

**Brahim's Holdings Berhad**  
(Company No. 82731-A)  
(Incorporated in Malaysia)

**Interim Financial Report**  
**30 June 2014**

# Brahim's Holdings Berhad

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

## Statement Of Profit Or Loss And Other Comprehensive Income For The Financial Period Ended 30 June 2014

	Individual Quarter		Cumulative Quarters	
	3 months ended 30 June		6 months ended 30 June	
	2014 RM'000 (Unaudited)	2013 RM'000 (Unaudited)	2014 RM'000 (Unaudited)	2013 RM'000 (Unaudited)
<b>Continuing Operations</b>				
Revenue	92,336	98,248	184,809	185,627
Cost of Sales	(38,533)	(39,897)	(75,581)	(76,260)
<b>Gross Profit</b>	<b>53,803</b>	<b>58,351</b>	<b>109,228</b>	<b>109,367</b>
Other income	627	556	1,255	1,063
Administrative expenses	(41,202)	(38,812)	(81,716)	(81,035)
Other expenses	(4,148)	(2,575)	(5,825)	(4,493)
Finance costs	(2,909)	(3,122)	(5,945)	(6,518)
Share of results of jointly controlled entities	265	788	1,034	1,704
<b>Profit before taxation</b>	<b>6,436</b>	<b>15,186</b>	<b>18,031</b>	<b>20,088</b>
Income tax expense	(2,547)	(5,318)	(6,717)	(8,945)
<b>Profit after taxation</b>	<b>3,889</b>	<b>9,868</b>	<b>11,314</b>	<b>11,143</b>
<b>Profit attributable to:</b>				
- Owners of the Company	1,562	5,463	5,719	3,689
- Non Controlling Interest	2,327	4,405	5,595	7,454
	<b>3,889</b>	<b>9,868</b>	<b>11,314</b>	<b>11,143</b>
<b>Total comprehensive income attributable to:-</b>				
- Owners of the Company	1,562	5,463	5,719	3,689
- Non Controlling Interest	2,327	4,405	5,595	7,454
	<b>3,889</b>	<b>9,868</b>	<b>11,314</b>	<b>11,143</b>
<b>Earnings per share (sen) attributable to the owners of the Company</b>				
Basic	0.66	2.54	2.46	1.72
Diluted	N/A	N/A	N/A	N/A

# Brahim's Holdings Berhad

(Company No. 82731-A)

(Incorporated in Malaysia)

## Statement Of Financial Position At 30 June 2014

	As At 30.06.2014 RM'000 (Unaudited)	As At 31.12.2013 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	60,879	65,012
Investment in a Joint Venture	22,033	20,998
Intangible assets	2,571	225
Goodwill on consolidation	302,311	302,311
Deferred tax assets	-	-
	<u>387,794</u>	<u>388,546</u>
<b>Current Assets</b>		
Inventories	6,971	7,351
Trade receivables	113,299	78,969
Other receivables, deposits and prepayments	12,926	7,273
Tax recoverable	26,678	432
Amount owing by joint venture companies	59	42
Fixed deposits with a licensed bank	22,494	24,644
Cash and bank balances	13,539	29,007
	<u>195,966</u>	<u>147,718</u>
<b>TOTAL ASSETS</b>	<u>583,760</u>	<u>536,264</u>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity attributable to equity holders</b>		
Share capital	236,285	225,545
Share premium	31,981	17,818
Accumulated profit/(loss)	15,993	10,865
<b>Shareholders' Equity</b>	<u>284,259</u>	<u>254,228</u>
Non Controlling Interest	40,250	34,655
<b>Total Equity</b>	<u>324,509</u>	<u>288,883</u>
<b>Non-Current Liabilities</b>		
Long-term borrowings	139,595	88,218
Deferred tax liabilities	1,498	1,197
	<u>141,093</u>	<u>89,415</u>
<b>Current Liabilities</b>		
Trade payables	26,760	32,865
Other payables and accruals	31,290	53,457
Short-term borrowings	30,959	63,940
Provision for taxation	26,254	4,109
Bank overdrafts	2,895	3,595
	<u>118,158</u>	<u>157,966</u>
<b>Total Liabilities</b>	<u>259,251</u>	<u>247,381</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>583,760</u>	<u>536,264</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013.

