	Section 4.3
(d)	Prospects of the Tamadam Group for the next twelve (12) months	Section 4.4
(e)	Future of the business and operations of the Tamadam Group and its employees	Section 4.5
(f)	Implications of the Proposed Waiver	Section 4.6

The views expressed by PIVB in this IAL are, amongst others, based on the current economic, market and other conditions prevailing as at 21 January 2008, being the latest practicable date prior to the printing of this IAL. In this respect, the shareholders should further take note of any announcements relevant to their consideration of the Proposed Waiver which may be released by Tamadam or AmInvestment Bank to enable the shareholders of Tamadam to vote for or against the Proposed Waiver.

4.1 Rationale for the Proposed Waiver

As stated in Section 4 of Part A of this Circular, the Proposed Waiver is a condition precedent to the BLH Agreement, hence the Proposed Waiver is required for the completion of the Proposed Acquisition.

Therefore, as the Proposed Acquisition is conditional upon the Proposed Waiver, the Proposed Waiver is necessary as it is not the intention of BIF and parties acting in concert with it to undertake a mandatory GO for all the remaining Shares in Tamadam not already owned by them and all the new Shares that may be allotted and issued pursuant to the exercise of the Warrants upon the completion of the Proposed Acquisition. In addition, the Proposed Waiver will relieve Tamadam and parties acting in concert with it from the obligation to undertake a mandatory GO for all the remaining Shares in Tamadam not already owned by them and all the new Shares that may be allotted and issued pursuant to the exercise of the Warrants upon the completion of the Proposed Acquisition.

Premised on the above, we are of the view that the rationale for the Proposed Waiver is fair and reasonable and not to the detriment of the shareholders of Tamadam. The approval from the shareholders of Tamadam for the Proposed Waiver will result in the completion of the Proposed Acquisition and would enable the Tamadam Group to diversify its business activities. In addition, BIF and parties acting in concert with it will be relieved from the obligation to undertake a mandatory GO for all the remaining Shares in Tamadam not already owned by them and all the new Shares that may be allotted and issued pursuant to the exercise of the Warrants once the Proposed Acquisition is completed.

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4.2 Effects of the Proposed Waiver

The Proposed Waiver will not have any effects on the share capital, substantial shareholders' shareholding, NA per Share, earnings per Share and gearing of Tamadam. However, it should be noted that the Proposed Acquisition and the Proposed Offer For Sale And/Or Placement would significantly affect the shareholding structure as it will result in a change in the existing dominant and major shareholders of Tamadam. The effects of the Proposed Acquisition, Proposed Offer For Sale And/Or Placement and assuming full exercise of the Warrants on the substantial shareholders and their shareholdings in Tamadam are as follows:-

	As at 31 December 2007		Proforma I		Proforma II		Proforma III	
	Direct ('000)	Indirect ('000)	Direct ('000)	Indirect ('000)	Direct ('000)	Indirect ('000)	Direct ('000)	Indirect ('000)
Cheam Heng Cheang	13,971	*1,435	13,971	*1,435	13,971	*1,435	21,027	*1,435
Ivory Holdings Sdn Bhd ("Ivory Holdings")	3,275	-	3,275	-	3,275	-	5,330	-
Lim Lee Shia	572	^3,275	572	^3,275	572	^3,275	667	^5,330
Teh Yean Teong	3,929	-	3,929	-	3,929	-	3,929	-
BIF	-	-	130,000	-	118,605	-	118,605	-
Fahim Capital	-	-	-	~130,000	-	~118,605	-	~118,605
Datuk Ibrahim bin Haji Ahmad	-	-	-	#130,000	-	#118,650	-	#118,605
Semantan Capital	-	-	-	~130,000	-	~118,650	-	~118,605
Tan Sri Dato' Mohd Ibrahim bin Mohd Zain	-	-	-	@130,000	-	@118,650	-	@118,605
		%	%	%	%	%	%	%
	28.51	2.93	0.80	7.80	0.80	7.80	0.80	10.47
	6.68	-	-	1.83	-	1.83	-	2.65
	1.17	6.68	1.83	0.32	1.83	0.32	1.83	0.33
	8.02	-	-	2.20	-	2.20	-	1.96
	-	-	72.62	72.62	-	66.26	-	59.07
	-	-	-	-	72.62	-	66.26	-
	-	-	72.62	72.62	-	66.26	-	59.07
	-	-	-	-	72.62	-	66.26	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

Notes:-

Proforma I After the Proposed Acquisition

Proforma II After Proforma I and the Proposed Offer For Sale And/Or Placement

Proforma III After Proforma II and assuming full exercise of the Warrants

* Held through Inveshold Sdn Bhd and his spouse

^ Deemed interest pursuant to Section 6A(4) of the Act by virtue of his 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

For further information, please refer to Section 8 of Part A of this Circular.

4.3 Industry overview and outlook

The overview and outlook for the services sector that the enlarged Tamadam Group operates in are set out below:-

4.3.1 Overview of the services sector

Value added of all sectors in the economy is expected to record positive growth, led by the services sector. In 2007, the services sector is expected to register solid growth of 9.0% (2006: 7.2%), exceeding the overall expansion of the economy. Growth in the sector is projected to surpass that of the manufacturing sector and contribute 4.6% to the Gross Domestic Products growth (2006: 3.7%). This reflects a gradual shift in the structure of the Malaysian economy, from manufacturing to services.