# Brahim's Holdings Berhad

(Company No. 82731-A)  
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## Statement Of Changes In Equity For The Financial Period Ended 31 June 2014 (Unaudited)

	< Non - Distributable >		< Distributable >		Non-Controlling Interest RM'000	Total RM'000
	Share Capital	Share Premium	Retained profits	Total		
	RM'000	RM'000	RM'000	RM'000		
At 1 January 2014	225,545	17,818	10,865	254,228	34,655	288,883
Contribution by owner of the Company						
- Issuance of shares	10,740	14,381	-	25,121	-	25,121
- Share issuance expenses	-	(218)	-	(218)	-	(218)
Total comprehensive income	-	-	5,719	5,719	5,595	11,314
Dividends	-	-	(591)	(591)	-	(591)
At 30 June 2014	236,285	31,981	15,993	284,259	40,250	324,509
At 1 January 2013	214,805	13,372	(11,163)	217,014	(7)	217,007
Acquisition of remaining 49% equity interest in subsidiaries	-	-	-	-	26,343	26,343
Total comprehensive income	-	-	3,689	3,689	7,454	11,143
At 30 June 2013	214,805	13,372	(7,474)	220,703	33,790	254,493

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013.

# Brahim's Holdings Berhad

(Company No. 82731-A)

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## Statement Of Cash Flows For The Financial Period Ended 30 June 2014

	6 months ended	
	30.06.2014 (Unaudited) RM'000	30.06.2013 (Unaudited) RM'000
<b>Operating activities</b>		
Net Profit before tax	18,031	20,088
Adjustment for:-		
Allowance for impairment lossess on receivables	1,900	-
Amortisation of intangible assets	678	804
Bad-debt written off	45	-
Depreciation of property, plant and equipment	5,282	4,804
Financing charges	-	34
Loss/(Gain) on disposal of property, plant and equipment	48	-
Tax expense	6,717	-
Interest expense	5,790	6,518
Interest income	(662)	(479)
Property, plant and equipment write off	-	-
Share of profit in JV	(1,034)	(1,704)
Write-back of allowance for impairment lossess on receivables	(58)	-
Zakat	500	-
Operating profit before working capital changes	37,237	30,065
Decrease/(Increase) in inventories	380	(2,563)
Decrease/(Increase) in receivables	(47,495)	(21,361)
Increase/(Decrease) in payables	(19,341)	5,052
Cash used in operations	(29,219)	11,193
Interest paid	(5,790)	(6,518)
Interest received	662	479
Tax paid	(11,018)	(7,780)
<b>Net cash used to operating activities</b>	<b>(45,365)</b>	<b>(2,626)</b>
<b>Investing activities</b>		
Acquisition of subsidiaries (net of cash & cash equivalents)	-	(106,666)
Advance from/(to) JV	(18)	-
Dividends from JV	-	7,831
Proceed from disposal of property, plant and equipment	277	-
Purchase of intangibles assets	(56)	-
Purchase of plant and equipment	(4,442)	(2,250)
<b>Net cash used in investing activities</b>	<b>(4,239)</b>	<b>(101,085)</b>
<b>Financing activities</b>		
Dividend paid to non-controlling interest	-	(2,700)
Dividend paid to shareholders	(591)	-
Drawdown of bank borrowings	155,000	160,000
Proceed from issuance of share capital	25,121	-
Repayment of bank borrowings	(146,239)	(58,199)
Repayment of lease and hire-purchase	(387)	(242)
Share issue expenses	(218)	-
<b>Net cash generated from financing activities</b>	<b>32,686</b>	<b>98,859</b>
Net increase in cash and cash equivalents	(16,918)	(4,852)
<b>Cash and cash equivalents at the beginning of financial period</b>	<b>50,056</b>	<b>29,433</b>
<b>Cash and cash equivalents at the end of financial period</b>	<b>33,138</b>	<b>24,581</b>
<b>Cash, bank balances and fixed deposits with a licensed bank</b>	<b>36,033</b>	<b>28,314</b>
<b>Bank overdrafts</b>	<b>(2,895)</b>	<b>(3,733)</b>
	<b>33,138</b>	<b>24,581</b>

# **Brahim's Holdings Berhad**

(Company No. 82731-A)  
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## **Notes To The Interim Financial Report**

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### ***A Explanatory Notes Pursuant to MFRS134***

#### **1. Basis of preparation**

The condensed consolidated interim financial report is not audited and has been prepared in accordance with Malaysian Financial Reporting Standards (MFRS 134) "Interim Financial Reporting", paragraph 9.22 and appendix 9B of the Bursa Malaysia's Main Market Listing Requirements.

The condensed consolidated interim financial report complied with International Accounting Standards (IAS34) "Interim Financial Reporting." and should be read in conjunction with the annual financial report for the year ended 31 December 2013 which was presented in accordance with Financial Reporting Standards (FRS134) "Interim Financial Reporting."

#### **2. Changes in Accounting Policies**

The financial statements of the Group are prepared under the historical cost convention and modified to include other basis of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

##### **MFRSs and IC Interpretations (Including The Consequential Amendments)**

MFRS 10 Consolidated Financial Statements

MFRS 11 Joint Arrangements

MFRS 12 Disclosure of Interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 119 (2011) Employee Benefits

MFRS 127 (2011) Separate Financial Statements

MFRS 128 (2011) Investments in Associates and Joint Ventures

Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Annual Improvements to MFRSs 2009 – 2011 Cycle

The adoption of the above standards and amendments do not have significant impact on the financial performance of the Group.

# **Brahim's Holdings Berhad**

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## **Notes To The Interim Financial Report**

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### **3. Seasonal or cyclical factors**

The Group's operations were not significantly affected by any significant seasonal or cyclical factors during the quarter under review.

### **4. Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the quarter under review.

### **5. Nature and amount of changes in estimates**

No estimates were made for the current quarter.

### **6. Debt and equity securities**

No debt and equity securities were issued during the current quarter.

### **7. Dividends paid**

During the current quarter ended 30 June 2014, the first interim single tier dividend of 0.25 sen totalling of RM590,715 for the financial year ended 31 December 2013 was paid to shareholders on 26 May 2014.

# Brahim's Holdings Berhad

(Company No. 82731-A)  
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## Notes To The Interim Financial Report

### 8. Segmental reporting

	Individual Quarter 3 months ended 30 June		Cumulative Quarters 6 months ended 30 June	
	2014 RM '000 (Unaudited)	2013 RM '000 (Unaudited)	2014 RM '000 (Unaudited)	2013 RM '000 (Unaudited)
<b>Segment Revenue</b>				
Revenue from continuing operations:				
In-flight catering & related services	89,566	95,848	179,409	180,791
Logistics and related services	1,916	1,423	3,574	2,932
Trading and insurance agency	13	14	19	17
Food and beverage	783	963	1,667	1,887
Holding Company	58	-	140	-
Total revenue including inter-segment revenue	92,336	98,248	184,809	185,627
Elimination of inter-segment revenue				
Logistics and related services	-	-	-	-
Trading & insurance agency	-	-	-	-
Food and beverage	-	-	-	-
Holding Company	-	-	-	-
Total revenue from continuing operations	92,336	98,248	184,809	185,627
<b>Segment results</b>				
Results from continuing operations:				
In-flight catering & related services	10,418	19,533	25,684	33,719
Logistics and related services	310	101	573	154
Trading and insurance agency	54	(187)	(6)	(250)
Food and beverage	(438)	(619)	(786)	(1,174)
Sugar refinery	(80)	-	(225)	-
Holding Company	(1,184)	(1,308)	(2,298)	*(7,547)
Operating profits from continuing operations	9,080	17,520	22,942	24,902
Finance costs	(2,909)	(3,122)	(5,945)	(6,518)
Share of results from Joint Venture	265	788	1,034	1,704
Profit before taxation	6,436	15,186	18,031	20,088
Income tax expense	(2,547)	(5,318)	(6,717)	(8,945)
Profit after taxation	3,889	9,868	11,314	11,143