Growth in the services sector by the intermediate services group comprising finance and insurance, real estate and business services, transport and storage as well as communication sub-sectors. The intermediate services group is estimated to grow at a faster pace of 10.6% in 2007 (2006: 7.6%), underpinned by double-digit expansion in finance and insurance as well as real estate and business services sub-sectors. At the same time, the transport and storage as well as the communication sub-sectors are expected to accelerate at a steady pace. Final services including utilities, wholesale and retail trade, as well as accommodation and restaurants sub-sectors is expected to register sturdy growth of 8.7% (2006: 6.1%). Strong household spending and tourism activity will drive demand for final services.

(Source: Economic Report 2007/2008)

4.3.2 Outlook of the services sector for the next twelve (12) months

The services sector is expected to sustain its growth momentum at an average rate of 6.5% per annum during the Ninth Malaysia Plan, 2006-2010. The growth will be derived from the finance, insurance, real estate and business services as well as the wholesale and retail trade, hotels and restaurants subsectors. Growth in the transport, storage and communications subsector is projected to remain robust at 6.7% per annum. Major sources of growth are expected from the communications and transportation industries. The transportation industry is expected to benefit from the continuous expansion of international trade and the travel industry. Smart-partnerships between Malaysia port operators and foreign partners are expected to generate more cargo shipment and transshipment in regional markets and other international destinations. The increases in shipping services, particularly by MISC Berhad and efforts undertaken by MAS and AirAsia Berhad to expand their destinations are expected to contribute to the better performance projected for the transportation subsector. To facilitate better and easier access and linkages, provision of more rural roads and the restructuring of the urban public transportation will be undertaken.

(Source: Ninth Malaysia Plan, 2006-2010)

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The services sector is forecast to sustain solid growth at 8.6% (2007: 9.0%) with favorable performance across all sub-sectors. Strong domestic consumption spending as well as higher tourist arrivals and establishment of new retail outlets will contribute to sturdy growth in the wholesale and retail trade as well as the accommodation and restaurants sub-sectors. In addition, real estate and business services as well as finance and insurance sub-sectors are expected to benefit mainly from increased property transactions and continued expansion in the demand for Information Technology related and financial services. Growths in transport and storage as well as communication sub-sectors are expected to be sustained, following upgrading of port facilities, higher investment in the air and land transportation segments as well as enhancement in the telecommunications network.

(Source: Economic Report 2007/2008)

Premised on the above, we are of the view that the services sector especially the transportation industry, remained robust and will continue to expand further in the next twelve (12) months with the support from the government. Efforts undertaken by MAS to increase the number of daily flights and destinations will indirectly lead to better performance of the BLH Group, as the BLH Group is principally involved in in-flight catering service at both KLIA and Penang Airport.

4.4 Prospects of the Tamadam Group for the next twelve (12) months

4.4.1 Prospects of the Tamadam Group before the Proposed Acquisition and the Proposed Waiver

“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.”

(Source: Section 5 of Part A of this Circular)

The existing Tamadam Group is enhancing and strengthening all its business units and operating divisions to remain competitive in the challenging industry that the existing Tamadam Group operates in. The existing Tamadam Group will need to continue to intensify its effort in improving its efficiency and increase its productivity to remain competitive and to sustain its performance for the next twelve (12) months.

Premised on the above, the prospects of the existing Tamadam Group prior to the completion of the Proposed Acquisition and the Proposed Waiver are believed to be challenging due to the competitive industry that the existing Tamadam Group operates in.

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4.4.2 Prospects of the Tamadam Group after the Proposed Acquisition and the Proposed Waiver

The prospects of the enlarged Tamadam Group after the completion of the Proposed Acquisition as set out in Section 6.2 of Part A of this Circular is as follows:-

“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, the Tamadam Group which is expected to have better earnings and an increase in the paid-up capital of the Company after the completion of the Proposed Acquisition 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.”

Premised on the above, the prospects of the enlarged Tamadam Group for the next twelve (12) months are expected to be positive due to its business diversification by investing into BLH and the proposed expansion plans of LSGB into other market segments which have high growth prospects. Furthermore, the opportunities currently being explored by Tamadam will increase the Company’s competitiveness in its core businesses, i.e. bonded warehousing, freight forwarding and transportation services, if successfully implemented, would also augur well for the enlarged Tamadam Group and further strengthen its financial position.

4.5 Future of the business and operations of the enlarged Tamadam Group and its employees

Based on the confirmation from BIF and parties acting in concert with it, these parties may effect, from time to time when the need arises, major changes to the continuation of the business of the Tamadam Group and/or changes in the existing business activities of the Tamadam Group, including the re-deployment of the fixed assets of the Tamadam Group and/or changes to the current levels of employment of the Tamadam Group.

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4.6 Implications of the Proposed Waiver

The following are the implications of the Proposed Waiver:-

4.6.1 Voting IN FAVOUR of the Proposed Waiver

If you vote in favour of the Proposed Waiver, the SC may consider the application for the Proposed Waiver. An approval from the SC for the Proposed Waiver would then exempt BIF and parties acting in concert with it from having to undertake the mandatory GO and will facilitate the successful implementation of the Proposed Acquisition.