\* Included one-off acquisition non-recurring cost of RM4.4 million



# Brahim's Holdings Berhad

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## Notes To The Interim Financial Report

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### 9. Valuation of Property, plant and equipment

The valuation of land and buildings has been brought forward without amendment from the previous annual financial statements.

### 10. Material Events Subsequent to the End of Financial Year

The significant events of the Group from the end of previous quarter till the date of this quarterly report are disclosed in Appendix II note 7 on the status of corporate proposal of this report.

### 11. Changes in composition of the Group

There were no changes in composition of the Group during the quarter under review since the last annual balance sheet date.

### 12. Contingent Liabilities /Assets

There were no changes in contingent liabilities or assets during the quarter under review since the last annual balance sheet date.

### 13. Capital Commitments

	THE GROUP	
	2014	2013
	RM'000	RM'000
Approved and contracted for :-		
Property, plant and equipment	3,618	-
Intangible assets	-	-
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# Brahim's Holdings Berhad

(Company No. 82731-A)  
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## Notes To The Interim Financial Report

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### 14. Related Party Transactions

The related party transactions of the Group had been entered into in the ordinary course of business. Below are the significant transactions and balances with related parties of the Group during the current financial year.

	Transaction for the year/period ended	
	30.06.2014 RM '000	30.06.2013 RM '000
Transaction between holding company with its significant owners and joint venture		
Interest charges by Brahim's International Franchises Sdn. Bhd.	-	118
Advisory fees charged by IBH Investment Bank Limited	775	800
Management fees received from Dewina Host Sdn. Bhd.	(141)	(153)

### 15. Comparatives

The classifications of items in the current quarter have been consistent with the audited financial statements for the year ended 31 December 2013.

# **Brahim's Holdings Berhad**

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## **Interim Financial Report 30 June 2014**

Additional information required by the  
Bursa Malaysia's Main Market Listing Requirements

# **Brahim's Holdings Berhad**

(Company No. 82731-A)  
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## **Additional information required by the Bursa Malaysia's Listing Requirements**

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### ***B Selected Explanatory Notes to the Interim Financial Report (Part A of Appendix 9B of Bursa Malaysia's Main Market Listing Requirements)***

#### **1. Performance Analysis**

In second quarter of year 2014, the Group recorded a revenue of RM92.34 million which was 6.02% or RM5.91 million lower than the revenue of RM98.25 million in the same quarter last year.

The Group recorded a pre-tax earnings of RM6.44 million in the current quarter. The pre-tax earnings were lower by RM8.75 million or 57.60% compared to the pre-tax earnings of RM15.19 million in corresponding quarter of the previous year.

Performance of the respective operating segments are analysed as follow:-

#### **In-flight catering and related services**

The performance of in-flight catering and related services had shown a decline as compared to the corresponding quarter in the previous year. The revenue for the current quarter was lower by RM6.28 million or 6.28% closing at RM89.57 million compared with the revenue of RM95.84 million in the corresponding quarter of the previous year.

The in-flight catering segment results for the current quarter under review was also lower than corresponding quarter in the previous year. Current quarter's profit from operations was RM10.42 million which represented 46.65% or RM9.11 million lower than RM19.53 million profit from operations in the same quarter of the previous year.