The successful completion of the Proposed Acquisition would enable Tamadam Group to diversify its business and expand into the food catering and related business as set out in Section 5 of Part A of this Circular.

The approval of the Proposed Waiver would also result in BIF and parties acting in concert with it being relieved from the obligation to undertake a mandatory GO for all the remaining Shares in Tamadam not owned by them and all the new Shares that may be allotted and issued pursuant to the exercise of the Warrants upon the completion of the Proposed Acquisition.

You should also note that if the Proposed Waiver is granted by you and the SC, and the Proposed Acquisition becomes unconditional, BIF will hold approximately 72.62% equity interest in Tamadam. Therefore, as BIF holds more than 50% equity interest in Tamadam, BIF may increase their shareholdings in Tamadam without incurring any further obligation under Part II of the Code.

4.6.2 Voting AGAINST the Proposed Waiver

In the event the shareholders of Tamadam do not approve the Proposed Waiver, the SC would not be able to consider the application by BIF and parties acting in concert with it for the Proposed Waiver under PN 2.9.1 of the Code. As a result, BIF and parties acting in concert with it will be required to undertake a mandatory GO for all the remaining Shares in Tamadam not already owned by them and all the new Shares that may be allotted and issued pursuant to the exercise of the Warrants upon the completion of the Proposed Acquisition. However, as the Proposed Acquisition is conditional upon the Proposed Waiver, both the Proposed Acquisition and Proposed Waiver will not be implemented and will be aborted.

Hence, the Proposed Acquisition will have to be aborted unless your Board is able to deliberate other possible alternatives to raise funds to complete the Proposed Acquisition. As at 21 January 2008, being the latest practicable date prior to the printing of this IAL, your Board has not made any deliberations on the possible alternatives.

Premised on the above, we are of the view that the granting of approval for the Proposed Waiver would be fair and reasonable and is not detrimental to the shareholders of Tamadam. If you vote in favour of the Proposed Waiver, Tamadam will be able to implement the Proposed Acquisition and hence derive the abovementioned potential benefits of the Proposed Acquisition. If you do not vote in favour of the Proposed Waiver, the potential benefits of the Proposed Acquisition will not be realised.

5. FURTHER INFORMATION

We advise the shareholders of Tamadam to refer to Attachments I and II of this IAL for information on Tamadam and BIF respectively as well as this Circular to shareholders and its appendices for further information on the Proposals.

6. DIRECTORS' RESPONSIBILITY STATEMENT

This IAL has been seen and approved by the Board, who collectively and individually accept full responsibility for the accuracy of the information pertaining to the Tamadam Group given in this IAL and confirm that after making all reasonable enquiries, and to the best of the Board's knowledge and belief, all relevant facts and information necessary for our evaluation of the Proposed Waiver have been disclosed to us and there are no omission of any material facts which would make any information provided to us incomplete, misleading or inaccurate.

7. CONCLUSION AND RECOMMENDATION

The shareholders should consider carefully the merits and demerits of the Proposed Waiver raised in this IAL as well as those highlighted by the Board in the letter to the shareholders of Tamadam as contained in Part A of this Circular and the accompanying appendices, before arriving at a decision to vote on the Proposed Waiver.

In evaluating the Proposed Waiver, we have taken into consideration the following:-

Rationale for the Proposed Waiver	As the Proposed Acquisition is conditional upon the Proposed Waiver, the Proposed Waiver is necessary as it is not the intention of BIF and parties acting in concert with it to undertake a mandatory GO for all the remaining Shares in Tamadam not already owned by them and all the new Shares that may be allotted and issued pursuant to the exercise of the Warrants upon the completion of the Proposed Acquisition. Therefore, the Proposed Waiver will relieve Tamadam and parties acting in concert with it from the obligation to undertake a mandatory GO for all the remaining Shares in Tamadam not already owned by them and all the new Shares that may be allotted and issued pursuant to the exercise of the Warrants upon the completion of the Proposed Acquisition.
Effects of the Proposed Waiver	The Proposed Waiver will not have any effects on the share capital, substantial shareholders' shareholding, NA per Share, earnings per Share and gearing of Tamadam. However, it should be noted that the Proposed Acquisition would significantly affect the shareholding structure as it will result in a change in the existing dominant and major shareholders of Tamadam.
Industry overview and outlook	The services sector especially the transportation industry, remained robust and will continue to expand further in the next twelve (12) months with the support from the government. Efforts undertaken by MAS to increase the number of daily flights and destinations will indirectly lead to better performance of the BLH Group, as the BLH Group is principally involved in in-flight catering service at both KLIA and Penang Airport.

<p>Prospects of the Tamadam Group for the next twelve (12) months</p>	<p>The prospects of the existing Tamadam Group prior to the completion of the Proposed Acquisition and the Proposed Waiver are believed to be challenging due to the competitive industry that the existing Tamadam Group operates in.</p> <p>However, the prospects of the Tamadam Group after the completion of the Proposed Acquisition and the Proposed Waiver are expected to be positive due to its business diversification by investing into BLH and the proposed expansion plans of LSGB into other market segments which have higher growth prospects. Furthermore, the opportunities currently being explored by Tamadam will increase the Company's competitiveness in its core businesses, i.e. bonded warehousing, freight forwarding and transportation services, if successfully implemented, would also augur well for the enlarged Tamadam Group and further strengthen its financial position.</p>
<p>Future of the business and operations of the Tamadam Group and its employees</p>	<p>Based on the confirmation from BIF and parties acting in concert with it, these parties may effect, from time to time when the need arises, major changes to the continuation of the business of the Tamadam Group and/or changes in the existing business activities of the Tamadam Group, including the re-deployment of the fixed assets of the Tamadam Group and/or changes to the current levels of employment of the Tamadam Group.</p>
<p>Implications of the Proposed Waiver</p>	<p>If you vote in favour of the Proposed Waiver, the SC may consider the application for the Proposed Waiver. An approval from the SC for the Proposed Waiver would then exempt BIF and parties acting in concert with it from having to undertake the mandatory GO and will facilitate the successful implementation of the Proposed Acquisition.</p> <p>In the event the shareholders of Tamadam do not approve the Proposed Waiver, the SC would not be able to consider the application by BIF and parties acting in concert with it for the Proposed Waiver under PN 2.9.1 of the Code. As a result, BIF and parties acting in concert with it will be required to undertake a mandatory GO for all the remaining Shares in Tamadam not already owned by them and all the new Shares that may be allotted and issued pursuant to the exercise of the Warrants upon the completion of the Proposed Acquisition. However, as the Proposed Acquisition is conditional upon the Proposed Waiver, both the Proposed Acquisition and Proposed Waiver will not be implemented and will be aborted.</p>

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After taking into consideration the evaluation set out above and based on the information made available to us, we are of the view that the Proposed Waiver is reasonable and not detrimental to the shareholders of Tamadam. Accordingly, we recommend that you vote IN FAVOUR of the ordinary resolution pertaining to the Proposed Waiver to be tabled at the forthcoming EGM of the Company.

Your truly,
For and on behalf of
PUBLIC INVESTMENT BANK BERHAD

Teoh Cheng Soon
Chief Executive Officer

Phang Siew Loong
Head
Corporate Finance & Advisory

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INFORMATION ON TAMADAM

1. HISTORY AND PRINCIPAL ACTIVITIES

Tamadam was incorporated in Malaysia under the Act on 24 March 1982 under the name of Tamadam Bonded Warehouse Sdn Bhd. It was converted to a public company on 24 January 1994. It changed its name to Tamadam Bonded Warehouse Berhad on 24 January 1994. Tamadam was listed on the Second Board of Bursa Securities on 21 November 1994.

The Company is principally engaged in the business of providing bonded warehousing, freight forwarding and transportation services. The principal activities of the subsidiaries are set out in Section 5 of this Attachment I.

2. SHARE CAPITAL

The authorised, and issued and paid-up share capital of Tamadam as at 31 December 2007 are as follows:-

	No. of Shares (unit)	Par value (RM)	Total (RM)
Authorised	100,000,000	1.00	100,000,000
Issued and paid-up	49,005,000	1.00	49,005,000

3. SUBSTANTIAL SHAREHOLDERS

The major shareholders of Tamadam (holding 5% or more in the share capital of Tamadam) and their shareholdings as disclosed in the Register of Substantial Shareholders as at 31 December 2007 are as follows:-

	Nationality / Country of incorporation	<-----Direct----->		<-----Indirect----->	
		No. of Shares held	%	No. of Shares held	%
Cheam Heng Cheang	Malaysian	13,971,000	28.51	* 1,435,000	2.93
Ivory Holdings Sdn Bhd ("Ivory Holdings")	Malaysia	3,274,807	6.68	-	-
Lim Lee Shia	Malaysian	572,000	1.17	^ 3,274,807	6.68
Teh Yean Teong	Malaysian	3,929,300	8.02	-	-

Notes:-

* 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

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INFORMATION ON TAMADAM (Cont'd)
4. DIRECTORS

The Directors of Tamadam and their respective shareholdings in Tamadam as disclosed in the Register of Directors and Directors' Shareholdings as at 31 December 2007 are as follows:-

	Nationality	<-----Direct----->		<----Indirect---->	
		No. of Shares held	%	No. of Shares held	%
Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin	Malaysian	220,000	0.45	-	-
Cheam Heng Cheang	Malaysian	13,971,000	28.51	* 1,435,000	2.93
Col (Rtd) Dato' Ir Cheng Wah	Malaysian	22,500	0.05	-	-
Soong Mun Wai	Malaysian	-	-	-	-
Goh Joon Hai	Malaysian	-	-	-	-

Notes:-

* Held through *Inveshold Sdn Bhd* and his spouse

Save as disclosed below, none of the Directors of Tamadam has any interest in the warrants of the Tamadam Group as at 31 December 2007:-

	Nationality	No. of warrants 2000/2010 held			
		<-----Direct----->		<----Indirect---->	
		No. of Shares held	%	No. of Shares held	%
Cheam Heng Cheang	Malaysian	7,056,000	32.40	-	-
Col (Rtd) Dato' Ir Cheng Wah	Malaysian	10,000	0.05	-	-

5. SUBSIDIARY COMPANIES

The subsidiary companies of Tamadam as at 31 December 2007 are as follows:-

Name of company	Date/Place of incorporation	Issued and paid-up share capital (RM)	Effective equity interest (%)	Principal activities
Tamadam Crest Sdn Bhd	30 August 1995 / Malaysia	2	100.0	Insurance agency
Tamadam Industries Sdn Bhd	23 January 1990 / Malaysia	1,000	100.0	Provision of warehouse for rental
Dreamspire Logistics Sdn Bhd	25 May 2000 / Malaysia	2	100.0	Dormant

Tamadam does not have any associated companies as at 31 December 2007.