#### **Food and Beverage**

Performance of food and beverage segment for this quarter was slightly better than the corresponding quarter in the previous year despite registering a lower revenue. Revenue for the current quarter was RM783,000 which was 18.69% or RM180,000 lower than the revenue of RM963,000 in corresponding quarter of the previous year.

Current quarter's net loss of RM438,000 for food and beverage segment was lower by RM181,000 from RM619,000 as compared with a corresponding quarter net loss in the previous year .

# **Brahim's Holdings Berhad**

(Company No. 82731-A)  
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## **Additional information required by the Bursa Malaysia's Listing Requirements**

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### **1. Performance Analysis (Cont'd)**

#### **Logistics and related services**

Current quarter's revenue contributed by logistics and related services segment closed at RM1.92 million which was RM500,000 or 35.21% higher as compared to RM1.42 million in the corresponding quarter of the previous year. The warehouse occupancy rate was maintained at a stable level.

Correspondingly profit has increased by RM209,000 or 206.93% at RM310,000 against a corresponding quarter profit of RM101,000 in the previous year.

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

Compared to the immediate preceding quarter's results, the Group's revenue has marginally decreased from RM92.47 million in the first quarter of 2014 to RM92.34 million in the second quarter of 2014.

The Group recorded a profit before tax of RM6.44 million for the current quarter as compared to profit before tax of RM11.60 million in the immediate preceding quarter. This represented a decrease of 44.48% or RM5.16 million.

### **3. Prospects**

The prospect outlook for the In-Flight Catering segment is expected to be sustainable due to normal increase in passenger load in second half of year 2014. Revenue from Malaysian Airline System Bhd (MAS) is expected to improve due to their aggressive price promotions. However, market reaction arising from the MH370 and MH17 incidents may impact MAS's flight demand and its looming restructuring exercise may also impact catering routes assigned to BAC. Revenue from other foreign airlines carriers are expected to improve.

The performance for Food and Beverage segment for the second quarter 2014 had shown marginal improvement. The losses are now being contained and management is working to turn this segment around.

## Brahim's Holdings Berhad

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### Additional information required by the Bursa Malaysia's Listing Requirements

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#### 3. Prospects (Continued)

Dewina Host Sdn Bhd continues to enlarge its business footprint in KLIA2. It was awarded the Premium Food Court and a Fast Food outlet located at the airside of International Departure Hall, KLIA2. The food court measuring 2,572 sq. meter will be offering nine (9) food concepts serving mainly Asian and International cuisines. Revenue is expected to improve steadily with the commencement of business in KLIA2 at the end of third quarter.

The logistics segment is expected to be maintained at a satisfactory level with stable demand for warehousing services.

#### 4. Profit forecast

No profit forecast was made.

#### 5. Statement on Revenue or Profit Estimate, Forecast, Projection or Internal Targets Previously Announced or Disclosed in a Public Document

Not applicable as the Group has not issued any profit forecast or profit guarantee.

#### 6. Taxation

	Individual Quarter 3 months ended 30 June		Cumulative Quarters 6 months ended 30 June	
	2014 RM'000 (Unaudited)	2013 RM'000 (Unaudited)	2014 RM'000 (Unaudited)	2013 RM'000 (Unaudited)
Current tax:				
-for the financial year	2,671	5,816	6,417	8,442
-under provision in previous financial year	-	-	-	-
Deferred tax:				
-for the current financial period	150	(498)	300	503
	<u>2,821</u>	<u>5,318</u>	<u>6,717</u>	<u>8,945</u>

The effective tax rate on the Group's profit before tax for the financial period ended 30 June 2014 is 37.2% which is higher than the statutory tax rate. This arises from the consolidated effects. Otherwise, the tax rate paid by subsidiaries is at 26%.