INFORMATION ON TAMADAM (Cont'd)

6. PROFIT AND DIVIDEND FORECAST

The audited results of the Tamadam Group for the past three (3) FYE 31 December 2004-2006 are as follows:-

	<-----Audited FYE 31 December----->		
	2004	2005	2006
	RM'000	RM'000	RM'000
Revenue	18,216	17,616	14,603
PBT	125	(126)	4,486
Taxation	-	-	-
PAT	125	(126)	4,486
MI	-	-	-
Net profit	125	(126)	4,486
Weighted average number of ordinary shares in issue ('000)	49,005	49,005	49,005
EPS (sen)	0.26	(0.26)	9.15
Gross dividend rate (%)	-	-	-

7. STATEMENT OF ASSETS AND LIABILITIES

The audited statement of assets and liabilities of the Tamadam Group for the past three (3) FYE 31 December 2004-2006 are as follows:-

	<-----Audited FYE 31 December----->		
	2004	2005	2006
	RM'000	RM'000	RM'000
Non-current assets	54,060	50,538	31,730
Current assets	6,071	5,947	12,233
Total assets	60,131	56,485	43,963
Non-current liabilities	7,640	2,738	4,902
Current liabilities	29,865	31,247	12,075
Total liabilities	37,505	33,985	16,977
Share capital	49,005	49,005	49,005
Net assets	22,626	22,500	26,986

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INFORMATION ON BIF

1. HISTORY AND PRINCIPAL ACTIVITIES

BIF was incorporated in Malaysia under the Act as a private limited company on 19 April 1994. The principal activity of BIF is as an investment holding company. It jointly controls BLH which in turn owns 70% equity interest in LSGB.

2. SHARE CAPITAL

The authorised, and issued and paid-up share capital of BIF as at 31 December 2007 are as follows:-

	No. of Shares (unit)	Par value (RM)	Total (RM)
Authorised	1,000,000	1.00	1,000,000
Issued and paid-up	500,000	1.00	500,000

3. SUBSTANTIAL SHAREHOLDERS

The major shareholders of BIF (holding 5% or more in the share capital of BIF) and their shareholdings as disclosed in the Register of Substantial Shareholders as at 31 December 2007 are as follows:-

	Nationality / Country of incorporation	<-----Direct----->		<-----Indirect----->	
		No. of Shares held	%	No. of Shares held	%
Fahim Capital	Malaysia	349,998	70.0	-	-
Semantan Capital	Malaysia	150,000	30.0	-	-
Datuk Ibrahim bin Haji Ahmad	Malaysian	1	*	^ 349,998	70.00
Tan Sri Dato' Mohd Ibrahim bin Mohd Zain	Malaysian	-	-	# 150,000	30.00

Notes:-

- * 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

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INFORMATION ON BIF (Cont'd)

4. DIRECTORS

The Directors of BIF and their respective shareholdings in BIF as disclosed in the Register of Directors and Directors' Shareholdings as at 31 December 2007 are as follows:-

	Nationality	<-----Direct----->		<---Indirect--->	
		No. of Shares held	%	No. of Shares held	%
Datuk Ibrahim bin Haji Ahmad	Malaysian	1	*	^ 349,998	70.00
Tan Sri Dato' Mohd Ibrahim bin Mohd Zain	Malaysian	-	-	# 150,000	30.00
Datin Aminah binti Haji Ahmad	Malaysian	1	*	-	-

Notes:-

* 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

5. SUBSIDIARY COMPANIES

As at 31 December 2007, BIF does not have any subsidiaries and associated companies. However, as at 31 December 2007, BIF has an investment in a jointly-controlled entity as follows:-

Name of company	Date/Place of incorporation	Issued and paid-up share capital (RM)	Effective equity interest (%)	Principal activities
BLH	18 June 2002 / Malaysia	1,000,000	51.0	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

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INFORMATION ON BIF (Cont'd)

6. PROFIT AND DIVIDEND FORECAST

The audited results of the BIF Group for the past three (3) FYE 31 December 2004-2006 are as follows:-

	<-----Audited FYE 31 December----->		
	2004	2005	2006
	RM'000	RM'000	RM'000
Revenue	293,027	285,532	271,734
PBT	18,597	24,056	28,828
Taxation	(13,467)	(3,123)	(17,505)
PAT	5,130	20,933	11,323
MI	(4,986)	(16,735)	(9,331)
Net profit	144	4,197	1,992
Weighted average number of ordinary shares in issue ('000)	500	500	500
EPS (RM)	0.29	8.39	3.98
Gross dividend rate (%)	-	-	-

7. STATEMENT OF ASSETS AND LIABILITIES

The audited statement of assets and liabilities of the BIF Group for the past three (3) FYE 31 December 2004-2006 are as follows:-

	<-----Audited FYE 31 December----->		
	2004	2005	2006
	RM'000	RM'000	RM'000
Non-current assets	249,219	229,770	192,339
Current assets	89,903	114,544	90,075
Total assets	339,122	344,314	282,414
Non-current liabilities	206,492	169,914	102,900
Current liabilities	128,211	149,048	162,185
Total liabilities	334,703	318,962	265,085
Share capital	500	500	500
Net assets	4,419	25,352	17,329

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APPENDIX I – BACKGROUND INFORMATION ON BLH

1. HISTORY AND BUSINESS

BLH was incorporated in Malaysia under the Act as a private limited company on 18 June 2002.

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 and had commenced operations in September 1994. LSGB is also the principal in-flight catering service provider at both the KLIA and Penang Airport.

LSGB's operations are located at the KLIA and Penang Airport and have a kitchen size of 59,025 square metres and 1,036.8 square metres respectively. The principal markets for LSGB are airline companies with landing rights at both airports. LSGB is currently the market leader for in-flight catering services with over 98% of market share at the KLIA and 100% market share at the 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. In 2006, approximately 82% of its revenue was attributed to MAS pursuant to the Catering Agreement with the balance contributed by foreign airline companies including Japan Airlines, Cathay Pacific Airways, Korean Air and Thai Airways International.

An analysis of LSGB's audited revenue for the FYE 31 March 2003, the nine (9) month period ended 31 December 2003 and the past three (3) FYE 31 December 2004 to 2006 based on its customers is as follows :-

	FYE 31 March 2003		Nine (9) month period ended 31 December 2003		FYE 31 December 2004		FYE 31 December 2005		FYE 31 December 2006	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Sales to MAS	123,240	75.7	95,614	76.1	246,925	84.3	241,753	84.8	223,409	82.4
Sales to other airlines	39,561	24.3	30,029	23.9	45,857	15.7	43,231	15.2	47,573	17.6
TOTAL	162,801	100.0	125,643	100.0	292,782	100.0	284,984	100.0	270,982	100.0

An analysis of LSGB's audited revenue for the FYE 31 March 2003, the nine (9) month period ended 31 December 2003 and the past three (3) FYE 31 December 2004 to 2006 based on products / services is as follows :-

	FYE 31 March 2003		Nine (9) month period ended 31 December 2003		FYE 31 December 2004		FYE 31 December 2005		FYE 31 December 2006	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Sale of meals	102,565	63.0	86,694	69.0	183,425	62.6	168,986	59.3	159,195	58.7
Sale of dry stores	22,792	14.0	13,821	11.0	19,232	6.6	29,443	10.3	28,305	10.5
Sale of amenities	1,954	1.2	-	-	2,181	0.7	2,995	1.1	1,174	0.4
Cabin handling	32,560	20.0	23,872	19.0	87,075	29.8	82,044	28.8	80,553	29.7
Others	2,930	1.8	1,256	1.0	869	0.3	1,516	0.5	1,755	0.7
TOTAL	162,801	100.0	125,643	100.0	292,782	100.0	284,984	100.0	270,982	100.0

Notes :-

Sale of meals – in-flight catering services

Sale of dry stores – sale of beverage and various types of tidbits

Sale of amenities – sale of toiletries and cutleries

*Cabin handling – i) loading and unloading of inventories and meals onto aircrafts;
ii) transportation of meals and inventories from centres to aircrafts;
iii) sorting, packing and handling of towels and linen;
iv) sorting, loading and transfers of newspapers and magazine;
v) handling and replenishment of dry stores, amenities, bar carts and first aid kits; and
vi) sanitation*

Others – laundry charges, sale of newspapers and magazines and rental of storage space

LSGB's annual production capacity and output for the FYE 31 March 2003, the nine (9) month period ended 31 December 2003 and the past three (3) FYE 31 December 2004 to 2006 measured by the number of in-flight meals are as follows :-

	FYE 31 March 2003	Nine (9) month period ended 31 December 2003	FYE 31 December 2004	FYE 31 December 2005	FYE 31 December 2006
Production capacity					
In-flight meals (million)	18.0	18.0	18.0	18.0	18.0
Output					
In-flight meals (million)	10.0	10.2	11.5	12.7	12.5

2. AUTHORISED, ISSUED AND PAID-UP SHARE CAPITAL

The authorised, issued and paid-up share capital of BLH as at 31 December 2007 are as follows :-

	No. of Shares	Par Value (RM)	Amount (RM)
Shares			
Authorised	4,990,000	1.00	4,990,000
Issued and paid-up	1,000,000	1.00	1,000,000
RPS			
Authorised	1,000,000	0.01	10,000
Issued and paid-up	-	0.01	-

3. CHANGES IN ISSUED AND PAID-UP SHARE CAPITAL

Details of the changes in the issued and paid-up share capital of BLH since the date of incorporation are as follows :-

(i) Shares

Date of Allotment	No. of Shares	Consideration	Total (RM)
18.06.2002	2	Cash (Subscribers' shares)	2
10.11.2003	999,998	Cash	1,000,000

(ii) RPS

There was no RPS issued since the date of its incorporation.

4. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of BLH (holding 5% or more) as at 31 December 2007 are as follows :-

Name	Direct		Indirect	
	No. of Shares	(%)	No. of Shares	(%)
BIF	510,000	51.00	-	-
LSG Asia	490,000	49.00	-	-
Fahim Capital	-	-	* 510,000	51.00
Semantan Capital	-	-	* 510,000	51.00
Datuk Ibrahim bin Haji Ahmad	-	-	^ 510,000	51.00
Tan Sri Dato' Mohd Ibrahim bin Mohd Zain	-	-	# 510,000	51.00
LSG Lufthansa Holding AG	-	-	@ 490,000	49.00

* 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

@ Deemed interest pursuant to Section 6A(4) of the Act by virtue of LSG Asia being its wholly-owned subsidiary

5. BOARD OF DIRECTORS

The Directors and their shareholdings in BLH as at 31 December 2007 are as follows :-

Name	Direct		Indirect	
	No. of Shares	(%)	No. of Shares	(%)
Datuk Ibrahim bin Haji Ahmad	-	-	* 510,000	51.00
Tan Sri Dato' Mohd Ibrahim bin Mohd Zain	-	-	^ 510,000	51.00
Cheung Hing Kai	-	-	-	-
Pieter Harting (alternate to Cheung Hing Kai)	-	-	-	-
Luk Yin Ming	-	-	-	-

* Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholding in Fahim Capital which is the 70% shareholder of BIF which in turn is the 51% shareholder of BLH

^ Deemed interest pursuant to Section 6A(4) of the Act by virtue of his shareholding in Semantan Capital which is the 30% shareholder of BIF which in turn is the 51% shareholder of BLH

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6. SUBSIDIARY AND ASSOCIATED COMPANIES

As at 31 December 2007, LSGB is the sole subsidiary of BLH, the details of which are as follows :-

Name	Date/Place of incorporation	Issued and paid-up share capital (RM)	Effective equity interest (%)	Principal activity
LSGB	23.09.1994 / Malaysia	78,000,000	70.0	Provision of in-flight catering and related services

As at 31 December 2007, BLH does not have any associated company.

7. PROFIT AND DIVIDEND RECORD

The profit and dividend record of the BLH Group based on the audited financial statements for the six (6) month period ended 31 December 2003 and the past three (3) FYE 31 December 2004 to 2006, after incorporating relevant adjustments, where applicable, to conform with the presentation adopted for the latest financial statements and to comply with the Approved Accounting Standards in Malaysia, and unaudited financial statements for the nine (9) month period ended 30 September 2007 are as follows :-

	Audited				Unaudited nine (9) month period ended 30 September 2007 (RM'000)
	* Six (6) month period ended 31 December 2003 (RM'000)	FYE 31 December			
		2004 (RM'000)	2005 (RM'000)	2006 (RM'000)	
Turnover	24,697	293,027	285,532	271,734	206,261
PBT	1,577	19,659	25,113	30,507	22,920
Less : Taxation	(724)	(13,467)	(3,123)	(17,505)	(82)
PAT	853	6,192	21,990	13,002	22,838
Less : MI	(1,127)	(3,828)	(11,687)	(5,803)	(7,891)
PAT/ (LAT) and MI	(274)	2,364	10,303	7,199	14,947
No. of Shares in issue ('000)	1,000	1,000	1,000	1,000	1,000
Net EPS / (Loss per Share) (RM)	(0.27)	2.36	10.30	7.20	14.95
Gross dividend (%)	-	-	-	-	2,739
Shareholders' funds	722	3,086	13,389	14,588	2,277
Total borrowings	227,267	221,485	188,936	150,114	175,849

* BLH and LSGB changed their financial year end from 30 June and 31 March to 31 December respectively in 2003

There were no exceptional and extraordinary items throughout the periods under review.

Commentary On Financial Performance

Six (6) month period ended 31 December 2003

As the BLH Group was only in place since December 2003, turnover and PBT for the period was only about RM24.7 million and RM1.6 million respectively.

FYE 31 December 2004

Turnover for the BLH Group increased significantly during the period under review to RM293.0 million as compared to a turnover of RM24.7 million in the prior year. The favourable jump was due to the increase in LSGB's sales to MAS pursuant to the signing of the Catering Agreement. PBT of the BLH Group rose to RM19.7 million during the year.

FYE 31 December 2005

The BLH Group recorded a slightly lower turnover of approximately RM285.5 million during the financial year. However, the BLH Group reported a higher PBT of approximately RM25.1 million, representing an increase of 27.4% as compared to the previous financial year due to notable decreases in operating overheads, communication expenses and professional fees.

FYE 31 December 2006

The BLH Group registered a decline in turnover to approximately RM271.7 million during the financial year due to the reduction in LSGB's sales to MAS. Despite a lower turnover, PBT remained strong at approximately RM30.5 million.

Nine (9) month period ended 30 September 2007

Turnover and PBT for the period was approximately RM206.3 million and RM22.9 million respectively.

Since BLH is principally an investment holding company with no other activities save for its investment in LSGB, being its sole subsidiary, the profit and dividend record of LSGB as well as the commentary on its financial performance has been set out in the ensuing pages.