# Brahim's Holdings Berhad

(Company No. 82731-A)  
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## Additional information required by the Bursa Malaysia's Listing Requirements

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### 7. Status of corporate proposal

On 12 March 2014, Brahim's Holdings Berhad completed a Private Placement following the listing of and quotation for 10,740,250 Placement Shares on the Main Market of Bursa Malaysia Securities Berhad.

### 8. Borrowings

	<b>30.06.2014</b> <b>RM'000</b> <b>(Unaudited)</b>	<b>30.06.2013</b> <b>RM'000</b> <b>(Unaudited)</b>
<b>a) Short term borrowings</b>		
Secured		
- Term loans	20,792	48,718
- Hire purchase and lease payables	145	40
- Revolving credit	-	-
Unsecured		
- former shareholder of BACH	10,022	-
	-	-
	<u>30,959</u>	<u>48,758</u>
<b>b) Long term borrowings</b>		
Secured		
- Term loans	139,500	123,101
- Hire purchase and lease payables	95	271
	<u>139,595</u>	<u>123,372</u>
	<u>170,554</u>	<u>172,130</u>

The above borrowings are denominated in Ringgit Malaysia.

### 9. Changes in material litigation

The Group is not engaged in any material litigation as at the date of this report.

## Brahim's Holdings Berhad

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### Additional information required by the Bursa Malaysia's Listing Requirements

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#### 10. Dividend

- (a) (i) The Directors had declared an interim single tier dividend of 0.25 sen per share in respect of the financial year ended 31 December 2013,
- (ii) Amount per share : Single tier dividend of 0.25 sen;
- (iii) Entitlement date : Monday, 12 May 2014;
- (iv) Payment date : Monday, 26 May 2014.
- (b) The total dividend paid for the financial year ended 31 December 2013 was RM590,715.

#### 11. Basic earnings per share

		Individual Quarter		Cumulative Quarters	
		3 months ended		6 months ended	
		30/06/14	30/06/13	30/06/14	30/06/13
<b>Basic earnings per share</b>					
Net profit attributable to ordinary equity holders of the parent company	(RM'000)	1,562	5,463	5,719	3,689
Weighted average number of ordinary shares in issue	('000)	236,285	214,805	232,250	214,805
Basic earnings per share	(sen)	0.66	2.54	2.46	1.72

The calculation of basic earnings per share for the quarter to date is arrived at, by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares issued during the financial year.



## Brahim's Holdings Berhad

(Company No. 82731-A)  
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### Additional information required by the Bursa Malaysia's Listing Requirements

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#### 12. Audited report

The audited report for the financial year ended 31 December 2013 was not subject to any qualification.

#### 13. Notes to the Statement of Comprehensive Income

Profit before taxation is arrived at after charging/(crediting):-

	<b>Current Quarter 30.06.14 RM'000 (Unaudited)</b>	<b>Year To-Date 30.06.14 RM'000 (Unaudited)</b>
Interest expense	2,754	5,790
Depreciation and amortisation	2,949	5,925
Gain on disposal of plant and equipment	-	-
Interest income	<u>(312)</u>	<u>(662)</u>

#### 14. Realised and Unrealised Profits/(Losses) Disclosures

The retained profits as at 30 June 2014 and 31 December 2013 were analysed as follows:-

	<b>30/06/14 RM'000 (Unaudited)</b>	<b>31/12/13 RM'000 (Audited)</b>
Total accumulated profit/(losses) of the Company and its subsidiaries		
- Realised	53,425	52,483
- Unrealised	(5,752)	(8,785)
	<u>47,673</u>	<u>43,698</u>
Add: Consolidation Adjustments	(31,680)	(32,842)
Total group retained earnings as per consolidated statements	<u>15,993</u>	<u>10,856</u>

## **Brahim's Holdings Berhad**

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### **Additional information required by the Bursa Malaysia's Listing Requirements**

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#### **15. Authorisation for Issue**

The interim financial statement was duly approved by the Board of Directors at the board meeting held on 26 August 2014.