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The profit and dividend record of LSGB based on the audited financial statements for the FYE 31 March 2003, the nine (9) month period ended 31 December 2003 and the past three (3) FYE 31 December 2004 to 2006, after incorporating relevant adjustments, where applicable, to conform with the presentation adopted for the latest financial statements and to comply with the applicable Approved Accounting Standards in Malaysia, and the unaudited financial statements for the nine (9) month period ended 30 September 2007 are as follows :-

	←----- Audited -----→					Unaudited nine (9) month period ended 30 September 2007
	FYE 31 March 2003	* Nine (9) month period ended 31 December 2003	FYE 31 December 2004	FYE 31 December 2005	FYE 31 December 2006	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Turnover	162,801	125,643	292,782	284,984	270,982	205,947
PBT / (LBT)	(49,570)	(26,696)	26,225	42,079	36,847	26,386
Less : Taxation	-	73,545	(13,467)	(3,123)	(17,505)	(83)
PAT / (LAT)	(49,570)	46,849	12,758	38,956	19,342	26,303
Less : MI	-	-	-	-	-	-
PAT / (LAT) and MI	(49,570)	46,849	12,758	38,956	19,342	26,303
No. of Shares in issue ('000)	78,000	78,000	78,000	78,000	78,000	78,000
Net EPS / (Loss per Share) (RM)	(0.64)	0.60	0.16	0.50	0.25	0.34
Gross dividend (%)	-	-	-	-	79.2	-
Shareholders' funds / (deficit)	(141,086)	(94,237)	(81,479)	(42,523)	(73,665)	(47,363)
Total borrowings	-	246,043	226,778	173,356	125,052	142,000

* LSGB changed its financial year end from 31 March to 31 December in 2003 to be co-terminous with the financial year end of BLH

There were no exceptional and extraordinary items throughout the periods under review.

Commentary On Financial Performance

FYE 31 March 2003

Turnover and LBT for the period was about RM162.8 million and RM49.6 million respectively.

Nine (9) month period ended 31 December 2003

Turnover and LBT for the period was about RM125.6 million and RM26.7 million respectively.

FYE 31 December 2004

Turnover increased significantly during the period under review to about RM292.8 million as compared to a turnover of RM125.6 million in the previous financial year due to the increase in sales to MAS pursuant to the signing of the Catering Agreement. Notwithstanding the increase in operating overheads due to higher overtime claims, depreciation of plant and equipment costs, upkeep, repair and maintenance expenses, communication expenses as well as professional fees, LSGB registered a PBT of RM26.2 million during the financial year.

FYE 31 December 2005

LSGB recorded a slightly lower turnover of approximately RM285.0 million during the financial year mainly attributable to lower sales to MAS and a slight decrease in contribution margin by 8.8% due to a pricing adjustment which resulted in a reduction in the average price per meal.

However, PBT managed to remain strong and rose to approximately RM42.1 million, representing an increase of 60.7% as compared to the previous financial year. This was due to notable decreases in operating overheads which was attributable to a reversal of an overprovision in the FYE 31 December 2004, cost savings in cleaning expenses and catering utensils, lower communication expenses, decrease in computer service costs and reduction in professional fees as well as payroll services charges during the said financial year.

FYE 31 December 2006

LSGB registered a decline in turnover to approximately RM271.0 million for the financial year due to the reduction in sales to MAS. This was a result of the domestic route rationalisation which began in August 2006. However, this was mitigated by an increase in sales generated from other airlines such as Air Asia, Cathay Pacific Airways, Vietnam Airways, KLM Royal Dutch and China Southern Airlines. However, LSGB incurred higher operating overheads and finance costs, resulting in a decline in PBT to approximately RM36.8 million, representing a decrease of 12.6% compared to the previous financial year.

Nine (9) month period ended 30 September 2007

Turnover and PBT for the period was approximately RM205.9 million and RM26.4 million respectively.

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8. **DIRECTORS' REPORT ON THE BLH GROUP**

BRAHIM'S-LSG SKY CHEFS HOLDINGS SDN. BHD.

(Formerly known as **GUBAHAN SAUJANA SDN BHD**)

(Company No. 583216-P)

Lot 11 , Jalan P9B, Kawasan Perusahaan Bangi

43650 Bandar Baru Bangi

Tel: 603-8925 3719 Fax: 603-8926 2288

Date : 25 January 2008

TO : THE SHAREHOLDERS OF TAMADAM BONDED WAREHOUSE BERHAD

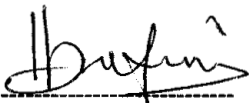
On behalf of the Board of Directors of Brahim's-LSG Sky Chefs Holdings Sdn Bhd ("**BLH**"), I wish to report that after making due enquiries for the period between 31 December 2006 (being the date up to which the last audited financial statements of BLH and its subsidiary have been made) and up to the date hereof (being a date not earlier than fourteen (14) days before the issue of this Circular) :-

- (i) the business of BLH and its subsidiary have, in the opinion of the Directors, been satisfactorily maintained;
- (ii) no circumstances have arisen since the last audited financial statements of BLH and its subsidiary which have adversely affected the trading or the value of the assets of BLH and its subsidiary;
- (iii) the current assets of BLH and its subsidiary appear in the books at values which are believed to be realisable in the ordinary course of business;
- (iv) there are no contingent liabilities that have arisen by reason of any guarantees given by BLH and its subsidiary; and
- (v) there have been no changes in the published reserves or any unusual factors affecting the financial position of BLH and its subsidiary since the last audited financial statements of BLH and its subsidiary.

Yours faithfully

For and on behalf of the Board of Directors

BRAHIM'S-LSG SKY CHEFS HOLDINGS SDN BHD



DATUK IBRAHIM BIN HAJI AHMAD
DIRECTOR